



City of Bloomington Common Council

Legislative Packet

20 March 2013

Regular Session

For legislation and background material regarding Ordinance 13-03, please see the [16 January 2013 Legislative Packet](#). All other material is contained herein.

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Packet Related Material

Memo

Agenda

Calendar

Notices and Agendas:

None

Legislation for Second Reading:

- **Ord 13-03** To Amend Title 15 of the Bloomington Municipal Code Entitled “Vehicles and Traffic” - Re: Authorizing the Expanded Use of Parking Meters in the Downtown and Related Changes
 - *Amendment[s] are anticipated*

Contact: Susie Johnson, 349-3411, johnsons@bloomington.in.gov

Please see the [Weekly Legislative Packet](#) prepared for the January 16th Regular Session for the legislation, summary and related materials.

Legislation and Background Material for First Reading:

- **Ord 13-08** An Ordinance Concerning the Current Refunding by the City of Bloomington, Indiana of Its Sewage Works Revenue Bonds of 2000, Series A Through C, and Sewage Works Refunding Revenue Bonds of 2003; Authorizing the Issuance of Sewage Works Refunding Revenue Bonds for such Purposes; Providing for the Collection, Segregation and Distribution of the Revenues of the Sewage Works and the Safeguarding of the Interests of the Owners of Said Sewage Works Refunding Revenue Bonds; Other Matters Connected Therewith; and Repealing Ordinances Inconsistent Herewith
 - **Introductory Material**
 - Memo from Financial Advisor

- **Ordinance**

- Exhibit A – Form Bond Purchase Agreement
- Exhibit B - Form of Escrow Agreement
- Exhibit C - Form of Continuing Disclosure Agreement

Contact: Vickie Renfrow at 349-3426 or renfrowv@bloomington.in.gov

Minutes from Regular Session:

- February 6, 2013
- March 6, 2013

Memo

One Ordinance Ready for Action Under Second Readings and One Ordinance Ready for Introduction at the Regular Session on Wednesday, March 20th

One ordinance is ready for action under second readings at the Regular Session next Wednesday. It is **Ord 13-03**, which proposes expansion of the downtown metered parking zone and related changes to Title 15 (Vehicles and Traffic), and was postponed for six weeks in order to give Council members more time to consider the issue and possible amendments to address emerging concerns. The ordinance, summary and related materials can be found online as indicated above. Amendments, which are anticipated, will be made available some time before the meeting Wednesday night.

In addition, there is an ordinance ready to be introduced that evening as well. It, along with supplementary information, is included in this packet and is summarized herein.

First Readings:

Item One – Ord 13-08 - Authorizing Issuance of New Sewage Works Revenue Bonds to Refund Prior Ones for \$1.2 Savings Over Period of Bonds

Ord 13-08 approves the issuance of up to \$22 million in sewage works revenue bonds to refund previous outstanding bonds from 2000 (Series A – C) and 2003 in order to save about \$1.2 Million (Net Present Value).

The ordinance is a very technical document that takes the steps necessary for the relevant financial interests to prepare and market up to \$22 million dollars worth of bonds for the City, which will be issued in parity¹ with the approximately \$36 million in other previously authorized bonds.² Given the complexity of bond ordinances, the City relies upon outside entities and experts to prepare the documents and shepherd the process. These entities and experts include:

- Bond Counsel – Dennis H. Otten of Bose McKinney & Evans, LLC
- Underwriter – David Wimmer of J.J.B Hilliard, W.L. Lyons, LLC (Hilliard/Lyons)
- Financial Advisor – Angie Steeno and Andrew Perry of Crowe Horwath, LLP

Estimated Savings (per Crowe Horwath Memo)

According a memo from our Financial Advisor, this refunding will involve the issuance of about \$20.5 million in bonds and use of about \$839,000 of other funds on hand³ and yield a savings of \$1.2 million in Net Present Value.⁴ The proceeds and funds on hand will go towards refunding the bonds, funding a reserve, and paying for the costs of issuance.⁵ The estimated savings will be comprised of two parts:

- \$788,000 - derived from the reduction in debt service (interest rate payments) due to the lower rate of interest on the new bond (projected to be between 1.15% - 3.55% per year) compared to the old bonds (ranging from 2.9% - 5.0% per year); and
- \$420,000 – derived from applying bond proceeds to fully fund the Debt Service Reserve (which is a certain amount of money required to be set aside to pay for bond obligations and currently involves a transfer of about \$19,000 per month).

The memo notes that the Financial Advisor’s policy is “to recommend a refunding if the NPV (of the savings) is at a minimum of three percent (3%) of the outstanding par amount of the Prior Bonds or if the dollar savings are significant.” In this case, that figure is estimated at 5.9%. That estimation assumes that the

¹ The phrase “in parity with” refers to the rights of bond holders.

² This figure is derived from fourth Whereas clause of Ord 13-08.

³ Other funds on hand typically include money set aside for the next payment on the refunded bonds which federal tax law requires be applied for that purpose. (Per Dennis Otten, Bond Counsel)

⁴ Net Present Value estimates the current value of a stream of revenue after expenses over a period of time.

⁵ The cost of issuance is estimated at \$251,495 which is the total for all bond issues and is inclusive of underwriter’s discount, legal & financial fees, rating agency fees and escrow trustee/paying agent fees and the printing of the Official Statements. (per Crowe-Horwath Memo and Ord 13-08)

escrow investments will include State and Local Government Securities (SLGS) and continuation of low interest rates (which, the memo notes, are “fluctuating rapidly”). In that regard, please note that the ordinance authorizes the Controller, with the advice of the financial advisor, not to refund bonds in the event it would not be economically advantageous to do so.

Contents of Ordinance

Please note that certain documents are attached to the ordinance and, in some instances, in substantially final form. These include:

- Form of Bond Purchase Agreement (Exhibit A) – which is between the Underwriter and the City;
- Form of Escrow Agreement – Re: Refunding Bonds (Exhibit B) – which is between the Escrow Trustee (The Bank of New York Mellon Trust Company, N.A.) and the City; and
- Form of Continuing Disclosure Agreement (Exhibit C) – which is executed by the City on behalf of bond holders.

The ordinance, in highlight:

- Sets the parameters of the bond by putting a limit on the denomination (\$5,000), amount (no more than \$22 million), interest (no more than 6% - but more likely in the range of 1.15% to 3.55%), annual debt service (as far as practicable at the same level as refunded bonds minus savings), maturity date (no later than January 1, 2025⁶) and redemption date (which can be no earlier than January 1, 2025⁷);
- Authorizes the City to use a registrar and paying agent to handle the bonds and, upon advice of its financial advisor, have them held in a central depository;
- Authorizes the Mayor, Controller, and, at times, the Clerk to execute and take other actions on behalf of the City regarding certain documents. These documents include the bonds, Official Statement, Escrow Agreement (for the refunded bonds) and Continuing Disclosure Undertaking Agreement (Exhibit C);

⁶ The 2000 Bonds Series A-C currently mature on January 1, 2021 and the 2003 Bonds currently mature on January 1, 2025.

⁷ Once issued, the City is locked-in to these bonds and has no option to redeem them at an earlier date. The option to redeem bonds early is common with bonds with a maturity date well into the future, but carries a premium.

- Pledges the Net Revenues of the Wastewater Utility towards payment of the bond obligations and requires the City to put the proceeds in certain accounts, use them for limited purposes, keep certain reserves, and invest the proceeds in a certain manner. *(Please note that this debt is not counted towards the debt limit imposed of municipalities by the State constitution);*
- Commits the City to take other actions in order to protect the bond holders including:
 - Setting rates sufficient to operate and maintain the system and meet bond obligations;
 - Keeping full and accurate financial records and using revenues for the proper and reasonable expenses for the operation, repair and maintenance of the sewage works, for meeting the requirements of the Sinking Fund,⁸ and paying the costs of replacements, extensions, additions and improvements;
 - Maintaining the sewage works in good condition and providing adequate insurance;
 - Not encumbering or disposing of parts of the wastewater system except replaceable parts and, in the event of SRF bonds, without consent of the Financial Authority;
 - Requiring the Utility to connect sewage disposers in the service district to the sewer lines;
 - Keeping the tax exempt status of the non-taxable bonds;
 - Obtaining the consent of 2/3's of the bondholders for certain amendments; and
 - Meeting certain tests before incurring additional debt which are in parity with outstanding bonds.

⁸ The Sinking Fund is one of the special funds and accounts the bond requires the City to maintain.



City of Bloomington
Office of the Common Council

To Council Members
From Council Office
Re Weekly Calendar – 18 – 22 March 2013

Monday, 18 March

12:00 pm Staff-Council Internal Work Session, McCloskey
12:00 pm Bloomington Entertainment and Arts District Advisory Committee, Hooker Room
5:00 pm Farmers' Market Advisory Council, Parks
5:00 pm Utilities Service Board, Finance Subcommittee, Utilities Board Room, 600 E. Miller
5:30 pm Bicycle and Pedestrian Safety Commission, Hooker Room
7:00 pm Bloomington/Monroe County Metropolitan Planning Organization – Public Workshop for 2035
Metropolitan Transportation Plan, Monroe County Public Library, 303 E. Kirkwood Ave., Room 1B.

Tuesday, 19 March

11:30 am Plan Commission Work Session, Kelley
3:00 pm Board of Public Safety, McCloskey
4:00 pm Certified Technology Park Master Plan - Presentation and Public Input Session, Council Chambers
5:30 pm Animal Control Commission, Dunlap
5:30 pm Commission on the Status of Children and Youth, Hooker Room
5:30 pm Jack Hopkins Social Services Funding - Technical Assistance Meeting, McCloskey
7:00 pm Bloomington/Monroe County Metropolitan Planning Organization – Public Workshop for 2035
Metropolitan Transportation Plan, Ellettsville Fire Station, 5080 W. State Road 46.

Wednesday, 20 March

9:30 am Tree Commission, Rose Hill
2:00 pm Hearing Officer, Kelly
4:00 pm Bloomington Arts Commission, Hooker Room
4:00 pm Board of Housing Quality Appeals, McCloskey
4:30 pm Bloomington Human Rights Commission Awards Ceremony for Essay & Art Contest, Council Chambers
5:30 pm Commission on the Status of Black Males, McCloskey
7:30 pm Bloomington Common Council – Regular Session, Council Chambers

Thursday, 21 March

8:00 am Bloomington Housing Authority Board of Directors, Community Room, 1007 N. Summit
5:15 pm Solid Waste Management District – Citizens' Advisory Council, McCloskey
5:30 pm Board of Zoning Appeals, Council Chambers
7:00 pm Environmental Commission, McCloskey

Friday, 22 March

No meetings are scheduled for this date.

All changes to meeting dates and times must be communicated to the Council Office by Thursday at Noon of the preceding week for inclusion in the Weekly Calendar.

Posted and Distributed: Friday, 15 March 2013

ORDINANCE 13-08

AN ORDINANCE CONCERNING THE CURRENT REFUNDING BY THE CITY OF BLOOMINGTON, INDIANA OF ITS SEWAGE WORKS REVENUE BONDS OF 2000, SERIES A THROUGH C, AND SEWAGE WORKS REFUNDING REVENUE BONDS OF 2003; AUTHORIZING THE ISSUANCE OF SEWAGE WORKS REFUNDING REVENUE BONDS FOR SUCH PURPOSES; PROVIDING FOR THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF THE SEWAGE WORKS AND THE SAFEGUARDING OF THE INTERESTS OF THE OWNERS OF SAID SEWAGE WORKS REFUNDING REVENUE BONDS; OTHER MATTERS CONNECTED THEREWITH; AND REPEALING ORDINANCES INCONSISTENT HEREWITH

Introductory Material

**Memo from Angie Steeno and Andrew Perry, Crowe Horwath LLC
(Financial Advisor)**



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To: Mr. Patrick Murphy and Members of the Utility Service Board (USB) of the City of Bloomington
From: Angie Steeno and Andrew Perry, Crowe Horwath LLP
Subject: Proposed Sewage Works Refunding Revenue Bonds of 2013 (the "Proposed Bonds") Summary
Date: February 13, 2013

Prior Bonds

Crowe Horwath LLP ("Crowe") has analyzed a refunding scenario provided by J.J.B Hilliard, W.L. Lyons, LLC (the "Underwriter") in regards to refunding the following four bond issues issued by the Bloomington Municipal Sewage Works (the "Sewage Works"): (1) Sewage Works Revenue Bonds of 2000, Series A; (2) Sewage Works Revenue Bonds of 2000, Series B; (3) Sewage Works Revenue Bonds of 2000, Series C (together, the "2000 Bonds"); and (4) Sewage Works Refunding Revenue Bonds of 2003 (the "2003 Bonds") (collectively, the "Prior Bonds").

The 2000 Bonds were issued by the Indiana State Revolving Fund at an interest rate of 2.9% and mature in 2021. The 2003 Bonds were issued by the Sewage Works at interest rates ranging from 4.1% to 5.0% and mature in 2025.

Proposed Bonds

The Proposed Bonds, if approved, will be issued in May 2013 for an amount not to exceed \$22 Million. (The current estimate is approximately \$20.2 Million as shown on the attached pages.) The Proposed Bonds will mature in 2025. The estimated yields on the Proposed Bonds range from a low of 1.15% to a high of 3.55%. All costs associated with the issuance of the Proposed Bonds will be paid out of bond proceeds. Such fees include but are not limited to Underwriter fees, financial advisory fees, bond counsel fees, rating agency fees, and trustee fees.

Estimated Savings

The results of our analysis show that the issuance of the Proposed Bonds and thus refunding of the Prior Bonds may result in achieving approximately 5.9% Net Present Value (NPV) savings which is equivalent to approximately \$1.2 Million. The savings amount includes debt service savings of approximately \$788K over the life of the Proposed Bonds and \$420K as a result of fully funding the Sewage Works' combined Debt Service Reserve (DSR) requirement (which takes into account all outstanding bonds of the Sewage Works). The Sewage Works has been making monthly transfers of approximately \$19K to fund the current combined DSR requirement. By fully funding the DSR requirement (with proceeds of the Proposed Bonds), the Sewage Works will no longer need to make these transfers.

Typically, it is Crowe's policy, consistent with recommended practices published by the Government Finance Officers Association, to recommend a refunding if the NPV is at a minimum of three percent (3%) of the outstanding par amount of the Prior Bonds, or if the dollar savings are significant. Under current market conditions, however, interest rates are fluctuating rapidly, and there can be no assurance until the refunding bonds are sold that the three percent (3%) threshold can be achieved. Additionally, the savings assume the escrow investments will include State and Local Government Securities (SLGS).

Should you have any questions, please contact Angie Steeno at 317.269.2367 or Andrew Perry at 317.269.2368.

SOURCES AND USES OF FUNDS

CITY OF BLOOMINGTON, INDIANA
SEWAGE WORKS REFUNDING REVENUE BONDS OF 2013

Dated Date 05/07/2013
Delivery Date 05/07/2013

Sources:	SERIES 2000A REFUNDING	SERIES 2000B REFUNDING	SERIES 2000C REFUNDING	SERIES 2003 REFUNDING	Total
Bond Proceeds:					
Par Amount	1,804,456.00	4,333,456.00	2,128,041.00	11,964,047.00	20,230,000.00
Net Premium/OID	18,505.40	44,358.16	21,888.55	256,631.68	341,383.79
	<u>1,822,961.40</u>	<u>4,377,814.16</u>	<u>2,149,929.55</u>	<u>12,220,678.68</u>	<u>20,571,383.79</u>
Other Sources of Funds:					
Funds on Hand	87,298.67	210,349.67	101,783.33	439,244.17	838,675.84
	<u>1,910,260.07</u>	<u>4,588,163.83</u>	<u>2,251,712.88</u>	<u>12,659,922.85</u>	<u>21,410,059.63</u>
Uses:					
Refunding Escrow Deposits:					
Cash Deposit	0.35	0.59	0.40	0.99	2.33
SLGS Purchases	1,850,364.00	4,444,323.00	2,181,076.00	12,260,811.00	20,736,574.00
	<u>1,850,364.35</u>	<u>4,444,323.59</u>	<u>2,181,076.40</u>	<u>12,260,811.99</u>	<u>20,736,576.33</u>
Other Fund Deposits:					
Debt Service Reserve	37,462.75	89,967.94	44,180.78	248,388.53	420,000.00
Delivery Date Expenses:					
Cost of Issuance	10,703.64	25,705.13	12,623.08	70,968.15	120,000.00
Underwriter's Discount	11,728.96	28,167.46	13,832.27	77,766.31	131,495.00
	<u>22,432.60</u>	<u>53,872.59</u>	<u>26,455.35</u>	<u>148,734.46</u>	<u>251,495.00</u>
Other Uses of Funds:					
Additional Proceeds	0.37	-0.29	0.35	1,987.87	1,988.30
	<u>1,910,260.07</u>	<u>4,588,163.83</u>	<u>2,251,712.88</u>	<u>12,659,922.85</u>	<u>21,410,059.63</u>

SAVINGS

CITY OF BLOOMINGTON, INDIANA
SEWAGE WORKS REFUNDING REVENUE BONDS OF 2013

Date	Prior Debt Service	Refunding Debt Service	Refunding Adjustments	Refunding Receipts	Refunding Net Cash Flow	Savings	Annual Savings	Present Value to 05/07/2013 @ 2.7516181%
05/07/2013			838,675.84	1,988.30	836,687.54	-836,687.54		-836,687.54
07/01/2013	407,513.75	82,963.13			82,963.13	324,550.62		323,222.92
01/01/2014	2,108,513.75	1,506,543.76			1,506,543.76	601,969.99	89,833.07	591,371.25
07/01/2014	378,379.25	264,243.76			264,243.76	114,135.49		110,604.23
01/01/2015	2,138,379.25	2,184,243.76			2,184,243.76	-45,864.51	68,270.98	-43,842.31
07/01/2015	348,179.25	245,043.76			245,043.76	103,135.49		97,250.20
01/01/2016	2,170,179.25	2,200,043.76			2,200,043.76	-29,864.51	73,270.98	-27,778.16
07/01/2016	316,840.25	225,493.76			225,493.76	91,346.49		83,811.88
01/01/2017	2,200,840.25	2,220,493.76			2,220,493.76	-19,653.51	71,692.98	-17,787.69
07/01/2017	280,544.75	205,543.76			205,543.76	75,000.99		66,959.47
01/01/2018	2,241,544.75	2,245,543.76			2,245,543.76	-3,999.01	71,001.98	-3,521.79
07/01/2018	242,607.75	180,043.76			180,043.76	62,563.99		54,350.16
01/01/2019	2,280,607.75	2,270,043.76			2,270,043.76	10,563.99	73,127.98	9,052.53
07/01/2019	203,029.25	153,918.77			153,918.77	49,110.48		41,512.79
01/01/2020	2,317,029.25	2,293,918.77			2,293,918.77	23,110.48	72,220.96	19,270.03
07/01/2020	161,823.75	121,818.76			121,818.76	40,004.99		32,904.34
01/01/2021	2,361,823.75	2,331,818.76			2,331,818.76	30,004.99	70,009.98	24,344.35
07/01/2021	118,793.75	88,668.75			88,668.75	30,125.00		24,110.01
01/01/2022	1,233,793.75	1,178,668.75			1,178,668.75	55,125.00	85,250.00	43,519.57
07/01/2022	90,918.75	69,593.75			69,593.75	21,325.00		16,606.98
01/01/2023	1,270,918.75	1,204,593.75			1,204,593.75	66,325.00	87,650.00	50,950.05
07/01/2023	61,418.75	49,731.25			49,731.25	11,687.50		8,856.35
01/01/2024	1,306,418.75	1,229,731.25			1,229,731.25	76,687.50	88,375.00	57,322.26
07/01/2024	30,293.75	20,231.25			20,231.25	10,062.50		7,419.43
01/01/2025	1,340,293.75	1,265,231.25			1,265,231.25	75,062.50	85,125.00	54,595.02
	25,610,686.00	23,838,169.55	838,675.84	1,988.30	24,674,857.09	935,828.91	935,828.91	788,416.33

SAVINGS

**CITY OF BLOOMINGTON, INDIANA
SEWAGE WORKS REFUNDING REVENUE BONDS OF 2013**

Savings Summary

PV of savings from cash flow	788,416.33
Plus: Refunding funds on hand	420,000.00
	<hr/>
Net PV Savings	1,208,416.33

ORDINANCE 13-08

AN ORDINANCE CONCERNING THE CURRENT REFUNDING BY THE CITY OF BLOOMINGTON, INDIANA OF ITS SEWAGE WORKS REVENUE BONDS OF 2000, SERIES A THROUGH C, AND SEWAGE WORKS REFUNDING REVENUE BONDS OF 2003; AUTHORIZING THE ISSUANCE OF SEWAGE WORKS REFUNDING REVENUE BONDS FOR SUCH PURPOSES; PROVIDING FOR THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF THE SEWAGE WORKS AND THE SAFEGUARDING OF THE INTERESTS OF THE OWNERS OF SAID SEWAGE WORKS REFUNDING REVENUE BONDS; OTHER MATTERS CONNECTED THEREWITH; AND REPEALING ORDINANCES INCONSISTENT HEREWITH

WHEREAS, the City of Bloomington, Indiana (the “City”) has heretofore established, constructed and financed its sewage works, and now owns and operates said sewage works pursuant to Indiana Code 36-9-23, as in effect on the issue date of the bonds authorized herein, and other applicable laws (the “Act”) (all references herein to the Indiana Code are designated hereafter as “IC” followed by the applicable code section or sections); and

WHEREAS, the Common Council of the City (the “Common Council”) finds that there are outstanding bonds of the sewage works payable out of the Net Revenues (as hereinafter defined) thereof designated as the (i) Sewage Works Revenue Bonds of 2000, Series A (the “2000A Bonds”), dated April 7, 2000, now outstanding in the aggregate principal amount of \$1,824,000 and maturing annually on January 1 over a period ending January 1, 2021; (ii) Sewage Works Revenue Bonds of 2000, Series B (the “2000B Bonds”), dated June 30, 2000, now outstanding in the aggregate principal amount of \$4,381,000 and maturing annually on January 1 over a period ending January 1, 2021; (iii) Sewage Works Revenue Bonds of 2000, Series C (the “2000C Bonds”), dated December 29, 2000, now outstanding in the aggregate principal amount of \$2,150,000 and maturing annually on January 1 over a period ending January 1, 2021; and (iv) Sewage Works Refunding Revenue Bonds of 2003 (the “2003 Bonds”), dated March 27, 2003, now outstanding in the aggregate principal amount of \$11,975,000 and maturing annually on January 1 over a period ending January 1, 2025, which 2000A Bonds, 2000B Bonds, 2000C Bonds and 2003 Bonds constitute a first charge on the Net Revenues of the sewage works, on a parity with the Outstanding Parity Bonds (as hereinafter defined); and

WHEREAS, the Common Council finds that the outstanding 2000A Bonds, 2000B Bonds, 2000C Bonds and 2003 Bonds (collectively, 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 Common Council finds that it is necessary to issue its sewage works refunding revenue bonds, in one or more series, in a combined aggregate principal amount not to exceed Twenty-Two Million Dollars (\$22,000,000) and to use the proceeds thereof, together with any available funds on hand, to currently refund the Refunded Bonds and to pay for all costs related to said refunding, including funding a reserve; and

WHEREAS, in addition to the Refunded Bonds, the Common Council finds that there are now outstanding bonds payable out of the Net Revenues of the City’s sewage works designated as the (i) Sewage Works Revenue Bonds of 2004 (the “2004 Bonds”), dated December 31, 2004, now outstanding in the aggregate principal amount of \$4,198,000 and maturing annually on January 1 over a period ending January 1, 2026; (ii) Sewage Works Revenue Bonds of 2006, Series A-1 (the “2006A-1 Bonds”), dated May 4, 2006, now outstanding in the aggregate principal amount of \$5,240,000 and maturing annually on

January 1 over a period ending January 1, 2027; (iii) Taxable Sewage Works Revenue Bonds of 2006, Series A-2 (the “2006A-2 Bonds”), dated May 4, 2006, now outstanding in the aggregate principal amount of \$1,100,000 and maturing annually on January 1 over a period ending January 1, 2017; (iv) Sewage Works Revenue Bonds of 2006, Series B (the “2006B Bonds”), dated June 29, 2006, now outstanding in the aggregate principal amount of \$2,718,380 and maturing annually on January 1 over a period ending January 1, 2027; (v) Sewage Works Revenue Bonds of 2006, Series C (the “2006C Bonds”), dated June 29, 2006, now outstanding in the aggregate principal amount of \$5,577,576 and maturing annually on January 1 over a period ending January 1, 2027; (vi) Sewage Works Refunding Revenue Bonds, Series 2012A (the “2012A Bonds”), dated April 10, 2012, now outstanding in the aggregate principal amount of \$6,290,000 and maturing annually on January 1 over a period ending January 1, 2029; (vii) Taxable Sewage Works Revenue Bonds, Series 2012B (the “2012B Bonds”), dated April 10, 2012, now outstanding in the aggregate principal amount of \$6,000,000 and maturing annually on January 1 over a period ending January 1, 2018; and (viii) Sewage Works Revenue Bonds, Series 2012C (the “2012C Bonds”), dated May 15, 2012, now outstanding in the aggregate principal amount of \$5,000,000 and maturing annually on January 1 over a period ending January 1, 2033, which 2004 Bonds, 2006A-1 Bonds, 2006A-2 Bonds, 2006B Bonds, 2006C Bonds, 2012A Bonds, 2012B Bonds and 2012C Bonds (collectively, the “Outstanding Parity Bonds”) constitute a first charge on the Net Revenues of the sewage works on a parity with the Refunded Bonds; and

WHEREAS, the ordinances authorizing the Outstanding Parity Bonds each authorize the issuance of additional bonds ranking on a parity with the Outstanding Parity Bonds provided certain financial conditions can be met (collectively, the “Parity Tests”); and

WHEREAS, the Common Council finds that the Parity Tests can be met with respect to the bonds to be issued pursuant to this ordinance and, accordingly, the bonds to be issued pursuant to this ordinance will constitute a first charge against the Net Revenues of the sewage works, on a parity with the Outstanding Parity Bonds, and 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 Utilities Service Board of the City (the “Board”) has considered the matter of the refunding of the Refunded Bonds and has adopted a resolution approving the same; and

WHEREAS, the Common Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of said sewage works refunding revenue bonds have been complied with in accordance with the provisions of the Act and IC 5-1-5, as amended; now, therefore,

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

SECTION 1. Authorization of Refunding of Refunded Bonds; Certain Defined Terms.

(a) The City proceed with the current refunding of the Refunded Bonds thereby reducing its interest payments and effecting a savings, as reported by the City’s financial advisor, Crowe Horwath LLP. The City shall apply any amounts held for the payment of debt service on the Refunded Bonds to the refunding as provided in Section 12(a).

(b) The terms “sewage works,” “sewage works system,” “works,” “system,” and words of like import where used in this ordinance shall be construed to mean and include the Treatment Works, as defined in Ordinance No. 05-35, as amended, of the City, and includes the existing sewage works system and all real estate and equipment used in connection therewith and appurtenances thereto, and all extensions, additions and improvements thereto and replacements

thereof now or at any time hereafter constructed or acquired. 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.

(c) The term “*Bond Insurers*” where used in this ordinance shall mean the providers, including their successors and assigns, of any municipal bond insurance policies or debt service reserve surety policies acquired by the City in connection with any of its Outstanding Parity Bonds, with such policies herein referred to as the “*Policies*”.

SECTION 2. Issuance of Bonds.

(a) The City shall issue its sewage works refunding revenue bonds in one or more series (collectively, the “Bonds”) in a combined aggregate principal amount not to exceed Twenty-Two Million Dollars (\$22,000,000). The Bonds shall be designated “Sewage Works Refunding Revenue Bonds, Series 201_ __”, to be completed with the year in which issued and appropriate series designation, if issued in more than one series, for the purpose of procuring funds to apply on (i) the current refunding of the Refunded Bonds, (ii) funding a reserve, and (iii) costs of issuance of the Bonds.

(b) Any sale and issuance of a series of Bonds which are not issued concurrently with the first series of Bonds hereunder shall be subject to the requirements established by Sections 18 and 19(d) of this ordinance.

(c) The Bonds shall be issued and sold at a price not less than 99% 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 with J.J.B. Hilliard, W.L. Lyons, LLC (the “Underwriter”). 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). The 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, 2025. The Bonds shall mature in such amounts (i) as will produce as level annual debt service as practicable taking into account the \$5,000 denominations of the Bonds, (ii) as will produce the same level of annual debt service as exists on the Refunded Bonds less the annual savings resulting from the refunding and taking into account the \$5,000 denominations of the Bonds, or (iii) as otherwise determined by the Controller with the advice of the City’s financial advisor.

(d) All or a portion of the Bonds may be issued as one or more term bonds, upon election of the Underwriter. 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.

(e) The Bonds will be payable solely out of and constitute a first charge against the Net Revenues (herein defined as gross revenues of the sewage works of the City after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) of the sewage works of the City, on a parity with the Outstanding Parity Bonds. Interest on the Bonds shall be calculated according to a 360-day calendar year containing twelve 30-day months.

(f) If, at the time of the sale of the Bonds the Controller determines, with the advice of the City’s financial advisor, that it would not be economically advantageous to the City to refund one or more series of the Refunded Bonds, such series of Refunded Bonds shall not be included in the refunding and shall remain outstanding. In such case, the term “Outstanding Parity Bonds” as defined herein shall be deemed to include such Refunded Bonds which have not been refunded with the Bonds and remain outstanding.

SECTION 3. Registrar and Paying Agent.

(a) The Board 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 Assistant Director of Finance of the sewage works 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 Assistant Director of Finance of the sewage works 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 Sewage Works Sinking Fund established to pay the principal of and interest on the Bonds as fiscal agency charges.

(b) The principal of the Bonds shall be payable at the principal office of the Paying Agent. 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 preceding each payment (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 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 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 \$5,000 denomination 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.

(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; Pledge of Net Revenues to 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 manual or facsimile signature of the Controller and attested by the manual or facsimile signature of 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 Bonds, and any bonds ranking on a parity therewith, as to both principal and interest, shall be payable from, secured by and shall constitute a first charge upon the Net Revenues of the sewage works of the City, hereby irrevocably pledged to the payment of the Bonds to the extent necessary for that purpose. The City shall not be obligated to pay said Bonds or the interest thereon except from the Net Revenues of said works, on a parity with the Outstanding Parity Bonds, and said Bonds shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution of the State of Indiana. The Bonds shall have all of the qualities and incidents of negotiable instruments under the laws of the State of Indiana, subject to the provisions for registration herein.

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 the Clerk of the City 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. R[_]-__

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF MONROE

CITY OF BLOOMINGTON

SEWAGE WORKS REFUNDING REVENUE BOND, SERIES 201_[_]

Maturity Date Interest Rate Original Date Authentication Date CUSIP

Registered Owner: Cede & Co.

Principal Sum:

The City of Bloomington, Indiana (the "City"), in Monroe County, State of Indiana, for value received, hereby promises to pay to the Registered Owner (named above) or registered assigns, solely out of the special revenue fund hereinafter referred to, 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 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, 201__, in which case it shall bear interest from the Original Date, which interest is payable semiannually on the first days of January and July of each year, beginning on _____ 1, 201__. Interest shall be calculated according to a 360-day calendar year containing twelve 30-day months.

The principal of 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 to the registered owner hereof, as of the fifteenth day of the month preceding such payment, 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.

THIS BOND SHALL NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY OF BLOOMINGTON, INDIANA, WITHIN THE MEANING OF THE PROVISIONS AND LIMITATIONS OF THE CONSTITUTION OF THE STATE OF INDIANA, AND THE CITY SHALL NOT BE OBLIGATED TO PAY THIS BOND OR THE INTEREST HEREON EXCEPT FROM THE SPECIAL FUND PROVIDED FROM THE NET REVENUES (AS HEREINAFTER DEFINED).

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 rates, 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 the current refunding of certain Refunded Bonds (as defined in the hereinafter defined Ordinance), [funding a reserve] and paying incidental expenses, as authorized by an Ordinance adopted by the Common Council of the City of Bloomington, Indiana, on the ___ day of _____, 2013, entitled "An Ordinance concerning the current refunding by the City of Bloomington, Indiana of its Sewage Works Revenue Bonds of 2000, Series A through C, and Sewage Works Refunding Revenue Bonds of 2003; authorizing the issuance of sewage works refunding revenue bonds for such purposes; providing for the collection, segregation and distribution of the revenues of the sewage works and the safeguarding of the interests of the owners of said sewage works refunding revenue bonds; other matters connected therewith; and repealing ordinances inconsistent herewith" (the "Ordinance"), and in strict compliance with the provisions of Indiana Code 36-9-23 (the "Act") and 5-1-5, each as in effect on the issue date of the Bonds.

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 affecting 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 payment of principal of and interest on the Refunded Bonds.

Pursuant to the provisions of said Act and said Ordinance, the principal and interest of this Bond and all other Bonds of said issue, and any bonds hereafter issued on a parity therewith, are payable solely from the Sewage Works Sinking Fund (continued by the Ordinance) to be provided from the Net Revenues (defined as the gross revenues of the sewage works of the City after the deduction only for the payment of the reasonable expenses of operation, repair and maintenance) of the sewage works of the City. The payment of this Bond ranks on a parity with the payment of the Outstanding Parity Bonds (as defined in the Ordinance). The City reserves the right to issue additional bonds on a parity with the Bonds of this issue, as provided in the Ordinance.

The City of Bloomington, Indiana irrevocably pledges the entire Net Revenues of said sewage works to the prompt payment of the principal of and interest on the Bonds authorized by said Ordinance, of which this is one, and any bonds ranking on a parity therewith, including the Outstanding Parity Bonds, to the extent necessary for that purpose, and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by said works as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of said works and for the payment of the sums required to be paid into said Sinking Fund under the provisions of the Act and the Ordinance. If the City or the proper officers of the City shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this Bond, the owner of this Bond shall have all of the rights and remedies provided for in the Act, including the right to have a receiver appointed to administer the works and to charge and collect rates sufficient to provide for the payment of this Bond and the interest hereon.

The City of Bloomington, Indiana further covenants that it will set aside and pay into its Sewage Works Sinking Fund a sufficient amount of the Net Revenues of said works to meet (a) the interest on all bonds which by their terms are payable from the revenues of the sewage works, as such interest shall fall due, (b) the necessary fiscal agency charges for paying the bonds and interest, (c) the principal of all bonds which by their terms are payable from the revenues of the sewage works, as such principal shall fall due, and (d) an additional amount to maintain the reserve required by the Ordinance. Such required payments shall constitute a first charge upon all the Net Revenues of said works, on a parity with the payment of the Outstanding Parity Bonds.

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 Common Council determines, in its sole discretion, that the amendment shall not adversely affect the rights of any of the owners of the Bonds.

The Bonds maturing in any one year are issuable only in fully registered form in the denomination of \$5,000 or 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.

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 in its corporate name by the manual or facsimile signature of the Mayor, countersigned manually or by facsimile by the Controller, its corporate seal to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile by the Clerk.

CITY OF BLOOMINGTON, INDIANA

Mayor

Countersigned:

Controller

[SEAL]

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

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; Refunding Escrow.

(a) The Controller 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.

(b) The Controller is hereby authorized and directed to deliver the Bonds to the Underwriter in accordance with an agreement for the purchase of the Bonds between the City and the Underwriter (the “Purchase Agreement”). The substantially final form of Purchase Agreement between the City and the Underwriter is attached hereto as Exhibit A and is hereby approved by the Common Council. The Mayor and the Controller 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 mandatory redemption features, if any.

(c) The Bonds, when fully paid for and delivered to the Underwriter, shall be the binding special revenue obligations of the City, payable out of the Net Revenues of the City’s sewage works, on a parity with the Outstanding Parity Bonds, to be set aside into the Sinking Fund as herein provided. 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, including the funding of a reserve, if necessary. 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.

(d) The preparation and distribution of an official statement (preliminary and final) prepared by Crowe Horwath LLP, 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”).

(e) 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 by the Common Council, and the Mayor and the Controller 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.

(f) The execution, by either the Mayor, the Controller, the Underwriter, the Escrow Trustee, 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.

(g) The Controller, with the advice of the City’s financial advisor, is hereby authorized to obtain one or more ratings for the Bonds if such rating or ratings will facilitate the sale of the Bonds.

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, 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. As an alternative to purchasing Government Obligations, the Controller, with the advice of the City’s financial advisor, may deposit cash proceeds of the Bonds and cash on hand with the Escrow Trustee in an amount sufficient to currently refund and legally defease the Refunded Bonds. 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.

With respect to the refunding of the 2000A Bonds, 2000B Bonds and 2000C Bonds (collectively, the “Refunded SRF Bonds”), in the event the holder thereof, the Indiana Finance Authority, agrees to accept immediate cash payment of an amount sufficient to refund the Refunded SRF Bonds on the date of delivery of the Bonds, the Controller shall provide such payment to the Indiana Finance Authority from proceeds of the Bonds and cash on hand to currently refund such Refunded SRF Bonds. In such case, the Controller shall obtain a verification of an accountant as to the required dollar amount necessary to be delivered to the Indiana Finance Authority to accomplish said refunding of the Refunded SRF Bonds as of the date of delivery of the Bonds.

(b) *Second*, if proceeds of the Bonds will be used to fund all or a portion of a reserve, the Controller shall transfer such proceeds to the Reserve Account of the Sinking Fund, as hereinafter described.

(c) *Third*, 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 Sinking Fund.

SECTION 10. Revenues.

All revenues derived from the operation of the sewage works and from the collection of wastewater and storm water rates and charges shall be aggregated and deposited as set forth in this ordinance. Of these revenues, the proper and reasonable expenses of operation, repair and maintenance of the sewage works shall be paid, the requirements of the Sinking Fund shall be met, and the costs of replacements, extensions, additions and improvements shall be paid.

SECTION 11. General Account.

(a) There is hereby continued an account known as the General Account (the "General Account"). All revenues of the sewage works shall be deposited in the General Account. The balance maintained in the General Account shall be sufficient to pay the expenses of operation, repair and maintenance for the then next succeeding two calendar months. The moneys credited to the General Account shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the sewage works on a day-to-day basis, including the reasonable legal and professional expenses not taken into account in the definition of Net Revenues, but none of the moneys in the General Account shall be used for depreciation, payments in lieu of taxes, replacements, improvements, extensions or additions. Any moneys in the General Account may be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal of or interest on the outstanding bonds of the sewage works.

(b) Moneys in the General Account shall be transferred from time to time to meet the requirements of the Sinking Fund. Moneys in excess of those transferred to the Sinking Fund may be transferred to the Sewage Works Improvement Fund or may be retained in the General Account, in the discretion of the Board, and in a manner consistent with the requirements of this ordinance. Moneys in excess of those required to be in the General Account and the Sinking Fund may also be used, in the discretion of the Board, for any other lawful purpose related to the sewage works. Notwithstanding the foregoing, in the event any amounts are due to the Bond Insurers under the Policies, any excess moneys after making all required transfers to the Sinking Fund shall first be used to pay such amounts.

SECTION 12. Sewage Works Sinking Fund.

There is hereby continued the sinking fund, designated as the Sewage Works Sinking Fund (the "Sinking Fund"), for the payment of the principal of and interest on all outstanding revenue bonds which by their terms are payable from the Net Revenues of the sewage works and the payment of any fiscal agency charges in connection with the payment of bonds. There shall be set aside and deposited in the Sinking Fund, as available, and as provided below, a sufficient amount of the Net Revenues of the sewage works to meet the requirements of the Bond and Interest Account and the Reserve Account hereby continued in the Sinking Fund. Such payments shall continue until the balances in the Bond and Interest Account and the Reserve Account equal the principal of and interest on all of the then outstanding bonds of the sewage works to their final maturity and provide for payment of all fiscal agency charges.

(a) Bond and Interest Account. Any moneys heretofore accumulated to pay principal of and interest on the Refunded Bonds shall be either (i) 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 or, with respect to any Refunded SRF Bonds which will be immediately refunded upon delivery of the Bonds, (ii) applied to the immediate payment of the Refunded SRF Bonds. There shall be credited on the last day of each calendar month to the Bond and Interest Account, hereby continued within the Sinking Fund, an amount of the Net Revenues equal to at least one-sixth (1/6) of the interest on all then outstanding bonds payable on the then next

succeeding interest payment date and at least one-twelfth (1/12) of the principal on all then outstanding bonds payable on the then next succeeding principal payment date, until the amount of interest and principal payable on the then next succeeding respective interest and principal payment dates shall have been so credited. There shall similarly be credited to the account any amount necessary to pay the bank fiscal agency charges for paying principal and interest on outstanding bonds as the same become payable. The City shall, from the sums deposited in the Sinking Fund and credited to the Bond and Interest Account, remit promptly to the registered owner or to the bank fiscal agency sufficient moneys to pay the interest one business day prior to the interest payment date and principal on the due date thereof together with the amount of bank fiscal agency charges.

(b) Reserve Account. There is hereby continued, within the Sinking Fund, the Reserve Account (the "Reserve Account"). On the date of delivery of the Bonds, funds on hand of the sewage works, Bond proceeds, or a combination thereof shall be deposited into the Reserve Account so that the balance therein shall equal but not exceed the maximum annual debt service on the Outstanding Parity Bonds and the Bonds (the "Reserve Requirement").

The Reserve Account shall constitute the margin for safety and protection against default in the payment of principal of and interest on the Outstanding Parity Bonds and the Bonds, and the moneys in the Reserve Account shall be used to pay current principal and interest on the Outstanding Parity Bonds and the Bonds to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. Any deficiency in the balance maintained in the Reserve Account shall be made up from the next available Net Revenues remaining after the credits to the Bond and Interest Account. In the event moneys in the Reserve Account are transferred to the Bond and Interest Account to pay principal and interest on the Outstanding Parity Bonds or the Bonds, then such depletion of the balance in the Reserve Account shall be made up from the next available Net Revenues after the credits to the Bond and Interest Account. Any moneys in the Reserve Account in excess of the Reserve Requirement shall, at the direction of the Board, be transferred to the General Account or be used for the purchase of Outstanding Parity Bonds or Bonds or installments of principal of fully registered Outstanding Parity Bonds or Bonds at a price not exceeding par and accrued interest.

SECTION 13. Sewage Works Improvement Fund.

As set forth in Section 11(b), revenues may be transferred or credited from the General Account to a fund designated the Sewage Works Improvement Fund, hereby continued (the "Improvement Fund"). The Improvement Fund shall be used for improvements, replacement, additions and extensions of the sewage works, and for payments in lieu of taxes. Moneys in the Improvement Fund shall be transferred to the Sinking Fund if necessary to prevent a default in the payment of principal and interest on the Outstanding Parity Bonds or the Bonds, or if necessary, to eliminate any deficiencies in credits to or minimum balance in the Reserve Account of the Sinking Fund. Moneys in the Improvement Fund may also be transferred to the General Account to meet unforeseen contingencies in the operation, repair and maintenance of the sewage works.

SECTION 14. Maintenance of Funds; Investments.

The Sinking Fund shall be deposited in and maintained as a separate account or accounts from all other accounts of the City. The General Account and the Improvement Fund may be maintained in a single account, or accounts, but such account, or accounts, shall likewise be maintained separate and apart from all other accounts of the City and apart from the Sinking Fund account or accounts. All moneys deposited in the accounts 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, subject to any investment restrictions contained in the Policies, and in the event of such investment the income therefrom shall become a part of the funds invested and shall be used only as provided in this ordinance.

SECTION 15. Maintenance of Books and Records.

The City shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected from said works and all disbursements made on account of the works, also all transactions relating to said works. There shall be furnished, upon written request, to any owner of the Bonds, the most recent audit report of the sewage works prepared by the State Board of Accounts. Copies of all such statements and reports shall be kept on file in the office of the Assistant Director of Finance of the sewage works. Any owner of the Bonds then outstanding shall have the right at all reasonable times to inspect the works and all records, accounts, statements, audits, reports and data of the City relating to the sewage works. Such inspections may be made by representatives duly authorized by written instrument.

SECTION 16. Rate Covenant.

The City covenants and agrees that it will establish and maintain just and equitable rates or charges for the use of and service rendered by the works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses said sewage works by or through any part of the sewage system of the City, or that in any way uses or is served by such works; at a level adequate to produce and maintain sufficient revenue (including user and other charges, fees, income or revenues available to the City) to provide for the proper and reasonable expenses of operation, repair and maintenance of the works, including Operation and Maintenance (as defined in Ordinance No. 05-35, as amended), to comply with and satisfy all covenants contained in this ordinance, the Policies and any Financial Assistance Agreement (as defined in Ordinance No. 05-35, as amended) and to pay all obligations of the sewage works and of the City with respect to the sewage works. Such rates or charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair and maintenance of the sewage works and the requirements of the Sinking Fund. The rates or charges so established shall apply to any and all use of such works by and service rendered to the City and all departments thereof, and shall be paid by the City or the various departments thereof as the charges accrue.

SECTION 17. 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 Net Revenues of the City's sewage works. Any amounts payable to the Bond Insurers under any of the Policies shall not be deemed paid pursuant to this Section 17 and shall continue to be due and owing hereunder until paid by the City in accordance with this ordinance.

SECTION 18. Additional Bond Provisions.

The City reserves the right to authorize and issue additional bonds payable out of the revenues of its sewage works ranking on a parity with the Bonds for the purpose of financing the cost of future additions, extensions and improvements to the sewage works, or to refund obligations, subject to the following conditions:

(a) All required payments into the Sinking Fund shall have been made in accordance with the provisions of this ordinance, and the interest on and principal of all bonds payable from the revenues of the sewage works shall have been paid to date in accordance with their terms. The Reserve Requirement shall be satisfied for the additional parity bonds either at the time of delivery of the additional parity bonds or over a five year or shorter period, in a manner which is commensurate with the requirements established in Section 12(b) of this ordinance.

(b) The Net Revenues of the sewage works in the fiscal year immediately preceding the issuance of any such bonds ranking on a parity with the Bonds shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the additional parity bonds proposed to be issued; or, prior to the issuance of said parity bonds, the sewage rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous year's operations would have produced net operating revenues for said year equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of all bonds payable from the revenues of the sewage works, including the additional parity bonds proposed to be issued. For purposes of this subsection, the records of the sewage works shall be analyzed and all showings prepared by a certified public accountant or nationally recognized financial consultant or consulting engineer employed by the City for that purpose.

(c) The interest on the additional parity bonds shall be payable semiannually on the first days of January and July and the principal on, or mandatory sinking fund redemptions for, the additional parity bonds shall be payable annually on the first day of January.

(d) So long as any of the Outstanding Parity Bonds are held by the Indiana Finance Authority through its Wastewater Revolving Fund Loan Program (the "SRF Program"), (i) the City obtains the consent of the Indiana Finance Authority, (ii) the City has faithfully performed and is in compliance with each of its obligations, agreements and covenants contained in the Financial Assistance Agreement and this ordinance, and (iii) the City is in compliance with its National Pollutant Discharge Elimination System permits, except for non-compliance for which purpose the bonds are issued, including refunding bonds issued prior to, but part of the overall plan to eliminate such non-compliance.

SECTION 19. Further Covenants.

For the purpose of further safeguarding the interests of the holders of the Bonds, it is specifically provided as follows:

(a) So long as any of the Bonds are outstanding, the City shall at all times maintain its sewage works in good condition and operate the same in an efficient manner and at a reasonable cost.

(b) So long as any of the Bonds are outstanding, the City shall maintain insurance on the insurable parts of the system, of a kind and in an amount such as is usually carried by private corporations engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. As an alternative to maintaining such insurance, the City may maintain a self-insurance program with catastrophic or similar coverage so long as such program meets the requirements of any applicable laws or regulations and is maintained in a manner consistent with programs maintained by similarly situated municipalities. All insurance or self-insurance proceeds shall be used either in replacing or restoring the property destroyed or damaged, or shall be deposited in the Sinking Fund.

(c) So long as any of the Bonds are outstanding, the City shall not mortgage, pledge or otherwise encumber the property and plant of its sewage works system, or any part thereof, and shall not sell, lease or otherwise dispose of any part of the same, excepting only such machinery, equipment or other property as may be replaced, or shall no longer be necessary for use in connection with said utility, and so long as any Outstanding Parity Bonds sold to the SRF Program are outstanding, the City shall obtain the prior written consent of the Indiana Finance Authority.

(d) So long as any of the Outstanding Parity Bonds sold to the SRF Program are outstanding, the City shall not borrow any money, enter into any contract or agreement or incur any other liabilities in connection with the sewage works, other than for normal operating expenditures, without the prior written consent of the Indiana Finance Authority if such undertaking would involve, commit or use the revenues of the sewage works.

(e) Except as hereinbefore provided in Section 18 hereof, so long as any of the Bonds are outstanding, no additional bonds or other obligations pledging any portion of the revenues of said sewage works shall be authorized, executed, or issued by the City except such as shall be made subordinate and junior in all respects to the Bonds, unless all of the Bonds are redeemed, retired or defeased pursuant to Section 17 hereof coincidentally with the delivery of such additional bonds or other obligations.

(f) The City shall take all actions or proceedings necessary and proper, to the extent permitted by law, to require connection of all property where liquid and solid waste, sewage, night soil or industrial waste is produced with available sanitary sewers. The City shall, insofar as possible, and to the extent permitted by law, cause all such sanitary sewers to be connected with said sewage works.

(g) The provisions of this ordinance shall constitute a contract by and between the City and the owners of the Bonds herein authorized, and after the issuance of said Bonds, this ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the owners of said Bonds nor shall the Common Council adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners so long as any of said Bonds or the interest thereon remain unpaid. Except for the changes set forth in Section 22 (a)-(g), this ordinance may be amended, however, without the consent of Bond owners, if the Common Council determines, in its sole discretion, that such amendment would not adversely affect the owners of the Bonds.

(h) The provisions of this ordinance shall be construed to create a trust in the proceeds of the sale of the Bonds herein authorized for the uses and purposes herein set forth, and the owners of the Bonds shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this ordinance and of said governing Act. The provisions of this ordinance shall also be construed to create a trust in the portion of the Net Revenues herein directed to be set apart and paid into the Sinking Fund for the uses and purposes of said fund as in this ordinance set forth. The owners of said Bonds shall have all of the rights, remedies and privileges set forth in the provisions of the governing Act, including the right to have a receiver appointed to administer the sewage works, in the event the City shall fail or refuse to fix and collect sufficient rates and charges for those purposes, or shall fail or refuse to operate and maintain said system and to apply properly the revenues derived from the operation thereof, or if there be a default in the payment of the interest on or principal of the Bonds.

(i) If the City shall fail to repay any amounts owing to a Bond Insurer under a Policy, such Bond Insurer shall be entitled to exercise any and all remedies available at law other than (i) acceleration of the maturity of the Outstanding Parity Bonds covered by such Policy or (ii) remedies which would adversely affect the holders of the Outstanding Parity Bonds or the Bonds.

SECTION 20. Investment of Funds.

The Controller is hereby authorized to invest moneys pursuant to IC 5-1-14-3 and the provisions of this ordinance (subject to applicable requirements of federal law to insure such yield is the then current market rate) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the Bonds under federal law. The Controller shall keep full and accurate records of investment earnings and income from moneys held in the funds and accounts continued or referenced herein. In order to comply with the provisions of the ordinance, the Controller is hereby authorized and directed to employ consultants or attorneys from time to time to advise the City as to requirements of federal law to preserve the tax exclusion. The Controller may pay any such fees as operating expenses of the sewage works.

SECTION 21. 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 sewage works 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. If the City enters into a management contract for the sewage works, 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.

SECTION 22. Amendments with Consent of Bondholders.

Subject to the terms and provisions contained in this Section and Section 19(g), 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 City of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the City 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 revenues of the sewage works 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) A reduction in the Reserve Requirement; or
- (g) 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 Controller 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.

SECTION 23. 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 24. 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 (b)(5) 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 25. Sewer Rate Ordinance.

The estimates of the rates and charges of the sewage works are set forth in Ordinance No. 11-13, adopted by the Common Council of the City on December 21, 2011, and such ordinance is incorporated herein by reference.

SECTION 26. Conflicting Ordinances.

All ordinances and parts of ordinances in conflict herewith, except the ordinances authorizing the Outstanding Parity Bonds, are hereby repealed; provided, however, that this ordinance shall not be construed as adversely affecting the rights of the owners of the Outstanding Parity Bonds or the Refunded Bonds.

SECTION 27. Headings.

The headings or titles of the several sections of this ordinance shall be solely for convenience or reference and shall not affect the meaning, construction or effect of this ordinance.

SECTION 28. 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 _____ day of _____, 2013.

By: _____
DARRYL NEHER, 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 _____, 2013.

REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this _____ day of _____, 2013.

MARK KRUZAN, Mayor
City of Bloomington

SYNOPSIS

This ordinance authorizes refunding by the City of Bloomington of its Sewage Works Revenue Bonds of 2000, Series A through C, and Sewage Works Refunding Revenue Bonds of 2003. It further authorizes the issuance of Sewage Works Refunding Revenue Bonds for such purposes, and provides for the collection, segregation and distribution of the revenues of the sewage works and the safeguarding of the interests of the owners of said sewage works refunding revenue bonds; other matters connected therewith; and repealing ordinances inconsistent herewith.

EXHIBIT A

Form of Bond Purchase Agreement

CITY OF BLOOMINGTON, INDIANA

\$ _____
SEWAGE WORKS REFUNDING REVENUE BONDS, SERIES 2013

BOND PURCHASE AGREEMENT

_____, 2013

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, _____, 2013.

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 Sewage Works Refunding Revenue Bonds, Series 2013 (the "Bonds"). The Bonds shall be dated as of the date of delivery, shall mature in such amounts, bear interest at such rates to their stated maturities and be subject to redemption 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 price, 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 of the Bonds, 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 _____, 2013 (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 (b)(5) 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 _____, 2013, 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 _____, 2013.

CITY OF BLOOMINGTON, INDIANA

By: _____
Mark Kruzan, Mayor

By: _____
Mike Trexler, Controller

SCHEDULE A

Designation: City of Bloomington, Indiana
Sewage Works Refunding Revenue Bonds, Series 2013

Principal Amount: \$_____

Dated: _____, 2013

Maturities and Interest Rates: Maturing annually on January 1, with interest payable semiannually on January 1 and July 1 of each year, commencing July 1, 2013, in the years and amounts and with interest rates, as shown below

<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price</u>
01/01/2014	\$	%	%
01/01/2015			
01/01/2016			
01/01/2017			
01/01/2018			
01/01/2019			
01/01/2020			
01/01/2021			
01/01/2022			
01/01/2023			
01/01/2024			
01/01/2025			

[* Term Bonds - Mandatory Sinking Fund Redemption

The Refunding Bonds maturing on January 1, 20__, are subject to mandatory sinking fund redemption prior to maturity on the dates and in the amounts set forth below at a price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption:

20__ Term Bond 1

<u>Date</u>	<u>Principal Amount</u>
01/01/20__	\$
01/01/20__	(final maturity)

Optional Redemption: The Bonds are not subject to optional redemption prior to maturity.

EXHIBIT B

Form of Escrow Agreement

ESCROW AGREEMENT

BETWEEN

THE

CITY OF BLOOMINGTON, INDIANA,

AND

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

As Escrow Trustee

SEWAGE WORKS REFUNDING REVENUE BONDS, SERIES 2013

Dated _____, 2013

ESCROW AGREEMENT

This agreement (the "Escrow Agreement") made and entered into as of _____, 2013, by and between the City of Bloomington, Indiana (the "City"), and The Bank of New York Mellon Trust Company, N.A. (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 City.

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 City or to relieve the City 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 City 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 adopted by the Common Council of the City on _____, 2013 (the "Ordinance"); and

WHEREAS, the City has heretofore issued, pursuant to Ordinance Nos. 98-30, 00-35 and 02-42 adopted by the Common Council of the City on September 2, 1998, September 13, 2000 and December 11, 2002, respectively (collectively, the "Refunded Bond Ordinances"), its (i) Sewage Works Revenue Bonds of 2000, Series A, dated April 7, 2000, now outstanding in the principal amount of \$1,824,000 (the "2000A Bonds"), (ii) Sewage Works Revenue Bonds of 2000, Series B, dated June 30, 2000, now outstanding in the principal amount of \$4,381,000 (the "2000B Bonds"), (iii) Sewage Works Revenue Bonds of 2000, Series C, dated December 29, 2000, now outstanding in the principal amount of \$2,150,000 (the "2000C Bonds"), and (iv) Sewage Works Refunding Revenue Bonds of 2003, dated March 27, 2003, now outstanding in the principal amount of \$11,975,000 (the "2003 Bonds", together with the 2000A Bonds, the 2000B Bonds and the 2000C Bonds, collectively, the "Refunded Bonds"); and

WHEREAS, the City has concurrently with the execution and delivery of this Escrow Agreement, executed, issued and delivered pursuant to the Ordinance, its Sewage Works Refunding Revenue Bonds, Series 2013 (the "2013 Bonds") in the principal amount of \$_____, and the City 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 of the City in the amount of \$_____ and (b) cash in the amount of \$_____ funded from

proceeds of the 2013 Bonds (the “Cash Requirement”), in a total amount sufficient to pay the Refunded Bonds from the date of delivery of the 2013 Bonds to _____, 2013, 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 2013 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 City 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 2013 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 City 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 _____, 2013, 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 City irrevocably instructs the Escrow Trustee to duly call the Refunded Bonds on or

before _____, 2013 for redemption on _____, 2013, and the Escrow Trustee hereby agrees to follow this instruction.

(b) The Escrow Trustee and the City agree to redeem on _____, 2013, all outstanding Refunded Bonds due on January 1, 2014 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 _____, 2013, 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 City and used by the City to pay debt service on the 2013 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 2013 Bonds by Crowe Horwath LLP (the "Verification Report").

3. The City covenants that the proceeds from the sale of 2013 Bonds, any moneys attributable to the proceeds of the 2013 Bonds or the Refunded Bonds, amounts received from the investment of the proceeds of the 2013 Bonds, any other amounts treated as proceeds of the 2013 Bonds under the applicable provisions of the Internal Revenue Code of 1986 as existing on the date of the issuance of the 2013 Bonds (the "Code"), to the extent applicable to the 2013 Bonds or held in funds or accounts under the Refunded Bond Ordinances or the Ordinance, shall not be invested or otherwise used in a manner which would cause the 2013 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 City). 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 City 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 2013 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 2013 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 City 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 City, provided, however, that the City 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 City 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 City.

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

Michael Trexler, Controller

[SEAL]

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

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
The Bank of New York Mellon Trust Company, N.A.,
as Escrow Trustee
Dated _____, 2013

SCHEDULE OF GOVERNMENT OBLIGATIONS

<u>Type</u>	<u>Maturity Date</u>	<u>Amount</u>	<u>Coupon Rate</u>
SLGS	__/__/2013	\$ _____	____%

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>
__/__/2013	\$20,330,000	\$_____	\$0.00	\$_____

EXHIBIT C

**NOTICE OF REDEMPTION TO THE HOLDERS OF THE
CITY OF BLOOMINGTON
SEWAGE WORKS REVENUE BONDS OF 2000, SERIES A
SEWAGE WORKS REVENUE BONDS OF 2000, SERIES B
SEWAGE WORKS REVENUE BONDS OF 2000, SERIES C
SEWAGE WORKS REFUNDING REVENUE BONDS OF 2003**

NOTICE IS HEREBY GIVEN to the registered owners of the (i) One Million Eight Hundred Twenty Four Thousand Dollars (\$1,824,000) in aggregate principal amount of Sewage Works Revenue Bonds of 2000, Series A, of the City of Bloomington, Indiana (the "City"), dated April 7, 2000, and maturing annually on January 1, 2014 through January 1, 2021, inclusive (the "2000A Bonds"), (ii) Four Million Three Hundred Eighty-One Thousand Dollars (\$4,381,000) in aggregate principal amount of Sewage Works Revenue Bonds of 2000, Series B, of the City, dated June 30, 2000, and maturing annually on January 1, 2014 through January 1, 2021, inclusive (the "2000B Bonds"), (iii) Two Million One Hundred Fifty Thousand Dollars (\$2,150,000) in aggregate principal amount of Sewage Works Revenue Bonds of 2000, Series C, of the City, dated December 29, 2000, and maturing annually on January 1, 2014 through January 1, 2021, inclusive (the "2000C Bonds") and (iv) Eleven Million Nine Hundred Seventy-Five Thousand Dollars (\$11,975,000) in aggregate principal amount of Sewage Works Refunding Revenue Bonds of 2003, of the City, dated March 27, 2003, and maturing annually on January 1, 2014 through January 1, 2025, inclusive (the "2003 Bonds"), that the 2000A Bonds, the 2000B Bonds, the 2000C Bonds and the 2003 Bonds (collectively, the "Refunded Bonds") will be redeemed on _____, 2013, at the price of one hundred percent (100%) of the par amount thereof (the "Redemption Price"), plus accrued and unpaid interest to _____, 2013.

Payment of the Redemption Price of and accrued interest on the Refunded Bonds will be made upon presentation and surrender of the Refunded Bonds at the corporate trust operations office of The Bank of New York Mellon Trust Company, N.A. (the "Escrow Agent").

The Refunded Bonds will cease to bear interest on _____, 2013, whether or not presented for payment on that date.

IMPORTANT: Withholding of 28% of gross redemption proceeds of any payment made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act") unless the Escrow Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your Refunded Bonds for payment.

Dated this ____ day of _____, 2013.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

Mail to registered owners at least thirty (30) days prior to _____, 2013.

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 CITY OF BLOOMINGTON, INDIANA (the “Obligor” or “Issuer”), in connection with the issuance by the Obligor of its Sewage Works Refunding Revenue Bonds, Series 2013 in the aggregate principal amount of \$_____ (the “Bonds”). The Bonds are being issued pursuant to Indiana Code 5-1-5 and 36-9-23, each as amended, and Ordinance No. _____, adopted _____, 2013 by the Common Council of the Issuer (the “Ordinance”) (collectively, the “Bond Proceedings”). Pursuant to the Ordinance, the Bonds will be secured by the Net Revenues (as defined in the Ordinance) of the sewage works of the Issuer, on a parity with the Outstanding Parity Bonds (as defined in 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 Underwriter in complying with subsection (b)(5) 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.

“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” means the Electronic Municipal Market Access system at www.emma.msrb.org, created and operated by the MSRB.

“GAAP” shall mean generally accepted accounting principles, as such principles are prescribed, in part, by the Financial Accounting Standards Board and modified by the Governmental Accounting Standards Board and in effect from time to time.

“Listed Events” shall mean any of the events listed in Section 5(a) and (b) 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.

“National Repository” shall mean any nationally recognized municipal securities information repository for purposes of the Rule. 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 _____, 2013.

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

“Repository” shall mean the National Repository and the 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. Each year, the Obligor shall provide, or shall cause the Dissemination Agent to provide, not later than the date six months after the first day of the Obligor's fiscal year, commencing with the Obligor's Annual Report for its fiscal year ended December 31, 2013 to the MSRB through EMMA an Annual Report for the preceding fiscal year which is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than fifteen business days (or such lesser number of days as is acceptable to the Dissemination Agent) prior to said date, the Obligor shall provide the Annual Report to the Dissemination Agent (if other than the Obligor). Currently, the Obligor's fiscal year commences on January 1. In each case, the 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; provided, however, that if the audited financial statements of the Obligor are not available by the deadline for filing the Annual Report, they shall be provided when and if available, and unaudited financial statements in a format similar to the audited financial statements then most recently prepared for the Obligor or in the form provided by the State on an annual basis shall be included in the Annual Report.

b. If the Obligor is unable to provide an Annual Report by the date required in subsection (a), the Obligor shall send a notice, in a timely manner, to the MSRB through EMMA, in substantially the form attached as **Exhibit A**.

c. If the Obligor's fiscal year changes, the Obligor shall send notice of such change to the MSRB through EMMA, in substantially the form attached as **Exhibit B**.

d. Whenever any Annual Report or portion thereof is filed as described above, it shall include a cover sheet in substantially the form attached as **Exhibit C**.

e. The Dissemination Agent shall, if the Dissemination Agent is other than the Obligor, 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.

f. 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 fiscal years, as may be required by State law, immediately preceding the due date of the Annual Report and shall include (i) the Audit or Examination Report of the Obligor as prepared and examined by the Indiana State Board of Accounts for such period, together with the opinion of such

accountants and all notes thereto and (ii) unaudited financial information of the Obligor, if the information in (i) is not 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 due date of the Annual Report for such fiscal year. The Obligor's financial statements shall be audited and prepared in accordance with GAAP with such changes as may be required from time to time in accordance with State law or shall be audited (only if required by State law) and prepared in accordance with State law.

b. An update of the financial information and operating data relating to the Obligor of the same nature as that contained in Appendix A of the Official Statement under the heading "DESCRIPTION OF THE SEWAGE WORKS".

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 shall disclose the following events to the MSRB through EMMA, within 10 business days of the occurrence of any of the following events, if material (which determination of materiality shall be made by the Obligor in accordance with the standards established by federal securities laws):

- (1) non-payment related defaults;
- (2) modifications to rights of Bondholders;
- (3) bond calls;
- (4) release, substitution or sale of property securing repayment of the Bonds;
- (5) the consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the obligated person, or entry into or termination of a definitive agreement relating to the foregoing; and
- (6) appointment of a successor or additional trustee or the change of name of a trustee.

b. The Obligor shall disclose the following events to the MSRB through EMMA, within 10 business days of the occurrence of any of the following events, regardless of materiality:

- (1) principal and interest payment delinquencies;

- (2) unscheduled draws on debt service reserves reflecting financial difficulties;
- (3) unscheduled draws on credit enhancements reflecting financial difficulties;
- (4) substitution of credit or liquidity providers, or their failure to perform;
- (5) defeasances;
- (6) rating changes;
- (7) adverse tax opinions or events affecting the status of the Bonds, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material events, notices or determinations with respect to the tax status of the Bonds;
- (8) tender offers; and
- (9) bankruptcy, insolvency, receivership or similar event of the obligated person.

The disclosure may be accompanied by a certificate of an authorized representative of the Obligor in the form of **Exhibit D** attached hereto.

c. If the Obligor determines that the occurrence of a Listed Event must be filed as set forth above, the Obligor shall promptly cause a notice of such occurrence to be filed with the MSRB through EMMA, together with a cover sheet in substantially the form attached as **Exhibit C**. In connection with providing a notice of the occurrence of a Listed Event described above in subsection (b)(5), 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 (b)(6) 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.

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 MSRB through EMMA.

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), (b), (c), 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 Bond Ordinance for amendments to the Bond 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.

c. If the Amendment results in a change to the accounting principles to be followed in preparing financial statements as set forth in Section 4 of this Disclosure Agreement, the Annual Report for the year in which the change is made shall include a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of such differences and the impact of the changes on the presentation of the financial information. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in accounting principles shall be sent by the Obligor, or the Dissemination Agent (if other than the Obligor) at the written direction of the Obligor, to the MSRB through EMMA.

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 Bondholder 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 Obligor, the Dissemination Agent, the Participating Underwriter, 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.

Signature Page to Continuing Disclosure Undertaking Agreement

CITY OF BLOOMINGTON, INDIANA

By: _____
Mark Kruzan, Mayor

ATTEST:

Michael Trexler, Controller

Dated: _____, 2013.

EXHIBIT A

NOTICE TO THE NATIONAL REPOSITORY AND
TO THE STATE REPOSITORY, OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer/Obligor: City of Bloomington, Indiana

Name of Bond Issue: Sewage Works Refunding Revenue Bonds, Series 2013

Date of Bonds: _____, 2013

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of its Continuing Disclosure Undertaking Agreement with respect to the Bonds. The Obligor anticipates that the Annual Report will be filed by _____.

CITY OF BLOOMINGTON, INDIANA

By _____

Its _____

Dated: _____

EXHIBIT B

NOTICE TO THE NATIONAL REPOSITORY AND
TO THE STATE REPOSITORY, OF CHANGE IN OBLIGOR'S FISCAL YEAR

Name of Issuer/Obligor: City of Bloomington, Indiana

Name of Bond Issue: Sewage Works Refunding Revenue Bonds, Series 2013

Date of Bonds: _____, 2013

NOTICE IS HEREBY GIVEN that the Obligor's fiscal year has changed. Previously the Obligor's fiscal year ended on December 31. It now ends on _____.

CITY OF BLOOMINGTON, INDIANA

By _____

Its _____

Dated: _____

EXHIBIT C

**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: City of Bloomington, Indiana

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 the Obligated Person, or its agent to distribute this information publicly:

Signature: _____

Name: _____ Title _____

Employer: _____

Address: _____

City, State, Zip Code: _____

Voice Telephone Number: _____

2296536v1

EXHIBIT D
CERTIFICATE RE: MATERIAL EVENT DISCLOSURE

The undersigned, on behalf of the City of Bloomington, Indiana, as Obligor under the Continuing Disclosure Undertaking Agreement, dated _____, 2013 (the "Agreement"), hereby certifies that the information enclosed herewith constitutes notice of the occurrence of a material event which is required to be provided pursuant to Section 5 of the Agreement.

Dated: _____

CITY OF BLOOMINGTON, INDIANA

By: _____

Name: _____

Title: _____

In the Council Chambers of the Showers City Hall on Wednesday, February 6, 2013 at 7:30 pm with Council President Darryl Neher presiding over a Regular Session of the Common Council.

COMMON COUNCIL
REGULAR SESSION
February 6, 2013

Roll Call: Mayer, Neher, Rollo, Ruff, Sandberg, Spechler, Volan (8:18 pm), Granger, Sturbaum
Absent: none

ROLL CALL

Council President Neher gave the Agenda Summation.

AGENDA SUMMATION

There were no minutes for approval at this meeting.

APPROVAL OF MINUTES

Marty Spechler said there was a recent report that the enrollment of Indiana University was slightly less than in previous years. He expressed his preference for fewer students at IU so that current students could benefit from the reduction. He noted the fact that the enrollment at IU was 6% larger than it was 6 years ago which caused higher rents in Bloomington and difficulty for students getting the classes they needed to graduate.

REPORTS
COUNCIL MEMBERS

Tim Mayer said he appreciated that the days were getting a little longer and that we'd all feel better with a little sunshine.

Andy Ruff reported on an editorial that appeared in the Memphis, Tennessee *Commercial Appeal*, a major publication in West Tennessee. He read portions of a guest column written by the Commissioner of the Tennessee Department of Transportation. He said that that state was in the same position that Indiana was in regarding the I-69 highway. The column noted the absence of federal funding, earmarks and promises of funding for the highway and the necessary bridges for river crossings involved in this highway. He said that several states would need to use their state funds to complete the work. He said that Tennessee had just stopped the highway work because the money needed would take up the transportation funding for the entire state. Ruff said that the completion of an entire corridor for travel was touted as the economic benefit for the highway, and now the states were left with bits and pieces constructed. He said that in Indiana, 40% of all traditional funding for the entire state would be taken up by the project. He said he would continue to advocate, as gas taxes decline and infrastructure crumbles, to not spend money on the highway.

Darryl Neher reported on legislation that would disenfranchise college students in the state of Indiana. He spoke about a bill that would take away the right of communities to enforce a property maintenance code, and also a bill that would take away cable franchise fees from local communities. He urged folks to take note of these issues and follow them.

Paula McDevitt, Recreation Services Director in the Parks and Recreation Department noted an upcoming program *Weight of the Nation* and noted co-sponsor representatives Nancy Parker, Monroe County YMCA Achieve Coach, and Molly Packard, Achieve coordinator. She said that the Active Living Coalition and Nancy Kalina Safe Space Life Coaching were also involved in the effort. She explained the format of the four film series/two day program that emphasized healthy choices for all the sectors of the community.

The MAYOR AND CITY OFFICES

There were no reports from council committees at this meeting.

COUNCIL COMMITTEES

Toby Myers, Nashville, spoke about the Brown County Junior High School group that won the state competition for *We the People: The Citizen and the Constitution Program*. He said his son and 21 other students were going to compete at the *We the People* Middle School National Finals in May at George Mason University in Washington, DC. Teacher Michael Potts spoke about the program, civic engagement, and the students' fundraising efforts and then three students spoke.

PUBLIC

Marc Haggerty talked about the land he would lose to the I-69 highway and said the remuneration for it was not enough. He said that others were offered more money for their land.

Gabe Rivera and friend played guitars and sang about ending the drug war and deaths associated with that effort.

Daniel McMullin spoke about gun control saying that the more gun control measures were added, the more violence would be seen.

Glen Carter spoke about a march he participated in that ended at City Hall, and was addressed by the Chief of Police who spoke of a code of conduct for homeless residents. Carter said that more wealthy citizens should also have to sign on to a code of conduct that would not allow them to panhandle to legislative bodies for special tax breaks or government contracts. He asked that the wealthy citizens not cringe at the sight of the poorest citizens.

Lisa Marie Napoli brought students from her Making Public Decisions class to the meeting. She noted the national protest of the Keystone Pipeline and asked if the council could support the effort of the protest with a resolution. Her student Cody Billingsly said he was greatly concerned about Indiana HB1311 and its clause about students who pay out of state tuition being prohibited from registering to vote in Indiana.

Jennifer Mickel said she was a Republican conservative and former candidate for city council and spoke about the MCCSC school calendar.

There were no appointments at this meeting.

It was moved and seconded that Resolution 13-03 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis saying that there was no committee recommendation on this item, but that it was legislation to confirm a resolution that was previously approved by the council. She noted *that the public comment segment of deliberation would constitute the required public hearing on this legislation.*

It was moved and seconded that Resolution 13-03 be adopted.

Danise Alano Martin noted the presence of the new Assistant Director of Economic Development and Sustainability for small businesses, Jason Carnes.

She introduced the petitioner, Hoosier Energy Rural Electric Cooperative and noted their desire to build headquarters on the property described in the resolution. She reviewed the request for tax abatement on the improvements on this property. She noted the finding that the TIF would not be harmed by this abatement, and also talked about the benefits of the project, including new tax revenue. She said this was the final legislative step in the process. She asked for the council's approval of the resolution.

Spechler asked if there was a check on the company's promise to provide jobs when a tax abatement was awarded. Alano Martin said that each year the company was required to provide a compliance form. She said the annual report from her office to the council provided details of the performance of each company in this regard.

Larry Jacobs, Chamber of Commerce, said he reaffirmed his previous comments about the merits of the tax abatement. He encouraged support of this measure.

Jennifer Mickel, Republican Conservative, said that she supposed that the city would not need the taxes that this project would provide if not for this abatement. She said the council was pretending that Hoosier Energy would close their doors if the abatement was not given. She said this was costing the city a lot.

APPOINTMENTS TO BOARDS AND COMMISSIONS

LEGISLATION FOR SECOND READING AND RESOLUTIONS

Resolution 13-03 To Confirm Resolution 13-02 which Designated an Economic Revitalization Area, Approved a Statement Of Benefits, and Authorized a Period of Tax Abatement - Re: Tech Park Blvd, Schmaltz Blvd, Lots 1, 6, 7, 8, 10, 11, 12, 13, Mill Creek PUD (Hoosier Energy Rural Electric Cooperative, Inc, Petitioner)

Resolution 13-03 (cont'd)

Council Comments:

Spechler said he would explain the benefits of the tax abatement to people who had not had the perspective that he did from attending all the meetings and presentations on this issue. He said that tax abatements were to attract businesses and the kinds of jobs we wanted in the community. He said that those people who have the jobs would shop, do business and pay taxes in the community. He added that from the start the company would be paying taxes to the city and to the state, and the benefits to their being on that property was enormous.

Sturbaum noted that the council found out that there was competition for having the business locate in Bloomington. He said the tax abatement was a tool to keep this company in the community. He used the rationale that the company would be paying full taxes after 10 years. He expressed his support.

Mayer noted that there had been two meetings before this and that this legislation was a confirmation of the previous legislation. He said it was a good project and that he was supporting it.

Volan noted that he was late to the meeting because he had been in Indianapolis to testify on the house bill previously mentioned. He noted that everything that came before the council should be questioned, and scrutinized. He said he had previously scrutinized the proposed legislation but thought it was a good idea. He noted that questions asked during these meetings should not be taken as criticism, but careful consideration. He noted, in response to a statement from a speaker from the public regarding checking on the tax abatement promises from the company, that the council would review all the tax abatements in June.

Sandberg said we needed good jobs in the community, and said that the employer who paid \$46 per hour was desirable. She said that internships would result from this proposal and she expressed her support for the tax abatement.

Resolution 13-03 received a roll call vote of Ayes: 9, Nays: 0

It was moved and seconded that Ordinance 13-03 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, giving the committee recommendation of do pass 3-0-6.

It was moved and seconded that Ordinance 13-03 be adopted.

Ordinance 13-03 To Amend Title 15 of the Bloomington Municipal Code Entitled "Vehicles and Traffic" - Re: Authorizing the Expanded Use of Parking Meters in the Downtown and Related Changes

Mayer moved to postpone consideration of Ordinance 13-03 (until no later than the regular session on March 20, 2013) after a brief public comment period that would allow limited public comment (which would be subject to a second motion). The motion was seconded by Granger.

Neher asked for questions regarding the motion.

MOTION TO POSTPONE

Sandberg asked why the March 20th date was chosen, adding that it might be too quick to consider this issue. Neher said it allowed for six weeks of consideration, but that date was open for discussion.

Neher asked for comments regarding the motion to postpone consideration of Ordinance 13-03.

Spechler said he was in favor of parking meters downtown because the current supply of parking would be reduced by new building and new downtown residents. He added that the council needed to deal with considerations for the future, even if the present situation was tolerable. He said he would vote for postponement because he felt that some loose ends needed to be tied up. He said he would vote yes on this when it came up in March.

Sturbaum said the postponement was respectful of the public, and that the council should take time to make sure the decision and details were right.

MOTION TO POSTPONE (*cont'd*)

Volan noted that people were not aware of the meter types that the city was thinking of using. He said he used advanced meter technology on this very day in another city, and was able to extend that meter time with his cell phone when he was delayed in a meeting. He said he was happy to take more time to make sure that everyone understood the issue before the vote.

Rollo said there were many facets to the parking issue which included revenue, garage parking, and parking spaces on the street. He said he would rather keep the date for a final discussion on this item open ended. He said he would not be voting for the motion to postpone for that reason.

Volan wondered if the proposal could be postponed again if it was needed. Dan Sherman, Council Attorney/Administrator said it would take a simple majority to accomplish that.

Rollo stated again, it was too soon for citizens to have a full grasp of the complicated issue including city revenue issues, and argued again for leaving the date open.

Neher said that after the last meeting many proposals and concerns arose, and that resulted in the motion to postpone. He said that he would request that the Mayor's office release the Request for Proposals for the parking meters to make the discussion more concrete in scope. He added that so far there had been productive dialogue and cooperation that had taken place. He hoped this would continue, and that a viable and productive conclusion would be found.

The motion to postpone Ordinance 13-03 received a roll call vote of Ayes: 8, Nays: 1 (Rollo).

It was moved and seconded to have the council allow limited public comment on Ordinance 13-03 before the motion to postpone went into effect at the end of the meeting in particular and in deference to the public who came out to speak on this ordinance.

MOTION TO ALLOW COMMENT
ON ITEM POSTPONED

Volan noted that the public would speak on a measure that there would be no action on. He said that the public should have been able to comment on the motion to postpone the discussion of downtown parking meters.

Sandberg said she welcomed an opportunity to hear from people about the downtown parking meters.

The motion to allow public comment on the postponed item received a roll call vote of Ayes: 9, Nays: 0.

Neher called for comments on the postponed item according to the previous motion to allow public comments.

Marge Hudgins, President of the Old Northeast Downtown Neighborhood Association, which included Kirkwood to 12th Street and from Walnut to Woodlawn. She said that a considerable portion of this neighborhood would be affected by the 'overflow' from downtown parking meters. She emphasized that the Neighborhood did not want parking meters in single family residential blocks, which she said would destroy any semblance of a family area. She said there was concern from neighbors on Washington Street that there would be an effect from meters on Walnut, and that they may not be able to park in front of their houses. She said they would also like to be represented if there was a task force appointed.

John McGuigan, employee of Caveat Emptor Used Books, said he had been active in promoting the Anti-Parking Meter Petition Drive and Bloomington Coalition Against Parking Meters (BCAP). He asked that the

ordinance be shelved permanently. He said the issue was presented as a parking problem, and said the Walker Study had been created to produce a specific result. He said the need for meters to provide spaces in the downtown had been rebutted by people who work downtown every day. He said that now the discussion had turned to the city's revenue and the loss of revenue in parking garages. He claimed the campaign for meters had essentially blamed the people who work and shop downtown for the problem, thus diverting attention from those who manage the public coffers. He said that over 3000 signatures had been gathered to ask that there be no meters in the downtown. He added that BCAP was planning a meeting to work on coherent and plausible ideas and recommendations of both financial and parking issues.

Jim Murphy, CFC, thanked the council for postponing the issue and said he heard a passion and concern from those who had been speaking about the issue. He said the public needed to be educated on the real needs of the city. He noted he didn't have a problem finding a place to park in downtown. He said that between the council, administration and the downtown there existed the talent and commitment to make the proposal a better plan. He said having the TIF paying the deficit, adopting measures recommended in the Walker Study, or working out a new innovative plan were the options he saw at this time. He added that private surface parking lots would be burdened and he worried about predatory towing. He asked that the Ordinance be taken up no sooner than 90 days.

Larry Jacobs, Chamber of Commerce Government Relations Manager for City Government, said that the Chamber recommended a 90 day review period with the establishment of an advisory committee that would study all aspects of the proposed plan. He noted that the council had been sent the Chamber proposal on parking meters in the downtown, and hoped it would be helpful to them.

Glen Carter said he didn't think there was a problem with parking now, although one might exist in the future. He said that there was skepticism about the 2007 Walker Study because of the age of the study. He wondered if the Walker consultants had ever recommended something other than parking meters. He noted that high rise hotels, fancy restaurants, and moving resources for homeless away from the downtown area were all serving to displace people without means from the downtown. He also noted that hardly anyone who does business in the downtown wanted parking meters there.

Chris Cockerham, Vice President for CFC Commercial Properties, thanked the council and mayor for postponing final action on this proposal. He said the economy was fragile and changing. He said that after a recent notice from some CFC tenants that they will be vacating their properties, CFC would soon have an occupancy rate of 82%. He said the decision made on parking meters would be instrumental on marketing their properties. He said he was ready and willing to work on the issue with others.

Jennifer Mickel said we needed to get neighbors involved in this discussion. She said the citizens owned the streets and should not have to pay to park on them. She said that students and residents of apartment buildings should have their own places to park. She said that not all people would have the technology to work meters. She called for better budgeting so that people would not have pay to rent the streets.

Katelin Vesely, Bloomington resident and Athena employee, asked about prospects for the disabled and those who couldn't walk long distances. She said her boss wasn't able to walk more than a block, and worried about two meters per block, and access to handicap spaces.

Danna Jackson, Bloomington resident, said the response to the question about preparing for future demand was in the three parking garages that exist now. She said she was opposed to parking meters in residential areas

and recalled that there was an organized opposition to this issue in the late 1960s. She said that issue changed the political history of Bloomington as Mayor Hooker lost his next election because of his plans to put parking meters in the area from 7th to 10th Streets near the University in order to pay for a parking garage on Kirkwood and Dunn.

Daniel McMullin said that people without means to pay the meter would avoid the downtown, and that parking meters were actually taxes. He said that there was really no current problem, and that the downtown should be left without meters.

Jean Briddell, owner of Know Yoga Know Peace on Morton Street, said she had emailed a proposal to the council regarding parking. She said a trolley system could be a great way for getting people around the downtown after parking in a garage. She proposed garage parkers be able to use their garage ticket as a free trolley ride to their ultimate destination. She said that in the future, even more trolleys and parking garages in the periphery of the downtown would help manage parking demand growth.

Bill Bartley, co-owner of Indiana Running Company on the square, said he was not a fan of parking meters, but appreciated the postponement of the decision calling it an opportunity to learn more. He said he was in support of the Chamber’s proposal to get the best minds involved in the decision. He said he attended three meetings the previous fall where the opening comments were about changing people’s parking behavior, not money. He said to move forward, all the facts needed to be given to the public.

Matt O’Neill, co-owner of the Runcible Spoon and the Bloomington Cooking School, said the waiters, busboys and people working for the small businesses who made their living downtown would pay the most for parking meters. He said there were “low margin” businesses that contributed to the community in many ways, whose owners put more into the businesses than they would ever get out because it’s what they love to do. He said they were special and unique and contributed to the culture of the community. He noted the loss of Ladyman’s, Roadworthy, and Jiffy Treat that had closed and left a gap in the community.

There was no legislation for introduction at this meeting.

LEGISLATION FOR FIRST READING

There was no public comment on items not on the agenda.

PUBLIC COMMENT

There were no adjustments or additions to the council schedule.

COUNCIL SCHEDULE

The meeting was adjourned at 9:25 pm.

ADJOURNMENT

APPROVE:

ATTEST:

Darryl Neher, PRESIDENT
Bloomington Common Council

Regina Moore, CLERK
City of Bloomington

In the Council Chambers of the Showers City Hall on Wednesday, March 6, 2013 at 7:30 pm with Council President Darryl Neher presiding over a Regular Session of the Common Council.

COMMON COUNCIL
REGULAR SESSION
March 6, 2013

Roll Call: Mayer, Neher, Rollo, Ruff, Sandberg, Volan, Granger, Sturbaum
Absent: Rollo, Spechler

ROLL CALL

Council President Neher gave the Agenda Summation

AGENDA SUMMATION

Minutes from

APPROVAL OF MINUTES

- January 16, 2013 (Regular Session),
- February 20, 2013 (Regular Session),
- February 27, 2013 (Special Session)
- and the memo from the Executive Session held on February 27, 2013 were approved by a voice vote.

Dorothy Granger noted that she recently participated in a program that was sponsored by the Commission on the Status of Women regarding the Women's Leadership Development Event. She noted this event, sponsored by the Bloomington Commission on the Status of Women, was held each year to encourage civic participation and leadership.

REPORTS from COUNCIL
MEMBERS

Tim Mayer thanked the city workers who cleared the streets of snow in a recent sudden storm. He thanked Susie Johnson, Public Works Director.

Steve Volan noted that he, Granger and Ruff were present at a recent meeting regarding a proposed Recycling Transfer Station within city limits. He said the recent Herald Times editorial needed to be debunked, that the editorial board didn't understand the contractual issues regarding other waste stream entities, and promised a guest editorial to correct fallacies in the column. He said that a 'public option' was worth support and he was working to develop a proposal for a transfer station and materials recovery facility that would be located at the site of the former landfill. He said the reopening of the landfill would be the best option for reducing our carbon footprint. He encouraged citizens to watch or attend the Monroe County Solid Waste Management District meetings to keep abreast of the Transfer Station issue.

Melissa Britton, Latino Outreach Coordinator, gave data on naturalization rates in Monroe County from the Department of Homeland Security and noted that there were barriers to the process due to the cost of application and attorney's fees, and the fear of taking the exam. She spoke of the development of the program that used volunteers to address both of the problems and acknowledged the volunteer teachers and attorneys worked with the program. She reported the recent accomplishments of the City of Bloomington Citizenship and Naturalization's second class and introduced some of the students to the council.

The MAYOR AND CITY OFFICES

She was joined by Pierre Plessier who became a citizen in August of 2012 and voted in the last presidential election. He spoke of his experience with immigration and the class, and then thanked the city for helping him become a citizen. Britton also introduced the current year's instructor, Ramsey Harik, who spoke about the importance and opportunity of the class experience.

Mayer welcomed one of the program instructors, Kathy Dilcher, who was a former city council member.

There were no reports from council committees at this meeting.

COUNCIL COMMITTEES

Call for public comment brought the following people to the podium:

PUBLIC

Glen Carter talked about the triangular cement blocks that replaced benches at the corner of Lincoln and 6th Streets saying that they discouraged the gathering of people there, unlike the previous benches.

C.W.Poole said that the design of the aforementioned clustering of blocks was atrociously ugly with no artistic validity and wondered where the usual city artistry was when this design was formed. He spoke of his prior advocacy of a publicly funded detox unit said that one current inmate with a sentence of twelve years may have been helped with this program. He also said the cost of that incarceration would have funded the center for 5-10 years. He said that substance abuse and mental health incarcerations were costly to the community and state. He thanked Volan and other council members for their interest in homeless issues and for their advocacy.

Daniel McMullin spoke of bills that were being considered by the state legislators that would negate the Affordable Health Act. He spoke of his personal positions regarding several bills, the constitution and citizen rights.

Sandi Clothier opposed the proposed Waste Transfer Station and gave reasons why it was opposed by several neighborhood associations. She read a letter that she had sent to the council in which she outlined problems with noise, odors, health issues, particulate matter, rodents and birds, traffic and decreased property values. She thanked Mayor Kruzan for his most recent statement opposing this proposal.

Lisa Marie Napoli said she was a new resident of the near west side. She read for the record an email message from Mayor Kruzan sent earlier that afternoon regarding his opposition to the Waste Transfer Station proposed for Vernal Pike. She thanked Mayor Kruzan for his statement.

There were no appointments at this meeting.

APPOINTMENTS TO BOARDS
AND COMMISSIONS

It was moved and seconded that Ordinance 13-05 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, giving the committee recommendation of do pass 9-0-0. It was moved and seconded that Ordinance 13-05 be adopted.

LEGISLATION FOR SECOND
READING AND RESOLUTIONS

Dan Sherman, Council Attorney/Administrator noted that the report from the Rules Committee had been submitted previously to the council. He said the two most important amendments offered in the ordinance changed the actions of the council: it authorized the president of the council to refer legislation to five week cycles rather than three week cycles, and removed the provision of requirement of a fiscal impact statement that was previously required by code.

Ordinance 13-05 TO AMEND TITLE
2 OF THE BLOOMINGTON
MUNICIPAL CODE ENTITLED
“ADMINISTRATION AND
PERSONNEL” Re: Amending
Chapter 2.04 (Common Council)
Pursuant to Recommendations of the
Council Rules Committee of 2012-
2013

There were no comments from the public.

Mayer noted that there might be little discussion of this item because the legislation had been discussed in a previous meeting.

Volan said he wanted everyone to understand the impact of the first segment of the change. He said that until this point, the time between the time legislation is discussed in committee and final vote on that item was seven days. He called that a compressed period of time. He said that the proposed legislation could, on authorization of the president,

extend the period for discussion and vote to three weeks. He commended the committee for recommending this change, saying it was overdue.

He said that the second major change was to a policy that had the ability to go astray by allowing four council members to hijack the legislative process under a technicality.

He asked colleagues to consider the council work schedule, upcoming legislation and any need for amendments, and then consider asking the president of the council to consider using the five week cycle.

Neher thanked all staff members of the Clerk and Council office as well as those who served on the Rules Committee for making the suggestions and their work in bringing forth this report and legislative revisions.

Ordinance 13-05 received a roll call vote of Ayes: 7, Nays: 0

It was moved and seconded that Resolution 13-07 be introduced and read by title and synopsis. Clerk Moore read the legislation and synopsis, giving the committee recommendation of do pass 8-0-0. It was moved and seconded that Resolution 13-07 be adopted.

Resolution 13-07 STANDING COMMITTEES OF THE COMMON COUNCIL –Re: To Affirm All Active, Dissolve All Inactive, and Establish One New Standing Committees

Dan Sherman, Council Attorney/Administrator, noted that this resolution would bring the council standing committees in line with the requirement in the Bloomington Municipal Code that they be created and dissolved by resolution. He said it enabled active standing committees (Interviewing Committees, Jack Hopkins Committee and the Sidewalk Committee) and dissolved any inactive committees.

There were no council questions, public comments or council comments on this item.

Resolution 13-07 received a roll call vote of Ayes: 7, Nays: 0

Ordinance 13-04 REVISING PARTICIPATION FEES FOR BUSINESSES LOCATED WITHIN THE BLOOMINGTON URBAN ENTERPRISE ZONE AND A TAX INCREMENT FINANCE AREA THAT RECEIVE AN ENTERPRISE ZONE INVESTMENT DEDUCTION

LEGISLATION FOR FIRST READING

Ordinance 13-04

Ordinance 13-06 TO AMEND THE BLOOMINGTON ZONING MAPS FROM COMMERCIAL ARTERIAL (CA) TO A PLANNED UNIT DEVELOPMENT (PUD) TO BE KNOWN AS PATTERSON PARK AS WELL AS TO APPROVE A PRELIMINARY PLAN AND DISTRICT ORDINANCE - Re: 445 S. Patterson Drive (Trinitas Ventures, LLC, Petitioner)

Ordinance 13-06

Ordinance 13-07 TO VACATE PUBLIC PARCELS - Re: Two Segments of a Seminary Lot Alley which are 16.5 Feet Wide and a Total of 1,180 Feet Long with One Segment Running East to West through the Patterson Pointe PUD and the Other Running in the Same Direction Through the Proposed Patterson Park PUD (Adam’s Crossing, LLC and Rogers Group, Inc. Petitioners

Ordinance 13-07

There was no public comment in this section of the meeting.

PUBLIC COMMENT

There were no changes in the council schedule. President Neher noted that the three items that were being discussed at the meeting following this regular session would be considered for vote on March 27, 2013 as the council would not be meeting during the spring break week of March and the next meeting, March 20, 2013 was dedicated to Ordinance 13-03.

COUNCIL SCHEDULE

The meeting was adjourned at 8:37 pm.

ADJOURNMENT

APPROVE:

ATTEST:

Darryl Neher, PRESIDENT
Bloomington Common Council

Regina Moore, CLERK
City of Bloomington

For approval