FILED
September 23, 2016
INDIANA UTILITY
REGULATORY COMMISSION

CITY OF BLOOMINGTON, INDIANA
CAUSE NO. 44855

Accounting Workpapers
Water 2011 Revenue Bonds Series B (part 2 of 2)

Final Official Statement Dated October 12, 2011

New Issue – Book-Entry-Only
Non-Bank Qualified

RATINGS: Standard & Poor's "AA- Stable Outlook"
(See "RATING" herein.)

$35,955,000
CITY OF BLOOMINGTON, INDIANA
Waterworks Revenue Bonds of 2011, Series B

Dated: Date of Delivery

Maturity: January 1, and July 1 as shown below

Expected Closing Date: October 26, 2011

In the opinion of Bingham McHale LLP, Indianapolis, Indiana, under existing law, interest on the 2011 B Bonds (as hereinafter defined) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the 2011 B Bonds, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, however, is taken into account in determining adjusted current earnings for the purposes of computing the alternative minimum tax imposed on certain corporations. In the opinion of Bingham McHale LLP, Indianapolis, Indiana, under existing laws, interest on the 2011 B Bonds is exempt from income taxation in the State of Indiana, except for the state financial institutions tax. (See "TAX MATTERS" herein.)

The City of Bloomington, Indiana Waterworks Revenue Bonds of 2011, Series B (the "2011 B Bonds") are being issued by the City of Bloomington, Indiana (the "City") pursuant to Indiana Code Section 8-1.5, as amended and as in effect on the issue date of the 2011 B Bonds (the "Act") and pursuant to Ordinance No. 10-07 approved by the Common Council of the City on May 17, 2010 (the "Ordinance"). The principal of and premium, if any, on the 2011 B Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. (the "Registrar" and "Paying Agent"). Interest will be payable on January 1 and July 1 of each year, beginning January 1, 2012. The 2011 B Bonds are issuable only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (the "DTC"). Purchasers of beneficial interests in the 2011 B Bonds will be made in book-entry-only form, in the denomination of $5,000 or any integral multiple thereof. Purchasers of beneficial interests in the 2011 B Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interests in the 2011 B Bonds. So long as DTC or its nominee is the registered owner of the 2011 B Bonds, principal of and interest on the 2011 B Bonds will be paid directly to DTC by the Paying Agent. Neither the City nor the Paying Agent will have any responsibility for a Beneficial Owner's receipt from DTC or its nominee or any Direct Participant or Indirect Participant (as such terms are herein defined) of any payments of principal of or any interest on any 2011 B Bonds. (See "DESCRIPTION OF THE 2011 B BONDS" herein.)

The 2011 B Bonds are being issued by the City for the purpose of acquisition, construction and installation of certain additions, extensions and improvements to the City's Municipal Water Utility (the "Utility"), fund a reserve account for the 2011 B Bonds, and to pay expenses incidental to the issuance of the 2011 B Bonds. (See "PURPOSE OF THE BOND ISSUE" herein.) The 2011 B Bonds are scheduled to mature on January 1 and July 1 as follows:

MATURITY SCHEDULE

(Base CUSIP 094743)

Date	Principal Amount	Interest Rate	Price	CUSIP	Date	Principal Amount	Interest Rate	Price	CUSIP
7/1/2012	$ 325,000	3.00 %	$ 101.352	LD1	1/1/2029	$ 2,540,000	4.00 %	$ 95.907	LW9

$640,000 - 3.00% Term Bonds due July 1, 2013 - Price $102.900 - CUSIP LE9
$670,000 - 3.00% Term Bonds due July 1, 2014 - Price $103.925 - CUSIP LF6
$665,000 - 3.00% Term Bonds due July 1, 2015 - Price $104.071 - CUSIP LG4
$670,000 - 3.00% Term Bonds due July 1, 2016 - Price $103.537 - CUSIP LH2
$690,000 - 3.00% Term Bonds due July 1, 2017 - Price $102.630 - CUSIP LJ8
$710,000 - 3.00% Term Bonds due July 1, 2018 - Price $101.208 - CUSIP LK5
$730,000 - 3.00% Term Bonds due July 1, 2019 - Price $99.657 - CUSIP LL3
$1,035,000 - 3.50% Term Bonds due July 1, 2020 - Price $101.722 - CUSIP LM1
$1,925,000 - 3.50% Term Bonds due July 1, 2021 - Price $100.405 - CUSIP LN9
$2,555,000 - 4.00% Term Bonds due July 1, 2022 - Price $103.075 - CUSIP LP4
$2,820,000 - 4.00% Term Bonds due July 1, 2023 - Price $101.765 - CUSIP LQ2
$3,115,000 - 4.00% Term Bonds due July 1, 2024 - Price $100.634 - CUSIP LR0
$3,550,000 - 4.00% Term Bonds due July 1, 2025 - Price $99.578 - CUSIP LS8
$4,015,000 - 4.00% Term Bonds due July 1, 2026 - Price $98.574 - CUSIP LT6
$4,430,000 - 4.00% Term Bonds due July 1, 2027 - Price $97.602 - CUSIP LU3
$4,870,000 - 4.00% Term Bonds due July 1, 2028 - Price $96.681 - CUSIP LV1

The 2011 B Bonds are subject to optional redemption prior to maturity. The term bonds are subject to mandatory sinking fund redemption. (See "REDEMPTION PROVISIONS" herein.)

The 2011 B Bonds are payable solely from the Net Revenues (defined as the gross revenues of the Utility after deduction only for the payment of the reasonable expenses of operation and maintenance) and are on parity with the City's Waterworks Revenue Bonds of 2000, Series A; Waterworks Revenue Bonds of 2003, Series A; Waterworks Revenue Bonds of 2003, Series B; Waterworks Refunding Revenue Bonds of 2003; Waterworks Revenue Bonds of 2006 and Waterworks Revenue Bonds of 2011, Series A (collectively, the "Prior Bonds"). The 2011 B Bonds and Prior Bonds are not a corporate obligation or indebtedness of the City. (See "SECURITY AND SOURCES OF PAYMENT FOR THE 2011 B Bonds" herein.)

In connection with any acquisition of the 2011 B Bonds by financial institutions, the 2011 B Bonds are not "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

PRAGER, SEALY & CO., LLC

This Official Statement does not constitute an offering of any security, other than the original offering of the 2011 B Bonds. No dealer, broker, salesman, or other person has been authorized by the City or the Underwriter to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy and there shall not be any sale of the 2011 B Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor the sale of any of the 2011 B Bonds shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof.

Information herein has been obtained from the City and other sources believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter. References in this Official Statement to laws, regulations, reports and documents do not purport to be comprehensive or definitive and all references herein to such laws and documents are qualified in their entirety by reference to the full text of such data.

UPON ISSUANCE, THE 2011 B BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, THE SECURITIES AND EXCHANGE ACT OF 1934, AS AMENDED, OR ANY STATE SECURITIES LAW AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE, MUNICIPAL OR OTHER GOVERNMENTAL ENTITY OR AGENCY SHALL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT NOR, EXCEPT THE ISSUER (TO THE EXTENT DESCRIBED HEREIN), APPROVED THE SALE AND DISTRIBUTION OF THE 2011 B BONDS.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE 2011 B BONDS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE 2011 B BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Official Statement includes the front cover page immediately preceding this page. This Official Statement has been prepared and delivered in connection with the original sale and delivery of the 2011 B Bonds and may not be reproduced or used, in whole or in part, for any other purpose.

CITY OF BLOOMINGTON, INDIANA

MAYOR

Mark Kruzan

COMMON COUNCIL

Susan Sandberg, *President*

Andy Ruff, *Vice President*
Tim Mayer, *Parliamentarian*
Dave Rollo
Isabel Piedmont-Smith

Steve Volan
Mike Satterfield
Chris Sturbaum
Brad Wisler

CITY CONTROLLER

Michael Trexler

CITY ATTORNEY

Vickie Renfrow

BOND COUNSEL

Bingham McHale LLP
Indianapolis, Indiana

FINANCIAL ADVISOR

Crowe Horwath LLP
Indianapolis, Indiana

$35,955,000
CITY OF BLOOMINGTON, INDIANA
Waterworks Revenue Bonds of 2011, Series B

TABLE OF CONTENTS

	Page
OFFICIAL STATEMENT	
Introductory Statement	1
Purpose Of The Bond Issue	1
Security And Sources Of Payment For The 2011 B Bonds	1
Estimated Sources And Uses Of Funds	2
Description Of The 2011 B Bonds	2
Redemption Provisions	3
Litigation	5
Legal Opinions And Enforceability Of Remedies	5
Tax Matters	6
Original Issue Discount	7
Amortizable Bond Premium	8
Rating	8
Continuing Disclosure	8
Concluding Statements	9
APPENDIX A - DESCRIPTION OF THE WATER UTILITY AND OF THE CITY	A-1
APPENDIX B - CITY DEBT AND TAXATION	B-1
APPENDIX C - CONSULTANT'S REPORT	C-1
APPENDIX D - BOND ORDINANCE	D-1
APPENDIX E - BOOK-ENTRY-ONLY SYSTEM	E-1
APPENDIX F - FORM OF BOND COUNSEL OPINION	F-1
APPENDIX G - FORM OF CONTINUING DISCLOSURE UNDERTAKING AGREEMENT	G-1

PRELIMINARY OFFICIAL STATEMENT

CITY OF BLOOMINGTON, INDIANA

RELATING TO THE ISSUANCE OF $35,955,000
WATERWORKS REVENUE BONDS OF 2011, SERIES B

INTRODUCTORY STATEMENT

This Official Statement, including the cover page and Appendices, provides information relating to the Waterworks Revenue Bonds of 2011, Series B (the "2011 B Bonds") to be issued by the City of Bloomington, Indiana (the "City").

All financial and other information presented in this Official Statement has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information concerning the City, including financial statements, rate schedules and tax tables, shows recent historic information and does not indicate or project future or continuing trends in the financial position or other affairs of the City. Property tax information provided herein is for illustrative purposes only; the 2011 B Bonds are not payable from property taxes. Past experiences shown by financial and other information may not necessarily continue in the future. References to provisions of Indiana law or of the Indiana Constitution are references to current provisions which may be amended, repealed or supplemented.

PURPOSE OF THE BOND ISSUE

The 2011 B Bonds are being issued pursuant to Indiana law, including, without limitation, Indiana Code 8-1.5, as amended (the "Act"); and pursuant to Ordinance No. 10-07 adopted by the Common Council of the City on May 17, 2010 (the "Ordinance"). Proceeds from the 2011 B Bonds will be applied to the acquisition, construction and installation of certain additions, extensions and improvements (collectively, the "Project") to the City's Municipal Water Utility (the "Utility"), fund a reserve account for the 2011 B Bonds and to pay expenses incidental to the issuance of the 2011 B Bonds. The Project is more particularly described in the Ordinance attached as APPENDIX D hereto.

SECURITY AND SOURCES OF PAYMENT FOR THE 2011 B BONDS

The 2011 B Bonds, and any bonds ranking on a parity therewith, including the City's Waterworks Revenue Bonds of 2000, Series A (the "2000 A Bonds"), the City's Waterworks Revenue Bonds of 2003, Series A (the "2003 A Bonds"), the City's Waterworks Revenue Bonds of 2003, Series B (the "2003 B Bonds"), the City's Waterworks Refunding Revenue Bonds of 2003 (the "2003 Bonds"), the City's Waterworks Revenue Bonds of 2006 (the "2006 Bonds") and the City's Waterworks Revenue Bonds of 2011, Series A (the "2011A Bonds and together with the 2000 A Bonds, 2003 A Bonds, 2003 B Bonds, 2003 Bonds, and 2006 Bonds collectively, the "Prior Bonds"), are payable solely from the Net Revenues (defined as gross revenues of the Utility after deduction only for the payment of the reasonable expenses of operation and maintenance) of the Utility. The City shall not be obligated to pay the 2011 B Bonds principal or the interest thereon except from the Net Revenues (as defined in the Ordinance), and the 2011 B 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 "State"). The 2011 B Bonds are further secured by a Debt Service Reserve Account ("Reserve Account") (as defined in the Ordinance) anticipated to be funded by bond proceeds upon the date of delivery of the 2011 B Bonds. The balance to be maintained in the Reserve Account shall equal but not exceed the lesser of (a) the maximum annual principal and interest requirements on the 2011 B Bonds; (b) 125% of the average annual principal and interest requirements on the 2011 B Bonds or (c) 10% of the stated principal amount of the 2011 B Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

Sources of Funds	
Par Amount of Bonds	$ 35,955,000
Total Sources of Funds	$ 35,955,000
Uses of Funds	
Construction Costs	$ 31,479,964
Underwriter's Discount	171,999
Net Original Issue Discount	146,115
Debt Service Reserve (1)	3,595,500
Costs of Issuance (2)	561,422
Total Uses of Funds	$ 35,955,000

(1) Funded at 10% of par.
(2) Includes legal fees, financial advisory fees, rating agency fees, and other miscellaneous expenses.

DESCRIPTION OF THE 2011 B BONDS

The 2011 B Bonds will be issued as fully registered bonds and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (the "DTC"). Purchases of beneficial interests in the 2011 B Bonds will be made in book-entry-only form, in denominations of $5,000. Purchasers of beneficial interests in the 2011 B Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interests in the 2011 B Bonds.

Interest on the 2011 B Bonds will be paid semi-annually on January 1 and July 1 in each year beginning January 1, 2012. The principal of the 2011 B Bonds is payable on each January 1 and July 1, beginning July 1, 2012, at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A. as Registrar and Paying Agent, (the "Registrar" or "Paying Agent"). Interest on the 2011 B Bonds will be paid by check or draft, mailed one business day prior to the interest payment date to the registered owners of the 2011 B Bonds as the names appear as of the fifteenth day of the month preceding the interest payment date and at the addresses as they appear on the registration books kept by the Registrar; provided, however, so long as DTC or its nominee is the registered owner of the 2011 B Bonds, principal of and interest on the 2011 B Bonds will be paid directly to DTC by the Paying Agent. Neither the City nor the Paying Agent will have any responsibility for a Beneficial Owner's receipt from DTC or its nominee or any Direct Participant or Indirect Participant (as such terms are herein defined) of any payments of principal of or any interest on any 2011 B Bonds. (See APPENDIX E – BOOK-ENTRY-ONLY SYSTEM.)

REDEMPTION PROVISIONS

The 2011 B Bonds maturing on or after January 1, 2022 shall be redeemable at the option of the City, in whole or in part, on July 1, 2021, or at any time thereafter, in principal amounts and maturities selected by the City, and by lot within any such maturity or maturities as selected by the Registrar, at a redemption price of 100% of the principal amount of each 2011 B Bond to be redeemed and without premium, plus accrued interest to the redemption date.

Notice of redemption shall be mailed by first class, certified or registered mail at least thirty days prior to the scheduled redemption date to each of the registered owners of the 2011 B Bonds called for redemption (unless waived by any such registered owners) at the address shown on the registration books of the Registrar; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any 2011 B Bond shall not affect the validity of any proceedings for the redemption of any other 2011 B Bonds. Any 2011 B Bonds called for redemption will not earn interest after the redemption date if sufficient funds are available at the place of redemption to pay the redemption price. Redeemed 2011 B Bonds will no longer be protected by the Ordinance and will no longer be considered outstanding.
protected by the Ordinance and will no longer be considered outstanding.

<u>Mandatory Sinking Fund Redemption</u>

The 2011B Bonds maturing on July 1, 2013 through and including July 1, 2028 (collectively, the "Term Bonds") are also subject to mandatory sinking fund redemption at a redemption price equal to one hundred percent (100%) of the principal amount thereof, plus accrued interest thereon to the redemption date, and without premium, on the dates and in the principal amounts indicated below:

<u>Term Bond Due July 1, 2013</u>

Date	Principal Amount
January 1, 2013	$ 325,000
July 1, 2013	315,000 *

* Final Maturity

<u>Term Bond Due July 1, 2014</u>

Date	Principal Amount
January 1, 2014	$ 340,000
July 1, 2014	330,000 *

* Final Maturity

<u>Term Bond Due July 1, 2015</u>

Date	Principal Amount
January 1, 2015	$ 330,000
July 1, 2015	335,000 *

* Final Maturity

<u>Term Bond Due July 1, 2016</u>

Date	Principal Amount
January 1, 2016	$ 335,000
July 1, 2016	335,000 *

* Final Maturity

Term Bond Due July 1, 2017

Date	Principal Amount
January 1, 2017	$ 340,000
July 1, 2017	350,000 *

* Final Maturity

Term Bond Due July 1, 2018

Date	Principal Amount
January 1, 2018	$ 355,000
July 1, 2018	355,000 *

* Final Maturity

Term Bond Due July 1, 2019

Date	Principal Amount
January 1, 2019	$ 360,000
July 1, 2019	370,000 *

* Final Maturity

Term Bond Due July 1, 2020

Date	Principal Amount
January 1, 2020	$ 375,000
July 1, 2020	660,000 *

* Final Maturity

Term Bond Due July 1, 2021

Date	Principal Amount
January 1, 2021	$ 690,000
July 1, 2021	1,235,000 *

* Final Maturity

Term Bond Due July 1, 2022

Date	Principal Amount
January 1, 2022	$ 1,260,000
July 1, 2022	1,295,000 *

* Final Maturity

Term Bond Due July 1, 2023

Date	Principal Amount
January 1, 2023	$ 1,320,000
July 1, 2023	1,500,000 *

* Final Maturity

Term Bond Due July 1, 2024

Date	Principal Amount
January 1, 2024	$ 1,535,000
July 1, 2024	1,580,000 *

* Final Maturity

Term Bond Due July 1, 2025

Date	Principal Amount
January 1, 2025	$ 1,615,000
July 1, 2025	1,935,000 *

* Final Maturity

Term Bond Due July 1, 2026

Date	Principal Amount
January 1, 2026	$ 1,980,000
July 1, 2026	2,035,000 *

* Final Maturity

Term Bond Due July 1, 2027

Date	Principal Amount
January 1, 2027	$ 2,085,000
July 1, 2027	2,345,000 *

* Final Maturity

Term Bond Due July 1, 2028

Date	Principal Amount
January 1, 2028	$ 2,405,000
July 1, 2028	2,465,000 *

* Final Maturity

LITIGATION

The City is not aware of any pending or threatened litigation which would affect the issuance, sale, execution or delivery of the 2011 B Bonds; nor affect the validity of the 2011 B Bonds, any proceedings of the City taken with respect to the issuance and sale thereof, or the pledge or application of any moneys or security provided for the payment of the 2011 B Bonds.

LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES

The various legal opinions to be delivered concurrently with the delivery of the 2011 B Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The enforceability of the rights and remedies of the registered owners of the 2011 B Bonds under the Ordinance and the availability of remedies to any party seeking to enforce the lien on the Net Revenues are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the enforceability of the rights and remedies under the Ordinance and the availability of remedies to any party seeking to enforce the lien on the Net Revenues may be limited.

The various legal opinions to be delivered concurrently with the delivery of the 2011 B Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State and the United States of America and bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). Those exceptions would encompass any exercise of federal, State or local police powers (including the police powers of the City and the State), in a manner consistent with the public health and welfare. The enforceability of the Ordinance and the availability of remedies to a party seeking to enforce the lien on the Net Revenues, in a situation where such enforcement or availability may adversely affect the public health and welfare, may be subject to those police powers.

TAX MATTERS

In the opinion of Bingham McHale LLP, Indianapolis, Indiana and ("Bond Counsel"), under existing laws, interest on the 2011 B Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the 2011 B Bonds (the "Code"). The opinion of Bond Counsel is based on certain certifications, covenants and representations of the Issuer and is conditioned on continuing compliance therewith. In the opinion of Bond Counsel, under existing laws, interest on the 2011 B Bonds is exempt from income taxation in the State of Indiana for all purposes except the State financial institutions tax. See APPENDIX F for the form of opinion of Bond Counsel.

The Code imposes certain requirements which must be met subsequent to the issuance of the 2011 B Bonds as a condition to the excludability of the interest on the 2011 B Bonds from gross income for federal income tax purposes. Noncompliance with such requirements may cause interest on the 2011 B Bonds to be included in gross income for federal income tax purposes retroactively to the date of issue, regardless of the date on which noncompliance occurs. Should the 2011 B Bonds bear interest that is not excludable from gross income for federal income tax purposes, the market value of the 2011 B Bonds would be materially and adversely affected. It is not an event of default if interest on the 2011 B Bonds is not excludable from gross income for federal income tax purposes pursuant to any provision of the Code which is not in effect on the date of issuance of the 2011 B Bonds.

The interest on the 2011 B Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. However, interest on the 2011 B Bonds is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

The 2011 B Bonds are **not** "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Indiana Code 6-5.5 imposes a franchise tax on certain taxpayers (as defined in Indiana Code 6-5.5) which, in general, include all corporations which are transacting the business of a financial institution in the State. The franchise tax is measured in part by interest excluded from gross income under Section 103 of the Code minus associated expenses disallowed under Section 265 of the Code.

Although Bond Counsel will render an opinion that interest on the 2011 B Bonds is excludable from gross income for federal income tax purposes and exempt from State income tax, the accrual or receipt of interest on the 2011 B Bonds may otherwise affect an owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the owner's particular tax status and the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the 2011 B Bonds should consult their own tax advisors with regard to the other tax consequences of owning the 2011 B Bonds.

The foregoing does not purport to be a comprehensive description of all of the tax consequences of owning the 2011 B Bonds. Prospective purchasers of the 2011 B Bonds should consult their own tax advisors with respect to the foregoing and other tax consequences of owning the 2011 B Bonds.

ORIGINAL ISSUE DISCOUNT

The initial public offering price of the 2011 B Bonds maturing on January 1, 2019, July 1, 2019 and on January 1, 2025 through and including January 1, 2029 (the "Discount Bonds"), is less than the principal amount payable at maturity. As a result, the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering price of the Discount Bonds, as set forth on the cover page of this Official Statement (assuming it is the first price at which a substantial amount of that maturity is sold) (the "Issue Price" for such maturity), and the amount payable at maturity of the Discount Bonds, will be treated as "original issue discount." The original issue discount on each of the Discount Bonds is treated as accruing daily over the term of such Discount Bond on the basis of the yield to maturity determined on the basis of compounding at the end of each six month period (or shorter period from the date of the original issue) ending on January 1 and July 1 (with straight line interpolation between compounding dates). An owner who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity will treat the accrued amount of original issue discount as interest which is excludable from the gross income of the owner of that Discount Bond for federal income tax purposes.

Section 1288 of the Code provides, with respect to tax-exempt obligations such as the Discount Bonds, that the amount of original issue discount accruing each period will be added to the owner's tax basis for the Discount Bonds. Such adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale, redemption or payment at maturity). Owners of Discount Bonds who dispose of Discount Bonds prior to maturity should consult their tax advisors concerning the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bonds prior to maturity.

The original issue discount that accrues in each year to an owner of a Discount Bond may result in certain collateral federal income tax consequences. Owners of any Discount Bonds should be aware that the accrual of original issue discount in each year may result in a tax liability from these collateral tax consequences even though the owners of such Discount Bonds will not receive a corresponding cash payment until a later year.

Owners who purchase Discount Bonds in the initial public offering but at a price different from the Issue Price for such maturity should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of subsequent purchasers of 2011 B Bonds such as the Discount Bonds. Owners who do not purchase Discount Bonds in the initial public offering should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Owners of Discount Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discount Bonds. It is possible under the applicable provisions governing the determination of state or local income taxes that accrued interest on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year.

AMORTIZABLE BOND PREMIUM

The initial public offering price of the 2011 B Bonds maturing on July 1, 2012 through and including July 1, 2018 and January 1, 2020 through and including July 1, 2024 (the "Premium Bonds"), is more than the principal amount payable at maturity. As a result, the Premium Bonds will be considered to be issued with amortizable 2011 Bond premium (the "Bond Premium"). An owner who acquires a Premium Bond in the initial public offering will be required to adjust the owner's basis in the Premium Bond downward as a result of the amortization of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. Such adjusted tax basis will be used to determine taxable gain or loss upon the disposition of the Premium Bonds (including sale, redemption or payment at maturity). The amount of amortizable Bond Premium will be computed on the basis of the taxpayer's yield to maturity, with compounding at the end of each accrual period. Rules for determining (1) the amount of amortizable Bond Premium and (2) the amount amortizable in a particular year are set forth in Section 171(b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a)(2) of the Code, but amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning the Premium Bonds. Owners of the Premium Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon the sale or other disposition of such Premium Bonds and with respect to the state and local tax consequences of owning and disposing of the Premium Bonds.

Special rules governing the treatment of Bond Premium, which are applicable to dealers in tax-exempt securities, are found in Section 75 of the Code. Dealers in tax-exempt securities are urged to consult their own tax advisors concerning the treatment of Bond Premium.

RATING

Standard & Poor's ("S&P") has assigned an underlying rating of "AA-" Stable Outlook to the 2011 B Bonds, respectively. Such rating is not a recommendation to buy, sell or hold the 2011 B Bonds. There is no assurance that such rating will remain in effect for any given period of time or that such rating will not be lowered or withdrawn entirely by S&P if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price or marketability of the 2011 B Bonds.

CONTINUING DISCLOSURE

Pursuant to continuing disclosure requirements promulgated by the United States Securities and Exchange Commission in SEC Rule 15c2-12, as amended (the "Rule"), the City will execute a Continuing Disclosure Undertaking for the benefit of the beneficial owners of the 2011 B Bonds (the "Continuing Disclosure Undertaking"). The Continuing Disclosure Undertaking will contain certain promises of the City, including a promise to provide continuing disclosure of certain information. A copy of the form of Continuing Disclosure Undertaking is attached to this Official Statement as APPENDIX G. The annual information filings pursuant to prior Continuing Disclosure Undertaking Agreements relating to the City's and Utility's outstanding bonds for the years 2006 through and including 2010 did not contain all of the information required to be filed; however, updated and complete annual information was filed and is available on EMMA. Both the City and Utility are currently in complete compliance.

CONCLUDING STATEMENTS

The information in this Official Statement does not purport to be complete and is expressly made subject to the exact provisions of the complete documents. The attached Appendices are an important part of this Official Statement and should be read together with all of the foregoing statements.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and are not presented as unqualified statements of fact. The information contained herein has been carefully compiled from sources deemed reliable and to the best knowledge and belief of the City there are no untrue statements nor omissions of material facts in the Official Statement which would make the statements and representations therein misleading.

Certain supplemental information concerning the financial condition of the City which is exhibited hereafter is considered part of this Official Statement.

The purpose of historical and other financial data set forth in this Official Statement is to show recent trends and conditions. This does not mean that such trends will continue in the future nor that any change will occur in local conditions relative thereto.

The entire agreement of the City with the holders of the 2011 B Bonds is set forth in the Ordinance and neither any advertisement of the 2011 B Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the 2011 B Bonds.

Crowe Horwath LLP ("Crowe") has served as financial advisor to the City in connection with the sale of the 2011 B Bonds. The financial advisor makes no representation as to the completeness or the accuracy of the information set forth in this Official Statement. Inquires concerning information with respect to the issuance of the 2011 B Bonds should be directed to said Crowe, attention Angie Steeno at (317) 269-2367 or by fax (317) 635-6127, or email at angie.steeno@crowehorwath.com or Michael Amore at (317) 269-2385 or michael.amore@crowehorwath.com.

The execution of this Official Statement has been authorized by the City of Bloomington.

By: /s/
City of Bloomington
City Controller

Dated: October 12, 2011

APPENDIX A

DESCRIPTION OF THE WATER UTILITY AND OF THE CITY

The information contained in this Appendix A concerning the City is provided only as background information about the City and not as information about the security or sources of payment for the 2011 B Bonds.

DESCRIPTION OF THE WATER UTILITY

The Bloomington Municipal Water Utility (the "Utility") includes one water treatment plant (Monroe Water Treatment Plant); six booster stations; eight water storage tanks with a total of 21.6 million gallons of storage; and over 408 miles of water lines. The source of supply for the water utility is Lake Monroe which has a safe yield of 45 to 90 million gallons per day ("mgd"). The water utility provides service to over 22,330 customer accounts, including Indiana University and ten (10) wholesale customers.

INDIANA UTILITY REGULATORY COMMISSION REGULATION

The Utility is regulated by the Indiana Utility Regulatory Commission (IURC). Under the provisions of Indiana Code 8-1.5, the IURC has jurisdiction over the rates and charges of all municipally owned water, electric and gas utilities, except for utilities owned by a municipality in which the voters or, in certain circumstances, the legislative body has elected to be taken out of the jurisdiction of the IURC. The municipal legislative body determines and enacts rates and charges for such utilities and, except for such utilities which have been removed from the jurisdiction of the IURC, the IURC is required by law to adjudicate reasonable and just rates and charges for services for each such municipally owned utility. Under the provisions of Indiana Code 8-1.5-3-8, the rates and charges made by such a municipally owned utility must be sufficient to provide, among other things, a sinking fund for the liquidation of bonds or other evidences of indebtedness and a debt service reserve in an amount not to exceed the maximum annual debt service on such obligations. Also under the statute, rates and charges which are too low to meet the cash operating and other statutory revenue requirements of the utility, including the payment of debt service, are unlawful. The statutory revenue requirements are applicable to all municipal utilities described above, whether or not such municipal utility is subject to IURC jurisdiction. The Utility obtained the IURC's approval for the Utility's current rates and charges and approval to issue the 2011 B Bonds in March 2011.

Annual Water Utility Flow Data

	2010	2009	2008	2007	2006
Capacity (MGD)	24.0	24.0	24.0	24.0	24.0
Average Daily Flow (MGD)	16.4	15.6	16.4	15.9	13.9
Peak Flow (MGD)	23.0	20.6	22.8	23.1	19.3

Source: City of Bloomington Municipal Water Utility.

Number of Water Utility Customers

Year	Number of Users	Percent Increase
2010	27,623	0.19 %
2009	27,571	0.23
2008	27,509	1.73
2007	27,040	1.80
2006	26,563	

Source: City of Bloomington Municipal Water Utility.

Largest Water Utility Customers

As of December 31, 2010 the ten largest customers of the Utility were as follows:

Customer	Annual Consumption (in 1,000 Gallons)	Annual Billings	% of Total Operating Revenue
Indiana University	661,520	$1,052,291	9.99 %
Town of Ellettsville	342,897	469,769	4.46
Southern Monroe Water Corporation	242,670	332,458	3.16
Van Buren Water Inc.	134,905	184,820	1.75
B and B Water Corporation	126,545	173,367	1.65
East Monroe Water Corporation	112,469	154,083	1.46
Washington Township Water Corporation	99,045	135,692	1.29
Baxter Pharmaceutical Solutions LLC	73,029	131,211	1.25
Bloomington Hospital	56,047	101,525	0.96
Cook Medical, Inc.	40,904	74,036	0.70
Total for Ten Largest Customers	1,890,031	$ 2,809,252	
Total Consumption for Utility	4,564,245		
Total Operating Revenues of Utility		$10,537,209	
Largest Customers Percent of Total	41.41%	26.66%	

Source: City of Bloomington Municipal Water Utility.

DESCRIPTION OF THE CITY

Location

The City of Bloomington (the "City") is located in Monroe County in south central Indiana, fifty (50) miles southwest of downtown Indianapolis, Indiana.

Government

The City has its own council, police department, fire department, public works department, and water and wastewater utilities (including a stormwater utility). The City is governed by the executive office of the Mayor and a nine-member City Council that acts as a legislative body.

The City's police department employs ninety-two (92) sworn officers and thirty-six (36) civilian employees. The City is also served by the Indiana State Police.

The City's fire department employs of ninety-nine (99) full-time firefighters and eight (8) office staff.

Population-Employment

	City of Bloomington	Monroe County	Indiana
2010	80,405	137,974	6,483,802
2000	69,291	120,563	6,080,485
1990	60,633	108,978	5,544,159
1980	52,663	98,783	5,490,210
1970	43,262	85,221	5,195,392
1960	31,357	59,225	4,662,498

Source: U.S. Census Bureau.

Employment

Employment as of May 2011

	Indiana	Monroe County	Bloomington MSA	% of Indiana
Labor Force	3,132,796	67,981	94,273	3.01 %
Employment	2,873,560	63,630	87,810	3.06
Unemployment	259,236	4,351	6,463	2.49
Unemployment Rate	8.3%	6.4%	6.9%	

Source: U.S. Department of Labor, Bureau of Labor Statistics at http://data.bls.gov .

Annual Average Unemployment Rate

	Indiana	Monroe County	Bloomington MSA
2010	10.2 %	7.3 %	7.9 %
2009	10.4	6.6	7.2
2008	5.9	4.6	5.0
2007	4.6	3.8	4.1
2006	5.0	4.3	4.6

Source: U.S. Department of Labor, Bureau of Labor Statistics at http://data.bls.gov .

Employment by Industry as of May 2011

	Indiana		Bloomington MSA		
	Employed	% of Total	Employed	% of Total	% of Indiana
Natural Resource, Mining and Construction	124,600	4.45 %	2,900	3.65 %	2.33 %
Manufacturing	453,400	16.20	8,900	11.24	1.96
Trade, Transportation and Utilities	538,200	19.22	11,300	14.27	2.10
Information	34,800	1.24	1,400	1.77	4.02
Financial Activities	134,000	4.79	2,900	3.66	2.16
Professional and Business Services	278,100	9.93	6,500	8.21	2.34
Educational and Health Services	433,800	15.50	10,500	13.26	2.42
Leisure and Hospitality	275,200	9.83	8,600	10.86	3.13
Other Services	105,600	3.77	2,600	3.28	2.46
Government	421,800	15.07	23,600	29.80	5.60
Total Nonfarm Employment	2,799,500	100.00 %	79,200	100.00 %	

Source: U.S. Department of Labor, Bureau of Labor Statistics at http://data.bls.gov .

Major Employers

The major employers and their number of employees in Bloomington, Indiana as of December 31, 2010 are as follows:

Employer	Type of Business	Approximate Number of Employees
Indiana University	Education	7,500
Cook Medical, Inc.	Medical Instruments	3,300
Bloomington Hospital	Medical Services	3,094
Monroe County Schools	Education	1,934
Baxter Pharmaceutical Solutions LLC	Pharmaceuticals	1,200
Marsh Supermarkets	Grocery	800
Kroger	Grocery	700
City of Bloomington	Government	688
General Electric	Refrigerators	600
Stone Belt Arc Inc.	Assembly	547

Source: Bloomington Economic Development Corporation, www.comparebloomington.org

Taxes

Assessed Valuation: $3,207,252,313 for taxes payable in 2011.

Property Tax: $1.9473 for taxes assessed in 2010 payable in 2011 per $100 of assessed valuation in the Bloomington/Bloomington Township taxing district in Monroe County.

County Option Income Tax: 1.05% of Indiana taxable income.

Sales & Use Tax: 7% tangible personal property except food and prescription drugs.

Individual Adjusted Gross Income: 3.4% of earnings - $1,000 annual exemption allowed for taxpayer and $1,500 for each dependent child.

Excise Tax: Cigarettes - 99.5 cents per 20 cigarette package. Gasoline - 18 cents per gallon.

Automobile Tax: Excise tax in lieu of personal property tax, based on initial retail price and age of vehicle.

Innkeeper's Tax: 5% additional sales tax on any overnight stay in Monroe County.

Community Data

Hospitals: Two hospitals are located within the City limits. Bloomington Hospital and Bloomington Meadows Hospital (mental health treatment). Also, Monroe Hospital is just outside corporate boundaries.

Parks and Recreation: The City maintains a total of thirty-four (34) parks and trails and four (4) golf courses.

Transportation

Monroe County Airport is capable of serving private aircraft. Primary air service is provided by Indianapolis International Airport. The City is served by State Highways 37, 45 and 46.

Utilities

Electricity: Duke Energy and the Hoosier Energy Cooperative
Gas: Vectren
Water: Bloomington Municipal Water Utility
Sewage: Bloomington Municipal Sewage Works

Education

The City is served by a single school district, Monroe County Community School Corporation (2010 enrollment 10,820). There are thirteen (13) elementary schools, three (3) middle schools, two (2) high schools and two (2) specialty schools.

Colleges and Universities: Indiana University Bloomington and Ivy tech State College.

Building Permits – Monroe County

Year	Number of Permits	Construction Valuation
2010	212	$37,148,603
2009	210	37,858,300
2008	314	63,188,474
2007	453	86,965,982
2006	579	86,887,750

Source: U.S. Census Bureau at http://censtats.census.gov

Financial Institutions

The following top five banks have the majority of deposits in Bloomington, Indiana as of June 30, 2010:

	Bank Deposits Bloomington MSA	Market Share	Total Bank Deposits in the State of Indiana
Monroe Bank	$ 527,107,000	21.58 %	$ 685,151,000
JP Morgan Chase Bank NA	331,613,000	13.58	12,637,967,000
Bloomfield State Bank	272,869,000	11.17	355,453,000
United Commerce Bank	167,563,000	6.86	168,829,000
First Financial Bank	158,872,000	6.51	2,166,894,000

Source: FDIC, www.fdic.gov .

Source of Data and Information

Statistical data and other information set forth under this "DESCRIPTION OF THE WATER UTILITY AND OF THE CITY" have been compiled by the City's financial advisor, Crowe Horwath LLP, from sources deemed to be reliable.

APPENDIX B

CITY DEBT AND TAXATION

The information contained in this Appendix B concerning the City is provided only as background information about the City and not as information about the security or sources of payment for the 2011 B Bonds.

CITY OF BLOOMINGTON

Debt and Taxation
(As of July 1, 2011)

		Principal Outstanding	% Applicable		Amount Applicable
Direct Debt					
City of Bloomington					
General Obligation Refunding Bonds, Series 2009	$	4,750,000	100.0 %	$	4,750,000
Total Direct Debt and Lease Obligations					4,750,000
Overlapping and Underlying Direct Debt and Lease Obligations					
City of Bloomington Municipal Facilities Corporation		12,180,000	100.0		12,180,000
City of Bloomington Park District		10,865,000	100.0		10,865,000
Monroe County		6,330,000	53.0		3,354,900
Monroe County Solid Waste		4,015,000	53.0		2,127,950
Monroe County Jail Law Enforcement and Governmental Space Building Corporation		8,925,000	53.0		4,730,250
Monroe County Community School Corporation		120,580,000	59.6		71,865,680
Monroe County Public Library Building Corporation		2,230,000	53.0		1,181,900
Richland Bean-Blossom Community School Corporation		58,792,552	3.8		2,234,117
Total Overlapping and Underlying Direct Debt and Lease Obligations					108,539,797
Total Direct Debt and Lease Obligations and Overlapping and Underlying Direct Debt and Lease Obligations				$	113,289,797

Direct Debt Issuance Limitation

The City is limited to the issuance of direct general obligation debt in an amount not to exceed 2% of one-third of the assessed valuation. **The 2011 B Bonds being issued and described herein are not subject to the 2% debt limitation.**

Assessed Valuation - 2010 Payable 2011	$	3,207,252,313
Statutory Limitation - 2% of One-Third Thereof	$	21,381,682
Less: Direct Debt of the City		
General Obligation Refunding Bonds, Series 2009		4,750,000
Issuance Margin	$	16,631,682

Per Capita and Debt Ratio Analysis

Population - 2010	80,405
Assessed Valuation - 2010 Payable 2011	$3,207,252,313

Description	Amount	Debt Per Capita	Ratio Debt/Assessed Valuation
Total Direct Debt and Lease Obligations	$ 4,750,000	$ 59.08	0.15 %
Total Overlapping and Underlying Direct Debt and Lease Obligations	108,539,797	1,349.91	3.38
Total Direct Debt and Lease Obligations and Overlapping and Underlying Direct Debt and Lease Obligations	$ 113,289,797	$ 1,408.99	3.53 %

Tax Increment Financing (TIF) Revenue Debt

Issue Date	Original Amount	Final Maturity	Outstanding as of July 1, 2011 (1)	Title
2011	$ 13,670,000	02/01/32	$ 13,670,000	Redevelopment District Tax Increment Revenue Bonds of 2011

(1) The Bonds closed July 27, 2011.

Statement of City Utility Revenue Debt

The City of Bloomington owns and operates the municipal waterworks and municipal sewage works (the "Utilities") which have heretofore issued and have outstanding the following revenue bonds. All such revenue bonds constitute a lien on the revenue of the utilities and are not, pursuant to Indiana statutes, direct obligations of the City. Revenue bonds issued of the Utilities and outstanding as of July 1, 2011 were as follows:

	Final Maturity	Outstanding Debt
City of Bloomington Sewage Works		
Sewage Works - 1999 Series A	2029	$ 6,230,000
Sewage Works - 2000 Series A State Revolving Fund (SRF)	2021	2,228,000
Sewage Works - 2000 Series B (SRF)	2021	5,352,000
Sewage Works - 2000 Series C (SRF)	2021	2,615,000
Sewage Works - Series 2003	2025	13,375,000
Sewage Works - Series 2004 (SRF)	2026	4,695,000
Sewage Works - Series 2006 A-1	2027	5,240,000
Sewage Works - Series 2006 A-2	2017	1,730,000
Sewage Works - Series 2006 B (SRF)	2027	3,014,644
Sewage Works - Series 2006 C (SRF)	2027	6,185,451
City of Bloomington Municipal Water Utility		
Waterworks 2000 Series A (SRF)	2021	$ 8,877,000
Waterworks 2003 Series A (SRF)	2023	2,803,000
Waterworks 2003 Series B (SRF)	2025	5,968,000
Waterworks 2003	2020	3,860,000
Waterworks 2006	2027	4,480,000
Waterworks 2011 Series A (SRF) (1)	2029	6,045,000
Waterworks 2011 Series B (2)	2029	35,955,000

(1) The 2011 Series A (SRF) will close October 26, 2011.

(2) Being issued herein.

Total Tax Rates
City of Bloomington - Bloomington Township
(Per $100 Assessed Valuation)

	Years Payable				
	2011	2010	2009	2008 (1)	2007 (1)
State				$0.0024	$0.0024
County	$0.3089	$0.3376	$0.3353	0.3800	0.3675
Bloomington Township	0.0217	0.0216	0.0210	0.0190	0.0190
Monroe County Community School Corporation	0.6788	0.5680	0.4909	1.0384	1.0237
Library	0.1097	0.1181	0.0963	0.0941	0.0894
City	0.7694	0.7552	0.7246	0.6936	0.7200
Transportation	0.0316	0.0309	0.0304	0.0265	0.0270
Solid Waste Management	0.0224	0.0222	0.0220	0.0185	0.0196
Solid Waste Debt	0.0048	0.0046	0.0023	0.0058	-
Tax Replacement Credit	-	-	0.0227	0.0181	0.017
Total Tax Rate	$1.9473	$1.8582	$1.7455	$2.2964	$2.2856

(1) Includes County and overlapping levies. All tax rates exhibited are before deduction of approximately 6% to 19% thereof for property tax relief funds provided from State of Indiana tax sources and before deduction for homestead credits.

Source: Monroe County Auditor and Monroe County Abtracts for the respective years.

Net Assessed Valuation

Payable Year	City of Bloomington		Monroe County	
2011	$ 3,207,252,313		$ 6,055,356,856	
2010	3,221,236,886		6,018,086,034	
2009	3,164,372,766	(1)	5,900,328,835	(1)
2008	3,487,360,013		6,736,656,148	
2007	3,306,999,995		6,333,462,322	

(1) Decrease due to new supplemental homestead deduction effective in Pay 2009.

Source: Monroe County Abstracts for the respective years.

Property Taxes Levied and Collected
City of Bloomington

Collection Year	Levied	Current and Delinquent Collected		Percent Collected
2011	$ 24,618,018	$ 13,465,171	(1)	54.7 %
2010	24,298,120	24,532,695		101.0
2009	22,931,948	23,318,329		101.7
2008	24,201,391	23,822,013		98.4
2007	23,826,402	23,332,265		97.9

(1) Spring Distribution Only.

Source: Monroe County Auditor and Monroe County Abstracts for the respective years.

Ten Largest City Taxpayers
City of Bloomington

Taxpayer	Type of Business	Payable 2011 Net Assessed Valuation	% of Total Net Assessed Valuation (1)
Smallwood Plaza LLC	Apartments and Real Estate	$ 33,238,100	1.04 %
Simon Property Group	Retail Stores - Mall	30,995,300	0.97
Hoosier Holdings LLC	Real Estate	21,461,100	0.67
Clarizz Boulevard Associates LLC	Real Estate	19,374,600	0.60
Latimer, Fred and Dorthy Trust	Real Estate	16,262,800	0.51
TC-Met Bloomington LLC	Business Forms and Systems	15,491,400	0.48
Inland American Bloomington	Apartments and Real Estate	14,556,000	0.45
O F C Corporation	Retirement Community	13,675,800	0.43
Woodbridge Apartments	Apartments and Real Estate	12,235,800	0.38
Regency Consolidated Residential	Apartments and Real Estate	12,153,800	0.38
		$ 189,444,700	5.91 %

Source: Monroe County Auditor's Office

Sources of Data and Information

Statistical data and other information set forth under the caption "CITY DEBT AND TAXATION" have been compiled by the City's financial advisor, Crowe Horwath LLP, from sources deemed to be reliable.

APPENDIX C

CONSULTANT'S REPORT

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

CONSULTANT'S REPORT

September 9, 2011

Revised to reflect results of bond sale.

Crowe Horwath.

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

TABLE OF CONTENTS

		Page
PURPOSE OF THE REPORT		C-4
EXHIBIT A	- Balance Sheets	C-5
SCHEDULE A-1	- Waterworks Revenue Bonds of 2000, Series A State Revolving Fund (SRF) Loan Amortization Schedule	C-7
SCHEDULE A-2	- Waterworks Revenue Bonds of 2003, Series A SRF Loan Amortization Schedule	C-8
SCHEDULE A-3	- Waterworks Revenue Bonds of 2003, Series B SRF Loan Amortization Schedule	C-9
SCHEDULE A-4	- Waterworks Refunding Revenue Bonds of 2003 Amortization Schedule	C-10
SCHEDULE A-5	- Waterworks Revenue Bonds of 2006 Amortization Schedule	C-11
EXHIBIT B	- Statements of Income	C-12
EXHIBIT C	- Adjusted Statement of Income	C-14
SCHEDULE C-1	- Detail of Adjustments	C-15
EXHIBIT D	- Waterworks Revenue Bonds of 2011 Estimated Sources and Uses of Funds	C-17
SCHEDULE D-1	- Waterworks Revenue Bonds of 2011, Series A State Revolving Fund (SRF) Loan Amortization Schedule	C-18
SCHEDULE D-2	- Waterworks Revenue Bonds of 2011, Series B Amortization Schedule	C-19
EXHIBIT E	- Combined Amortization Schedule	C-20
EXHIBIT F	- Estimated Debt Service Coverage Calculation	C-21
EXHIBIT G	- Schedule of Present Rates and Charges	C-22

Revised to reflect results of bond sale.

Crowe Horwath.

Crowe Horwath LLP
Independent Member Crowe Horwath International

10 West Market Street, Suite 2000
Indianapolis, Indiana 46204-2975
Tel 317.632.1100
Fax 317.635.6127
www.crowehorwath.com

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

PURPOSE OF THE REPORT

Crowe Horwath LLP ("Crowe") has performed a study and analysis of the operating and financial reports, budgets and other data pertaining to the Bloomington Municipal Water Utility ("Utility"). The results of our analysis are contained in this Consultant's Report ("Report").

The purpose of the Report is to estimate the Utility's cash flow and financial capacity to meet its on-going revenue requirements for operation and maintenance expenses, present and proposed debt service payments, and to make capital improvements to the Utility's system. This Report is based on data for the twelve months ended December 31, 2010. The historical information used in this Report was taken from the books and records of the Utility and was adjusted as necessary for fixed, known and measurable items as discussed in the Exhibits and Schedules of this Report.

In the course of preparing this Report, we have not conducted an audit of any financial or supplemental data used in the accompanying Exhibits and Schedules. We have made certain projections that may vary from actual results because events and circumstances frequently do not occur as estimated and such variances may be material. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

If you have any questions regarding this Report, please call Angie Steeno at (317) 269-2367 or Michael Amore at (317) 269-2385.

EXHIBIT A

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Balance Sheets as of December 31, 2010, 2009, and 2008

	2010	2009	2008
ASSETS AND OTHER DEBITS			
Utility Plant			
Utility Plant in Service	$ 95,555,246	$ 92,218,054	$ 81,366,432
Less: Accumulated Depreciation	(34,097,573)	(31,893,038)	(29,930,279)
Accumulated Amortization	(34,450)	(31,410)	(28,371)
Net Utility Plant in Service	61,423,223	60,293,606	51,407,782
Add: Construction Work in Progress	3,489,736	5,896,736	15,778,700
Net Utility Plant	64,912,959	66,190,342	67,186,482
Restricted Assets			
Sinking Fund	8,393	1,606	4,025
Cash with Fiscal Agent	1,438,385	1,447,882	1,418,982
Debt Service Reserve - 2006 Bonds	323,289	320,072	317,177
Construction Fund	690,091	688,438	1,823,784
Total Restricted Assets	2,460,158	2,457,998	3,563,968
Current and Accrued Assets			
Operation and Maintenance Fund	1,070,572	578,134	151,212
Customer Deposits Fund	2,450	26,450	22,400
Accounts Receivable - Net	251,699	219,698	228,952
Accounts Receivable from Associated Co.	(265,796)	-	-
Materials and Supplies	507,317	587,048	602,248
Prepaid Expenses	4,000	-	-
Total Current and Accrued Assets	1,570,242	1,411,330	1,004,812
Deferred Debits			
Unamortized Bond Issuance Costs	223,641	241,088	258,534
Deferral Loss on Advancement	496,933	552,148	607,363
Total Deferred Debits	720,574	793,236	865,897
Total Assets and Other Debits	$ 69,663,933	$ 70,852,906	$ 72,621,159

EXHIBIT A
(Continued)

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Balance Sheets as of December 31, 2010, 2009, and 2008

LIABILITIES AND OTHER CREDITS	2010	2009	2008
Equity Capital			
Unappropriated Retained Earnings	$ 28,950,854	$ 28,752,599	$ 31,145,519
Current Year Earnings	387,454	192,097	1,535,832
Prior Period Adjustments	-	-	(3,910,399)
Total Equity Capital	29,338,308	28,944,696	28,770,952
Long Term Debt			
Refunding Revenue Bonds of 2003	3,660,000	4,240,000	4,625,000
Revenue Bonds of 2006	4,385,000	4,680,000	4,870,000
State Revolving Fund Loans	16,990,000	18,992,000	20,296,000
Total Long Term Debt	25,035,000	27,912,000	29,791,000
Current and Accrued Liabilities			
Accounts Payable	(168,162)	217,492	1,291,799
Revenue Bonds - Current	875,000	575,000	890,000
State Revolving Fund Loans - Current	2,002,000	1,304,000	889,000
Notes Payable - Current	-	-	15,564
Capital Lease Obligation	-	-	16,624
Accounts Payable to Associated Co.	1,870,406	809,368	1,483
Compensated Absences Payable	136,382	129,136	83,209
Customer Deposits	-	26,450	22,400
Accrued Taxes	38,010	32,154	33,745
Accrued Payroll	75,703	44,290	119,799
Total Current and Accrued Liabilities	4,829,339	3,137,890	3,363,623
Deferred Credits			
Unamortized Bond Premium	70,092	77,880	85,667
Contributions in Aid			
Contributions in Aid of Construction	10,391,194	10,495,427	10,316,094
Advances for Construction	-	285,013	293,823
Total Contributions in Aid	10,391,194	10,780,440	10,609,917
Total Liabilities and Other Credits	$ 69,663,933	$ 70,852,906	$ 72,621,159

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Waterworks Revenue Bonds of 2000, Series A
State Revolving Fund (SRF) Loan
Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
7/1/11	$ 404,000	2.9 %	$ 134,574	$ 538,574	
1/1/12	409,000	2.9	128,716	537,716	$ 1,076,290
7/1/12	415,000	2.9	122,786	537,786	
1/1/13	420,000	2.9	116,769	536,769	1,074,555
7/1/13	428,000	2.9	110,678	538,678	
1/1/14	433,000	2.9	104,473	537,473	1,076,151
7/1/14	440,000	2.9	98,194	538,194	
1/1/15	445,000	2.9	91,814	536,814	1,075,008
7/1/15	454,000	2.9	85,361	539,361	
1/1/16	458,000	2.9	78,779	536,779	1,076,140
7/1/16	467,000	2.9	72,137	539,137	
1/1/17	472,000	2.9	65,366	537,366	1,076,503
7/1/17	480,000	2.9	58,522	538,522	
1/1/18	486,000	2.9	51,562	537,562	1,076,084
7/1/18	494,000	2.9	44,515	538,515	
1/1/19	500,000	2.9	37,352	537,352	1,075,867
7/1/19	508,000	2.9	30,102	538,102	
1/1/20	515,000	2.9	22,736	537,736	1,075,838
7/1/20	523,000	2.9	15,269	538,269	
1/1/21	530,000	2.9	7,685	537,685	1,075,954
Totals	$ 9,281,000		$ 1,477,390	$ 10,758,390	

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Waterworks Revenue Bonds of 2003, Series A
State Revolving Fund (SRF) Loan
Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
7/1/11	$ 99,000	3.3 %	$ 47,883	$ 146,883	
1/1/12	101,000	3.3	46,250	147,250	$ 294,133
7/1/12	103,000	3.3	44,583	147,583	
1/1/13	104,000	3.3	42,883	146,883	294,466
7/1/13	106,000	3.3	41,167	147,167	
1/1/14	108,000	3.3	39,418	147,418	294,585
7/1/14	110,000	3.3	37,636	147,636	
1/1/15	112,000	3.3	35,821	147,821	295,457
7/1/15	113,000	3.3	33,973	146,973	
1/1/16	115,000	3.3	32,109	147,109	294,082
7/1/16	117,000	3.3	30,212	147,212	
1/1/17	119,000	3.3	28,281	147,281	294,493
7/1/17	121,000	3.3	26,318	147,318	
1/1/18	123,000	3.3	24,321	147,321	294,639
7/1/18	125,000	3.3	22,292	147,292	
1/1/19	127,000	3.3	20,229	147,229	294,521
7/1/19	129,000	3.3	18,133	147,133	
1/1/20	132,000	3.3	16,005	148,005	295,138
7/1/20	134,000	3.3	13,827	147,827	
1/1/21	136,000	3.3	11,616	147,616	295,443
7/1/21	139,000	3.3	9,372	148,372	
1/1/22	141,000	3.3	7,079	148,079	296,451
7/1/22	143,000	3.3	4,752	147,752	
1/1/23	145,000	3.3	2,393	147,393	295,145
Totals	$ 2,902,000		$ 636,553	$ 3,538,553	

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Waterworks Revenue Bonds of 2003, Series B
State Revolving Fund (SRF) Loan
Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
7/1/11	$ 175,000	3.3 %	$ 101,360	$ 276,360	
1/1/12	177,000	3.3	98,472	275,472	$ 551,832
7/1/12	180,000	3.3	95,552	275,552	
1/1/13	183,000	3.3	92,582	275,582	551,134
7/1/13	186,000	3.3	89,562	275,562	
1/1/14	189,000	3.3	86,493	275,493	551,055
7/1/14	192,000	3.3	83,375	275,375	
1/1/15	196,000	3.3	80,207	276,207	551,582
7/1/15	199,000	3.3	76,973	275,973	
1/1/16	202,000	3.3	73,689	275,689	551,662
7/1/16	205,000	3.3	70,356	275,356	
1/1/17	209,000	3.3	66,974	275,974	551,330
7/1/17	212,000	3.3	63,525	275,525	
1/1/18	216,000	3.3	60,027	276,027	551,552
7/1/18	219,000	3.3	56,463	275,463	
1/1/19	223,000	3.3	52,850	275,850	551,313
7/1/19	227,000	3.3	49,170	276,170	
1/1/20	230,000	3.3	45,425	275,425	551,595
7/1/20	234,000	3.3	41,630	275,630	
1/1/21	238,000	3.3	37,769	275,769	551,399
7/1/21	242,000	3.3	33,842	275,842	
1/1/22	246,000	3.3	29,849	275,849	551,691
7/1/22	250,000	3.3	25,790	275,790	
1/1/23	254,000	3.3	21,665	275,665	551,455
7/1/23	258,000	3.3	17,474	275,474	
1/1/24	263,000	3.3	13,217	276,217	551,691
7/1/24	267,000	3.3	8,877	275,877	
1/1/25	271,000	3.3	4,472	275,472	551,349
Totals	$ 6,143,000		$ 1,577,640	$ 7,720,640	

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Waterworks Refunding Revenue Bonds of 2003
Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
7/1/11	$ 200,000	3.500 %	$ 87,159	$ 287,159	
1/1/12	200,000	3.875	83,659	283,659	$ 570,818
7/1/12	185,000	3.875	79,784	264,784	
1/1/13	190,000	4.000	76,200	266,200	530,984
7/1/13	190,000	4.000	72,400	262,400	
1/1/14	200,000	4.250	68,600	268,600	531,000
7/1/14	205,000	4.250	64,350	269,350	
1/1/15	210,000	4.250	59,994	269,994	539,344
7/1/15	215,000	4.250	55,531	270,531	
1/1/16	225,000	4.500	50,963	275,963	546,494
7/1/16	230,000	4.500	45,900	275,900	
1/1/17	245,000	4.500	40,725	285,725	561,625
7/1/17	245,000	4.500	35,213	280,213	
1/1/18	245,000	4.500	29,700	274,700	554,913
7/1/18	255,000	4.500	24,188	279,188	
1/1/19	270,000	4.500	18,450	288,450	567,638
7/1/19	275,000	4.500	12,375	287,375	
1/1/20	275,000	4.500	6,188	281,188	568,563
Totals	$ 4,060,000		$ 911,379	$ 4,971,379	

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Waterworks Revenue Bonds of 2006
Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
7/1/11	$ 100,000	4.05 %	$ 106,064	$ 206,064	
1/1/12	100,000	4.10	104,039	204,039	$ 410,103
7/1/12	105,000	4.15	101,989	206,989	
1/1/13	105,000	4.20	99,810	204,810	411,799
7/1/13	110,000	4.25	97,605	207,605	
1/1/14	110,000	4.27	95,267	205,267	412,872
7/1/14	115,000	4.30	92,919	207,919	
1/1/15	115,000	4.35	90,446	205,446	413,365
7/1/15	120,000	4.40	87,945	207,945	
1/1/16	120,000	4.48	85,305	205,305	413,250
7/1/16	125,000	4.55	82,617	207,617	
1/1/17	125,000	4.59	79,773	204,773	412,390
7/1/17	130,000	4.59	76,905	206,905	
1/1/18	130,000	4.62	73,921	203,921	410,826
7/1/18	135,000	4.62	70,918	205,918	
1/1/19	140,000	4.64	67,799	207,799	413,717
7/1/19	140,000	4.64	64,552	204,552	
1/1/20	145,000	4.73	61,304	206,304	410,856
7/1/20	150,000	4.73	57,875	207,875	
1/1/21	150,000	4.75	54,327	204,327	412,202
7/1/21	155,000	4.75	50,764	205,764	
1/1/22	160,000	4.78	47,083	207,083	412,847
7/1/22	160,000	4.78	43,259	203,259	
1/1/23	165,000	4.80	39,435	204,435	407,694
7/1/23	170,000	4.80	35,475	205,475	
1/1/24	175,000	4.83	31,395	206,395	411,870
7/1/24	175,000	4.83	27,169	202,169	
1/1/25	180,000	4.83	22,943	202,943	405,112
7/1/25	185,000	4.83	18,596	203,596	
1/1/26	190,000	4.83	14,128	204,128	407,724
7/1/26	195,000	4.83	9,539	204,539	
1/1/27	200,000	4.83	4,830	204,830	409,369
Totals	$ 4,580,000		$ 1,995,996	$ 6,575,996	

EXHIBIT B

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Statements of Income for the Twelve Months Ended
December 31, 2010, 2009, and 2008

	2010	2009	2008
Operating Revenues			
Metered Sales Residential	$ 2,985,128	$ 2,570,413	$ 3,002,818
Metered Sales Commercial	2,007,295	1,896,727	1,828,239
Metered Sales Industrial	53,575	40,975	47,212
Sales to Public Authorities	464,366	484,682	433,068
Multiple Family Dwellings	2,178,664	2,334,992	2,044,153
Public Fire Protection	770,665	764,600	749,704
Private Fire Protection	91,988	91,143	86,945
Irrigation Sales	293,995	185,481	334,175
Sales for Resale	1,403,409	1,473,280	1,494,582
Forfeited Discounts	143,395	16,499	19,537
Miscellaneous Operating Revenues	144,729	135,023	352,222
Total Operating Revenues	10,537,209	9,993,815	10,392,655
Operating Expenses			
Operation and Maintenance Expenses			
Source of Supply Expenses	1,201,347	1,196,630	1,129,400
Water Treatment Expenses	1,769,075	1,749,596	1,753,520
Transmission and Distribution Expenses	1,277,973	1,372,752	1,369,808
Customer Accounts Expenses	147,642	134,912	101,294
Administrative and General Expenses	2,622,469	2,066,394	2,394,839
Total Operation and Maintenance Expenses	7,018,506	6,520,284	6,748,861
Depreciation Expense	2,088,813	1,961,965	1,502,212
Amortization Expense	3,040	3,040	3,040
Taxes Other Than Income Taxes			
Utility Receipts Tax	127,426	113,499	129,962
FICA	185,158	189,771	171,501
Payment in Lieu of Property Taxes	-	38,852	168,380
Total Taxes Other Than Income Taxes	312,584	342,122	469,843
Total Operating Expenses	9,422,943	8,827,411	8,723,956
Net Operating Income	$ 1,114,266	$ 1,166,404	$ 1,668,699

EXHIBIT B
(Continued)

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Statements of Income for the Twelve Months Ended
December 31, 2010, 2009, and 2008

	2010	2009	2008
Other Income			
Interest Income	$ 14,571	$ 22,122	$ 143,409
Connection Charges	113,600	134,986	170,949
Income from Contractors	210,443	127,951	165,339
Miscellaneous Other Income	11,854	8,538	21,990
Total Other Income	350,468	293,597	501,687
Other Expenses			
Interest Expense	1,076,650	1,133,846	612,180
Bond Issuance Cost	630	137,973	18,076
Loss on Disposition of Property	-	-	4,298
Inventory Cycle Count	-	(3,915)	-
Total Other Expenses	1,077,280	1,267,904	634,554
Net Income	$ 387,454	$ 192,097	$ 1,535,832

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Adjusted Statement of Income

	December 31, 2010	Adjustments Amount	Ref.	Adjusted
Operating Revenues				
Metered Sales Residential	$ 2,985,128	$ 461,202	(1)	$ 4,488,156
		1,041,826	(2)	
Metered Sales Commercial	2,007,295	310,127	(1)	3,017,979
		700,557	(2)	
Metered Sales Industrial	53,575	8,277	(1)	80,550
		18,698	(2)	
Sales to Public Authorities	464,366	71,745	(1)	698,177
		162,066	(2)	
Multiple Family Dwellings	2,178,664	336,604	(1)	3,275,634
		760,366	(2)	
Public Fire Protection	770,665	119,068	(1)	1,158,699
		268,966	(2)	
Private Fire Protection	91,988	14,212	(1)	138,304
		32,104	(2)	
Irrigation Sales	293,995	45,422	(1)	442,023
		102,606	(2)	
Sales for Resale	1,403,409	216,827	(1)	2,110,033
		489,797	(2)	
Forfeited Discounts	143,395			143,395
Miscellaneous Operating Revenues	144,729			144,729
Total Operating Revenues	10,537,209	5,160,470		15,697,679
Operating Expenses				
Operation and Maintenance Expenses	7,018,506	81,526	(3)	7,419,502
		319,470	(4)	
Depreciation Expense	2,088,813			2,088,813
Amortization Expense	3,040			3,040
Taxes Other Than Income Taxes	312,584	155,407	(5)	540,238
		72,247	(6)	
Total Operating Expenses	9,422,943	628,650		10,051,593
Net Operating Income	$ 1,114,266	$ 4,531,820		$ 5,646,086

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Detail of Adjustments

(1)

To adjust "Water Sales" for the Phase I rate increase of 15.45% granted by the Indiana Utility Regulatory Commission (IURC) on March 2, 2011 and implemented on March 9, 2011.

	2010 Revenues	Annual Increase	
Metered Sales Residential	$ 2,985,128	$ 461,202	
Metered Sales Commercial	2,007,295	310,127	
Metered Sales Industrial	53,575	8,277	
Sales to Public Authorities	464,366	71,745	
Multiple Family Dwellings	2,178,664	336,604	
Public Fire Protection	770,665	119,068	
Private Fire Protection	91,988	14,212	
Irrigation Sales	293,995	45,422	
Sales for Resale	1,403,409	216,827	
Adjustment - Increase			$ 1,583,484

(2)

To adjust "Water Sales" for the Phase II rate increase of 30.23% granted by the IURC on March 2, 2011 which will be implemented after closing on the 2011 Bonds.

	Pro Forma 2010 Revenues	Annual Increase	
Metered Sales Residential	$ 3,446,330	$ 1,041,826	
Metered Sales Commercial	2,317,422	700,557	
Metered Sales Industrial	61,852	18,698	
Sales to Public Authorities	536,111	162,066	
Multiple Family Dwellings	2,515,268	760,366	
Public Fire Protection	889,733	268,966	
Private Fire Protection	106,200	32,104	
Irrigation Sales	339,417	102,606	
Sales for Resale	1,620,236	489,797	
Adjustment - Increase			$ 3,576,986

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Detail of Adjustments

(3)

To adjust "Operation and Maintenance Expenses" for 2010 General Services portion of the Interdepartmental Agreement.

2010 General Services	$ 326,103	
Less: Test Year	(244,577)	
Adjustment - Increase		$ 81,526

(4)

To adjust "Operation and Maintenance Expenses" for 2010 Health Insurance Trust Agreement.

Adjustment - Increase		$ 319,470

(5)

To adjust "Taxes Other than Income Taxes" for the Payment In Lieu of Taxes (PILOT) portion of the 2010 Interdepartmental Agreement.

Adjustment - Increase		$ 155,407

(6)

To adjust "Taxes Other Than Income Taxes" to allow for the increase in Utility Receipts Tax at the adjusted level of operating revenue.

Water Sales Adjustment	$ 5,160,470	
Times: Utility Receipts Tax Rate	1.40%	
Adjustment - Increase		$ 72,247

EXHIBIT D

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Waterworks Revenue Bonds of 2011
Estimated Sources and Uses of Funds

	Series A (SRF)		Series B		Total
Sources of Funds					
Par Amount	$ 6,045,000		$ 35,955,000		$ 42,000,000
Total Sources of Funds	$ 6,045,000		$ 35,955,000		$ 42,000,000
Uses of Funds					
Southeast Water System Improvements - Base Bid			$ 16,916,979		$ 16,916,979
Land and Easement Acquisition			300,000		300,000
Professional Services	$ 2,735,000		-		2,735,000
Monroe Water Treatment Plant Expansion - Base Bid	-		10,327,000		10,327,000
Alternative A - Add Floc/Sed Basin	-		2,270,000		2,270,000
Alternative B - Add Replacement of Transfer Pumps	-		200,000		200,000
Alternative C - Add HSP No. 5	-		174,000		174,000
Professional Services	2,730,415		-		2,730,415
Construction Contingencies	-		940,000		940,000
Sare/Rogers Transmission Main Improvements	-		350,000		350,000
Net Original Issue Discount	-		146,115		146,115
Debt Service Reserve	487,106	(1)	3,595,500	(2)	4,082,606
Underwriter's Discount	-		171,999		171,999
Bond Counsel (Estimated)	27,360		162,640		190,000
Regulatory Counsel (Estimated)	37,440		222,560		260,000
Financial Advisor (Estimated)	4,749		28,251		33,000
Rate Consultant (Estimated)	4,317		25,683		30,000
IURC Fee ($.25 per $100 of Par)	15,112		89,888		105,000
Ratings	-		29,400		29,400
Parity Report	-		3,000		3,000
Miscellaneous	3,501		1,985		5,486
Total Uses of Funds	$ 6,045,000		$ 35,955,000		$ 42,000,000

(1) Funded at maximum annual debt service.
(2) Funded at ten percent (10%) of par.

Revised to reflect results of bond sale.

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Waterworks Revenue Bonds of 2011, Series A
State Revolving Fund (SRF) Loan
Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
1/1/12			$ 40,886	$ 40,886	$ 40,886
7/1/12	$ 130,000	3.746 %	113,223	243,223	
1/1/13	130,000	3.746	110,788	240,788	484,011
7/1/13	135,000	3.746	108,353	243,353	
1/1/14	135,000	3.746	105,825	240,825	484,178
7/1/14	140,000	3.746	103,296	243,296	
1/1/15	140,000	3.746	100,674	240,674	483,970
7/1/15	145,000	3.746	98,052	243,052	
1/1/16	145,000	3.746	95,336	240,336	483,388
7/1/16	150,000	3.746	92,620	242,620	
1/1/17	150,000	3.746	89,810	239,810	482,430
7/1/17	155,000	3.746	87,001	242,001	
1/1/18	160,000	3.746	84,098	244,098	486,099
7/1/18	160,000	3.746	81,101	241,101	
1/1/19	165,000	3.746	78,104	243,104	484,205
7/1/19	165,000	3.746	75,014	240,014	
1/1/20	170,000	3.746	71,923	241,923	481,937
7/1/20	175,000	3.746	68,739	243,739	
1/1/21	175,000	3.746	65,461	240,461	484,200
7/1/21	180,000	3.746	62,184	242,184	
1/1/22	185,000	3.746	58,812	243,812	485,996
7/1/22	185,000	3.746	55,347	240,347	
1/1/23	190,000	3.746	51,882	241,882	482,229
7/1/23	195,000	3.746	48,323	243,323	
1/1/24	195,000	3.746	44,671	239,671	482,994
7/1/24	200,000	3.746	41,019	241,019	
1/1/25	205,000	3.746	37,273	242,273	483,292
7/1/25	210,000	3.746	33,433	243,433	
1/1/26	210,000	3.746	29,500	239,500	482,933
7/1/26	215,000	3.746	25,566	240,566	
1/1/27	225,000	3.746	21,540	246,540	487,106
7/1/27	225,000	3.746	17,325	242,325	
1/1/28	230,000	3.746	13,111	243,111	485,436
7/1/28	235,000	3.746	8,803	243,803	
1/1/29	235,000	3.746	4,402	239,402	483,205
Totals	$ 6,045,000		$ 2,223,495	$ 8,268,495	

Revised to reflect results of SRF bond sale.

SCHEDULE D-2

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Waterworks Revenue Bonds of 2011, Series B
Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
1/1/12			$ 247,794	$ 247,794	$ 247,794
7/1/12	$ 325,000	3.00 %	686,200	1,011,200	
1/1/13	325,000	3.00	681,325	1,006,325	2,017,525
7/1/13	315,000	3.00	676,450	991,450	
1/1/14	340,000	3.00	671,725	1,011,725	2,003,175
7/1/14	330,000	3.00	666,625	996,625	
1/1/15	330,000	3.00	661,675	991,675	1,988,300
7/1/15	335,000	3.00	656,725	991,725	
1/1/16	335,000	3.00	651,700	986,700	1,978,425
7/1/16	335,000	3.00	646,675	981,675	
1/1/17	340,000	3.00	641,650	981,650	1,963,325
7/1/17	350,000	3.00	636,550	986,550	
1/1/18	355,000	3.00	631,300	986,300	1,972,850
7/1/18	355,000	3.00	625,975	980,975	
1/1/19	360,000	3.00	620,650	980,650	1,961,625
7/1/19	370,000	3.00	615,250	985,250	
1/1/20	375,000	3.50	609,700	984,700	1,969,950
7/1/20	660,000	3.50	603,138	1,263,138	
1/1/21	690,000	3.50	591,588	1,281,588	2,544,726
7/1/21	1,235,000	3.50	579,513	1,814,513	
1/1/22	1,260,000	4.00	557,900	1,817,900	3,632,413
7/1/22	1,295,000	4.00	532,700	1,827,700	
1/1/23	1,320,000	4.00	506,800	1,826,800	3,654,500
7/1/23	1,500,000	4.00	480,400	1,980,400	
1/1/24	1,535,000	4.00	450,400	1,985,400	3,965,800
7/1/24	1,580,000	4.00	419,700	1,999,700	
1/1/25	1,615,000	4.00	388,100	2,003,100	4,002,800
7/1/25	1,935,000	4.00	355,800	2,290,800	
1/1/26	1,980,000	4.00	317,100	2,297,100	4,587,900
7/1/26	2,035,000	4.00	277,500	2,312,500	
1/1/27	2,085,000	4.00	236,800	2,321,800	4,634,300
7/1/27	2,345,000	4.00	195,100	2,540,100	
1/1/28	2,405,000	4.00	148,200	2,553,200	5,093,300
7/1/28	2,465,000	4.00	100,100	2,565,100	
1/1/29	2,540,000	4.00	50,800	2,590,800	5,155,900
Totals	$ 35,955,000		$ 17,419,608	$ 53,374,608	

Revised to reflect results of bond sale.

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Combined Amortization Schedule

Year	2000 SRF Loan	2003 A SRF Loan	2003 B SRF Loan	2003 Refunding Bonds	2006 Bonds	2011 Series A SRF Loan	2011 Series B Bonds	Total
2011	$ 1,076,290	$ 294,133	$ 551,832	$ 570,818	$ 410,103	$ 40,886	$ 247,794	$ 3,191,856
2012	1,074,555	294,466	551,134	530,984	411,799	484,011	2,017,525	5,364,474
2013	1,076,151	294,585	551,055	531,000	412,872	484,178	2,003,175	5,353,016
2014	1,075,008	295,457	551,582	539,344	413,365	483,970	1,988,300	5,347,026
2015	1,076,140	294,082	551,662	546,494	413,250	483,388	1,978,425	5,343,441
2016	1,076,503	294,493	551,330	561,625	412,390	482,430	1,963,325	5,342,096
2017	1,076,084	294,639	551,552	554,913	410,826	486,099	1,972,850	5,346,963
2018	1,075,867	294,521	551,313	567,638	413,717	484,205	1,961,625	5,348,886
2019	1,075,838	295,138	551,595	568,563	410,856	481,937	1,969,950	5,353,877
2020	1,075,954	295,443	551,399		412,202	484,200	2,544,726	5,363,924
2021		296,451	551,691		412,847	485,996	3,632,413	5,379,398
2022		295,145	551,455		407,694	482,229	3,654,500	5,391,023
2023			551,691		411,870	482,994	3,965,800	5,412,355
2024			551,349		405,112	483,292	4,002,800	5,442,553
2025					407,724	482,933	4,587,900	5,478,557
2026					409,369	487,106	4,634,300	5,530,775
2027						485,436	5,093,300	5,578,736
2028						483,205	5,155,900	5,639,105 (1)
Totals	$ 10,758,390	$ 3,538,553	$ 7,720,640	$ 4,971,379	$ 6,575,996	$ 8,268,495	$ 53,374,608	$ 95,208,061

Combined Maximum Annual Debt Service (1) $ 5,639,105

Revised to reflect results of bond sale.

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Estimated Debt Service Coverage Calculation

Adjusted Operating Revenues (Exhibit C)	$ 15,697,679
Less: Adjusted Operation and Maintenance Expenses (Exhibit C)	(7,419,502)
Adjusted Taxes Other Than Income Taxes (Exhibit C)	(540,238)
Net Revenues Available for Debt Service	7,737,939
Combined Maximum Annual Debt Service (Exhibit E)	5,639,105
Coverage - $	$ 2,098,834
Coverage - %	137%

Revised to reflect results of bond sale.

EXHIBIT G

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Schedule of Present Rates and Charges

	Present Phase I Rates (1)	Present Phase II Rates (2)
Monthly Usage Charge (Per 1,000 Gallons)		
Residential	$ 2.47	$ 3.22
Commercial, Governmental, Interdepartmental	2.09	2.72
Industrial	1.93	2.51
Indiana University - Master Metered	1.56	2.03
Indiana University - Non-Master Metered	2.09	2.72
Irrigation	2.26	2.94
Contract Sales for Resale Monthly Usage Charge (Per 1,000 Gallons)	$ 1.58	$ 2.06
Monthly Service Charge (in addition to Monthly Usage Charge)		
5/8 inch meter	$ 3.90	$ 5.08
3/4 inch meter	5.20	6.77
1 inch meter	7.00	9.12
1 1/2 inch meter	12.16	15.84
2 inch meter	17.32	22.56
3 inch meter	40.03	52.13
4 inch meter	65.82	85.72
6 inch meter	130.32	169.72
8 inch meter	194.82	253.71
10 inch meter	259.31	337.70

(1) Present Rates and Charges were approved by the Indiana Utility Regulatory Commission (IURC) on March 2, 2011 and effective March 9, 2011.

(2) Proposed Rates and Charges across-the-board increase of thirty and twenty-three hundredths percent (30.23%) was approved by the IURC on March 2, 2011. The tariff for the the Phase II rates will be filled with the IURC subsequent to the sale of the 2011 Bonds and is subject to a True-Up Report.

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Schedule of Present Rates and Charges

	Present Phase I Rates (1)	Present Phase II Rates (2)
Monthly Public Fire Protection Charge - Inside City (excluding Indiana University - Master Metered)		
5/8 inch meter	$ 1.29	$ 1.68
3/4 inch meter	1.94	2.53
1 inch meter	3.23	4.21
1 1/2 inch meter	6.47	8.43
2 inch meter	10.34	13.47
3 inch meter	22.63	29.47
4 inch meter	38.79	50.52
6 inch meter	80.83	105.26
8 inch meter	116.39	151.57
10 inch meter	187.51	244.19
Monthly Public Fire Protection Charge - Outside City (excluding Indiana University - Master Metered)		
5/8 inch meter	$ 2.17	$ 2.83
3/4 inch meter	3.26	4.25
1 inch meter	5.44	7.08
1 1/2 inch meter	10.85	14.13
2 inch meter	17.38	22.63
3 inch meter	38.01	49.50
4 inch meter	65.14	84.83
6 inch meter	135.72	176.75
8 inch meter	195.42	254.50
10 inch meter	314.86	410.04
Monthly Fire Protection Charge - Indiana University - Master Metered	$ 1,186.31	$ 1,544.93
Monthly Private Fire Protection Charge (per connection)		
4 inch line or smaller	$ 6.52	$ 8.49
6 inch line	18.11	23.58
8 inch line	37.12	48.34
10 inch line	65.01	84.66
12 inch line	102.50	133.49

(1) Present Rates and Charges were approved by the Indiana Utility Regulatory Commission (IURC) on March 2, 2011 and effective March 9, 2011.

(2) Proposed Rates and Charges across-the-board increase of thirty and twenty-three hundreadths percent (30.23%) was approved by the IURC on March 2, 2011. The tariff for the the Phase II rates will be filled with the IURC subsequent to the sale of the 2011 Bonds and is subject to a True-Up Report.

APPENDIX D

BOND ORDINANCE

Passed 9-0

ORDINANCE 10-07

An Ordinance Concerning the Construction of Additions, Extensions and Improvements to the Waterworks of the City of Bloomington, Indiana, the Issuance of Revenue Bonds to Provide the Cost Thereof, the Collection, Segregation and Distribution of the Revenues of said Waterworks, the Safeguarding of the Interests of the Owners of said Revenue Bonds, Other Matters Connected Therewith, Including the Issuance of Notes in Anticipation of Bonds, and Repealing Ordinances Inconsistent Herewith

WHEREAS, the City of Bloomington, Indiana ("City") has heretofore established, constructed and financed its waterworks, and now owns and operates said waterworks pursuant to IC 8-1.5-2 and -3, as in effect on the issue date of the bonds authorized herein, and other applicable laws ("Act"); and

WHEREAS, the Common Council of the City ("Common Council") finds that certain additions, extensions and improvements to said waterworks are necessary; that plans, specifications and estimates have been or will be prepared and filed by the engineers employed by the City for the construction of said additions, extensions and improvements (as more fully set forth in summary fashion in Exhibit A attached hereto and made a part hereof) ("Project"), which plans and specifications have been or will be submitted to all governmental authorities having jurisdiction and have been or will be approved by the aforesaid governmental authorities and are incorporated herein by reference and are or will be open for inspection at the Office of the Clerk as required by law; and

WHEREAS, the City has obtained engineers' estimates of the costs for the construction of the Project; will advertise for and receive bids for the Project; said bids will be subject to the City's determination to construct said Project and subject to the City obtaining funds to pay for said Project; that on the basis of said engineers' estimates, the cost of said Project, including estimated incidental expenses, is in the estimated amount of Thirty-Six Million Three Hundred Thousand Dollars ($36,300,000); and

WHEREAS, the Common Council finds that it is necessary to finance the remaining costs of the Project by the issuance of waterworks revenue bonds, in one or more series, in an aggregate amount not to exceed Forty-Two Million Dollars ($42,000,000) and, if necessary, bond anticipation notes ("BANs"); and

WHEREAS, the Common Council finds that there are now outstanding bonds payable out of the Net Revenues (as hereinafter defined) of the City's waterworks designated as (i) the Waterworks Revenue Bonds of 2000, Series A ("2000 Bonds"), dated June 23, 2000, originally issued in the aggregate principal amount of $10,850,000, now outstanding in the aggregate principal amount of $10,071,000 and maturing semiannually on January 1 and July 1 over a period ending on January 1, 2021; (ii) the Waterworks Revenue Bonds of 2003, Series A ("2003A Bonds"), dated April 18, 2003, originally issued in the aggregate principal amount of $4,215,000, now outstanding in the aggregate principal amount of $3,096,000 and maturing semiannually on January 1 and July 1 over a period ending on January 1, 2023; (iii) the Waterworks Refunding Revenue Bonds of 2003 ("2003 Refunding Bonds"), dated July 23, 2003, originally issued in the aggregate principal amount of $10,220,000, now outstanding in the aggregate principal amount of $4,440,000 and maturing semiannually on January 1 and July 1 over a period ending on January 1, 2020; (iv) the Waterworks Revenue Bonds of 2003, Series B ("2003B Bonds"), dated September 5, 2003, originally issued in the aggregate principal amount of $7,885,000 and now outstanding in the aggregate principal amount of $6,483,000 and maturing semiannually on January 1 and July 1 over a period ending on

January 1, 2025; and (v) the Waterworks Revenue Bonds of 2006, Series A (the "2006 Bonds"), dated May 4, 2006, originally issued in the aggregate principal amount of $5,320,000 and now outstanding in the aggregate principal amount of $4,775,000 and maturing semiannually on January 1 and July 1 over a period ending on January 1, 2027, which 2000 Bonds, 2003A Bonds, 2003 Refunding Bonds, 2003B Bonds and 2006 Bonds (collectively, "Outstanding Bonds") rank on a parity and constitute a first charge on the Net Revenues of the waterworks; and

WHEREAS, the ordinances authorizing the Outstanding Bonds each authorize the issuance of additional bonds ranking on a parity with the Outstanding Bonds provided certain financial conditions can be met ("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 waterworks, on a parity with the Outstanding Bonds, and are to be issued subject to the provisions of the laws of the Act, and the terms and restrictions of this ordinance; and

WHEREAS, the City desires to authorize the issuance of BANs hereunder, in one or more series, if necessary, payable solely from the proceeds of waterworks revenue bonds issued hereunder and to authorize the refunding of said BANs, if issued; and

WHEREAS, the Common Council has been advised by its financial advisor that it may be economically efficient to acquire a municipal bond insurance policy ("Bond Insurance") for the bonds hereby authorized and to acquire a debt service reserve surety bond ("Surety Bond") to fund the reserve for the bonds hereby authorized; and

WHEREAS, prior to the issuance of the bonds authorized by this ordinance, the City shall first obtain the approval of the Indiana Utility Regulatory Commission ("IURC") for the issuance of said bonds; and

WHEREAS, if any of the bonds authorized by this ordinance will be sold to the Indiana Finance Authority (the "Authority") as part of the Indiana State Drinking Water Revolving Loan Fund Program established and existing pursuant to IC 4-4-11 and IC 13-18-21 ("DWSRF Program"), the City will enter into a Financial Assistance Agreement with the Authority pertaining to the Project and the financing thereof ("FAA"); and

WHEREAS, the Utilities Service Board of the City ("USB") has approved the Project and has recommended the Common Council approve the same by the adoption of this ordinance; and

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

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

SECTION 1. Authorization of Project. The City shall proceed with the construction of the Project in accordance with the plans and specifications heretofore prepared or to be prepared and filed by the engineers employed by the City, which plans and specifications are hereby adopted and approved and by reference made a part of this ordinance. Two copies of the plans and specifications are now on file or will subsequently be placed on file in the office of the Clerk of the City and open for public inspection pursuant to IC 36-1-5-4. The estimated cost of construction of said Project is expected to be $36,300,000, plus investment earnings on the BAN and bond proceeds. The terms "waterworks," "waterworks system," "works," "system," and words of like import where used in this ordinance shall be construed to mean and include the Drinking Water System, as defined in the ordinance authorizing the 2003 Refunding Bonds, and includes the existing waterworks 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; provided that if the bonds or BANs are purchased pursuant to the FAA such terms as used herein shall mean the Drinking Water System as defined in the FAA. The Project shall be constructed in accordance with the plans and specifications heretofore mentioned, which Project is hereby approved. Said Project shall be constructed, and the BANs and bonds herein authorized shall be issued, all pursuant to and in accordance with the Act.

SECTION 2. Issuance of BANs. The City shall issue, if necessary, its BANs, in one or more series, for the purpose of procuring interim financing to apply on the cost of the Project. The City may issue its BANs in an aggregate amount not to exceed Forty-Two Million Dollars ($42,000,000) to be designated "Waterworks Bond Anticipation Notes, Series _____", to be completed with the appropriate series designation. Each series of BANs shall be sold at not less than 1% of their par value, numbered consecutively from 1 upward, shall be in multiples of One Thousand Dollars ($1,000) as designated in the purchase agreement for said BANs; shall be dated as of the date of delivery thereof, and shall bear interest at a rate not to exceed 8% per annum (the exact rate or rates to be determined through negotiations with the purchaser of the BANs) payable either upon maturity or redemption. The BANs will mature no later than one year after their date of delivery. The BANs are subject to renewal or extension, without further action of the Common Council, at an interest rate or rates not to exceed 8% per annum (the exact rate or rates to be negotiated with the purchaser of the BANs). The term of the BANs and all renewal BANs may not exceed five years from the date of delivery of the initial BANs. The BANs shall be registered in the name of the purchasers thereof. The BANs may be payable in installments and may be issued pursuant to the book-entry provisions set forth in Section 7 hereof.

The BANs shall be issued pursuant to IC 13-18-21 if sold to the DWSRF Program, pursuant to IC 5-1.5-8-6.1 if sold to the Indiana Bond Bank or pursuant to IC 5-1-14-5 if sold to a financial institution or any other purchaser. The City shall pledge to the payment of the principal of and interest on the BANs the proceeds from the issuance of revenue bonds pursuant to and in the manner prescribed by the Act. Interest on the BANs shall be calculated according to a 360-day calendar year containing twelve 30-day months.

SECTION 3. Issuance of Bonds. The City shall issue its waterworks revenue bonds, in one or more series, in the aggregate principal amount not to exceed Forty-Two Million Dollars ($42,000,000) to be designated "Waterworks Revenue Bonds of 20__, Series ______," to be completed with the appropriate year and series designation ("Bonds"). The Bonds shall be issued for the purpose of procuring funds to apply on the cost of said Project, refunding the BANs, if issued, and issuance costs, including the costs of Bond Insurance and a Surety Bond, if acquired. If the Bonds are sold in more than one series, the sale and issuance of any series of Bonds which follows the issuance and sale of the first series of Bonds hereunder shall be subject to the requirements established by Section 24 and 25(f) of this ordinance.

The Bonds shall be issued in fully registered form, numbered consecutively from one (1) upward and shall bear interest at a rate or rates not exceeding 8% per annum (the exact rate or rates to be determined by bidding or by negotiation with the DWSRF Program or by negotiation with the Indiana Bond Bank). For any series of Bonds sold to the DWSRF Program, said Bonds shall be (i) issued and sold at a price not less than the par value thereof; (ii) issued in denominations of $1 or integral multiples thereof; and (iii) be originally dated as of the date of delivery thereof. For any series of Bonds sold to a purchaser other than the DWSRF Program, said Bonds shall be (i) issued and sold at a price not less than 99% of the par value thereof or 97.5% of the par value if sold to the Indiana Bond Bank; (ii) issued in denominations of $5,000 or integral multiples thereof; and (iii) be originally dated as of first day of the month in which delivered or sold, or the date of delivery thereof as determined by the Controller with the advice of the City's financial advisor. Interest on the Bonds 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 of the Bonds shall be payable in lawful money of the United States of America, at the principal office of the Paying Agent (as hereinafter defined), and such Bonds shall mature semiannually on January 1 and July 1, or be subject to mandatory sinking fund redemption on January 1 and July 1, over a period ending no later than 20 years after substantial completion of the Project for any series of the Bonds. Each series of Bonds shall mature in such amounts that will either (i) produce as level annual debt service as practicable taking into account the denominations of the Bonds; (ii) produce as level annual debt service as practicable taking into account the denominations of the Bonds and the annual debt service on the Outstanding Bonds and any other series of Bonds previously issued hereunder; or, if the Bonds are sold to the DWSRF Program, (iii) produce such level of annual debt service as may be required by the DWSRF Program and as set forth in the FAA for the Bonds.

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

All or a portion of the Bonds may be issued as one or more term bonds, upon election of the purchaser of the Bonds. Such term bonds shall have a stated maturity or maturities of January 1 or July 1, on the dates as determined by the purchaser of the Bonds, but in no event later than the final serial maturity date of the Bonds as determined in accordance with the above paragraph of this Section 3. The term bonds shall be subject to mandatory sinking fund redemption and payment(s) at maturity at 100% of the principal amount thereof, plus accrued interest, to the redemption date, on principal payment dates which are hereinafter determined in accordance with the above paragraph of this Section 3.

Any reference herein to the DWSRF Program as the purchaser of any series of Bonds shall be deemed to include circumstances wherein the Authority (or any other nominal owner of the Bonds) is the registered owner of the Bonds for the benefit of the DWSRF Program.

The City may receive payment for the Bonds and BANs in installments. With respect to any Bonds sold to the Authority as part of the DWSRF Program, to the extent that (a) the total principal amount of such Bonds is not paid by the purchaser or drawn down by the City, or (b) proceeds remain in the Construction Account and are not applied to the Project (or any modifications or additions thereto approved by the Indiana Department of Environmental Management and the Authority), as of the date no additional amounts may be drawn under the FAA, the remaining Bond maturities shall be reduced in a manner that will effect as level debt service as practicable for such remaining maturities and in a manner consistent with how the initial maturities were fixed, provided however such shall in any case be consistent with the FAA.

Notwithstanding anything contained herein, the City may accept any other forms of financial assistance, as and if available, from the DWSRF Program (including without limitation (i) any forgivable loans, grants or other assistance whether available as an alternative to any Bond related provision otherwise provided for herein or as a supplement or addition thereto and (ii) one or more series or combination of series of Bonds and/or BANs). If required by the DWSRF Program to be eligible for such financial assistance, one or more of the series of the Bonds issued hereunder may be issued on a basis such that the payment of the principal of or interest on (or both) such series of Bonds is junior and subordinate to the payment of the principal of and interest on other series of Bonds issued hereunder (and/or any other revenue bonds secured by a pledge of Net Revenues, whether now outstanding or hereafter issued), all as provided by the terms of such series of Bonds as modified pursuant to this authorization. Such financial assistance, if any, shall be as provided in the FAA and the Bonds of each series of Bonds and the BANs of each series of BANS issued hereunder (including any modification made pursuant to the authorization in this paragraph to the form of Bond or BAN otherwise contained herein).

SECTION 4. Registrar and Paying Agent. The USB is authorized to select and appoint a qualified financial institution to serve as Registrar and Paying Agent for the Bonds and the BANs, which Registrar is hereby charged with the responsibility of authenticating the Bonds ("Registrar" or "Paying Agent"). The Director of the City of Bloomington Utilities 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 Director of the City of Bloomington Utilities 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 Waterworks Sinking Fund established to pay the principal of and interest on the Bonds as fiscal agency charges. As to the BANs and as to the Bonds, if sold to the DWSRF Program or any other purchaser that does not object to such designation, the Controller may serve as Registrar and Paying Agent and in such case is charged with the duties of a Registrar and Paying Agent.

If the Bonds or BANs are sold to the DWSRF program, the principal of and interest thereon shall be paid by wire transfer to such financial institution if and as directed by the Authority on the due date of such payment or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date. So long as the Authority is the owner of said Bonds or BANs, such Bonds and BANs shall be presented for payment as directed by the Authority.

For all other Bonds or if wire transfer payment is not required, the principal of the Bonds shall be payable at the principal office of the Paying Agent and all payments of interest on the Bonds shall be paid by check mailed one business day prior to the interest payment date to the registered owners thereof, as of the fifteenth day of the month preceding each payment date ("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).

All payments on the BANs and 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.

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.

Interest on Bonds sold to the DWSRF Program shall be paid from the date or dates which are set forth in the FAA. Interest on all other 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 5. Redemption of BANs. The BANs are prepayable by the City, in whole or in part, on any date, upon seven (7) days' notice to the owner of the BANs, without any premium.

SECTION 6. Redemption of Bonds. The Bonds of this issue are redeemable at the option of the City, but no sooner than ten (10) years after their date of delivery on sixty (60) days' notice if sold to the DWSRF Program and on thirty (30) days' notice if sold to any other purchaser, in whole or in part, in inverse order of maturity if sold to the DWSRF Program or in the order of maturity as determined by the City if sold to any other purchaser, and by lot within a maturity, at face value together with a premium no greater than 2%, plus accrued interest to the date fixed for redemption. The exact redemption dates and premiums shall be established by the Clerk, with the advice of the City's financial advisor, prior to the sale of the Bonds.

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 of the same series 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.

Each denomination of Bonds shall be considered a separate bond for purposes of optional and mandatory redemption. If less than an entire maturity of a series of Bonds is called for redemption, the Bonds to be called for redemption shall be selected by lot by the Registrar. If some Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Bonds for optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption.

In either case, notice of redemption shall be given not less than sixty (60) days, if the Bonds are sold to the DWSRF Program, and thirty (30) days if the Bonds are sold to another purchaser, 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 sixty-five (65) days if the Bonds are sold to the DWSRF Program, and forty-five (45) days if the Bonds are sold to another purchaser, 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 7. Book-Entry Provisions. The City may, upon the advice of its financial advisor, have any series of 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.

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 ("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.

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.

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.

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 8. Execution of Bonds and BANs; Pledge of Net Revenues to Bonds. The BANs and Bonds shall be signed in the name of the City by the manual or facsimile signature of the Mayor, countersigned by 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 and BANs 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 and BANs. The Bonds must be authenticated by an authorized officer of the Registrar. 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, and any bonds ranking on a parity therewith, as to both principal and interest, shall be payable from and secured by an irrevocable pledge of and shall constitute a first charge upon the Net Revenues of the waterworks of the City, on a parity with the Outstanding Bonds. The City shall not be obligated to pay said Bonds or the interest thereon except from the Net Revenues of said works, 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.

SECTION 9. Form of Bonds. The form and tenor of the Bonds shall be substantially as set forth on Exhibit B attached hereto and incorporated herein by reference, all blanks to be filled in properly and all necessary additions and deletions to be made prior to delivery thereof.

SECTION 10. Preparation and Sale of BANs and Bonds. The Controller is hereby authorized and directed to have said BANs and Bonds prepared, and the Mayor, the Controller and the Clerk are hereby authorized and directed to execute said BANs and Bonds in the form and manner herein provided. The Controller is hereby authorized and directed to deliver said BANs and Bonds to the respective purchasers thereof after sale made in accordance with the provisions of this ordinance, provided that at the time of said delivery the Controller shall collect the full amount which the respective purchasers have agreed to pay therefor, which amount shall not be less than 1% of the face value of said BANs, not less than 100% of the face value of said Bonds if sold to the DWSRF Program, and not less than 1% of the face value of said Bonds if sold to another purchaser, as the case may be, plus accrued interest, if any. The City may receive payment for the Bonds and BANs in installments. The Bonds herein authorized, as and to the extent paid for and delivered to the purchaser, shall be the binding special revenue obligations of the City, payable out of the Net Revenues of the City's waterworks 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 Project hereinbefore referred to, the refunding of the BANs, if issued, and the expenses necessarily incurred in connection with the BANs and Bonds. The proper officers of the City are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary to carry out the provisions of this ordinance.

SECTION 11. Official Statement; Bond Insurance; Surety Bond. (a) If any series of Bonds is sold to a purchaser other than the DWSRF Program or the Indiana Bond Bank, distribution of an Official Statement (preliminary and final) prepared by Crowe Horwath LLP, on behalf of the City, is hereby approved and the Mayor, the Controller or the Clerk is hereby authorized and directed to execute such Official Statement on behalf of the City in a form consistent with this ordinance. The Mayor, the Controller or the Clerk is hereby authorized to designate the preliminary Official Statement as "nearly final" for purposes of Rule 15c2-12 as promulgated by the Securities and Exchange Commission and as in effect on the date of issue of the Bonds ("Rule").

(b) If any series of Bonds is sold to the DWSRF Program or the Indiana Bond Bank, the City shall receive an investment letter from the DWSRF Program which satisfies any applicable state and federal securities laws. As an alternative to the preparation and distribution of an Official Statement as set forth in paragraph (a) above, the City may accept from any purchaser of the Bonds an investment letter which satisfies any applicable state and federal securities laws.

(c) In the event the financial advisor to the City certifies to the City that it would be economically advantageous for the City to obtain Bond Insurance for any series of the Bonds, the City hereby authorizes the purchase of such Bond Insurance. In such case, the Mayor, the Controller, the Clerk and the Director of the City of Bloomington Utilities are hereby authorized to execute and deliver all agreements with the provider of the Bond Insurance to the extent necessary to comply with the terms of such Bond Insurance and the commitment to issue such Bond Insurance. The acquisition of Bond Insurance is hereby deemed economically advantageous if the difference between the present value of (i) the total debt service on the Bonds if issued without the Bond Insurance and (ii) the total debt service on the Bonds if issued with the Bond Insurance, is greater than the cost of the premium for the Bond Insurance. The cost of obtaining Bond Insurance shall be considered as a part of the cost of issuance of the Bonds and may be paid out of the proceeds of the Bonds or out of other funds of the waterworks.

(d) A Surety Bond may be purchased by the City to satisfy (with such being determined at the time of purchase of such Surety Bond), in whole or in part, the Debt Service Reserve Account for any series of Bonds issued under this ordinance, provided that the City shall obtain the consent of the DWSRF Program if the DWSRF Program is the then current holder of any of the Bonds or any of the Outstanding Bonds. The Mayor, the Controller, the Clerk or the Director of the City of Bloomington Utilities is hereby authorized to execute and deliver the necessary agreements with the provider of the Surety Bond providing for, among other matters, the reimbursement to such provider of amounts drawn under the Surety Bond. Each of these officials are hereby authorized and directed to complete, execute and attest any agreement pertaining to such a Surety Bond on behalf of the City so long as its provisions are consistent with this ordinance. The cost of obtaining a Surety Bond shall be considered as a part of the cost of issuance of the Bonds and may be paid out of the proceeds of the Bonds or out of other funds of the waterworks.

SECTION 12. Bond Sale Notice. If any series of Bonds will be sold at a competitive sale, the Controller shall cause to be published either (i) a notice of such sale in *The Herald-Times*, the only newspaper published in the City, two times, at least one week apart, the first publication made at least fifteen (15) days before the date of the sale and the second publication being made at least three (3) days before the date of the sale, or (ii) a notice of intent to sell in *The Herald-Times* and the *Court & Commercial Record*, all in accordance with IC 5-1-11 and IC 5-3-1. A notice of sale may also be published one time in the *Court & Commercial Record*, and a notice or summary notice of sale may also be published in *The Bond Buyer* in New York, New York. The notice shall state the character and amount of the Bonds, the maximum rate of interest thereon, the terms and conditions upon which bids will be received and the sale made, and such other information as the Controller and the attorneys employed by the City shall deem advisable and any summary notice may contain any information deemed so advisable. The notice may provide, among other things, that each bid shall be accompanied by a certified or cashier's check, financial surety bond or other instrument acceptable to the City, in an amount equal to 1% of the principal amount of the Bonds described in the notice and that in the event the successful bidder shall fail or refuse to accept delivery of the Bonds and pay for the same as soon as the Bonds are ready for delivery, or at the time fixed in the notice of sale, then said check, financial surety bond or other instrument, and the proceeds thereof shall be the property of the City and shall be considered as its liquidated damages on account of such default; that bidders for said Bonds will be required to name the rate or rates of interest which the Bonds are to bear, not exceeding the maximum rate hereinbefore fixed, and that such interest rate or rates shall be in multiples of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%). The rate bid on a maturity shall be equal to or greater than the rate bid on the immediately preceding maturity. No conditional bid or bid for less than 98.5% of the face amount of the Bonds will be considered. The opinion of Bingham McHale LLP, bond counsel of Indianapolis, Indiana, approving the legality of said Bonds, will be furnished to the purchaser at the expense of the City.

The Bonds shall be awarded by the Controller to the best bidder who has submitted its bid in accordance with the terms of this ordinance, IC 5-1-11 and the notice. The best bidder will be the one who offers the lowest net interest cost to the City, to be determined by computing the total interest on all of the Bonds to their maturities, adding thereto the discount bid, if any, and deducting the premium bid, if any. The right to reject any and all bids shall be reserved. If an acceptable bid is not received on the date of sale, the sale may be continued from day to day thereafter without further advertisement for a period of thirty (30) days, during which time no bid which provides a higher net interest cost to the City than the best bid received at the time of the advertised sale will be considered.

As an alternative to competitive sale, the Controller may negotiate the sale of any series of the Bonds to the DWSRF Program or the Indiana Bond Bank. The Mayor and the Controller are hereby authorized to (i) submit an application to the DWSRF Program or the Indiana Bond Bank, (ii) negotiate and execute a purchase agreement with the Indiana Bond Bank with terms conforming to this ordinance and (iii) sell such Bonds upon such terms as are acceptable to the Mayor and the Controller consistent with the terms of this ordinance.

If any series of Bonds is sold to the DWSRF Program, the FAA for such Bonds and the Project shall be executed by the City and the Authority. The FAA shall be substantially in the form of attached hereto as Exhibit C and incorporated herein by reference which is hereby approved by the Common Council. The Mayor and the Controller are hereby authorized to approve, execute and deliver one or more FAA (or amended and restated FAA) and to approve any such changes in form or substance thereto which are consistent with the terms of this ordinance, such changes to be conclusively evidenced by its execution.

SECTION 13. Use of Proceeds. The accrued interest received at the time of the delivery of the Bonds and premium, if any, shall be deposited in the Waterworks Sinking Fund ("Sinking Fund"). The remaining proceeds from the sale of the Bonds, to the extent not used to refund BANs, and BAN proceeds shall be deposited in a bank or banks which are legally designated depositories for the funds of the City, in a special account or accounts to be designated as "City of Bloomington, Waterworks Construction Account" ("Construction Account") or directly applied to the payment of the costs of the Project as contemplated by any FAA. All funds deposited to the credit of said Sinking Fund or Construction Account shall be deposited, held, secured or invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, including particularly IC 5-13, and the acts amendatory thereof and supplemental thereto (including if sold to the DWSRF Program as supplemented by Indiana Code 4-4-11 and Indiana Code 13-18-13). The funds in the Construction Account shall be expended only for the purpose of paying the cost of the Project, refunding the BANs, if issued, or as otherwise required by the Act or for the expenses of issuance of the Bonds or BANs. The cost of obtaining the legal services of Bingham McHale LLP shall be considered as a part of the cost of the Project on account of which the BANs and Bonds are issued.

Any balance or balances remaining unexpended in such special account or accounts after completion of the Project, which are not required to meet unpaid obligations incurred in connection with such Project, shall either (1) be paid into the Sinking Fund and used solely for the purposes of said Sinking Fund or (2) be used for the same purpose or type of project for which the Bonds were originally issued, all in accordance with IC 5-1-13, as amended and supplemented.

With respect to any Bonds sold to the DWSRF Program, to the extent that the total principal amount of the Bonds is not paid by the purchaser or drawn down by the City, the City shall, in consultation with the DWSRF Program, reduce the principal amounts of the Bond maturities to effect such reduction in a manner that will still achieve the level of annual debt service as described in Section 3 hereof.

SECTION 14. Revenue Fund. There is hereby continued the Waterworks Revenue Fund ("Revenue Fund"). All revenues derived from the operation of the waterworks and from the collection of water rates and charges shall be deposited in the Revenue Fund and segregated and deposited as set forth in this ordinance. Of these revenues, the proper and reasonable expenses of operation and maintenance of the works shall be paid, the requirements of the Sinking Fund shall be met and fiscal agency charges of registrars or paying agents shall be paid, and the costs of replacements, extensions, additions and improvements shall be paid.

SECTION 15. Operation and Maintenance Fund. (a) There is hereby continued a fund known as the Operation and Maintenance Fund consisting of a General Account ("General Account").

(b) On the last day of each calendar month, revenues of the waterworks shall be transferred from the Revenue Fund to the General Account. The balance maintained in the General Account shall be sufficient to pay the expenses of operation and maintenance of the waterworks for the then next succeeding two (2) calendar months. The moneys credited to the General Account shall be used for the payment of the reasonable and proper operation and maintenance expenses of the waterworks on a day-to-day basis, but none of the moneys in such 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 Waterworks Sinking Fund if necessary to prevent a default in the payment of principal of or interest on the outstanding bonds of the waterworks.

(c) All remaining revenues of the waterworks shall be transferred from time to time to meet the requirements of the Waterworks Sinking Fund. Moneys in excess of those transferred to the Waterworks Sinking Fund may be transferred to the Waterworks Improvement Fund or may be retained in the General Account, in the discretion of the USB, and in a manner consistent with the requirements of this ordinance.

SECTION 16. Waterworks Sinking Fund. (a) There is hereby continued the special fund designated the Waterworks Sinking Fund (herein, "Waterworks Sinking Fund" or "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 waterworks, 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 hereinafter provided, a sufficient amount of the Net Revenues of the waterworks to meet the requirements of the Bond and Interest Account and the Debt Service Reserve Account hereby continued in the Sinking Fund. Such payments shall continue until the balances in the Bond and Interest Account and the Debt Service Reserve Account equal the principal of and interest on all of the then outstanding bonds of the waterworks to their final maturity and provide for payment of all fiscal agency charges.

(b) Sinking Fund Trust Arrangement. If any series of Bonds is sold to the DWSRF Program, the Sinking Fund, and/or Construction Account may be held by a financial institution acceptable to the DWSRF Program, pursuant to terms acceptable to the DWSRF Program. If the Sinking Fund and the accounts therein are held in trust, the City shall transfer the monthly required amounts of Net Revenues to the Bond and Interest Account and the Debt Service Reserve Account in accordance with this Section 16, and the financial institution holding such funds in trust shall be instructed to pay the required payments in accordance with the payment schedules for the City's outstanding bonds. The Mayor and Controller are hereby authorized to execute and deliver an agreement with a financial institution to reflect this trust arrangement for the Sinking Fund. The financial institution selected to serve in this role may also serve as Registrar and Paying Agent for any outstanding bonds of the City.

(c) Bond and Interest Account. There is hereby continued, within said Sinking Fund, the Bond and Interest Account. There shall be credited on the last day of each calendar month to the Bond and Interest Account an amount of the Net Revenues equal to (i) at least one-sixth (1/6) of the interest on all then outstanding bonds payable on the then next succeeding interest payment date and (ii) at least one-sixth (1/6) of the principal of 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 interest and principal payment date 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 and principal on the due dates thereof together with the amount of bank fiscal agency charges.

(d) Debt Service Reserve Account. There is hereby continued, within the Sinking Fund, the Debt Service Reserve Account ("Reserve Account"). The City has funded with cash or has purchased Surety Bonds ("Outstanding Surety Bonds") to satisfy the reserve requirements for the Outstanding Bonds which cash and Outstanding Surety Bonds are held in the Reserve Account as a reserve for the Outstanding Bonds.

For each series of Bonds issued under this ordinance, the City shall purchase a Surety Bond, use Bond proceeds, unless the Bonds are sold to the DWSRF Program, funds on hand, or a combination thereof, to fund the Reserve Account for said series of Bonds. Upon the issuance of each series of Bonds, the Reserve Account shall contain for said series of Bonds an amount equal to the least of (i) the maximum annual debt service on said series of Bonds, (ii) 125% of average annual debt service on said series of Bonds or (iii) 10% of the proceeds of said series of Bonds; provided, however, that for so long as the DWSRF Program is the owner of any Outstanding Bonds or Bonds, the total balance maintained in the Reserve Account (taking into account the Outstanding Surety Bonds, any other Surety Bonds, and any cash held therein) shall not be less than the maximum annual debt service on the Outstanding Bonds and the Bonds ("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 Bonds and the Outstanding Bonds, and the moneys in the Reserve Account shall only be used to pay current principal and interest on the Bonds and the Outstanding Bonds to the extent that moneys in the Bond and Interest Account are insufficient for that purpose. If it becomes necessary to draw upon the Reserve Account to pay the Outstanding Bonds or the Bonds, the City shall first draw down the cash in the Reserve Account, if any, and next initiate draws on any Surety Bonds held therein, including the Outstanding Surety Bonds, on a pro rata basis, to meet such payments when due. Notwithstanding the foregoing sentence, if the Reserve Requirement for the Bonds is funded in whole or in part with cash rather than in whole with a Surety Bond, the City shall, if necessary to pay principal of or interest on the Bonds, use the cash in the Reserve Account to first pay such principal of or interest on the Bonds before such cash is used on the Outstanding Surety Bonds. Any deficiency in the balance maintained in the Reserve Account shall be promptly made up from the next available Net Revenues remaining after credits into 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 Bonds or Bonds, respectively, then such depletion of the balance in the Reserve Account shall be made up from the next available Net Revenues after the credits into the Bond and Interest Account. No moneys shall be held in the Reserve Account in excess of the Reserve Requirement. Any moneys in the Reserve Account in excess of its requirements shall be transferred to the Waterworks Improvement Fund. The Common Council has determined, based upon the advice of its financial advisor, that the Reserve Account is reasonably required and that the Reserve Requirement is no larger than necessary to market the Bonds. The Common Council further finds that the Reserve Account is directly related to the Project since the Bonds could not be issued to finance the Project without the Reserve Account.

SECTION 17. Waterworks Improvement Fund. As set forth in Section 15(c), revenues may be transferred or credited from the General Account to the Waterworks Improvement Fund ("Improvement Fund") hereby continued. The Improvement Fund shall be used for (a) improvements, replacement, additions and extensions of the waterworks and (b) for payment in lieu of taxes, provided that if any of the Bonds are owned by the Authority as part of the DWSRF Program, unless otherwise approved by the prior written consent of the Authority, such payments in lieu of taxes, shall only be made (i) no more frequently that semiannually n January 2 and July 2 and (ii) if all monthly deposits required by this Ordinance are current and held as of such dates in the Operation and Maintenance Fund and the Sinking Fund and (c) for any other lawful purpose related to the waterworks. 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 any outstanding bonds of the waterworks or, if necessary, to eliminate any deficiencies in credits to or minimum balance in the Reserve Account of the Sinking Fund or may be transferred to the Operation and Maintenance Fund to meet unforeseen contingencies in the operation and maintenance of the waterworks.

SECTION 18. Priority of Payments. All revenues of the waterworks shall be paid in the following order, with the priority as indicated:

(1) First to pay all expenses of the operation and maintenance of the waterworks;

(2) Second, on a pari passu (parity) basis, to pay all principal of and interest on the Outstanding Bonds, the Bonds and any bonds hereafter issued which rank on a parity with the Bonds;

(3) Third, on a pari passu (parity) basis, to replenish any cash drawn from the Reserve Account if the Reserve Requirement for the Bonds is satisfied, in whole or in part, with cash and to replenish any Outstanding Surety Bonds

or Surety Bonds in place for either the Outstanding Bonds or the Bonds;

(4) Fourth, to replenish any other cash drawn, if any, from the Reserve Account;

(5) Fifth, to pay the costs of improvements, replacements, additions and extensions of the waterworks and for payments in lieu of taxes; and

(6) All other lawful uses related to the waterworks, including debt service payments on any junior and subordinate bonds.

SECTION 19. 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 Operation and Maintenance Fund 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 (including, if sold to the DWSRF Program, as supplemented by Indiana Code 4-4-11 and Indiana Code 13-18-13), 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 20. 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 received on account of the operation of the waterworks, all disbursements made from the waterworks, and all transactions relating to the waterworks. Copies of all such statements and reports shall be kept on file in the office of the Director of the City of Bloomington Utilities. If any series of Bonds or BANs are sold to the DWSRF Program, the City shall establish and maintain the books and other financial records of the Project (including the establishment of a separate account or subaccount for the Project) and the waterworks in accordance with (i) generally accepted governmental accounting standards for utilities, on an accrual basis, as promulgated by the Government Accounting Standards Board and (ii) the rules, regulations and guidance of the State Board of Accounts.

SECTION 21. Continuing Disclosure Agreement. If any series of Bonds is subject to the Rule, the Mayor or the Controller is hereby authorized to complete, execute and attest, on behalf of the City, the substantially final form of Continuing Disclosure Agreement ("Disclosure Agreement") attached hereto as Exhibit D which Undertaking Agreement is hereby approved by the Common Council. Notwithstanding any other provisions of this ordinance, failure of the City to comply with the Disclosure Agreement shall not be considered an event of default under the Bonds or this ordinance.

SECTION 22. Rate Covenant. The City shall establish, maintain and collect reasonable and just and equitable rates and charges for facilities and services afforded and rendered by the waterworks, which shall to the extent permitted by law produce sufficient revenues at all times (a) to provide when any series of Bonds are sold to the DWSRF Program for (i) the proper Operation and Maintenance (as defined in the FAA) of the waterworks and (ii) to otherwise provide the payment of proper and reasonable expenses of operation, repair and maintenance of the waterworks, (b) to provide the sinking fund and debt service reserve for the liquidation of bonds or other evidences of indebtedness, (c) to provide adequate funds to be used as working capital, as well as funds for making extensions, additions, and replacements, and also, for the payment of any taxes that may be assessed against such utility, it being the intent and purpose hereof that such charges shall produce an income sufficient to maintain such utility property in a sound physical and financial condition to render adequate and efficient service. The rates and charges shall be established to the extent permitted by law, to produce Net Revenues sufficient to pay at least 1.20 times the annual debt service on the Outstanding Bonds, the Bonds and any bonds hereafter issued on a parity herewith. For purposes of this Section 22, Net Revenues exclude any outstanding fund balances from prior years. So long as any of the Bonds herein authorized are outstanding, none of the facilities or services afforded or rendered by said system shall be furnished without a reasonable and just charge being made therefore. The City shall pay like charges for any and all services rendered by said utility to the City, and all such payments shall be deemed to be revenues of the utility. Such rates and 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 and maintenance and the requirements of the Sinking Fund.

SECTION 23. 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 waterworks.

SECTION 24. Additional Bond Provisions. The City reserves the right to authorize and issue additional BANs at any time ranking on a parity with the BANs. The City reserves the right to authorize and issue additional bonds payable out of the revenues of its waterworks ranking on a parity with the Bonds for the purpose of financing the cost of future additions, extensions and improvements to the waterworks, 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 Net Revenues of the waterworks shall have been paid in accordance with their terms. The Reserve Account must contain, for all outstanding bonds, upon the issuance of additional parity bonds, (i) the reserve requirement for all outstanding bonds or (ii) reserve insurance must be obtained for all outstanding bonds, and for the additional parity bonds, the Reserve Account must contain, upon the issuance of additional parity bonds, (i) the lesser of (1) maximum annual debt service on the additional parity bonds, (2) 125% of average annual debt service on the additional parity bonds, or (3) 10% of the proceeds of the additional parity bonds; provided, however, that for so long as the DWSRF Program owns any Bonds or Outstanding Bonds, such amount shall be equal to the maximum annual debt service on the additional parity bonds, or (ii) reserve insurance must be attained for the additional parity bonds. For purposes of this subsection, proceeds of the additional parity bonds shall mean the face amount of the additional parity bonds plus premium, if any, less original issue discount, if any. As long as the Surety Bond for the 2000 Bonds is in effect, only a Qualified Surety Bond (as defined in the ordinance authorizing the 2000 Bonds) may be used as reserve insurance and, for so long as the 2000 Bonds, 2003A Bonds and 2003B Bonds (collectively, "DWSRF Bonds") are outstanding, any Surety Bond for the reserve must be from a company, and in a form, acceptable to the Authority.

(b) The Net Revenues of the waterworks in the calendar 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 the parity bonds the water rates and charges shall be increased sufficiently so that the increased rates and charges applied to the previous calendar year's operations would have produced Net 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 waterworks, including the parity bonds proposed to be issued. For purposes of this subsection, the records of the waterworks 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. For purposes of this subsection, Net

Revenues shall not include non-recurring revenues of the waterworks as certified by the USB or any outstanding fund balances from prior years.

(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 redemption dates for, the additional parity bonds shall be payable semiannually on the first days of January and July.

(d) If any series of Bonds is sold to the DWSRF Program and so long as the DWSRF Bonds are outstanding, (i) the City obtains the consent of the Authority, (ii) the City has faithfully performed and is in compliance with each of its obligations, agreements and covenants contained in this ordinance and the FAA for the DWSRF Bonds and any series of Bonds sold to the DWSRF Program, and (iii) the City is in compliance with its waterworks permits, except for non-compliance for which purpose the parity bonds are issued, including refunding bonds issued prior to, but part of the overall plan to eliminate such non-compliance.

(e) To the extent required by law, the issuance of additional bonds and any necessary increase in water rates and charges shall be approved by the IURC.

SECTION 25: Further Covenants. For the purpose of further safeguarding the interests of the holders of the BANs and Bonds, it is specifically provided as follows:

(a) All contracts let by the City in connection with the construction of said Project shall be let after due advertisement as required by the laws of the State of Indiana, and all contractors shall be required to furnish surety bonds in an amount equal to one hundred percent (100%) of the amount of such contracts, to insure the completion of said contracts in accordance with their terms, and such contractors shall also be required to carry such employer's liability and public liability insurance as are required under the laws of the State of Indiana in the case of public contracts, and shall be governed in all respects by the laws of the State of Indiana relating to public contracts.

(b) Said Project shall be constructed under the supervision and subject to the approval of such competent engineers as shall be designated by the City. All estimates for work done or material furnished shall first be checked by the engineers and approved by the City.

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

(d) So long as any of the BANs or Bonds herein authorized 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. If the Bonds are sold to the DWSRF Program and for so long as the DWSRF Bonds are outstanding, the insurance shall be acceptable to the Authority. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana.

All insurance proceeds and condemnation awards shall be used either (i) in replacing or restoring the property destroyed or damaged, or (ii) shall be deposited in the Sinking Fund; provided that if the Bonds are sold to the Authority as part of the DWSRF Program, the Authority must consent to a use of such proceeds or awards pursuant to such clause (ii).

(e) So long as any of the BANs or Bonds herein authorized are outstanding, the City shall not mortgage, pledge or otherwise encumber the property and plant of its waterworks 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, provided that if such outstanding BANs or Bonds are sold to the DWSRF Program, such exception shall apply only if the Authority consents.

(f) If the BANs or Bonds are sold to the DWSRF Program and for so long as the DWSRF Bonds are outstanding, the City shall not borrow any money, enter into any contract or agreement or incur any other liabilities in connection with the waterworks, other than for normal operating expenditures, without the prior written consent of the Authority if such undertaking would involve, commit or use the revenues of the waterworks.

(g) Except as otherwise specifically provided in Section 24 of this ordinance, so long as any of the Bonds herein authorized are outstanding, no additional bonds or other obligations pledging any portion of the revenues of the waterworks shall be authorized, executed, or issued by the City, except such as shall be made junior and subordinate in all respects to the Bonds herein authorized, unless all of the Bonds herein authorized are redeemed or defeased coincidentally with the delivery of such additional bonds or other obligations.

(h) The provisions of this ordinance shall constitute a contract by and between the City and the owners of the Bonds and BANs herein authorized, all the terms of which shall be enforceable by any bondholder by any and all appropriate proceedings in law or in equity. After the issuance of the Bonds or BANs, this ordinance shall not be repealed, amended or modified in any respect which will adversely affect the rights of the owners of said Bonds or BANs, nor shall the Common Council or any other body of the City adopt any law, ordinance or resolution in any way adversely affecting the rights of the bondholders so long as any of said Bonds, BANs or the interest thereon, remain outstanding or unpaid. Except in the case of changes described in Section 28 (a)-(f), this ordinance may be amended, however, without the consent of BAN or bondowners, if the Common Council determines, in its sole discretion, that such amendment would not adversely affect the owners of the BANs or Bonds; provided, however, that if the Bonds or BANs are sold to the DWSRF Program, the City shall obtain the prior written consent of the Authority.

(i) The provisions of this ordinance shall be construed to create a trust in the proceeds of the sale of the Bonds and BANs herein authorized for the uses and purposes herein set forth, and the owners of the Bonds and BANs 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 under Indiana law in the event of default in the payment of the principal of or interest on any of the Bonds herein authorized or in the event of default in respect to any of the provisions of this ordinance or the governing Act including the right to have a receiver appointed to administer the utility in the event the City shall fail or refuse to fix and collect sufficient rates and charges for these purposes, or shall fail or refuse to operate and maintain said utility and to apply properly the revenue derived from the operation thereof, or if there be a default in the payment of the interest on or the principal of the Bonds or any BANs.

SECTION 26. 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 and BANs 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 waterworks.

SECTION 27. Tax Covenants. In order to preserve the exclusion of interest on the Bonds and BANs 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 or

BANs, as the case may be ("Code") and as an inducement to purchasers of the Bonds and BANs, the City represents, covenants and agrees that:

(a) The waterworks 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 BANs or property financed by the Bond or BAN 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 or BAN 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 or BANs, as the case may be. If the City enters into a management contract for the waterworks with a nongovernmental entity, 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 or BANs, as the case may be.

(b) No more than 10% of the principal of or interest on the Bonds or BANs is (under the terms of the Bonds or BANs, 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 or BAN proceeds will be loaned to any person or entity other than another state or local governmental unit. No more than 5% of the Bond or BAN 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 or BAN proceeds.

(d) The City reasonably expects, as of the date hereof, that the Bonds and BANs 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 or BANs, as the case may be.

(e) No more than 5% of the proceeds of the Bonds or BANs 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 or BANs that would result in the loss of the exclusion from gross income for federal tax purposes on the Bonds or BANs 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 or BANs 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 or BAN 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 or BANs, as the case may be.

(h) These covenants are based solely on current law in effect and in existence on the date of delivery of such Bonds or BANs, as the case may be.

(i) The City represents that it will rebate any arbitrage profits to the United States of America in accordance with and to the extent required by the Code.

SECTION 28. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this Section and Section 25(h), 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 if the Bonds or BANs are sold to the DWSRF Program, the City shall obtain the prior written consent of the Authority; and provided, further, that nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest on, or any mandatory sinking fund redemption date for, 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 waterworks 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.

If the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Clerk of the City, no owner of any Bond issued pursuant to this ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the City or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this ordinance of the City and all owners of Bonds issued pursuant to the provisions of this ordinance then outstanding, shall thereafter be determined exercised and enforced in accordance with this ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this ordinance, the rights and obligations of the City and of the owners of the Bonds authorized by this ordinance, and the terms and provisions of the Bonds and this ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the City and the consent of the owners of all the Bonds issued pursuant to this ordinance then outstanding.

SECTION 29. Issuance of BANs. The City, having satisfied all the statutory requirements for the issuance of its Bonds, may elect to issue its BAN or BANs to a financial institution, the Indiana Bond Bank, the Authority or to any other purchaser, pursuant to a Bond Anticipation Note Purchase Agreement ("BAN Agreement") to be entered into between the City and the purchaser of the BAN or BANs. If the BANs are sold to the DWSRF Program, the FAA shall serve as the BAN Agreement. The Common

Council hereby authorizes the issuance and execution of the BAN or BANs in lieu of initially issuing Bonds to provide interim financing for the Project until permanent financing becomes available. It shall not be necessary for the City to repeat the procedures for the issuance of its Bonds, as the procedures followed before the issuance of the BAN or BANs are for all purposes sufficient to authorize the issuance of the Bonds and the use of the proceeds to repay the BAN or BANs. The Mayor and the Controller are hereby authorized and directed to execute a BAN Agreement or FAA (and any amendments made from time to time) in such form or substance as they shall approve acting upon the advice of counsel. The Mayor, Controller and the Clerk may also take such other actions or deliver such other certificates as are necessary or desirable in connection with the issuance of the BANs or the Bonds and the other documents needed for the financing as they deem necessary or desirable in connection therewith.

SECTION 30. IURC. The waterworks is subject to the jurisdiction of the IURC for the approval of the issuance of bonds and rates and charges. Prior to the issuance of the Bonds or any BAN with a maturity of more than 12 months, the City shall obtain the approval of the IURC for the issuance of said Bonds or BANs. The City hereby authorizes the Mayor to retain legal counsel and other professional services as may be necessary to obtain said approval from the IURC and to initiate the proceedings necessary for obtaining said approval.

SECTION 31. Tax Exemption. (a) Notwithstanding any other provisions of this ordinance, the covenants and authorizations contained in this ordinance ("Tax Sections") which are designed to preserve the exclusion of interest on the BANs and Bonds from gross income under federal law ("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.

(b) In lieu of issuing Bonds or BANs with tax exemption, the Bonds or BANs may be issued as "Build America Bonds" under Section 54AA of the Code by making such a designation in a certificate of the Mayor and Controller as of the date of their issuance and such Officials taking all other actions determined to be necessary or advisable consistent with the applicable requirements of the Code. If such designation includes a designation to receive from the federal government an amount as a credit equal to 35% of interest payments on the Bonds or BANs pursuant to Section 54AA and Section 6431 of the Code (together with other applicable provisions of the Code supplemental thereto, "Direct Pay Amount"), then such Direct Pay Amount shall be treated for all purposes as Net Revenues of the waterworks including without limitation for purposes of Section 8 of this ordinance to the same effect as if the water rates and charges had been increased by the amount of such Direct Pay Amount and such was applied to the previous fiscal year's operations. In determining the monthly deposit to the Bond and Interest Account related to the interest on the Bonds, the next following Direct Pay Amount receivable on the next following interest payment date shall be subtracted from such interest payment in determining the 1/6th amount to be deposited on a monthly basis therein pursuant Section 16(c) herein. If such designation includes a designation to sell tax credits applicable to the Bonds or BANs pursuant to Section 54AA of the Code (together with other applicable provisions of the Code supplemental thereto "Tax Credits") in lieu of Direct Pay Amount, then the proceeds from the sale of such Tax Credits shall be treated the same as the proceeds of the Bonds and BANs for all purposes under this ordinance. The Tax Sections shall remain applicable to preserve the tax status of the Bonds and BANs as "Build America Bonds" under Section 54AA of the Code (including without limitation to preserve the status of any Direct Pay Amount or Tax Credit, as applicable) unless provisions thereof are not required to comply therewith and the City receives an opinion of nationally recognized bond counsel to the effect that any such Tax Section is unnecessary to preserve such status. The Common Council hereby determines and finds that the amending effect upon the prior ordinances authorizing the Outstanding Bonds by application of this Section 31(b) does not adversely affect the owners of the Outstanding Bonds and when consented to the Authority as part of the DWSRF Program shall be effective. The provisions of this Section 31(b) shall only be effective if any Bonds or BANs are issued as "Build America Bonds" under Section 54AA of the Code.

SECTION 32. Conflicting Ordinances. All ordinances and parts of ordinances in conflict herewith, except the ordinances authorizing the Outstanding Bonds, are hereby repealed; provided, however, that this ordinance shall not be construed as adversely affecting the rights of the owners of the Outstanding Bonds.

SECTION 33. Headings. The headings or titles of the several sections shall be solely for convenience or reference and shall not affect the meaning, construction or effect of this ordinance.

SECTION 34. Severability. If any section, sentence, or provision of this ordinance or the application thereof to any person or circumstance shall be declared invalid, such invalidity shall not affect any of the other parts of this ordinance which can be given effect without the invalid part, and to this end the provisions of this ordinance are declared to be severable.

SECTION 35. Effective Date. This ordinance shall be in full force and effect from and after its passage by the Common Council of the City of Bloomington, Monroe County, and signing by the Mayor.

PASSED AND ADOPTED by the Common Council of the City of Bloomington, Monroe County, Indiana, upon this 17th day of MAY, 2010.

Isabel Piedmont-Smith

ISABEL PIEDMONT-SMITH, President
Bloomington Common Council

ATTEST:

Regina Moore

REGINA MOORE, Clerk
City of Bloomington

PRESENTED by me to the Mayor of the City of Bloomington, Monroe County, Indiana, upon this 17th day of MAY, 2010.

Regina Moore

REGINA MOORE, Clerk
City of Bloomington

SIGNED and APPROVED by me upon this 17th day of MAY, 2010.

Mark Kruzan

MARK KRUZAN, Mayor
City of Bloomington

SYNOPSIS

This ordinance authorizes the issuance of waterworks revenue bonds in an amount not to exceed $42,000,000 for the purpose of providing funds to pay the cost of certain additions, extensions and improvements to the municipal waterworks.

Signed copies to:
Legal (10)
Controller
USB
Utilities Director
CA/CA (2)
Clerk (2)
BUEC (2)
web.

APPENDIX E

BOOK-ENTRY-ONLY SYSTEM

BOOK-ENTRY-ONLY SYSTEM

DTC will act as securities depository for the 2011 B Bonds. The 2011 B Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2011 B Bond certificate will be issued for each maturity of the 2011 B Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com** and **www.dtc.org**.

Purchases of 2011 B Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2011 B Bonds on DTC's records. The ownership interest of each actual purchaser of each 2011 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2011 B Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2011 B Bonds, except in the event that use of the book-entry system for the 2011 B Bonds is discontinued.

To facilitate subsequent transfers, all 2011 B Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2011 B Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2011 B Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2011 B Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2011 B Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2011 B Bonds, such as redemptions, defaults, and proposed amendments to the Ordinance. For example, Beneficial Owners of the 2011 B Bonds may wish to ascertain that the nominee holding the 2011 B Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2011 B Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2011 B Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2011 B Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal, premium and interest payments on the 2011 B Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2011 B Bonds at any time by giving reasonable notice to the City or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, 2011 B Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2011 B Bond certificates will be printed and delivered to DTC.

The information in this subcaption concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

Discontinuation of Book-Entry System

In the event that the book-entry system for the 2011 B Bonds is discontinued, the Registrar would provide for the registration of the 2011 B Bonds in the name of the Beneficial Owners thereof. The City and the Registrar would treat the person in whose name any 2011 Bond is registered as the absolute owner of such 2011 B Bond for the purposes of making and receiving payment of the principal thereof and interest thereon, and for all other purposes, and neither the City nor the Registrar would be bound by any notice or knowledge to the contrary.

Each 2011 B Bond would be transferable or exchangeable only upon the presentation and surrender thereof at the corporate trust office of the Registrar, duly endorsed for transfer or exchange, or accompanied by a written assignment duly executed by the owner or its authorized representative in form satisfactory to the Registrar. Upon due presentation of any 2011 B Bonds for transfer or exchange, the Registrar would authenticate and deliver in exchange therefor, within a reasonable time after such presentation, a new 2011 B Bond registered in the name of the transferee or transferees (in the case of a transfer), or the owner (in the case of an exchange), in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the 2011 B Bonds so presented. The City or the Registrar would require the owner of any 2011 B Bonds to pay a sum sufficient to cover any tax, fee or other governmental charge required to be paid in connection with the transfer or exchange of such 2011 B Bonds.

APPENDIX F

FORM OF BOND COUNSEL OPINION

FORM OF BOND COUNSEL OPINION

Upon delivery of the 2011 B Bonds, Bingham McHale LLP, Indianapolis, Indiana, bond counsel will deliver an opinion in substantially the following form:

__________ __, 2011

City of Bloomington
Bloomington, Indiana

Re: City of Bloomington, Indiana
Waterworks Revenue Bonds of 2011, Series B
Total Issue: $35,955,000
Original Issue Date: __________ __, 2011

Ladies and Gentlemen:

We have acted as bond counsel to the City of Bloomington (the "Issuer") in connection with the issuance of its Waterworks Revenue Bonds of 2011, Series B, dated _________ __, 2011, in the aggregate principal amount of $33,955,000 (the "2011 B Bonds"), pursuant to Indiana Code 8-1.5-2 and 8-1.5-3, and other applicable laws, as amended, (collectively, the "Act") and Ordinance 10-07 adopted by the Common Council (the "Common Council") of the Issuer on May 17, 2010 (the "Bond Ordinance").

In such capacity, we have examined such law and such certified proceedings, certifications and other documents as we have deemed necessary to render this opinion. We have relied upon the certified transcript of proceedings and other certificates of public officials, including the Issuer's tax covenants and representations (collectively, "Tax Covenants"), and we have not undertaken to verify any facts by independent investigation.

Under the Bond Ordinance, the Issuer has pledged, on a parity basis, the Net Revenues of the System (both as defined in the Bond Ordinance) for the payment, when due, of the principal of and interest on the Issuer's currently outstanding (i) Waterworks Revenue Bonds of 2000, Series A, dated June 23, 2000, now outstanding in an aggregate principal amount of $8,877,000 and maturing semi-annually over a period ending not later than January 1, 2021; (ii) Waterworks Revenue Bonds of 2003, Series A, dated April 18, 2003, now outstanding in an aggregate principal amount of $2,803,000 and maturing semi-annually over a period ending not later than January 1, 2023; (iii) the Waterworks Revenue Bonds of 2003, Series B, dated September 5, 2003, now outstanding in an aggregate principal amount of $5,968,000 and maturing semi-annually over a period ending not later than January 1, 2025; and (iv) the Waterworks Refunding Revenue Bonds of 2003, dated July 23, 2003, now outstanding in an aggregate principal amount of $3,860,000 and maturing semi-annually over a period ending not later than January 1, 2020; (v) the Waterworks Revenue Bonds of 2006, dated May 4, 2006, now outstanding in an aggregate principal amount of $4,480,000 and maturing semi-annually over a period ending not later than January 1, 2027; and (vi) Waterworks Revenue Bonds of 2011, Series A (the "2011 A Bonds"), dated October 26, 2011, now outstanding in an aggregate principal amount of $6,045,000, and 2011 B Bonds and any other bonds of equal standing which are hereafter issued within the restrictions of the Bond Ordinance (collectively, the "Bonds").

Regarding questions of fact material to our opinion, we have relied on representations of the Issuer contained in the Bond Ordinance, the certified proceedings and other certifications of public officials furnished to us, and certifications, representations and other information furnished to us by or on behalf of the Issuer and others, without undertaking to verify the same by independent investigation. We have relied upon the legal opinion of Vickie Renfrow, City Attorney, Bloomington, Indiana, counsel to the Issuer, dated the date hereof, as to the matters stated therein.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Issuer is a municipality validly existing under the laws of the State of Indiana (the "State"), with the corporate power to adopt the Bond Ordinance and perform its obligations thereunder and to issue the 2011 B Bonds.

2. The 2011 B Bonds have been duly authorized, executed and delivered by the Issuer and are valid and binding limited obligations of the Issuer, enforceable in accordance with their terms. The 2011 B Bonds are payable solely from the Net Revenues of the System and other funds provided therefore in the Bond Ordinance on a parity with the 2000 Bonds, 2003 A Bonds, 2003 B Bonds, 2003 Refunding Bonds, 2006 Bonds, the 2011 A Bonds and any other Bonds hereafter issued in accordance with the Bond Ordinance.

3. The Bond Ordinance has been duly adopted by the Common Council and is a valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms.

4. Under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on this date (the "Code"), the interest on the 2011 B Bonds is excludable from gross income for federal income tax purposes. The opinion set forth in this paragraph is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the 2011 B Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted or represented that it will comply with such requirements. Failure to comply with certain of such requirements may cause the interest on the 2011 B Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the 2011 B Bonds.

5. Under State statutes in effect on this date, interest on the 2011 B Bonds is exempt from income taxation in the State for all purposes, except the State financial institutions tax.

We express no opinion regarding any tax consequences arising with respect to the 2011 B Bonds, other than as expressly set forth herein.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the 2011 B Bonds, and we express no opinion relating thereto.

With respect to the enforceability of any document or instrument, this opinion is subject to the qualifications that: (i) the enforceability of such document or instrument may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance and similar laws relating to or affecting the enforcement of creditors' rights; (ii) the enforceability of equitable rights and remedies provided for in such document or instrument is subject to judicial discretion, and the enforceability of such document or instrument may be limited by general principles of equity; (iii) the enforceability of such document or instrument may be limited by public policy; and (iv) certain remedial, waiver and other provisions of such document or instrument may be unenforceable, provided, however, that, in our opinion, the unenforceability of those provisions would not, subject to the other qualifications set forth herein, affect the validity of such document or instrument or prevent the practical realization of the benefits thereof.

This opinion is given only as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

APPENDIX G

FORM OF CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

$35,955,000
CITY OF BLOOMINGTON, INDIANA
WATERWORKS REVENUE BONDS OF 2011, SERIES B

CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

This Continuing Disclosure Undertaking Agreement (this "Agreement") is made this 26th day of October, 2011, from the City of Bloomington, Indiana (the "Promisor") to each registered owner or holder of any Bond (as hereinafter defined) (each, a "Promisee");

WITNESSETH THAT:

WHEREAS, the Promisor is issuing its Waterworks Revenue Bonds of 2011, Series B, on the date hereof (the "Bonds"), pursuant to Ordinance 10-07 of the Common Council of the Issuer adopted on May 17, 2010 (the "Bond Ordinance"); and

WHEREAS, Prager, Sealy & Co., LLC (the "Underwriter") is, in connection with an offering of the Bonds directly or indirectly by or on behalf of the Promisor, purchasing the Bonds from the Promisor and selling the Bonds to certain purchasers; and

WHEREAS, Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934, as amended (the "Act"), provides that, except as otherwise provided in the Rule, a participating underwriter (as defined in the Rule) shall not purchase or sell municipal securities in connection with an offering (as defined in the Rule) unless the participating underwriter has reasonably determined that an issuer of municipal securities (as defined in the Rule) or an obligated person (as defined in the Rule) for whom financial or operating data is presented in the final official statement (as defined in the Rule) has undertaken, either individually or in combination with other issuers of such municipal securities or obligated persons, in a written agreement or contract for the benefit of holders of such securities, to provide certain information; and

WHEREAS, the Promisor desires to enter into this Agreement in order to assist the Underwriter in complying with the Rule; and

WHEREAS, any registered owner or holder of any Bond shall, by its payment for and acceptance of such Bond, accept and assent to this Agreement and the exchange of (i) such payment and acceptance for (ii) the promises of the Promisor contained herein;

NOW, THEREFORE, in consideration of the Underwriter's and any Promisee's payment for and acceptance of any Bonds, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Promisor hereby promises to each Promisee as follows:

Section 1. Definitions. The terms defined herein, including the terms defined above and in this Section 1, shall have the meanings herein specified unless the context or use clearly indicates another or different meaning or intent. Any terms defined in the Rule, but not otherwise defined herein, shall have the meanings specified in the Rule unless the context or use clearly indicates another or different meaning or intent.

(a) "Bond" shall mean any of the Bonds.

(b) "Bondholder" shall mean any registered or beneficial owner or holder of any Bond.

(c) "City" shall mean the City of Bloomington, Indiana.

(d) "EMMA" shall mean the Electronic Municipal Market Access system maintained by the MRSB.

(e) "Fiscal Year" of any person shall mean any period from time to time adopted by such person as its fiscal year for accounting purposes.

(f) "MSRB" shall mean the Municipal Securities Rulemaking Board.

(g) "Obligated Person" shall mean any person who is either generally or through an enterprise, fund or account of such person committed by contract or other arrangement to support payment of all or part of the obligations on the Bonds (other than any providers of municipal bond insurance, letters of credit or liquidity facilities), for whom financial information or operating data is presented in the Official Statement.

(h) "Official Statement" shall mean the Official Statement, dated October 12, 2011, relating to the Bonds, including any document included therein by specific reference which is available to the public on the MSRB's Internet Web site or filed with the Commission, and, if such document is a final official statement, available from the MSRB.

(i) "State" shall mean the State of Indiana.

Section 2. Term. The term of this Agreement shall commence on the date of delivery of the Bonds by the Promisor to the Underwriter and shall expire on the earlier of (a) the date of payment in full of principal of and premium, if any, and interest on the Bonds, whether upon scheduled maturity, redemption, acceleration or otherwise, or (b) the date of defeasance of the Bonds in accordance with the terms of the Bond Resolution.

Section 3. Obligated Person(s). The Promisor hereby represents and warrants that, as of the date hereof:

(a) The Promisor is the issuer of the Bonds, and is the only Obligated Person with respect to the Bonds; and

(b) Except as is disclosed in the Official Statement, there have been no instances in the five (5) years prior to the date of the Official Statement in which the Promisor failed to comply, in all material respects, with any previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

Section 4. Undertaking to Provide Information.

(a) The Promisor hereby undertakes to provide for and on behalf of itself, either directly or indirectly through a designated agent, the following to the MSRB, through its EMMA system, in an electronic format as prescribed by the MSRB:

(i) When and if available, the audited comprehensive annual financial report ("CAFR") of the City for each twelve (12) month period ending December 31st, beginning with the twelve (12) month period ending December 31, 2011, together with the opinion of such accountants and all notes thereto, within sixty (60) days of receipt from the certified public accountants;

(ii) Within 180 days of each December 31st, beginning with the calendar year ending December 31, 2011, unaudited annual financial information for the City for such calendar year (together with the financial information described in Section 4(a)(i) hereof, collectively, the "Annual Financial Information"), including (A) unaudited financial information of the City if audited financial statements are not available; (B) the information contained the tables "Number of Water Utility Customers" and "Largest Water Utility Customers" set forth in Appendix A in the Official Statement; and

(iii) In a timely manner, not in excess of ten (10) business days of the occurrence, notice of any of the following events with respect to the Bonds,

(A) Events Disclosed if Material.

(1) non-payment related defaults;
(2) modifications to the rights of Bondholders;
(3) bond calls (other than scheduled mandatory sinking redemptions for which notice is given in accordance with the Bond Resolution);
(4) release, substitution or sale of property securing repayment of the Bonds;
(5) mergers, consolidations or acquisitions involving any Obligated Persons, or the sale of all or substantially all of the assets of any Obligated Persons, including the entry into or the termination of agreements providing for such; and
(6) the appointment of a successor trustee or co-trustee or the change of name of any trustee.

(B) Events Disclosed Without Regard to Materiality.

(7) principal and interest payment delinquencies;
(8) unscheduled draws on debt service reserves reflecting financial difficulties;

(9) unscheduled draws on credit enhancements reflecting financial difficulties;
(10) substitution of credit or liquidity providers, or their failure to perform;
(11) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(12) defeasances;
(13) rating changes;
(14) tender offers; and
(15) bankruptcy, insolvency, receivership or similar event of any Obligated Person.

Events listed in subsection (A) shall be disclosed only if they are deemed to be material (which determination of materiality shall be made by the Promisor in accordance with the standards established by federal securities laws). Events listed in subsection (B) shall be disclosed regardless of whether or not they are determined to be material in nature. The Promisor may from time to time choose to provide notice of the occurrence of any other event, in addition to those listed above, if, in the judgment of the Promisor, such other event is material with respect to the Bonds and should be disclosed, but the Promisor do not commit to provide any such notice of the occurrence of any event except those events set forth above.

(iv) In a timely manner, notice of a failure of such Obligated Persons to provide required Annual Financial Information or audited financial statements, on or before the date specified in this Agreement.

(b) Any financial statements of any Obligated Person provided pursuant to subsection (a)(i) of this Section 4 shall be prepared in accordance with any accounting principles mandated by the laws of the State, as in effect from time to time, or any other consistent accounting principles that enable market participants to evaluate results and perform year to year comparisons, but need not be audited.

(c) Any Annual Financial Information or audited financial statements may be set forth in a document or set of documents, or may be included by specific reference to documents available to the public on the MSRB's Internet Web site, or filed with the Commission.

(d) If any Annual Financial Information otherwise required by any subsection of this Section 4 no longer can be generated because the operations to which it relates have been materially changed or discontinued, a statement to that effect shall be deemed to satisfy the requirements of such subsection.

(e) All documents provided to the MSRB under this Agreement shall be accompanied by identifying information as prescribed by the MSRB.

Section 5. Termination of Obligation. The obligation to provide Annual Financial Information, audited financial statements and notices of events under Section 4(a) hereof shall terminate with respect to any Obligated Person, if and when such Obligated Person no longer remains an obligated person (as defined in the Rule) with respect to the Bonds.

Section 6. Bondholders. Each Bondholder is an intended beneficiary of the obligations of the Promisor under this Agreement, such obligations create a duty in the Promisor to each Bondholder to perform such obligations, and each Bondholder shall have the right to enforce such duty.

Section 7. Limitation of Rights. Nothing expressed or implied in this Agreement is intended to give, or shall give, to the Underwriter, the Commission or any Obligated Person, or any underwriters, brokers or dealers, or any other person, other than the Promisor, each Promisee and each Bondholder, any legal or equitable right, remedy or claim under or with respect to this Agreement or any rights or obligations hereunder. This Agreement and the rights and obligations hereunder are intended to be, and shall be, for the sole and exclusive benefit of the Promisor, each Promisee and each Bondholder.

Section 8. Remedies.

(a) The sole and exclusive remedy for any breach or violation by the Promisor of any obligation of the Promisor under this Agreement shall be the remedy of specific performance by the Promisor of such obligation. Neither any Promisee nor any Bondholder shall have any right to monetary damages or any other remedy for any breach or violation by the Promisor of any obligation of the Promisor under this Agreement, except the remedy of specific performance by the Promisor of such obligation.

(b) No breach or violation by the Promisor of any obligation of the Promisor under this Agreement shall constitute a breach or violation of or default under the Bonds or the Bond Resolution.

(c) Any action, suit or other proceeding for any breach or violation by the Promisor of any obligation of the Promisor under this Agreement shall be instituted, prosecuted and maintained only in a court of competent jurisdiction in Monroe County, Indiana.

(d) No action, suit or other proceeding for any breach or violation by the Promisor of any obligation of the Promisor under this Agreement shall be instituted, prosecuted or maintained by any Promisee or any Bondholder unless, prior to instituting such action, suit or other proceeding: (i) such Promisee or such Bondholder has given the Promisor notice of such breach or violation and demand for performance; and (ii) the Promisor has failed to cure such breach or violation within sixty (60) days after such notice.

Section 9. Waiver. Any failure by any Promisee or any Bondholder to institute any suit, action or other proceeding for any breach or violation by the Promisor of any obligation of the

Promisor under this Agreement, within three hundred sixty (360) days after the date such Promisee or such Bondholder first has knowledge of such breach or violation, shall constitute a waiver by such Promisee or such Bondholder of such breach or violation and, after such waiver, no remedy shall be available to such Promisee or such Bondholder for such breach or violation.

Section 10. Limitation of Liability. The obligations of the Promisor under this Agreement are special and limited obligations of the Promisor, payable solely from the trust estate under the Bond Resolution. The obligations of the Promisor under this Agreement are not and shall never constitute a general obligation, debt or liability of the Promisor or the State, or any political subdivision thereof, within the meaning of any constitutional limitation or provision, or a pledge of the faith, credit or taxing power of the Promisor or the State, or any political subdivision thereof, and do not and shall never constitute or give rise to any pecuniary liability or charge against the general credit or taxing power of the Promisor or the State, or any political subdivision thereof.

Section 11. Immunity of Officers, Directors, Members, Employees and Agents. No recourse shall be had for any claim based upon any obligation in this Agreement against any past, present or future officer, director, member, employee or agent of the Promisor, as such, either directly or through the Promisor, under any rule of law or equity, statute or constitution.

Section 12. Amendment of Obligations. The Promisor may, from time to time, amend any obligation of the Promisor under this Agreement, without notice to or consent from any Promisee or any Bondholder, if: (a)(i) such amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of any Obligated Person, or type of business conducted, (ii) this Agreement, after giving effect to such amendment, would have complied with the requirements of the Rule on the date hereof, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (iii) such amendment does not materially impair the interests of any Bondholders, as determined either by (A) any person selected by the Promisor that is unaffiliated with the Promisor or any Obligated Person (such as any trustee under the Bond Resolution) or (B) an approving vote of the Bondholders pursuant to the terms of the Bond Resolution at the time of such amendment; or (b) such amendment is otherwise permitted by the Rule.

Section 13. Assignment and Delegation. Neither any Promisee nor any Bondholder may, without the prior written consent of the Promisor, assign any of its rights under this Agreement to any other person. The Promisor may not assign any of its rights or delegate any of its obligations under this Agreement to any other person, except that the Promisor may assign any of its rights or delegate any of such obligations to any entity (a) into which the Promisor merges, with which the Promisor consolidates or to which the Promisor transfers all or substantially all of its assets or (b) which agrees in writing for the benefit of Bondholders to assume such rights or obligations.

Section 14. Communications. Any information, datum, statement, notice, certificate or other communication required or permitted to be provided, delivered or otherwise given hereunder by any person to any other person shall be in writing and, if such other person is the Promisor, shall be provided, delivered or otherwise given to the Promisor at the following address:

City of Bloomington
401 N. Morton Street
Bloomington, Indiana 47402
Attention: Controller

(or at such other address as the Promisor may, by notice to the MSRB, provide), or, if such other person is not the Promisor, shall be provided, delivered or otherwise given to such other person at any address that the person providing, delivering or otherwise giving such information, datum, statement, notice, certificate or other communication believes, in good faith but without any investigation, to be an address for receipt by such other person of such information, datum, statement, notice, certificate or other communication. For purposes of this Agreement, any such information, datum, statement, notice, certificate or other communication shall be deemed to be provided, delivered or otherwise given on the date that such information, datum, notice, certificate or other communication is (a) delivered by hand to such other person, (b) deposited with the United States Postal Service for mailing by registered or certified mail, (c) deposited with Express Mail, Federal Express or any other courier service for delivery on the following business day, or (d) sent by facsimile transmission, telecopy or telegram.

Section 15. Knowledge. For purposes of this Agreement, each Promisee and each Bondholder shall be deemed to have knowledge of the provision and content of any information, datum, statement or notice provided by the Promisor to the MSRB on the date such information, datum, statement or notice is so provided, regardless of whether such Promisee or such Bondholder was a registered or beneficial owner or holder of any Bond at the time such information, datum, statement or notice was so provided.

Section 16. Performance Due on other than Business Days. If the last day for taking any action under this Agreement is a day other than a business day, such action may be taken on the next succeeding business day and, if so taken, shall have the same effect as if taken on the day required by this Agreement.

Section 17. Use of Dissemination Agent. The Promisor may, at its sole discretion, utilize an agent or agents (the "Dissemination Agent") in connection with the dissemination of any information required to be provided by any Obligated Person pursuant to the terms of the SEC Rule and this Agreement. If a Dissemination Agent is selected for these purposes, the Promisor shall provide notice thereof to the MRSB through its EMMA system.

Section 18. Waiver of Assent. Notice of acceptance of or other assent to this Agreement is hereby waived.

Section 19. Governing Law. This Agreement and the rights and obligations hereunder shall be governed by and construed and enforced in accordance with the internal laws of the State, without reference to any choice of law principles.

Section 20. Severability. If any portion of this Agreement is held or deemed to be, or is, invalid, illegal, inoperable or unenforceable, the validity, legality, operability and enforceability of the remaining portions of this Agreement shall not be affected, and this Agreement shall be construed as if it did not contain such invalid, illegal, inoperable or unenforceable portion.

Section 21. Rule. This Agreement is intended to be an agreement or contract in which the Promisor has undertaken to provide that which is required by paragraph (b)(5) of the Rule. If and to the extent this Agreement is not such an agreement or contract, this Agreement shall be deemed to include such terms not otherwise included herein, and to exclude such terms not otherwise excluded herefrom, as are necessary to cause this Agreement to be such an agreement or contract.

Section 22. Interpretation. The use herein of the singular shall be construed to include the plural, and vice versa, and the use herein of the neuter shall be construed to include the masculine and feminine. Unless otherwise indicated, the words "hereof," "herein," "hereby" and "hereunder," or words of similar import, refer to this Agreement as a whole and not to any particular section, subsection, clause or other portion of this Agreement.

Section 23. Captions. The captions appearing in this Agreement are included herein for convenience of reference only, and shall not be deemed to define, limit or extend the scope of intent of any rights or obligations under this Agreement.

IN WITNESS WHEREOF, the Promisor has caused this Agreement to be executed on the date first above written.

CITY OF BLOOMINGTON, INDIANA

By: ______________________________
Honorable Mark Kruzan, Mayor

ATTEST:

By: ________________________
Michael Trexler, Controller

City's Signature Page to Continuing Disclosure Undertaking Agreement

THIS PAGE INTENTIONALLY LEFT BLANK.

NO. R-1

UNITED STATES OF AMERICA

STATE OF INDIANA COUNTY OF MONROE

CITY OF BLOOMINGTON, INDIANA
WATERWORKS REVENUE BONDS OF 2011, SERIES B

Maturity Date	Interest Rate	Original Date	Authentication Date	CUSIP
July 1, 2012	3.00%	October 26, 2011	October 26, 2011	094743LD1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: Three Hundred Twenty-Five Thousand Dollars ($325,000)

The City of Bloomington, Indiana, in Monroe County, State of Indiana (the "City"), for value received, hereby promises to pay to the Registered Owner set forth above (or registered assigns), solely out of the special fund hereinafter referred to, the Principal Sum set forth above, on the Maturity Date set forth above (unless this Bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon from the dates of payment for this Bond until the Principal Sum is 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 15th day of the month next preceding an interest payment date (the "Record 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 June 15, 2012, in which case it shall bear interest from the Original Date, which interest is payable semi-annually on the first day of January and July of each year, beginning July 1, 2012. Interest shall be calculated based on to a 360-day calendar year containing twelve 30-day months.

The principal sum of this Bond is payable at the principal office of The Bank of New York Mellon Trust Company, N.A. (the "Registrar" or "Paying Agent"), in Syracuse, New York. All payments of interest on this Bond shall be paid by check or draft mailed or delivered one business day prior to the interest payment date to the registered owner hereof 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. Notwithstanding the foregoing to the contrary, if payment of this Bond is made to the Indiana Finance Authority ("Authority") under the terms of the Financial Assistance Agreement, all payments of principal and interest hereon shall be made by wire transfer for deposit to a financial institution as directed by the Authority as of the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof 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. All payments on the Bond shall be made in 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 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 THEREON EXCEPT FROM THE SPECIAL FUND PROVIDED FROM THE NET REVENUES DESCRIBED HEREIN.

This Bond is one of an authorized issue of bonds of the City, of like date, tenor and effect, except as to numbering, interest rates and dates of maturity, in the total amount of $35,955,000, numbered from R-1 up, issued for the purpose of providing funds to be pay the costs of improving the City's municipal waterworks utility, and to pay incident expenses, as authorized by an ordinance adopted by the governing body of the City on the 17th day of May, 2010, entitled "An Ordinance Concerning the Construction of Additions, Extensions and Improvements to the Waterworks of the City of Bloomington, Indiana, the Issuance of Revenue Bonds to Provide the Cost Thereof, the Collection, Segregation and Distribution of the Revenues of said Waterworks, the Safeguarding of the Interests of the Owners of said Revenue Bonds, Other Matters Connected Therewith, Including the Issuance of Notes in Anticipation of Bonds, and Repealing Ordinances Inconsistent Herewith" (the "Ordinance"), and in strict compliance with the provisions of Indiana Code 8-1.5-2 and 8-1.5-3, and other applicable laws relating to the issuance of revenue bonds, as amended (collectively, the "Act").

Pursuant to the provisions of the Act and the Ordinance, the principal and interest on this Bond and all other bonds of the issue and any bonds hereafter issued on a parity therewith, are payable solely from the Sinking Fund (continued by the Ordinance) to be provided from the Net Revenues (defined in the Ordinance as the gross revenues, including any debt service surcharge on users of the Utility served by the Project improvements, remaining after the payment of the reasonable expenses of operation, repair and maintenance excluding transfers for payment in lieu of taxes) of the utility, including the utility constructed or paid for by the use of the proceeds of this Bond and all additions and improvements thereto and replacements thereof subsequently constructed or acquired.

The City irrevocably pledges the entire Net Revenues of the waterworks to the prompt payment of the principal of and interest on the Bonds authorized by the Ordinance, of which this is one (1), and any Bonds ranking on a parity basis therewith (including the Outstanding Bonds as described in the Ordinance), and covenants that it will cause to be fixed, maintained and collected such rates and charges for services rendered by the waterworks as are sufficient in each year for the payment of proper and reasonable expenses of operation, repair and maintenance of the waterworks and for the payment of the sums required to be paid into the Waterworks Sinking Fund under the provisions of the Act and the Ordinance. In the event the City or the proper officers or officials thereof shall fail or refuse to so fix, maintain or collect such rates or charges, or if there be a default in 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 waterworks and to charge and collect rates sufficient to provide for the payment of this Bond and the interest hereon.

The City further covenants that it will set aside and pay into its Sinking Fund a sufficient amount of the Net Revenues of the utility to meet (a) the interest on all bonds payable from the revenues of the utility (including, without limitation, the Bonds authorized by the Ordinance and the Outstanding Prior Bonds), as such interest shall fall due, (b) the necessary fiscal agency charges for paying all bonds and interest, (c) the principal of all bonds payable from the revenues of the utility (including, without limitation, the Outstanding Prior Bonds and the bonds authorized by the Ordinance), as such principal shall fall due, and (d) an additional amount as a margin of safety to create the reserve required by the Ordinance. Such required payments shall constitute a second charge upon all the Net Revenues of the utility, junior and subordinate to payment of the Outstanding Prior Bonds, all as more particularly described in the Ordinance.

The Bonds of this issue maturing on January 1, 2022, or thereafter, are redeemable at the option of the City on July 1, 2021, or any date thereafter, on not less than 30 days' notice, in whole or in part, in principal amounts and maturities selected by the City and by lot within a maturity, at 100% of the principal amount thereof, without premium, plus in each case accrued interest to the date fixed for redemption.

The Bonds maturing on July 1, 2013 through and including July 1, 2028, (collectively, the "Term Bonds"), are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest, on the dates and in the amounts set forth below:

$640,000.00 Term Bond Due July 1, 2013

Date	Principal Amount
January 1, 2013	$325,000.00
July 1, 2013*	$315,000.00

*Final Maturity

$670,000.00 Term Bond Due July 1, 2014

Date	Principal Amount
January 1, 2014	$340,000.00
July 1, 2014*	$330,000.00

*Final Maturity

$665,000.00 Term Bond Due July 1, 2015

Date	Principal Amount
January 1, 2015	$330,000.00
July 1, 2015*	$335,000.00

*Final Maturity

$670,000.00 Term Bond Due July 1, 2016

Date	Principal Amount
January 1, 2016	$335,000.00
July 1, 2016*	$335,000.00

*Final Maturity

$690,000.00 Term Bond Due July 1, 2017

Date	Principal Amount
January 1, 2017	$340,000.00
July 1, 2017*	$350,000.00

*Final Maturity

$710,000.00 Term Bond Due July 1, 2018

Date	Principal Amount
January 1, 2018	$355,000.00
July 1, 2018*	$355,000.00

*Final Maturity

$730,000.00 Term Bond Due July 1, 2019

Date	Principal Amount
January 1, 2019	$360,000.00
July 1, 2019*	$370,000.00

*Final Maturity

$1,035,000.00 Term Bond Due July 1, 2020

Date	Principal Amount
January 1, 2020	$375,000.00
July 1, 2020*	$660,000.00

*Final Maturity

$1,925,000.00 Term Bond Due July 1, 2021

Date	Principal Amount
January 1, 2021	$690,000.00
July 1, 2021*	$1,235,000.00

*Final Maturity

$2,555,000.00 Term Bond Due July 1, 2022

Date	Principal Amount
January 1, 2022	$1,260,000.00
July 1, 2022*	$1,295,000.00

*Final Maturity

$2,820,000.00 Term Bond Due July 1, 2023

Date	Principal Amount
January 1, 2023	$1,320,000.00
July 1, 2023*	$1,500,000.00

*Final Maturity

$3,115,000.00 Term Bond Due July 1, 2024

Date	Principal Amount
January 1, 2024	$1,535,000.00
July 1, 2024*	$1,580,000.00

*Final Maturity

$3,550,000.00 Term Bond Due July 1, 2025

Date	Principal Amount
January 1, 2025	$1,615,000.00
July 1, 2025*	$1,935,000.00

*Final Maturity

$4,015,000.00 Term Bond Due July 1, 2026

Date	Principal Amount
January 1, 2026	$1,980,000.00
July 1, 2026*	$2,035,000.00

*Final Maturity

$4,430,000.00 Term Bond Due July 1, 2027

Date	Principal Amount
January 1, 2027	$2,085,000.00
July 1, 2027*	$2,345,000.00

*Final Maturity

$4,870,000.00 Term Bond Due July 1, 2028

Date	Principal Amount
January 1, 2028	$2,405,000.00
July 1, 2028*	$2,465,000.00

*Final Maturity

If some Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Bonds for optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption.

Notice of such redemption shall be mailed to the address of the Registered Owner as shown on the registration record of the City not less than thirty (30) prior to the date fixed for redemption unless such redemption notice is waived by the owners of the Bond or Bonds redeemed. 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 and when the Bonds shall be presented for redemption.

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 the bank for payment and the City shall have no further obligation or liability in respect thereto.

This Bond is subject to defeasance prior to redemption or payment as provided in the Ordinance and the owner of this Bond, by the acceptance hereof, hereby agrees to all the terms and provisions contained in the Ordinance.

This Bond is transferable or exchangeable only upon the books of the City kept for that purpose at the office of the Registrar, or its successor, by the Registered Owner hereof in person, or by such owner's 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 such owner's 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.

The Bonds maturing in any one year are issuable only in fully registered form in the denomination of One Dollar ($1) 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.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the City has caused this bond to be executed in its corporate name by the manual or facsimile signature of the Mayor of the City, its seal to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile by its Controller.

[SEAL]

CITY OF BLOOMINGTON, INDIANA

By: Marc Kr

Honorable Mark Kruzan, Mayor

Attest:

Michael Trexler, Controller

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

It is hereby certified that this bond is one (1) of the bonds described in the within-mentioned Ordinance duly authenticated by the Registrar.

The Bank of New York Mellon Trust Company, N.A., as Registrar

By:

Authorized Representative

The following abbreviations, when used in the inscription of the face of the within Bond, shall be construed as though they were written out in full according to the applicable laws or regulations.

TEN COM.	as tenants in common
TEN ENT.	as tenants by the entireties
JT TEN.	as joint tenants with right of survivorship and not as tenants in common

UNIF TRANSFERS MIN ACT. ___ Custodian
(Cust) (Minor)

under Uniform Transfers to Minors Act

____
(State)

Additional abbreviations may also be used though not in the list above.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto ______________________________.

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF TRANSFEREE

(Please Print or Typewrite
Name and Address of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints ____________________, attorney to transfer the within Bond on the registration books of the Registrar, with full power of substitution in the premises.

Dated: ______________, ____

Signature Guaranteed:_____________

______________________________	______________________________
NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.	Registered Owner (NOTE: The signature above must correspond with the name of the Registered Owner as it appears on the front of this Bond in every particular without alteration or enlargement or any change whatsoever.)

NO. R-2

UNITED STATES OF AMERICA

STATE OF INDIANA COUNTY OF MONROE

CITY OF BLOOMINGTON, INDIANA

WATERWORKS REVENUE BONDS OF 2011, SERIES B

Maturity Date	Interest Rate	Original Date	Authentication Date	CUSIP
July 1, 2013	3.00%	October 26, 2011	October 26, 2011	094743LE9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: Six Hundred Forty Thousand Dollars ($640,000.00)

The City of Bloomington, Indiana, in Monroe County, State of Indiana (the "City"), for value received, hereby promises to pay to the Registered Owner set forth above (or registered assigns), solely out of the special fund hereinafter referred to, the Principal Sum set forth above, on the Maturity Date set forth above (unless this Bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon from the dates of payment for this Bond until the Principal Sum is 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 15th day of the month next preceding an interest payment date (the "Record 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 June 15, 2012, in which case it shall bear interest from the Original Date, which interest is payable semi-annually on the first day of January and July of each year, beginning July 1, 2012. Interest shall be calculated based on to a 360-day calendar year containing twelve 30-day months.

The principal sum of this Bond is payable at the principal office of The Bank of New York Mellon Trust Company, N.A. (the "Registrar" or "Paying Agent"), in Syracuse, New York. All payments of interest on this Bond shall be paid by check or draft mailed or delivered one business day prior to the interest payment date to the registered owner hereof 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. Notwithstanding the foregoing to the contrary, if payment of this Bond is made to the Indiana Finance Authority ("Authority") under the terms of the Financial Assistance Agreement, all payments of principal and interest hereon shall be made by wire transfer for deposit to a financial institution as directed by the Authority as of the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof 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. All payments on the Bond shall be made in 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.

NO. R-3

UNITED STATES OF AMERICA

STATE OF INDIANA COUNTY OF MONROE

CITY OF BLOOMINGTON, INDIANA
WATERWORKS REVENUE BONDS OF 2011, SERIES B

Maturity Date	Interest Rate	Original Date	Authentication Date	CUSIP
July 1, 2014	3.00%	October 26, 2011	October 26, 2011	094743LF6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: Six Hundred Seventy Thousand Dollars ($670,000.00)

The City of Bloomington, Indiana, in Monroe County, State of Indiana (the "City"), for value received, hereby promises to pay to the Registered Owner set forth above (or registered assigns), solely out of the special fund hereinafter referred to, the Principal Sum set forth above, on the Maturity Date set forth above (unless this Bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon from the dates of payment for this Bond until the Principal Sum is 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 15th day of the month next preceding an interest payment date (the "Record 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 June 15, 2012, in which case it shall bear interest from the Original Date, which interest is payable semi-annually on the first day of January and July of each year, beginning July 1, 2012. Interest shall be calculated based on to a 360-day calendar year containing twelve 30-day months.

The principal sum of this Bond is payable at the principal office of The Bank of New York Mellon Trust Company, N.A. (the "Registrar" or "Paying Agent"), in Syracuse, New York. All payments of interest on this Bond shall be paid by check or draft mailed or delivered one business day prior to the interest payment date to the registered owner hereof 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. Notwithstanding the foregoing to the contrary, if payment of this Bond is made to the Indiana Finance Authority ("Authority") under the terms of the Financial Assistance Agreement, all payments of principal and interest hereon shall be made by wire transfer for deposit to a financial institution as directed by the Authority as of the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof 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. All payments on the Bond shall be made in 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.

NO. R-4

UNITED STATES OF AMERICA

STATE OF INDIANA COUNTY OF MONROE

CITY OF BLOOMINGTON, INDIANA

WATERWORKS REVENUE BONDS OF 2011, SERIES B

Maturity Date	Interest Rate	Original Date	Authentication Date	CUSIP
July 1, 2015	3.00%	October 26, 2011	October 26, 2011	094743LG4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: Six Hundred Sixty-Five Thousand Dollars ($665,000.00)

The City of Bloomington, Indiana, in Monroe County, State of Indiana (the "City"), for value received, hereby promises to pay to the Registered Owner set forth above (or registered assigns), solely out of the special fund hereinafter referred to, the Principal Sum set forth above, on the Maturity Date set forth above (unless this Bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon from the dates of payment for this Bond until the Principal Sum is 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 15th day of the month next preceding an interest payment date (the "Record 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 June 15, 2012, in which case it shall bear interest from the Original Date, which interest is payable semi-annually on the first day of January and July of each year, beginning July 1, 2012. Interest shall be calculated based on to a 360-day calendar year containing twelve 30-day months.

The principal sum of this Bond is payable at the principal office of The Bank of New York Mellon Trust Company, N.A. (the "Registrar" or "Paying Agent"), in Syracuse, New York. All payments of interest on this Bond shall be paid by check or draft mailed or delivered one business day prior to the interest payment date to the registered owner hereof 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. Notwithstanding the foregoing to the contrary, if payment of this Bond is made to the Indiana Finance Authority ("Authority") under the terms of the Financial Assistance Agreement, all payments of principal and interest hereon shall be made by wire transfer for deposit to a financial institution as directed by the Authority as of the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof 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. All payments on the Bond shall be made in 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.

NO. R-5

UNITED STATES OF AMERICA

STATE OF INDIANA COUNTY OF MONROE

CITY OF BLOOMINGTON, INDIANA
WATERWORKS REVENUE BONDS OF 2011, SERIES B

Maturity Date	Interest Rate	Original Date	Authentication Date	CUSIP
July 1, 2016	3.00%	October 26, 2011	October 26, 2011	094743LH2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: Six Hundred Seventy Thousand Dollars ($670,000.00)

The City of Bloomington, Indiana, in Monroe County, State of Indiana (the "City"), for value received, hereby promises to pay to the Registered Owner set forth above (or registered assigns), solely out of the special fund hereinafter referred to, the Principal Sum set forth above, on the Maturity Date set forth above (unless this Bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon from the dates of payment for this Bond until the Principal Sum is 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 15th day of the month next preceding an interest payment date (the "Record 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 June 15, 2012, in which case it shall bear interest from the Original Date, which interest is payable semi-annually on the first day of January and July of each year, beginning July 1, 2012. Interest shall be calculated based on to a 360-day calendar year containing twelve 30-day months.

The principal sum of this Bond is payable at the principal office of The Bank of New York Mellon Trust Company, N.A. (the "Registrar" or "Paying Agent"), in Syracuse, New York. All payments of interest on this Bond shall be paid by check or draft mailed or delivered one business day prior to the interest payment date to the registered owner hereof 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. Notwithstanding the foregoing to the contrary, if payment of this Bond is made to the Indiana Finance Authority ("Authority") under the terms of the Financial Assistance Agreement, all payments of principal and interest hereon shall be made by wire transfer for deposit to a financial institution as directed by the Authority as of the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof 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. All payments on the Bond shall be made in 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.

NO. R-6

UNITED STATES OF AMERICA

STATE OF INDIANA COUNTY OF MONROE

CITY OF BLOOMINGTON, INDIANA

WATERWORKS REVENUE BONDS OF 2011, SERIES B

Maturity Date	Interest Rate	Original Date	Authentication Date	CUSIP
July 1, 2017	3.00%	October 26, 2011	October 26, 2011	094743LJ8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: Six Hundred Ninety Thousand Dollars ($690,000.00)

The City of Bloomington, Indiana, in Monroe County, State of Indiana (the "City"), for value received, hereby promises to pay to the Registered Owner set forth above (or registered assigns), solely out of the special fund hereinafter referred to, the Principal Sum set forth above, on the Maturity Date set forth above (unless this Bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon from the dates of payment for this Bond until the Principal Sum is 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 15th day of the month next preceding an interest payment date (the "Record 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 June 15, 2012, in which case it shall bear interest from the Original Date, which interest is payable semi-annually on the first day of January and July of each year, beginning July 1, 2012. Interest shall be calculated based on to a 360-day calendar year containing twelve 30-day months.

The principal sum of this Bond is payable at the principal office of The Bank of New York Mellon Trust Company, N.A. (the "Registrar" or "Paying Agent"), in Syracuse, New York. All payments of interest on this Bond shall be paid by check or draft mailed or delivered one business day prior to the interest payment date to the registered owner hereof 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. Notwithstanding the foregoing to the contrary, if payment of this Bond is made to the Indiana Finance Authority ("Authority") under the terms of the Financial Assistance Agreement, all payments of principal and interest hereon shall be made by wire transfer for deposit to a financial institution as directed by the Authority as of the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof 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. All payments on the Bond shall be made in 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.

NO. R-7

UNITED STATES OF AMERICA

STATE OF INDIANA COUNTY OF MONROE

CITY OF BLOOMINGTON, INDIANA

WATERWORKS REVENUE BONDS OF 2011, SERIES B

Maturity Date	Interest Rate	Original Date	Authentication Date	CUSIP
July 1, 2018	3.00%	October 26, 2011	October 26, 2011	094743LK5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: Seven Hundred Ten Thousand Dollars ($710,000.00)

The City of Bloomington, Indiana, in Monroe County, State of Indiana (the "City"), for value received, hereby promises to pay to the Registered Owner set forth above (or registered assigns), solely out of the special fund hereinafter referred to, the Principal Sum set forth above, on the Maturity Date set forth above (unless this Bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon from the dates of payment for this Bond until the Principal Sum is 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 15th day of the month next preceding an interest payment date (the "Record 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 June 15, 2012, in which case it shall bear interest from the Original Date, which interest is payable semi-annually on the first day of January and July of each year, beginning July 1, 2012. Interest shall be calculated based on to a 360-day calendar year containing twelve 30-day months.

The principal sum of this Bond is payable at the principal office of The Bank of New York Mellon Trust Company, N.A. (the "Registrar" or "Paying Agent"), in Syracuse, New York. All payments of interest on this Bond shall be paid by check or draft mailed or delivered one business day prior to the interest payment date to the registered owner hereof 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. Notwithstanding the foregoing to the contrary, if payment of this Bond is made to the Indiana Finance Authority ("Authority") under the terms of the Financial Assistance Agreement, all payments of principal and interest hereon shall be made by wire transfer for deposit to a financial institution as directed by the Authority as of the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof 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. All payments on the Bond shall be made in 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.

NO. R-8

UNITED STATES OF AMERICA

STATE OF INDIANA COUNTY OF MONROE

CITY OF BLOOMINGTON, INDIANA
WATERWORKS REVENUE BONDS OF 2011, SERIES B

Maturity Date	Interest Rate	Original Date	Authentication Date	CUSIP
July 1, 2019	3.00%	October 26, 2011	October 26, 2011	094743LL3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: Seven Hundred Thirty Thousand Dollars ($730,000.00)

The City of Bloomington, Indiana, in Monroe County, State of Indiana (the "City"), for value received, hereby promises to pay to the Registered Owner set forth above (or registered assigns), solely out of the special fund hereinafter referred to, the Principal Sum set forth above, on the Maturity Date set forth above (unless this Bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon from the dates of payment for this Bond until the Principal Sum is 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 15th day of the month next preceding an interest payment date (the "Record 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 June 15, 2012, in which case it shall bear interest from the Original Date, which interest is payable semi-annually on the first day of January and July of each year, beginning July 1, 2012. Interest shall be calculated based on to a 360-day calendar year containing twelve 30-day months.

The principal sum of this Bond is payable at the principal office of The Bank of New York Mellon Trust Company, N.A. (the "Registrar" or "Paying Agent"), in Syracuse, New York. All payments of interest on this Bond shall be paid by check or draft mailed or delivered one business day prior to the interest payment date to the registered owner hereof 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. Notwithstanding the foregoing to the contrary, if payment of this Bond is made to the Indiana Finance Authority ("Authority") under the terms of the Financial Assistance Agreement, all payments of principal and interest hereon shall be made by wire transfer for deposit to a financial institution as directed by the Authority as of the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof 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. All payments on the Bond shall be made in 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.

NO. R-9

UNITED STATES OF AMERICA

STATE OF INDIANA COUNTY OF MONROE

CITY OF BLOOMINGTON, INDIANA
WATERWORKS REVENUE BONDS OF 2011, SERIES B

Maturity Date	Interest Rate	Original Date	Authentication Date	CUSIP
July 1, 2020	3.50%	October 26, 2011	October 26, 2011	094743LM1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: One Million Thirty-Five Thousand Dollars ($1,035,000.00)

The City of Bloomington, Indiana, in Monroe County, State of Indiana (the "City"), for value received, hereby promises to pay to the Registered Owner set forth above (or registered assigns), solely out of the special fund hereinafter referred to, the Principal Sum set forth above, on the Maturity Date set forth above (unless this Bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon from the dates of payment for this Bond until the Principal Sum is 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 15th day of the month next preceding an interest payment date (the "Record 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 June 15, 2012, in which case it shall bear interest from the Original Date, which interest is payable semi-annually on the first day of January and July of each year, beginning July 1, 2012. Interest shall be calculated based on to a 360-day calendar year containing twelve 30-day months.

The principal sum of this Bond is payable at the principal office of The Bank of New York Mellon Trust Company, N.A. (the "Registrar" or "Paying Agent"), in Syracuse, New York. All payments of interest on this Bond shall be paid by check or draft mailed or delivered one business day prior to the interest payment date to the registered owner hereof 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. Notwithstanding the foregoing to the contrary, if payment of this Bond is made to the Indiana Finance Authority ("Authority") under the terms of the Financial Assistance Agreement, all payments of principal and interest hereon shall be made by wire transfer for deposit to a financial institution as directed by the Authority as of the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof 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. All payments on the Bond shall be made in 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.

NO. R-10

UNITED STATES OF AMERICA

STATE OF INDIANA COUNTY OF MONROE

CITY OF BLOOMINGTON, INDIANA

WATERWORKS REVENUE BONDS OF 2011, SERIES B

Maturity Date	Interest Rate	Original Date	Authentication Date	CUSIP
July 1, 2021	3.50%	October 26, 2011	October 26, 2011	094743LN9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: One Million Nine Hundred Twenty-Five Thousand Dollars ($1,925,000.00)

The City of Bloomington, Indiana, in Monroe County, State of Indiana (the "City"), for value received, hereby promises to pay to the Registered Owner set forth above (or registered assigns), solely out of the special fund hereinafter referred to, the Principal Sum set forth above, on the Maturity Date set forth above (unless this Bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon from the dates of payment for this Bond until the Principal Sum is 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 15th day of the month next preceding an interest payment date (the "Record 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 June 15, 2012, in which case it shall bear interest from the Original Date, which interest is payable semi-annually on the first day of January and July of each year, beginning July 1, 2012. Interest shall be calculated based on to a 360-day calendar year containing twelve 30-day months.

The principal sum of this Bond is payable at the principal office of The Bank of New York Mellon Trust Company, N.A. (the "Registrar" or "Paying Agent"), in Syracuse, New York. All payments of interest on this Bond shall be paid by check or draft mailed or delivered one business day prior to the interest payment date to the registered owner hereof 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. Notwithstanding the foregoing to the contrary, if payment of this Bond is made to the Indiana Finance Authority ("Authority") under the terms of the Financial Assistance Agreement, all payments of principal and interest hereon shall be made by wire transfer for deposit to a financial institution as directed by the Authority as of the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof 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. All payments on the Bond shall be made in 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.

NO. R-11

UNITED STATES OF AMERICA

STATE OF INDIANA COUNTY OF MONROE

CITY OF BLOOMINGTON, INDIANA
WATERWORKS REVENUE BONDS OF 2011, SERIES B

Maturity Date	Interest Rate	Original Date	Authentication Date	CUSIP
July 1, 2022	4.00%	October 26, 2011	October 26, 2011	094743LP4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: Two Million Five Hundred Fifty-Five Thousand Dollars ($2,555,000.00)

The City of Bloomington, Indiana, in Monroe County, State of Indiana (the "City"), for value received, hereby promises to pay to the Registered Owner set forth above (or registered assigns), solely out of the special fund hereinafter referred to, the Principal Sum set forth above, on the Maturity Date set forth above (unless this Bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon from the dates of payment for this Bond until the Principal Sum is 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 15th day of the month next preceding an interest payment date (the "Record 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 June 15, 2012, in which case it shall bear interest from the Original Date, which interest is payable semi-annually on the first day of January and July of each year, beginning July 1, 2012. Interest shall be calculated based on to a 360-day calendar year containing twelve 30-day months.

The principal sum of this Bond is payable at the principal office of The Bank of New York Mellon Trust Company, N.A. (the "Registrar" or "Paying Agent"), in Syracuse, New York. All payments of interest on this Bond shall be paid by check or draft mailed or delivered one business day prior to the interest payment date to the registered owner hereof 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. Notwithstanding the foregoing to the contrary, if payment of this Bond is made to the Indiana Finance Authority ("Authority") under the terms of the Financial Assistance Agreement, all payments of principal and interest hereon shall be made by wire transfer for deposit to a financial institution as directed by the Authority as of the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof 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. All payments on the Bond shall be made in 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.

NO. R-12

UNITED STATES OF AMERICA

STATE OF INDIANA COUNTY OF MONROE

CITY OF BLOOMINGTON, INDIANA

WATERWORKS REVENUE BONDS OF 2011, SERIES B

Maturity Date	Interest Rate	Original Date	Authentication Date	CUSIP
July 1, 2023	4.00%	October 26, 2011	October 26, 2011	094743LQ2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: Two Million Eight Hundred Twenty Thousand Dollars ($2,820,000.00)

The City of Bloomington, Indiana, in Monroe County, State of Indiana (the "City"), for value received, hereby promises to pay to the Registered Owner set forth above (or registered assigns), solely out of the special fund hereinafter referred to, the Principal Sum set forth above, on the Maturity Date set forth above (unless this Bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon from the dates of payment for this Bond until the Principal Sum is 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 15th day of the month next preceding an interest payment date (the "Record 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 June 15, 2012, in which case it shall bear interest from the Original Date, which interest is payable semi-annually on the first day of January and July of each year, beginning July 1, 2012. Interest shall be calculated based on to a 360-day calendar year containing twelve 30-day months.

The principal sum of this Bond is payable at the principal office of The Bank of New York Mellon Trust Company, N.A. (the "Registrar" or "Paying Agent"), in Syracuse, New York. All payments of interest on this Bond shall be paid by check or draft mailed or delivered one business day prior to the interest payment date to the registered owner hereof 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. Notwithstanding the foregoing to the contrary, if payment of this Bond is made to the Indiana Finance Authority ("Authority") under the terms of the Financial Assistance Agreement, all payments of principal and interest hereon shall be made by wire transfer for deposit to a financial institution as directed by the Authority as of the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof 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. All payments on the Bond shall be made in 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.

NO. R-13

UNITED STATES OF AMERICA

STATE OF INDIANA COUNTY OF MONROE

CITY OF BLOOMINGTON, INDIANA

WATERWORKS REVENUE BONDS OF 2011, SERIES B

Maturity Date	Interest Rate	Original Date	Authentication Date	CUSIP
July 1, 2024	4.00%	October 26, 2011	October 26, 2011	094743LR0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: Three Million One Hundred Fifteen Thousand Dollars ($3,115,000.00)

The City of Bloomington, Indiana, in Monroe County, State of Indiana (the "City"), for value received, hereby promises to pay to the Registered Owner set forth above (or registered assigns), solely out of the special fund hereinafter referred to, the Principal Sum set forth above, on the Maturity Date set forth above (unless this Bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon from the dates of payment for this Bond until the Principal Sum is 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 15th day of the month next preceding an interest payment date (the "Record 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 June 15, 2012, in which case it shall bear interest from the Original Date, which interest is payable semi-annually on the first day of January and July of each year, beginning July 1, 2012. Interest shall be calculated based on to a 360-day calendar year containing twelve 30-day months.

The principal sum of this Bond is payable at the principal office of The Bank of New York Mellon Trust Company, N.A. (the "Registrar" or "Paying Agent"), in Syracuse, New York. All payments of interest on this Bond shall be paid by check or draft mailed or delivered one business day prior to the interest payment date to the registered owner hereof 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. Notwithstanding the foregoing to the contrary, if payment of this Bond is made to the Indiana Finance Authority ("Authority") under the terms of the Financial Assistance Agreement, all payments of principal and interest hereon shall be made by wire transfer for deposit to a financial institution as directed by the Authority as of the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof 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. All payments on the Bond shall be made in 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.

NO. R-14

UNITED STATES OF AMERICA

STATE OF INDIANA COUNTY OF MONROE

CITY OF BLOOMINGTON, INDIANA
WATERWORKS REVENUE BONDS OF 2011, SERIES B

Maturity Date	Interest Rate	Original Date	Authentication Date	CUSIP
July 1, 2025	4.00%	October 26, 2011	October 26, 2011	094743LS8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: Three Million Five Hundred Fifty Thousand Dollars ($3,550,000.00)

The City of Bloomington, Indiana, in Monroe County, State of Indiana (the "City"), for value received, hereby promises to pay to the Registered Owner set forth above (or registered assigns), solely out of the special fund hereinafter referred to, the Principal Sum set forth above, on the Maturity Date set forth above (unless this Bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon from the dates of payment for this Bond until the Principal Sum is 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 15th day of the month next preceding an interest payment date (the "Record 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 June 15, 2012, in which case it shall bear interest from the Original Date, which interest is payable semi-annually on the first day of January and July of each year, beginning July 1, 2012. Interest shall be calculated based on to a 360-day calendar year containing twelve 30-day months.

The principal sum of this Bond is payable at the principal office of The Bank of New York Mellon Trust Company, N.A. (the "Registrar" or "Paying Agent"), in Syracuse, New York. All payments of interest on this Bond shall be paid by check or draft mailed or delivered one business day prior to the interest payment date to the registered owner hereof 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. Notwithstanding the foregoing to the contrary, if payment of this Bond is made to the Indiana Finance Authority ("Authority") under the terms of the Financial Assistance Agreement, all payments of principal and interest hereon shall be made by wire transfer for deposit to a financial institution as directed by the Authority as of the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof 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. All payments on the Bond shall be made in 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.

NO. R-15

UNITED STATES OF AMERICA

STATE OF INDIANA COUNTY OF MONROE

CITY OF BLOOMINGTON, INDIANA

WATERWORKS REVENUE BONDS OF 2011, SERIES B

Maturity Date	Interest Rate	Original Date	Authentication Date	CUSIP
July 1, 2026	4.00%	October 26, 2011	October 26, 2011	094743LT6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: Four Million Fifteen Thousand Dollars ($4,015,000.00)

The City of Bloomington, Indiana, in Monroe County, State of Indiana (the "City"), for value received, hereby promises to pay to the Registered Owner set forth above (or registered assigns), solely out of the special fund hereinafter referred to, the Principal Sum set forth above, on the Maturity Date set forth above (unless this Bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon from the dates of payment for this Bond until the Principal Sum is 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 15th day of the month next preceding an interest payment date (the "Record 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 June 15, 2012, in which case it shall bear interest from the Original Date, which interest is payable semi-annually on the first day of January and July of each year, beginning July 1, 2012. Interest shall be calculated based on to a 360-day calendar year containing twelve 30-day months.

The principal sum of this Bond is payable at the principal office of The Bank of New York Mellon Trust Company, N.A. (the "Registrar" or "Paying Agent"), in Syracuse, New York. All payments of interest on this Bond shall be paid by check or draft mailed or delivered one business day prior to the interest payment date to the registered owner hereof 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. Notwithstanding the foregoing to the contrary, if payment of this Bond is made to the Indiana Finance Authority ("Authority") under the terms of the Financial Assistance Agreement, all payments of principal and interest hereon shall be made by wire transfer for deposit to a financial institution as directed by the Authority as of the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof 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. All payments on the Bond shall be made in 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.

NO. R-16

UNITED STATES OF AMERICA

STATE OF INDIANA COUNTY OF MONROE

CITY OF BLOOMINGTON, INDIANA

WATERWORKS REVENUE BONDS OF 2011, SERIES B

Maturity Date	Interest Rate	Original Date	Authentication Date	CUSIP
July 1, 2027	4.00%	October 26, 2011	October 26, 2011	094743LU3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: Four Million Four Hundred Thirty Thousand Dollars ($4,430,000.00)

The City of Bloomington, Indiana, in Monroe County, State of Indiana (the "City"), for value received, hereby promises to pay to the Registered Owner set forth above (or registered assigns), solely out of the special fund hereinafter referred to, the Principal Sum set forth above, on the Maturity Date set forth above (unless this Bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon from the dates of payment for this Bond until the Principal Sum is 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 15th day of the month next preceding an interest payment date (the "Record 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 June 15, 2012, in which case it shall bear interest from the Original Date, which interest is payable semi-annually on the first day of January and July of each year, beginning July 1, 2012. Interest shall be calculated based on to a 360-day calendar year containing twelve 30-day months.

The principal sum of this Bond is payable at the principal office of The Bank of New York Mellon Trust Company, N.A. (the "Registrar" or "Paying Agent"), in Syracuse, New York. All payments of interest on this Bond shall be paid by check or draft mailed or delivered one business day prior to the interest payment date to the registered owner hereof 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. Notwithstanding the foregoing to the contrary, if payment of this Bond is made to the Indiana Finance Authority ("Authority") under the terms of the Financial Assistance Agreement, all payments of principal and interest hereon shall be made by wire transfer for deposit to a financial institution as directed by the Authority as of the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof 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. All payments on the Bond shall be made in 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.

NO. R-17

UNITED STATES OF AMERICA

STATE OF INDIANA COUNTY OF MONROE

CITY OF BLOOMINGTON, INDIANA

WATERWORKS REVENUE BONDS OF 2011, SERIES B

Maturity Date	Interest Rate	Original Date	Authentication Date	CUSIP
July 1, 2028	4.00%	October 26, 2011	October 26, 2011	094743LV1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: Four Million Eight Hundred Seventy Thousand Dollars ($4,870,000.00)

The City of Bloomington, Indiana, in Monroe County, State of Indiana (the "City"), for value received, hereby promises to pay to the Registered Owner set forth above (or registered assigns), solely out of the special fund hereinafter referred to, the Principal Sum set forth above, on the Maturity Date set forth above (unless this Bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon from the dates of payment for this Bond until the Principal Sum is 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 15th day of the month next preceding an interest payment date (the "Record 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 June 15, 2012, in which case it shall bear interest from the Original Date, which interest is payable semi-annually on the first day of January and July of each year, beginning July 1, 2012. Interest shall be calculated based on to a 360-day calendar year containing twelve 30-day months.

The principal sum of this Bond is payable at the principal office of The Bank of New York Mellon Trust Company, N.A. (the "Registrar" or "Paying Agent"), in Syracuse, New York. All payments of interest on this Bond shall be paid by check or draft mailed or delivered one business day prior to the interest payment date to the registered owner hereof 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. Notwithstanding the foregoing to the contrary, if payment of this Bond is made to the Indiana Finance Authority ("Authority") under the terms of the Financial Assistance Agreement, all payments of principal and interest hereon shall be made by wire transfer for deposit to a financial institution as directed by the Authority as of the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof 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. All payments on the Bond shall be made in 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.

NO. R-18

UNITED STATES OF AMERICA

STATE OF INDIANA COUNTY OF MONROE

CITY OF BLOOMINGTON, INDIANA
WATERWORKS REVENUE BONDS OF 2011, SERIES B

Maturity Date	Interest Rate	Original Date	Authentication Date	CUSIP
July 1, 2029	4.00%	October 26, 2011	October 26, 2011	094743LW9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: Two Million Five Hundred Forty Thousand Dollars ($2,540,000.00)

The City of Bloomington, Indiana, in Monroe County, State of Indiana (the "City"), for value received, hereby promises to pay to the Registered Owner set forth above (or registered assigns), solely out of the special fund hereinafter referred to, the Principal Sum set forth above, on the Maturity Date set forth above (unless this Bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest hereon from the dates of payment for this Bond until the Principal Sum is 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 15th day of the month next preceding an interest payment date (the "Record 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 June 15, 2012, in which case it shall bear interest from the Original Date, which interest is payable semi-annually on the first day of January and July of each year, beginning July 1, 2012. Interest shall be calculated based on to a 360-day calendar year containing twelve 30-day months.

The principal sum of this Bond is payable at the principal office of The Bank of New York Mellon Trust Company, N.A. (the "Registrar" or "Paying Agent"), in Syracuse, New York. All payments of interest on this Bond shall be paid by check or draft mailed or delivered one business day prior to the interest payment date to the registered owner hereof 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. Notwithstanding the foregoing to the contrary, if payment of this Bond is made to the Indiana Finance Authority ("Authority") under the terms of the Financial Assistance Agreement, all payments of principal and interest hereon shall be made by wire transfer for deposit to a financial institution as directed by the Authority as of the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof 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. All payments on the Bond shall be made in 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.

$35,955,000
CITY OF BLOOMINGTON, INDIANA
WATERWORKS REVENUE BONDS OF 2011, SERIES B

SIGNATURE AND NO-LITIGATION CERTIFICATE
DATED OCTOBER 26, 2011

1. We, the undersigned Mayor and Controller of the City of Bloomington, Indiana (the "Issuer"), certify that:

(A) We have executed and delivered in our official capacities stated below the City of Bloomington, Indiana Waterworks Revenue Bonds of 2011, Series B, (the "Bonds") and all other documents related thereto;

(B) Our signatures or facsimiles thereof, as shown upon the Bonds are genuine and have been written thereon or affixed thereto with our knowledge and consent and are hereby adopted;

(C) We were, at the date of such execution, and are now the duly chosen, qualified and acting officials or officers indicated on the Bonds and herein and authorized to execute such documents in the manner appearing thereon.

2. We, the undersigned Mayor and Controller of the Issuer, further certify as of the date hereof that:

(A) There is no litigation (either in federal, state or local courts), or administrative action or proceeding pending, or to our knowledge, threatened restraining or enjoining, or seeking to restrain or enjoin, the authorization, execution or delivery by the Issuer of the Bonds or the passage and adoption of Ordinance 10-07, adopted by the City of Bloomington, Indiana Common Council (the "Common Council") on May 17, 2010 (the "Bond Ordinance") (a copy of which has been made a part of the transcript of proceedings in which this certificate is contained), authorizing and establishing the security for, and source for payment of, the Bonds issued pursuant to such Bond Ordinance, or in any manner contesting, affecting, directly or indirectly, or questioning the proceedings and authority under which the Bonds have been authorized, executed, or delivered or the validity of the Bonds, or any provisions made or authorized for their payment or the Bond Ordinance, or in any way relating to, affecting or questioning the operation of the affairs of the Issuer;

(B) There is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board or body, pending or, to the best knowledge of the officers signing this certificate, threatened against the Issuer seeking to prohibit, restrain, or enjoin the issuance, sale, execution, or delivery of the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds or the Bond Ordinance, or contesting any authority for the issuance of the Bonds, the execution and delivery of the Bonds, nor, to the best knowledge of the officers signing this certificate, is there any basis therefor, wherein an unfavorable decision, ruling, or finding would materially adversely affect the validity or enforceability of the Bonds or the Bond Ordinance;

(C) Neither the existence nor the powers of the Issuer, nor our title to our respective offices, is or are being contested in any judicial or administrative proceeding; and

(D) No authority or proceedings for the issuance, execution, or delivery of the Bonds, or for the passage and adoption of the Bond Ordinance has or have been repealed, revoked, or rescinded.

[*Remainder of Page Left Intentionally Blank*]

Executed to be effective as of the date first above written.

CITY OF BLOOMINGTON, INDIANA

By: ______________________
Honorable Mark Kruzan, Mayor

Attest:

____
Michael Trexler, Controller

City's Signature Page to Signature and No-Litigation Certificate

1614367

$35,955,000
CITY OF BLOOMINGTON, INDIANA
WATERWORKS REVENUE BONDS OF 2011, SERIES B

GENERAL CERTIFICATE OF THE CITY OF BLOOMINGTON
DATED OCTOBER 26, 2011

We, the duly elected or appointed, qualified and acting officers of the City of Bloomington in Monroe County, Indiana (the "City"), hereby certify that:

1. The City is a municipality of the State of Indiana (the "State"), created and validly existing as such under the constitution and laws of the State.

2. The transcript of proceedings (the "Transcript"), of which this Certificate is a part, contains a full, true and correct copy of all proceedings conducted by the Common Council (the "Common Council") of the City relating to the authorization, issuance and sale of the City's Waterworks Revenue Bonds of 2011, Series B (the "Bonds"), including Ordinance No. 10-07, adopted by the Common Council on May 17, 2010 (the "Bond Ordinance"). All of those proceedings have been recorded in the proper permanent records of the City and have been signed by the proper officials of the City.

3. The copies of Ordinance No. 10-06, adopted by the Common Council on May 17, 2010 (the "Rate Ordinance"), and the Bond Ordinance (collectively, the "Ordinances") included in the Transcript have been compared with and are full, true and correct copies of the whole of the Ordinances, and the Ordinances have been duly signed by the Mayor and the Clerk of the City and recorded in the permanent ordinance record of the City. The Ordinances have not been further amended, modified, repealed or rescinded, except as set forth therein, and are now in full force and effect. After the introduction of the Rate Ordinance, the City mailed a notice of the public hearing thereon more than ten (10) days prior to such hearing to the users of the System located outside the City's corporate boundaries. Not one owner of property connected to the System or to be connected to the System as a result of the completion of the project to be financed by the issuance of the Bonds, who attended the public hearing held by the Common Council in connection with and prior to the adoption of the Rate Ordinance, filed a written petition with the Common Council within five (5) days of the adoption of the Rate Ordinance, which stated specifically the ground or grounds of objection to the Rate Ordinance and the name and address of such property owner.

4. All actions taken by the Common Council concerning the Bonds were taken at meetings open to the public, which complied in all respects with I.C. 5-14-1.5, as amended. Notice of the meetings was given in accordance with I.C. 5-14-1.5, as amended. No such actions were taken by secret ballot or by reference to agenda number or item only. If an agenda was used, it was posted at the entrance to the meeting room prior to each meeting. Memoranda were kept during the meetings and made available as required by I.C. 5-14-1.5-4, as amended. No executive sessions were held, except those permitted by I.C. 5-14-1.5-6.1, as amended.

5. The Transcript contains full, true and correct copies of the Preliminary Official Statement dated September 28, 2011, and the Final Official Statement, dated October 12, 2011 (collectively, the "Official Statement"). Any descriptions and statements of or pertaining to the City or its waterworks (the "System") contained in the Official Statement, were and are true and correct in all material respects, and did not or do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements, in the light of the circumstances under which they were made, not misleading. The representations herein will survive the purchase of the Bonds.

6. There are no other outstanding bonds or other obligations of the City payable out of the net revenues of the System, except for the Waterworks Revenue Bonds of 2000, Series A, issued by the City on June 23, 2000, with an outstanding principal balance of $8,877,000, the Waterworks Revenue Bonds of 2003, Series A, issued by the City on April 18, 2003, with an outstanding principal balance of $2,803,000, the Waterworks Revenue Bonds of 2003, Series B, issued by the City on September 5, 2003, with an outstanding principal balance of $5,968,000, the Waterworks Refunding Revenue Bonds of 2003, issued by the City on July 23, 2003, with an outstanding principal balance of $3,860,000, the Waterworks Revenue Bonds of 2006, issued by the City on May 4, 2006, with an outstanding principal balance of $4,480,000, and the Waterworks Revenue Bonds of 2011, Series A, issued by the City on October 26, 2011, with an outstanding principal amount of $6,045,000 (collectively, the "Prior Bonds") and the Bonds, and the physical property of the System is free of all liens and encumbrances.

7. The Common Council in the Bond Ordinance has duly authorized the execution and delivery of the Official Statement by the proper officials.

8. The execution, delivery, receipt and due performance of the Bonds, the Official Statement and the other agreements contemplated thereby, and the City's compliance with the provisions thereof, will not conflict with or constitute on its part a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, ordinance, mortgage, lease or other instrument to which the City is subject or by which it is or may be bound.

9. The employer identification number of the City is 35-6000954. The Bonds have a weighted average maturity of 11.9188 years, which does not exceed one hundred twenty percent (120%) of the average reasonably expected remaining economic life of the project to be financed by the Bonds, which is at least 30 years.

10. The City represents that, as of the date hereof (the "Issue Date"), the amount on deposit in the Reserve Account (the "Reserve Account") of the Sinking Fund created by the Bond Ordinance is at least $4,407,092, and that, on or before the last day of each calendar month, commencing this month, an amount of Net Revenues (as defined in the Bond Ordinance) or other funds legally available therefore (or the entire balance if less than the required amount) shall be deposited in the Reserve Account until there is accumulated therein an amount equal to the maximum annual debt service on the Bonds, which amount will be decreased on the second day of each January to the maximum annual debt service on the then outstanding Bonds in the then present or any succeeding year (the "Reserve Requirement"). The Reserve Requirement

does not exceed the maximum annual principal and interest requirements on the Bonds. On the Issue Date, the Reserve Requirement shall be $5,639,104.65. If moneys in the Reserve Account are transferred to the Bond and Interest Account (as defined in the Bond Ordinance) to pay the principal of and interest on outstanding Bonds, then that depletion of the balance of the Reserve Account shall be made up from the next available Net Revenues after the required deposits into the Bond and Interest Account.

11. The City represents that it will comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance date of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes.

[*Remainder of Page Left Intentionally Blank*]

Executed to be effective as of the date first above written.

CITY OF BLOOMINGTON, INDIANA

By: ______________________________
Honorable Mark Kruzan, Mayor

Attest:

____
Michael Trexler, Controller

City's Signature Page to General Certificate

$6,045,000
CITY OF BLOOMINGTON, INDIANA
WATERWORKS REVENUE BONDS OF 2011, SERIES A

$35,955,000
CITY OF BLOOMINGTON, INDIANA
WATERWORKS REVENUE BONDS OF 2011, SERIES B

CERTIFICATE OF THE ISSUER RE: NON-ARBITRAGE

Dated and as of October 26, 2011:

The undersigned Mayor and Controller of the City of Bloomington, Indiana (the "City") hereby certify as follows with regard to the City's Waterworks Revenue Bonds of 2011, Series A (the "Series A Bonds") and Waterworks Revenue Bonds of 2011, Series B (the "Series B Bonds" and together with the Series A Bonds, the "Bonds"):

I. GENERAL

1.1. Authority of Officers. The undersigned are representatives of the City charged by the Ordinance, which approves the issuance of the Bonds, the terms thereof and related matters (the "Authorizing Proceedings") adopted by the Common Council of the City, the governing body with responsibility for issuing the Bonds, to take all steps necessary to cause the Bonds to be issued, and are acting for and on behalf of the City in executing this Certificate.

1.2. Nature of Certificate. This Certificate accompanies the transcript of proceedings related to the issuance of the Bonds (the "Transcript") and describes the City's reasonable expectations, as of this date, developed and given in good faith, regarding the amount and use of the Bond proceeds. This certification relies upon certain representations and opinions made to the City by others in the reports or certifications contained in the Transcript, and is based upon facts, expectations, estimates and circumstances in existence on the date of this Certificate. To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change the conclusions and representations set forth herein and the facts, estimates and circumstances set forth in this Certificate are accurate; and the expectations of the City set forth in this Certificate are reasonable. The City is not aware of any facts or circumstances that would cause it to question the accuracy of the representations made by others herein. This Certificate is executed for the purpose of setting forth the facts and estimates upon which the City bases its reasonable expectations that the Bonds are not arbitrage bonds under (i) Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) Treasury Regulations Sections 1.148-0 through 1.148-11, 1.149(b)-1, 1.149(e)-1, 1.149(g)-1, 1.150-1 through 1.141-0 through –16, 1.150-2 and others to the extent applicable hereto (the "Regulations"). Terms used but not otherwise defined herein shall have the meanings contained in the Code and the Regulations.

1.3. Date of Certificate. This certification is made as of the date of issue, that is, the date on which there is a physical delivery of the Bonds in exchange for their payment.

1.4. Cognizance of Facts and Circumstances. The undersigned are cognizant of the facts and circumstances in existence on the date of this Certificate regarding the issuance of the Bonds. The Bonds are being issued for the purpose of providing funds for the acquisition and construction of improvements (the "Project") to the City's municipal waterworks utility (the "Utility"), as more fully described in the Authorizing Proceedings, and to pay all expenses incurred in connection with their issuance. All activity related to the Project will be under the jurisdiction and supervision of the City.

1.5. Reliance on this Certificate. The City understands that this Certificate has been prepared based upon information provided to bond counsel by the City and its financial advisor, engineers and others, and bond counsel is relying upon the representations and certifications contained herein in rendering certain opinions related to the Bonds without any independent investigation thereof. The City's representatives have been given an opportunity to ask questions to bond counsel and its other advisors related to the representations and certifications contained herein.

1.6. Purpose. This certificate is being executed and delivered to comply with the Regulations. On the basis of these certifications, it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be arbitrage bonds under Section 148 of the Code and the Regulations.

II. PURPOSE

2.1. Governmental Purpose. The Bonds are being issued for the governmental purpose of financing the City's Project. The Project will not be held principally as a vehicle for the production of income and, therefore, will not constitute investment-type property under Treasury Regulation Section 1.148-1(b).

2.2. Not a Multipurpose Issue or a Refunding Issue. The Bonds are not being issued to finance two or more projects or purposes for which different applicable temporary periods would apply under the Regulations. The Bonds are not being issued to pay the principal of or interest on any other issue of governmental obligations, except to the extent, if any, a portion of the Bond proceeds may be used to pay the outstanding principal of and accrued and unpaid interest on any short-term or interim obligations issued by the City in anticipation of the Bonds related to the Project, which interim obligations will be paid with Bond proceeds within thirty (30) days of the date hereof.

2.3. Not a Replacement Issue. The Bonds are not being issued to replace any proceeds of an earlier issue of governmental obligations that were not expended on the project for which such earlier issue was intended.

2.4. Not a Tax Anticipation Bond. The Bonds are not being issued in anticipation of taxes or any revenues within the scope of Treasury Regulation Section 1.148-2(e)(3).

2.5. No Other Bonds. There are no other tax-exempt obligations that, together with the Bonds, are (a) issued at substantially the same time (that is, less than 15 days before or after October 12, 2011, such date being the date of the City is obligated to sell the Bonds within the meaning of

Treasury Regulation Section 1.150-1(c)(6) because it is the first date there was a binding contract in writing for the sale or exchange of the Bonds), (b) sold pursuant to a common plan of financing (when considering the purposes for the Bonds and the structure of the financing), and (c) reasonably expected to be paid out of substantially the same source of funds (determined without regard to any guarantees from unrelated parties).

2.6. No Artifice or Device. In connection with the issuance of the Bonds, the City has not and will not engage in any transaction or series of transactions (i) enabling the City to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, or (ii) increasing the burden on the market for tax-exempt obligations in any manner including, without limitation, by selling Bonds that would not otherwise be sold or selling more bonds, or issuing them sooner, or allowing them to remain outstanding longer, than would otherwise be necessary. The City would have issued the Bonds to accomplish the governmental purpose of the issue even if interest on the Bonds were not excludable from gross income for federal income tax purposes (assuming the interest rate on the hypothetical taxable obligations were the same as the Bonds and the interest rate on hypothetical tax-exempt obligations were correspondingly lower).

III. PROCEEDS

3.1. Sale Proceeds. The City expects to sell the Series A Bonds to the Indiana Finance Authority for $6,045,000 (the "Series A Sale Proceeds") to fund its Project. The City expects to sell the Series B Bonds to Prager, Sealy & Col, LLC for $35,808,884.95 (the "Series B Sale Proceeds") less an underwriter's discount of $171,999.37, to fund the remainder of its Project. The total of the Series A Sale Proceeds and the Series B Sale Proceeds is $41,853.884.95 (the "Sale Proceeds"). The City will receive no accrued interest.

3.2. Uses of Sale Proceeds and Other Amounts. To the extent of Project costs incurred (which are due and payable), the Sale Proceeds will be paid to or on behalf of the City. The plan of financing established by the City for the direct use of the Sale Proceeds and any pre-issuance accrued interest will be as set forth in the attached Sources and Uses of Funds.

3.3. Investment Proceeds. As computed by the Issuer's financial advisor (as contained in Exhibit D), investment proceeds expected to be received from investment of the Sale Proceeds related to the Project in the Project Account are estimated to be in the approximate amount of $73,000 and are expected to be used for the governmental purpose for which such Fund or Account was created.

3.4. Temporary Period. The Issuer expects that the Sale Proceeds less the amount deposited in a reasonably required reserve fund, if any as described below (the "Net Sale Proceeds"), and the Investment Proceeds of the Bonds related to the Project to be invested in the Project Account during a temporary period not expected to exceed 3 years in investments at an unrestricted yield. In order to be permitted to do so, the Issuer expects, in accordance with engineering estimates undertaken on behalf of the Issuer (as contained in the Transcript), that:

A. Time Test. The Issuer has entered or will have entered into binding contracts with third persons (not subject to contingencies within the control of the Issuer or a related party's control) in connection with the Project within 6 months from the date of this Certificate under which the Issuer is obligated to expend at least 5 percent of the Net Sale Proceeds (i.e., $2,092,694.25). Engineering, legal, accounting and construction contracts in connection with the Project have been entered into as the date of this Certificate and such are in excess of such amounts.

B. Expenditure Test. The Issuer expects that 85 percent of the Net Sale Proceeds (i.e., $35,575,802.20) will be allocated on the Project within 3 years of this date.

C. Due Diligence Test. On the basis of the representations in subparagraphs A and B (and other certifications referred in the Transcript), the City expects to work with due diligence toward completion of the Project, and to allocate the Net Sale Proceeds, and covenants to cause such to occur.

3.5 No Overissuance. As demonstrated by the attached Exhibit A, the amount of Sale Proceeds (i.e., $41,853,884.95) will not exceed the sum of construction and related costs of the Project (i.e., $36,943,394), capitalized interest (i.e., $0), the funding of the Reserve Account (i.e., $4,082,605.95), pre-issuance accrued interest (i.e., $0) and costs of issuance (i.e., $827,885) by more than 5 percent of the Sale Proceeds, that being the amount necessary for the governmental purpose of the issue. Therefore, the City concludes that there has been no "overissuance" under the Code and Regulation.

3.6 Replacement Proceeds. The City reasonably expects that (a) the term of the Bonds will not be longer than is reasonably necessary for the governmental purpose of the issue and (b) there will not be available amounts during the period that the Bonds remain outstanding which could be used to pay such Bonds other than as described in Article IV below. The Project is expected to be completed by July 12, 2013. Because (a) the weighted average maturity of the Bonds (as set forth in the attached Exhibit C) of 11.9188 years does not exceed (b) 120 percent of average reasonably expected economic life of the Project (when determined in the manner provided under Section 147(b) of the Code based upon the certifications of the City's engineer contained in the Transcript), of 30 years, no replacement proceeds arise under Treasury Regulation Section 1.148-1(c)(4).

IV. FUNDS AND ACCOUNTS

4.1. Funds and Account Established. The Authorizing Proceedings creates the following funds and accounts and the flow of funds for each, is as follows. Except as provided in this Certificate, no proceeds of the Bonds shall be invested at an unrestricted yield for a period of time or in an amount not allowable under the Code or the Regulations.

A. Construction Fund.

The moneys held in the Construction Fund shall be used to finance the costs of the Project at the time and in the manner described in Exhibit D attached hereto.

B. Bond and Interest Account.

The Bonds are payable from the Bond and Interest Account of the Sinking Fund into which revenues from the operation of its utility will be paid monthly (after deduction only for the payment of the reasonable expenses of operation, repair and maintenance). Monthly deposits to the Bond and Interest Account shall be equal to one-sixth (1/6) of the interest due and payable on all then outstanding bonds on the then next succeeding interest payment date, one-sixth (1/6) of the principal maturing on the next succeeding principal payment date and any fiscal agency charges that are payable. The City expects that the Bond and Interest Account will be depleted at least once a year, except for a reasonable amount not to exceed the greater of the earnings thereon during the immediately preceding bond year or one-twelfth (1/12) of annual debt service on the Bonds during the immediately preceding bond year. The Bond and Interest Account is designed to achieve a proper matching of the City's revenues and debt service on the Bonds. Therefore, such Bond and Interest Account is a bona fide debt service fund as described in Treasury Regulation Section 1.148-1 and will be invested at an unrestricted yield. Earnings on such amounts will be invested at an unrestricted yield for a period not exceeding one (1) year from the date of receipt of the amount earned.

C. Reserve Account.

(1) The Authorizing Proceedings continue the Reserve Account of the Sinking Fund (the "Reserve Account") as a reserve for the Bonds. The City will deposit additional funds from the Net Revenues on a monthly basis until the balance therein equals, but does not exceed, maximum annual debt service on the Bonds ("Reserve Requirement"). The Reserve Requirement is $4,082,605.82.

The Reserve Account allocable to the Bonds will not exceed the lesser of (i) 10 percent of the stated principal amount of the Bonds (i.e., $42,000,000), (ii) maximum annual principal and interest on the Bonds (i.e., $5,639,104.65), or (iii) 125 percent of the average annual debt service on the Bonds (i.e., $4,532,580.87), and thus it may invest the balance in the Reserve Account allocable to and the Bonds without restriction. Whenever the moneys on deposit in the Reserve Account shall exceed the Reserve Requirement, such excess shall be transferred out of the Reserve Account to the other funds created in the Authorizing Proceedings as described therein.

(2) This Reserve Account may be used to pay principal of and interest on the Bonds even though the City expects to make such payments from the amounts referred to in the Bond and Interest Account. The Reserve Account will be treated as a reasonably required reserve fund under the provisions of Treasury Regulation Section 1.148-2(f) and a reasonably required sinking fund and pledged fund under the provisions of Treasury Regulation Section 1.148-1(c).

(3) Based upon the advice of the City's financial advisor, the City believes that the establishment of the Reserve Account is customary in connection with the issuance of securities like the Bonds and that certain circumstances exist that limit the feasibility of the City adjusting the amounts available for the debt service on the Bonds should there be an unanticipated shortfall therein on short notice; and also, the lack of a reserve fund like the Reserve Account would likely

have made the Bonds more difficult to market at present (and possibly unmarketable to the SRF Program) and would likely have increased the interest rate which the Bonds bear. Therefore, the City concludes that this Reserve Account constitutes a reasonably required reserve fund.

(4) Based on the foregoing, the City would be permitted to invest the amount, if any, in the Reserve Account at an unrestricted yield. Earnings on such amounts in excess of the Reserve Requirement will be transferred out of the Reserve Account and, unless transferred to a fund or account not subject to an investment yield restriction as described in this Certificate, will not be invested at an unrestricted yield for a period exceeding one (1) year from the date of receipt of the amount earned.

D. Operation and Maintenance Fund.

(1) The Authorizing Proceedings requires that revenues of the Utility be credited to the Operation and Maintenance Fund (the "O&M Fund") each month so that the balance maintained in O&M Fund is sufficient to pay for the expenses of operation, repair and maintenance of the Utility for the then next two (2) succeeding months. Moneys in the O&M Fund will be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the Utility on a day-to-day basis. Moneys held in the O&M Fund are pledged for the payment of the Bonds if necessary, but it is anticipated by the City and its engineer (as set forth in Exhibit D) that all moneys held therein will be expended upon operation, repair and maintenance.

(2) The City is not limited in using these funds for operation, repair and maintenance, but may dispose of them at any time for those purposes. The City does not expect to use those moneys to pay principal and interest on the Bonds, and there is no reasonable assurance that those funds will be available if needed to pay such debt service. Therefore, the O&M Fund constitutes neither a pledge fund, sinking fund or replacement proceeds within the meaning of the Code or the Regulations, and moneys therein will be invested without restriction as to yield.

E. Improvement Fund. The Authorizing Proceedings further provides that upon making payments into the O&M Fund and the Bond and Interest Account, there may be transferred into the Waterworks Improvement Fund (the "Improvement Fund") any excess revenue of the Utility. Moneys held in the Improvement Fund are pledged for the payment of the Bonds if necessary, but it is anticipated by the City and its engineer (as set forth in Exhibit D) that all moneys held from time to time in the Improvement Fund will be expended upon improvements, replacements, extensions and additions to the works. The City has not covenanted to provide revenues sufficient to fund the Improvement Fund and has unlimited discretion in using the Improvement Fund moneys for improvements. Therefore, the City does not expect to use those moneys to pay debt service on the Bonds, and there is no reasonable assurance to the bond purchasers that moneys will be available in the Improvement Fund to pay debt service. Therefore, the Improvement Fund constitutes neither a pledge fund, sinking fund or replacement proceeds within the meaning of the Code or the Regulations, and the moneys in the Improvement Fund will be invested without restriction as to yield.

4.2. No Other Funds or Accounts. Other than the amounts in the funds and accounts described above, there are no other funds or accounts of the City established pursuant to the

Authorizing Proceedings or otherwise, or amounts reasonably available to the City, (i) which are reasonably expected to be used to pay debt service on the Bonds or which are pledged as collateral to secure repayment of debt service on the Bonds, (ii) for which there is reasonable assurance that amounts therein will be available to pay debt service on the Bonds or (iii) for which the City has agreed to maintain a particular balance for the direct or indirect benefit of the owners of the Bonds.

V. ADDITIONAL CERTIFICATIONS

5.1. Substitute Funds. No portion of the proceeds of the Bonds will be used as a substitute for other funds which would otherwise have been used to pay the principal of, premium, or interest on the Bonds and which will be directly or indirectly used to acquire obligations producing a yield in excess of the yield on the Bonds.

5.2. Yield. The applicable yield on the Bonds is to be determined in accordance with the Code and Regulations ("Yield"). The Indiana Finance Authority has advised the City that it will purchase the Series A Bonds using amounts held by the Indiana Finance Authority from its 2011A Purchase Account funded from the Indiana Finance Authority State Revolving Fund Program Bonds, Series 2011A Bonds, issued October 26, 2011 with an original recited yield within the meaning of Treas. Reg. §1.148-4 as of it issuance of 3.3099%. The yield on the Series B Bonds is 3.9532546%, as shown on Exhibit C attached hereto. Pursuant to Treasury Regulation 1.150-1(c)(1) the Series A Bonds and the Series B Bonds have been treated as a single issue (e.g. the "Bonds" as heretofore defined). The Yield on the Bonds is 3.9282772%, as shown on Exhibit C attached hereto.

5.3. Rebate. The City has covenanted in the Authorizing Proceedings to take any action with respect to the Bonds necessary to preserve the exclusion from gross income of interest on the Bonds for federal tax purposes under the Code unless any one of the rebate exceptions noted below applies. Pursuant to Treasury Regulation Section 1.148-7(a)(3), application of the rebate exceptions noted below by the City is not mandatory and the City may choose to apply the arbitrage rebate requirement to the Bonds even if the Bonds meet an exception. The City will comply with the Memorandum in Compliance with Section 148(f) contained in the Transcript.

5.4. Two-Year Rebate Exemption. The City reasonably expects and hereby represents that at least seventy-five percent (75%) of the Available Construction Proceeds (as hereinafter defined) will be used for capital expenditures (as defined in Treasury Regulation Section 1.150-1) related to Project costs for real property or constructed personal property (as defined in Treasury Regulation Section 1.148-7(g)(3)) to be owned by a governmental unit or a 501 (c)(3) organization. The City qualifies for the exception to the rebate requirement in Section 148(f)(4)(C) if all of the Available Construction Proceeds (as defined in Treasury Regulation Section 1.148-7(c)(3)) are allocated to expenditures for the governmental purpose set forth in the Authorizing Proceedings within two years as follows:

Minimum Spent	Date
10%	six (6) months after the date hereof
45%	twelve (12) months after the date hereof

75%	eighteen (18) months after the date hereof
100%	twenty-four (24) months after the date hereof

except for a reasonable retainage not to exceed five percent (5%) of the Available Construction Proceeds which must be spent before the date which is three (3) years following the date hereto. For purposes of determining whether the foregoing expenditure requirements have been met on the first three (3) computation dates, the City shall include the reasonable expected earnings in the amount of such proceeds through the respective computation date and shall include actual earnings for the period remaining after such date. "Available Construction Proceeds" means an amount equal to (i) Issue Price (i.e., the par amount of the Bonds less original issue discount, plus original issue premium, and less underwriters' discount) plus (ii) investment earnings on the Issue Price earned on or before the earlier of the close of the two (2) year period described above or the date construction is substantially completed (including those from investments in tax-exempt bonds) and (iii) earnings on the amounts in clause (ii), reduced by (iv) the amount of the Issue Price expended for costs of issuance. If it fails to spend all of the Available Construction Proceeds in accordance with this schedule, the City shall cause rebate to be paid, from time to time as necessary, as described in Paragraph 5.3 above.

5.5. Six-Month Rebate Exemption. If, within six (6) months of the date of issuance of the Bonds, all of the gross proceeds (as defined in Treasury Regulation Section 1.148-7(c)(3); that is, the Net Sale Proceeds and Investment Proceeds, but not including permitted amounts held in the Bond and Interest Account) are allocated to expenditures for the governmental purpose set forth in the Authorizing Proceedings, the City qualifies for the exception to the rebate requirement under Section 148(f)(4)(B) of the Code.

5.6. Eighteen-Month Rebate Exemption. The City qualifies for the exception to the rebate requirement in Treasury Regulation Section 148-7(d) if all of the gross proceeds (as defined in Treasury Regulation Section 1.148-7(d)(3); that is, the Net Sale Proceeds and Investment Proceeds, but not including permitted amounts held in the Bond and Interest Account) are allocated to expenditures for the governmental purpose set forth in the Authorizing Proceedings within eighteen (18) months as follows:

Minimum Spent	Date
15%	six (6) months after the date hereof
60%	twelve (12) months after the date hereof
100%	eighteen (18) months after the date hereof

except for a reasonable retainage not to exceed five percent (5%) of the gross proceeds which must be spent before the date which is thirty (30) months following the date hereto. For purposes of determining whether the foregoing expenditure requirements have been met on the first two (2) computation dates, the City shall include the reasonable expected earnings in the amount of such proceeds through the respective computation date and shall include actual earnings for the period remaining after such date.

5.7. Hedge Bonds. No more than fifty percent (50%) percent of the proceeds of the issue (as defined in Section 149(g)(3) of the Code) (i.e. the Sale Proceeds plus Investment Proceeds) will be invested in nonpurpose investments having a substantially guaranteed yield for four (4) years or more. At least eighty-five percent (85%) of the net spendable proceeds (as defined in Treasury Regulation Section 1.149-(g)(1) and 1.148-1) (i.e. Sale Proceeds) will be spent within three (3) years of the issue date of the Bonds.

5.8. Investments. Any investments made of the Sale Proceeds will be at their fair market value within the meaning of Treasury Regulation Section 1.148-(d)(6).

[*Remainder of Page Left Intentionally Blank*]

The date of this certificate is as of the date first above written.

CITY OF BLOOMINGTON, INDIANA

By: ______________________
Honorable Mark Kruzan, Mayor

____
Michael Trexler, Controller

City's Signature Sheet to Certificate of the Issuer Re: Non-Arbitrage

1616558

EXHIBIT A

Sources and Uses of Funds

See Attached

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Waterworks Revenue Bonds of 2011
Estimated Sources and Uses of Funds

	Series A (SRF)		Series B		Total
Sources of Funds					
Par Amount	$ 6,045,000		$ 35,955,000		$ 42,000,000
Total Sources of Funds	$ 6,045,000		$ 35,955,000		$ 42,000,000
Uses of Funds					
Southeast Water System Improvements - Base Bid			$ 16,916,979		$ 16,916,979
Land and Easement Acquisition			300,000		300,000
Professional Services	$ 2,735,000		-		2,735,000
Monroe Water Treatment Plant Expansion - Base Bid	-		10,327,000		10,327,000
Alternative A - Add Floc/Sed Basin	-		2,270,000		2,270,000
Alternative B - Add Replacement of Transfer Pumps	-		200,000		200,000
Alternative C - Add HSP No. 5	-		174,000		174,000
Professional Services	2,730,415		-		2,730,415
Construction Contingencies	-		940,000		940,000
Sare/Rogers Transmission Main Improvements	-		350,000		350,000
Net Original Issue Discount	-		146,115		146,115
Debt Service Reserve	487,106	(1)	3,595,500	(2)	4,082,606
Underwriter's Discount	-		171,999		171,999
Bond Counsel (Estimated)	27,360		162,640		190,000
Regulatory Counsel (Estimated)	37,440		222,560		260,000
Financial Advisor (Estimated)	4,749		28,251		33,000
Rate Consultant (Estimated)	4,317		25,683		30,000
IURC Fee ($.25 per $100 of Par)	15,112		89,888		105,000
Ratings	-		29,400		29,400
Parity Report	-		3,000		3,000
Miscellaneous	3,501		1,985		5,486
Total Uses of Funds	$ 6,045,000		$ 35,955,000		$ 42,000,000

(1) Funded at maximum annual debt service.
(2) Funded at ten percent (10%) of par.

EXHIBIT B

See Attached

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Waterworks Revenue Bonds of 2011, Series B
Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
1/1/12			$ 247,794.44	$ 247,794.44	$ 247,794.44
7/1/12	$ 325,000.00	3.0 %	686,200.00	1,011,200.00	
1/1/13	325,000.00	3.0	681,325.00	1,006,325.00	2,017,525.00
7/1/13	315,000.00	3.0	676,450.00	991,450.00	
1/1/14	340,000.00	3.0	671,725.00	1,011,725.00	2,003,175.00
7/1/14	330,000.00	3.0	666,625.00	996,625.00	
1/1/15	330,000.00	3.0	661,675.00	991,675.00	1,988,300.00
7/1/15	335,000.00	3.0	656,725.00	991,725.00	
1/1/16	335,000.00	3.0	651,700.00	986,700.00	1,978,425.00
7/1/16	335,000.00	3.0	646,675.00	981,675.00	
1/1/17	340,000.00	3.0	641,650.00	981,650.00	1,963,325.00
7/1/17	350,000.00	3.0	636,550.00	986,550.00	
1/1/18	355,000.00	3.0	631,300.00	986,300.00	1,972,850.00
7/1/18	355,000.00	3.0	625,975.00	980,975.00	
1/1/19	360,000.00	3.0	620,650.00	980,650.00	1,961,625.00
7/1/19	370,000.00	3.0	615,250.00	985,250.00	
1/1/20	375,000.00	3.5	609,700.00	984,700.00	1,969,950.00
7/1/20	660,000.00	3.5	603,137.50	1,263,137.50	
1/1/21	690,000.00	3.5	591,587.50	1,281,587.50	2,544,725.00
7/1/21	1,235,000.00	3.5	579,512.50	1,814,512.50	
1/1/22	1,260,000.00	4.0	557,900.00	1,817,900.00	3,632,412.50
7/1/22	1,295,000.00	4.0	532,700.00	1,827,700.00	
1/1/23	1,320,000.00	4.0	506,800.00	1,826,800.00	3,654,500.00
7/1/23	1,500,000.00	4.0	480,400.00	1,980,400.00	
1/1/24	1,535,000.00	4.0	450,400.00	1,985,400.00	3,965,800.00
7/1/24	1,580,000.00	4.0	419,700.00	1,999,700.00	
1/1/25	1,615,000.00	4.0	388,100.00	2,003,100.00	4,002,800.00
7/1/25	1,935,000.00	4.0	355,800.00	2,290,800.00	
1/1/26	1,980,000.00	4.0	317,100.00	2,297,100.00	4,587,900.00
7/1/26	2,035,000.00	4.0	277,500.00	2,312,500.00	
1/1/27	2,085,000.00	4.0	236,800.00	2,321,800.00	4,634,300.00
7/1/27	2,345,000.00	4.0	195,100.00	2,540,100.00	
1/1/28	2,405,000.00	4.0	148,200.00	2,553,200.00	5,093,300.00
7/1/28	2,465,000.00	4.0	100,100.00	2,565,100.00	
1/1/29	2,540,000.00	4.0	50,800.00	2,590,800.00	5,155,900.00
Totals	$ 35,955,000.00		$ 17,419,606.94	$ 53,374,606.94	

EXHIBIT C

See Attached

1616558

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Waterworks Revenue Bonds of 2011, Series B
Arbitrage Yield

Date	Debt Service	Discount Factor	Present Value at 3.9532546%
10/26/11			
1/1/12	$ 247,794.44	0.99295670	$ 246,049.15
7/1/12	1,011,200.00	0.97371010	984,615.65
1/1/13	1,006,325.00	0.95483650	960,875.84
7/1/13	991,450.00	0.93632880	928,323.19
1/1/14	1,011,725.00	0.91817980	928,945.46
7/1/14	996,625.00	0.90038260	897,343.81
1/1/15	991,675.00	0.88293040	875,580.00
7/1/15	991,725.00	0.86581640	858,651.77
1/1/16	986,700.00	0.84903420	837,742.05
7/1/16	981,675.00	0.83257720	817,320.22
1/1/17	981,650.00	0.81643930	801,457.64
7/1/17	986,550.00	0.80061410	789,845.83
1/1/18	986,300.00	0.78509570	774,339.89
7/1/18	980,975.00	0.76987810	755,231.17
1/1/19	980,650.00	0.75495540	740,347.01
7/1/19	985,250.00	0.74032200	729,402.25
1/1/20	984,700.00	0.72597220	714,864.83
7/1/20	1,263,137.50	0.71190060	899,228.34
1/1/21	1,281,587.50	0.69810170	894,678.40
7/1/21	1,814,512.50	0.68457030	1,242,161.37
1/1/22	1,817,900.00	0.67130120	1,220,358.45
7/1/22	1,827,700.00	0.65828930	1,203,155.35
1/1/23	1,826,800.00	0.64552960	1,179,253.47
7/1/23	1,980,400.00	0.63301720	1,253,627.26
1/1/24	1,985,400.00	0.62074730	1,232,431.68
7/1/24	1,999,700.00	0.60871530	1,217,247.99
1/1/25	2,003,100.00	0.59691650	1,195,683.44
7/1/25	2,290,800.00	0.58534640	1,340,911.53
1/1/26	2,297,100.00	0.57400050	1,318,536.55
7/1/26	2,312,500.00	0.56287460	1,301,647.51
1/1/27	2,321,800.00	0.55196430	1,281,550.70
7/1/27	2,540,100.00	0.54126550	1,374,868.50
1/1/28	2,553,200.00	0.53077410	1,355,172.43
7/1/28	2,565,100.00	0.52048600	1,335,098.64
1/1/29	2,590,800.00	0.51039740	1,322,337.58
	$ 53,374,606.94		$ 35,808,884.95

Par Amount of Bonds	$ 35,955,000.00
Net Original Issue Discount	(146,115.05)
Target for Yield Calculation	$ 35,808,884.95

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Waterworks Revenue Bonds of 2011
Combined Arbitrage Yield

Date	Debt Service	Discount Factor	Present Value at 3.9282772%
10/26/11			
1/1/12	$ 288,680.47	0.99300060	$ 286,659.87
7/1/12	1,254,422.85	0.97387240	1,221,647.78
1/1/13	1,247,112.95	0.95511270	1,191,133.41
7/1/13	1,234,803.05	0.93671430	1,156,657.66
1/1/14	1,252,549.50	0.91867040	1,150,680.14
7/1/14	1,239,920.95	0.90097400	1,117,136.53
1/1/15	1,232,348.75	0.88361850	1,088,926.14
7/1/15	1,234,776.55	0.86659730	1,070,054.01
1/1/16	1,227,035.70	0.84990400	1,042,862.54
7/1/16	1,224,294.85	0.83353230	1,020,489.29
1/1/17	1,221,460.35	0.81747590	998,514.39
7/1/17	1,228,550.85	0.80172890	984,964.71
1/1/18	1,230,397.70	0.78628520	967,443.49
7/1/18	1,222,075.90	0.77113890	942,390.26
1/1/19	1,223,754.10	0.75628440	925,506.13
7/1/19	1,225,263.65	0.74171610	908,797.77
1/1/20	1,226,623.20	0.72742840	892,280.54
7/1/20	1,506,876.60	0.71341590	1,075,029.72
1/1/21	1,522,048.85	0.69967340	1,064,937.08
7/1/21	2,056,696.10	0.68619550	1,411,295.60
1/1/22	2,061,712.20	0.67297730	1,387,485.50
7/1/22	2,068,047.15	0.66001380	1,364,939.66
1/1/23	2,068,682.10	0.64729990	1,339,057.72
7/1/23	2,223,723.40	0.63483090	1,411,688.33
1/1/24	2,225,071.05	0.62260220	1,385,334.13
7/1/24	2,240,718.70	0.61060900	1,368,203.00
1/1/25	2,245,372.70	0.59884680	1,344,634.26
7/1/25	2,534,233.05	0.58731120	1,488,383.45
1/1/26	2,536,599.75	0.57599780	1,461,075.88
7/1/26	2,553,066.45	0.56490230	1,442,233.11
1/1/27	2,568,339.50	0.55402060	1,422,912.99
7/1/27	2,782,425.25	0.54334850	1,511,826.59
1/1/28	2,796,311.00	0.53288190	1,490,103.52
7/1/28	2,808,903.10	0.52261700	1,467,980.51
1/1/29	2,830,201.55	0.51254980	1,450,619.24
	$ 61,643,099.87		$ 41,853,884.95

Par Amount of 2011 A Bonds	$ 6,045,000.00
Par Amount of 2011 B Bonds	35,955,000.00
Net Original Issue Discount	(146,115.05)
Target for Yield Calculation	$ 41,853,884.95

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Weighted Average Maturity

	Issue Price	Total Principal at Maturity	Individual Maturity Divided by Total Principal	Bond Years	Fraction Times Bond Years
10/26/2011					
7/1/2012	$ 459,394.00	$41,853,884.95	0.01097614	0.7	0.00747036
1/1/2013	464,425.00	41,853,884.95	0.01109634	1.2	0.01310034
7/1/2013	459,135.00	41,853,884.95	0.01096995	1.7	0.01843610
1/1/2014	488,345.00	41,853,884.95	0.01166785	2.2	0.02544291
7/1/2014	482,952.50	41,853,884.95	0.01153901	2.7	0.03093147
1/1/2015	483,434.30	41,853,884.95	0.01155052	3.2	0.03673758
7/1/2015	493,637.85	41,853,884.95	0.01179431	3.7	0.04341014
1/1/2016	491,848.95	41,853,884.95	0.01175157	4.2	0.04912861
7/1/2016	496,848.95	41,853,884.95	0.01187104	4.7	0.05556359
1/1/2017	498,942.00	41,853,884.95	0.01192104	5.2	0.06175814
7/1/2017	514,205.00	41,853,884.95	0.01228572	5.7	0.06979026
1/1/2018	519,288.40	41,853,884.95	0.01240717	6.2	0.07668375
7/1/2018	519,288.40	41,853,884.95	0.01240717	6.7	0.08288734
1/1/2019	523,765.20	41,853,884.95	0.01251414	7.2	0.08985903
7/1/2019	533,730.90	41,853,884.95	0.01275224	7.7	0.09794485
1/1/2020	551,457.50	41,853,884.95	0.01317578	8.2	0.10778579
7/1/2020	846,365.20	41,853,884.95	0.02022190	8.7	0.17553823
1/1/2021	867,794.50	41,853,884.95	0.02073391	9.2	0.19034973
7/1/2021	1,420,001.75	41,853,884.95	0.03392760	9.7	0.32843952
1/1/2022	1,483,745.00	41,853,884.95	0.03545059	10.2	0.36090828
7/1/2022	1,519,821.25	41,853,884.95	0.03631255	10.7	0.38783982
1/1/2023	1,533,298.00	41,853,884.95	0.03663454	11.2	0.40959614
7/1/2023	1,721,475.00	41,853,884.95	0.04113059	11.7	0.48042997
1/1/2024	1,739,731.90	41,853,884.95	0.04156680	12.2	0.50630856
7/1/2024	1,790,017.20	41,853,884.95	0.04276824	12.7	0.54232694
1/1/2025	1,813,184.70	41,853,884.95	0.04332178	13.2	0.57100705
7/1/2025	2,136,834.30	41,853,884.95	0.05105462	13.7	0.69845783
1/1/2026	2,161,765.20	41,853,884.95	0.05165029	14.2	0.73243210
7/1/2026	2,220,980.90	41,853,884.95	0.05306511	14.7	0.77902765
1/1/2027	2,260,001.70	41,853,884.95	0.05399742	15.2	0.81971323
7/1/2027	2,513,766.90	41,853,884.95	0.06006054	15.7	0.94178530
1/1/2028	2,555,178.05	41,853,884.95	0.06104996	16.2	0.98782498
7/1/2028	2,618,186.65	41,853,884.95	0.06255540	16.7	1.04346161
1/1/2029	2,671,037.80	41,853,884.95	0.06381816	17.2	1.09643428
Totals	$ 41,853,884.95				11.91881148
Weighted Average Maturity (rounded)					11.9188

Prepared by Crowe Horwath LLP   October 26, 2011

EXHIBIT D

See Attached

Cith of Bloomington Utilities
Monroe Water Treatment Plant Expansion
Southeast Water System Improvements
Section I – Southeast Pump Station and Tank
Section II – Southeast Transmission Mains

	Notice to Proceed	days	Substantial Completion	days	Final Completion
Monrore WTP	10/31/2011	580	6/2/2013	620	7/12/2013
SEWSI Section I	12/30/2011	500	5/13/2013	560	7/12/2013
SEWSI Section II	12/30/2011	460	4/3/2013	520	6/2/2013

Calendar Month	Monroe WTP Construction Cost	SEWSI Section I Construction Cost	SEWSI Section II Construction Cost	Monroe WTP Professional Services	SEWSI Professional Services	SEWSI Land and Easement	Sare/Rogers TM Improvements	Construction Contingencies	Total
October-11				1,302,000	1,422,200				2,724,200
November-11	259,420			85,705	26,256	150,000			521,381
December-11	389,130			85,705	39,384	150,000			664,219
January-12	648,550	135,940	303,599	71,421	91,896				1,251,406
February-12	648,550	203,910	505,999	71,421	78,768			50,000	1,558,648
March-12	648,550	339,850	607,199	71,421	78,768			50,000	1,795,787
April-12	778,260	407,820	809,598	71,421	65,640			50,000	2,182,739
May-12	907,970	475,790	809,598	71,421	65,640			50,000	2,380,419
June-12	907,970	475,790	809,598	85,705	65,640			50,000	2,394,703
July-12	1,037,680	543,760	809,598	85,705	78,768		50,000	50,000	2,655,511
August-12	1,037,680	543,760	809,598	85,705	78,768		50,000	50,000	2,655,511
September-12	907,970	543,760	809,598	85,705	78,768		50,000	50,000	2,525,801
October-12	907,970	543,760	708,399	99,989	91,896		50,000	50,000	2,452,014
November-12	778,260	475,790	708,399	71,421	91,896		50,000	50,000	2,225,765
December-12	648,550	407,820	607,199	71,421	78,768		50,000	50,000	1,913,757
January-13	389,130	407,820	505,999	42,852	65,640		50,000	50,000	1,511,441
February-13	389,130	339,850	505,999	42,852	65,640			50,000	1,393,471
March-13	389,130	271,880	404,799	42,852	52,512			50,000	1,211,174
April-13	389,130	271,880	202,400	42,852	52,512			50,000	1,008,774
May-13	389,130	203,910	101,200	57,137	26,256			50,000	827,632
June-13	259,420	135,940	101,200	57,137	26,256			50,000	629,952
July-13	259,420	67,970		28,568	13,128			50,000	419,086
August-13									
September-13									
October-13									
November-13									
December-13									
SUM	12,971,000	6,797,000	10,119,979	2,730,415	2,735,000	300,000	350,000	900,000	36,903,394

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Estimated Project Fund Earnings

Date (1)	Beginning Balance	Estimated Rate (2)	Interest	Withdrawal (1)	Ending Balance
10/26/2011	$ 36,903,394.00			$ 2,724,200.00	$ 34,179,194.00
11/1/2011	34,179,194.00	0.25%	$ 1,186.78	522,567.68	33,657,813.10
12/11/2011	33,657,813.10	0.25%	9,349.39	673,568.29	32,993,594.20
1/12/2012	32,993,594.20	0.25%	7,102.79	1,258,508.91	31,742,188.08
2/12/2012	31,742,188.08	0.25%	6,612.96	1,565,260.66	30,183,540.38
3/1/2012	30,183,540.38	0.25%	3,982.55	1,799,770.04	28,387,752.89
4/1/2012	28,387,752.89	0.25%	5,914.12	2,188,653.19	26,205,013.82
5/1/2012	26,205,013.82	0.25%	5,459.38	2,385,878.45	23,824,594.75
6/1/2012	23,824,594.75	0.25%	4,963.46	2,399,666.68	21,429,891.53
7/1/2012	21,429,891.53	0.25%	4,464.56	2,659,975.78	18,774,380.31
8/1/2012	18,774,380.31	0.25%	3,911.33	2,659,422.55	16,118,869.09
9/1/2012	16,118,869.09	0.25%	3,358.10	2,529,159.32	13,593,067.87
10/1/2012	13,593,067.87	0.25%	2,831.89	2,454,845.47	11,141,054.29
11/1/2012	11,141,054.29	0.25%	2,321.05	2,228,086.33	8,915,289.01
12/1/2012	8,915,289.01	0.25%	1,857.35	1,915,614.84	7,001,531.52
1/1/2013	7,001,531.52	0.50%	2,917.30	1,514,358.70	5,490,090.12
2/1/2013	5,490,090.12	0.50%	2,287.54	1,395,758.94	4,096,618.72
3/1/2013	4,096,618.72	0.50%	1,706.92	1,212,880.53	2,885,445.11
4/1/2013	2,885,445.11	0.50%	1,202.27	1,009,976.30	1,876,671.08
5/1/2013	1,876,671.08	0.50%	781.95	828,414.34	1,049,038.69
6/1/2013	1,049,038.69	0.50%	437.10	630,389.49	419,086.30
7/1/2013	419,086.30	0.50%	174.62	419,260.92	(0.00)
			$ 72,823.41	$ 36,976,217.41	
Assumed Estimated Interest Earnings					$ 73,000.00

(1) Based on construction draw schedule provided by Black & Veatch, engineers.
(2) Assumed investment rate is estimated and subject to change.

$6,045,000
CITY OF BLOOMINGTON, INDIANA
WATERWORKS REVENUE BONDS OF 2011, SERIES A

$35,955,000
CITY OF BLOOMINGTON, INDIANA
WATERWORKS REVENUE BONDS OF 2011, SERIES B

TAX CERTIFICATE OF THE ISSUER

Dated and as of October 26, 2011:

The undersigned Mayor and Controller of the City of Bloomington, Indiana (the "Issuer"), do hereby certify that we are familiar with the facts stated herein. This certification is based upon the facts, expectations, estimates and circumstances in existence on the date of this certificate, and nothing has come to our attention that has caused us to question the accuracy of the representations and certifications set forth in this certificate or which would change the following.

We hereby certify, on behalf of the Issuer, that:

1. We are familiar with the Issuer's Waterworks Revenue Bonds of 2011, Series A issued in the authorized face amount of $6,045,000, dated October 26, 2011, and Waterworks Revenue Bonds of 2011, Series B issued in the authorized face amount of $35,955,000 dated October 26, 2011 (collectively, the "Bonds"), being issued and sold for the purposes set forth in the Non-Arbitrage Certificate of the Issuer of even date herewith (the "Project"). The Bonds are issued pursuant to and in accordance with Ordinance No. 10-07 adopted May 17, 2010, (the "Authorizing Proceedings"), which approves the issuance of the Bonds, the terms thereof and related matters adopted by the Common Council of the Issuer, the governing body with responsibility for issuing the Bonds.

2. The Issuer does not expect to use proceeds of the Bonds to make loans to persons or entities who are not "governmental units" within the meaning of Section 141 of the Internal Revenue Code of 1986 ("Governmental Units").

3. The Issuer does not expect to sell or transfer the facilities of the Issuer improved or constructed with proceeds of the Bonds (the "Facilities"), or enter into any other arrangement which could be deemed a sale of the Facilities, or a portion thereof, with a person or entity who is not a Governmental Unit while the Bonds are outstanding.

4. The Issuer does not expect that the Facilities, or any portion thereof, will be leased to, or used by, a person or entity who is not a Governmental Unit or a member of the general public while the Bonds are outstanding.

5. The Issuer does not expect to enter into a contract, lease, installment sale, service contract, management contract, or other arrangement, with respect to the Facilities with a person or entity who is not a Governmental Unit. If, despite the Issuer's expectations, the Issuer does enter

into any such arrangement with respect to the Facilities, it would meet the requirements of Revenue Procedure 97-13 so that the Facilities would be managed under a "qualified management contract" and, therefore, not be treated as used in a private trade or business under Section 141 of the Code. Among other ways, such arrangement could meet the requirements of Revenue Procedure 97-13 and be treated as a "qualified management contract" if circumstances substantially limiting the exercise of Issuer's rights under the contract arrangement do not exist and the contract arrangement:

(a) provides for at least fifty percent (50%) of annual reasonable compensation to be based upon a periodic flat fee (with no compensation based upon a share of net profits but which periodic flat fee can be subject to an automatic increase based on an index determined by external standards), has a term not in excess of five (5) years (including renewal options), and provides for cancellation without penalty or cause at least every three (3) years during the contract term; or

(b) provides for at least eighty percent (80%) of annual reasonable compensation to be based upon a periodic flat fee (with no compensation based upon a share of net profits but which periodic flat fee can be subject to an automatic increase based on index determined by external standards), has a term not in excess of ten (10) years (including renewal options) (or in the case of facilities consisting predominately of public utility property (as defined in Section 168(i)(10)) then not in excess of twenty (20) years (including renewal options); or

(c) provides for at least ninety-five percent (95%) of annual reasonable compensation to be based upon a periodic flat fee (with no compensation based upon a share of net profits but which periodic flat fee can be subject to an automatic increase based on index determined by external standards), has a term not in excess of fifteen (15) years (including renewal options).

6. The Issuer expects that all such arrangements and contracts entered into with non-Governmental Units who are not employees of a Governmental Unit (and acting in such capacity) would be "qualified management contracts."

7. The Issuer expects that any arrangement or contracts entered into by the Issuer providing for the use of the Facilities would:

(a) only result in a use of the Facilities by (i) a Governmental Unit or (ii) non Governmental Units, on the same basis as other members of the general public; or

(b) not in the aggregate result in more than five percent (5%) of the proceeds of Bonds being used for a private business use.

8. The Issuer represents that the payment of the principal of or interest on the Bonds is not, either directly or indirectly, or under any underlying arrangement, secured by any interest in property used or to be used in a trade or business of a non-Governmental Unit or to be derived from payments in respect of the Facilities or borrowed money, used in a trade or business of a non-Governmental Unit. If, despite the Issuer's expectations, there should be such payments of the

principal and interest on the Bonds, such payments would not in any event be more than five percent (5%) of the proceeds of the Bonds.

9. No action shall be taken that would impair the exclusion from gross income of interest on the Bonds provided by Section 103(a) of the Internal Revenue Code of 1986 (the "Code"), as amended. In particular, and without limiting the foregoing, the Issuer represents that it will not take any action or omit to take any action which would result in the Bonds being classified as "Private Activity Bonds" under the Code.

10. The Issuer represents that no portion of the Bond proceeds will be used to reimburse any expenditure paid more than sixty (60) days prior to the adoption of the Issuer's declaration of official intent to reimburse expenditures with the proceeds of the Bonds on March 30, 2009, attached hereto as Exhibit A, except to reimburse (a) preliminary expenditures for architectural, engineering, surveying, soil testing and similar costs of the Project (other than land acquisition, site preparation and similar costs), if any, up to twenty percent (20%) of the issue price of the Bonds (as defined in the Issuer's Non-Arbitrage Certificate), (b) costs of issuance related to the Bonds, or (c) an aggregate amount not in excess of the lesser of One Hundred Thousand Dollars ($100,000) or five percent (5%) of the issue price of the Bonds, as limited by Treasury Regulation Section 1.150-2(f).

11. The Bonds are not federally guaranteed as described in Section 149(b) of the Code.

12. The Issuer will file or cause to be filed on or before the fifteenth day of the second month following the end of the current calendar quarter, the information return for governmental bonds on Form 8038-G with the Internal Revenue Service Center, 1160 West 1200 South, Ogden, Utah 84201, for the issuance of the Bonds. The Issuer has reviewed the provisions of Form 8038-G in the transcript of which this certificate is a part and hereby certifies that the information in it is correct (including the information used in making the calculations in the schedules to the Issuer's Non-Arbitrage Certificate).

13. The Bonds will be issued and maintained in registered form as described in Section 149(a) of the Code.

14. After the issuance of the Bonds, the Issuer will cause applicable requirements described in the above noted Non-Arbitrage Certificate of the Issuer, the Rebate Agreement (and related Memorandum), the Authorizing Proceedings and this Certificate to be met (including by means of monitoring and implementing the post-issuance matter set forth in the attached Exhibit B).

[*Remainder of Page Left Intentionally Blank*]

The date of this certificate is as of the date first above written.

CITY OF BLOOMINGTON, INDIANA

Honorable Mark Kruzan, Mayor

Michael Trexler, Controller

City's Signature Sheet to Tax Certificate of the Issuer

EXHIBIT A

See attached Resolution dated March 30, 2009.

RESOLUTION

A resolution of the City of Bloomington Utilities Service Board declaring its official intent to reimburse expenditures for additions and improvements to its Waterworks

WHEREAS, the Utilities Service Board ("Board") of the City of Bloomington, Indiana ("City") intends to make certain additions and improvements to its Waterworks, including construction of a second water supply main from the Monroe Water Treatment Plant to the City including an additional storage tank and other features, and expansion of the Monroe Water Treatment Plant treatment capacity and related work (collectively the "Project"); and

WHEREAS, the Board will use funds from its Waterworks operating fund to pay for certain costs of the Project; and

WHEREAS, the Board reasonably expects to reimburse certain costs of the Project and replenish the Waterworks operating fund with the proceeds of long term debt to be issued by the City; and

WHEREAS, the Board has requested approval from the Common Council of the City of Bloomington (the "Council"), of utility revenue bonds not exceeding $55,115,000.00 in aggregate principal amount for purposes of paying and reimbursing certain costs of the Project;

NOW, THEREFORE, BE IT RESOLVED that the Board declares its official intent to reimburse certain costs of the Project with proceeds from the utility revenue bonds, such issuance being subject to the such further proceedings and approvals by the Board and the Council as required by law, in an amount not exceeding $55,115,000.00 in aggregate and principal amount for the Project for purposes of paying and reimbursing the costs of such Project.

Adopted this 30th day of March, 2009.

UTILITIES SERVICE BOARD
CITY OF BLOOMINGTON, INDIANA

L. Thomas Swafford

L. Thomas Swafford, President

Attest:

Elizabeth Lee Jones

Secretary

EXHIBIT B

CITY OF BLOOMINGTON, INDIANA
(THE "ISSUER")
POST-ISSUANCE COMPLIANCE PROCEDURES
FOR THE ISSUER'S WATERWORKS SYSTEM

I. The Issuer has financed certain of its capital assets described below ("BFA") using the proceeds of the Issuer's Waterworks Revenue Bonds of 2011, Series A and Waterworks Revenue Bonds of 2011, Series B, issued in the authorized face amount of $6,045,000 and $35,955,000, respectively, dated October 26, 2011 (collectively, the "Bonds" or "Bond Issue"). In order to maintain the tax exempt status of the Bonds under the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (collectively, the "Code"), the Issuer must comply with the provisions of the Code from the date of issuance through final payment or maturity of the Bonds. These post-issuance compliance responsibilities are summarized in the transcript of proceedings prepared in connection with the Bonds (the "Transcript").

II. The purpose of these Post-Issuance Compliance Procedures (the "Guidelines") is to summarize the post-issuance responsibilities of the Issuer in connection with the Bonds.

III. Post-Issuance Compliance Responsibilities Related to Maintaining the Tax Exempt Status of the Bonds.

A. The various tax and arbitrage certificates (including the Rebate Agreement and related Memorandum) and the Issuer's Ordinance No. 10-07 adopted May 17, 2010 (the "Authorizing Proceedings"), which approves the issuance of the Bonds, the terms thereof and related matters (collectively the "Tax Documents") contained in the Transcript describe the provisions of the Code that must be followed in order to maintain the tax exempt status of the Bonds. In addition, the Tax Documents describe the reasonable expectations of the Issuer at the time of issuance of the Bonds, including with respect to the allocation of the Bond proceeds used to finance the BFA. These Guidelines supplement and support the covenants made by the Issuer in the Tax Documents. In order to comply with the covenants in the Tax Documents, the Issuer must track and monitor the allocation of the Bond proceeds to the BFA, the investment and expenditure of the Bond proceeds and the use of the BFA over the life of the Bonds.

B. The necessary procedures include the capital asset use monitoring program described below (the "Program") that will assist the Issuer in complying with the private use limitations of the Code. No more than the lesser of 10% of the proceeds of a Bond Issue or $15,000,000 per Bond Issue may be used for any private business use ("Private Use Limit"). The term "private business use" means use (directly or indirectly) in a trade or business carried on by any person other than a nongovernmental entity, other than use as a member of the general public or on a basis similar to the use by the general public ("Private Use"). Governmental entities are state or local governmental entities. All other entities are nongovernmental entities, e.g., 501(c)(3) entities, for profit entities and the federal government. For example, leases of BFA to a non-exempt entity, impermissible management contracts related to the BFA with a non-exempt entity, service contracts with a non-exempt entity or research contracts with a non-exempt entity could each result in Private Use. At the closing of the Bonds, the Issuer set forth in the Tax Documents the only private use of which the Issuer is aware. The goal of the Issuer is to prevent any future Private Use with respect to the BFA. In addition, the BFA must be owned by a state or local governmental entity, meaning any sale to any other entity results in Private Use.

C. The Issuer also has responsibilities with respect to monitoring the investment of Bond proceeds and determining whether a spending exception from rebate has been established, whether rebate calculations may be required and whether yield restrictions need to be maintained. See the Tax Documents for the summary of rebate compliance procedures and the permitted unrestricted investment funds or accounts and those that are yield restricted for the Bond Issue. The filing dates for rebate calculations (as set forth in the Tax Documents) shall be scheduled in the Issuer's calendaring system maintained by the Compliance Officer (as defined below). Certain records must be retained in order to document compliance with this requirement. These include (i) trustee or Issuer statements for each of the Bond Issue (which should include expenditures and investments) during the life of the Bond Issue, (ii) data establishing fair market value of investments other than money market funds (particularly certificates of deposit, investment agreements, treasury obligations), (iii) reports of the rebate analyst documenting rebate or spend down calculations and evidence of any required payments, and (iv) any swap or credit enhancement payments. Any swap or other derivative agreement entered into in connection with any of the Bonds may impact this requirement and should be reviewed with Bond Counsel.

IV. Compliance Officer

A. The Issuer's Director of Finance for Utilities ("Compliance Officer") shall be responsible for monitoring post issuance compliance for the Bonds.

B. Training and education for the Compliance Officer will be implemented upon the occurrence of new developments pertaining to the tax exempt status of the Bonds and upon the appointment of a new Compliance Officer.

V. Inventory of BFA ("Inventory")

The Compliance Officer shall develop and maintain the Inventory, which allocates the bond proceeds of the Bonds to the BFA. The Inventory shall establish the allocation of proceeds to each asset or asset class, the fiscal year in which such assets were placed in service and the anticipated end of the fiscal year during which the useful life of such assets is expected to expire. An allocation of proceeds of the Bonds to BFA shall be made no later than 18 months after that BFA has been placed in service. No later than 36 months after the Bonds are issued, the Compliance Officer shall review the Inventory to be satisfied with the allocation of proceeds of each Bond Issue.

VI. Private Use

A. The BFA will be used in the Issuer's Wastewater System (the "System") pursuant to which the Issuer provides Wastewater services to individuals and other governmental and nongovernmental entities on the basis of regulated, uniform by class rates and charges subject to applicable Indiana law related to the same. No user of such assets (i) owns such assets; (ii) leases such assets; (iii) manages such assets; (iv) has an output contract or other legal arrangement similar to the above with respect to such assets other than as described in the Tax Documents.

B. The Compliance Officer shall be responsible for assuring any contract entered into with respect to the System does not create private use.

C. Output Contracts Checklist. Where a contract is executed with a customer for the delivery of Wastewater System services other than pursuant to the regulatory provisions that apply to members of the general public, the Compliance Officer shall enter the Contract into a Contract Log and seek advice of Bond Counsel where the following apply:

1. Is purchaser a nongovernmental person?
2. Is the contract a requirements contract?
3. Is the purchaser other than a retail customer?
4. Is the purchaser obligated to make payments for service that are not contingent on the output requirements of the purchaser?
5. Is purchaser obligated to have output requirements?
6. Are the default provisions more than the normal customarily reasonable provisions?
7. Is the purchaser permitted to terminate the contract? If so, is the obligation to pay for the right to terminate an unreasonable penalty for early termination?

D. Management Contracts or Leases. The Compliance Officer will seek guidance from Bond Counsel when a management contract, lease or other similar arrangement is entered into, terminated or amended with respect to the BFA.

E. Transfer, Sale or Other Disposition of BFA. Any transfer, sale or other disposition of a BFA must be reviewed and approved by the Compliance Officer after consultation with Bond Counsel, except where the disposition is of worn out, obsolete or no longer functional property or is after the useful life of the BFA. The Compliance Officer will prepare a log ("Disposition Log") describing any BFA which is disposed of. If remedial action is taken in connection therewith, the remedial action documentation shall be retained by the Compliance Officer with the Disposition Log.

F. Record Retention. The Inventory, the Contract Log, the Disposition Log and the supporting documentation shall be maintained by the Issuer in accordance with the record retention policy of the Issuer; however, such record retention policy must be reviewed by Bond Counsel to ensure the compliance with current tax exempt bond requirements.

VII. Rebate compliance tickler and record

The Tax Documents determine to what extent the proceeds of the Bonds and other Issuer moneys may be subject to the rebate obligation and to what extent the Compliance Officer shall monitor the expenditure of the proceeds with respect to the obligation to restrict the yield on the investment of such moneys. The Compliance Officer shall determine to what extent the proceeds of the Bonds have met a rebate exception, particularly the 24 month exception (no later than October 26, 2013), and shall thereafter have a rebate analyst determine the rebate obligation on the Bonds on each computation date required by the Tax Documents. Even if a portion of the proceeds of a Bond Issue qualify for an exception to rebate, the Compliance Officer will, to the extent necessary, retain a rebate analyst to compute the rebate obligation with respect to other proceeds. The Compliance Officer shall establish a tickler system to indicate the dates upon which the rebate obligation shall be determined and shall annually determine whether any interim calculation may be needed of potential rebate liability or yield restriction required.

VIII. Remediation of any potential violations of the Code or these Guidelines

In the event any possible violations of Federal tax requirements applicable to the Bond Issue are identified (whether pursuant to these Guidelines or otherwise), the Compliance Officer shall cause the Issuer to engage Bond Counsel to assist in determining:

1. Whether a violation has occurred; and
2. What, if any, remedial actions (including any described in applicable Treasury Regulations (including Treasury Regulations 1.141-12) or any available through the Tax Exempt Bonds Voluntary Closing Agreement Program described under Notice 2008-31) are appropriate and in the interests of the Issuer.

When so determined to be appropriate and in the interests of the Issuer, the Compliance Officer shall cause the Issuer undertake such actions.

IX. Amendments and Supplements to these Guidelines

The Issuer retains the right and obligation to amend, supplement and/or replace these Guidelines from time to time when and if it is determined to be appropriate and in the interests of the Issuer, which the Compliance Officer shall cause to be done, consistent with the purposes herein described.

$35,955,000
CITY OF BLOOMINGTON, INDIANA
WATERWORKS REVENUE BONDS OF 2011, SERIES B

CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

This Continuing Disclosure Undertaking Agreement (this "Agreement") is made this 26th day of October, 2011, from the City of Bloomington, Indiana (the "Promisor") to each registered owner or holder of any Bond (as hereinafter defined) (each, a "Promisee");

WITNESSETH THAT:

WHEREAS, the Promisor is issuing its Waterworks Revenue Bonds of 2011, Series B, on the date hereof (the "Bonds"), pursuant to Ordinance 10-07 of the Common Council of the Issuer adopted on May 17, 2010 (the "Bond Ordinance"); and

WHEREAS, Prager, Sealy & Co., LLC (the "Underwriter") is, in connection with an offering of the Bonds directly or indirectly by or on behalf of the Promisor, purchasing the Bonds from the Promisor and selling the Bonds to certain purchasers; and

WHEREAS, Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934, as amended (the "Act"), provides that, except as otherwise provided in the Rule, a participating underwriter (as defined in the Rule) shall not purchase or sell municipal securities in connection with an offering (as defined in the Rule) unless the participating underwriter has reasonably determined that an issuer of municipal securities (as defined in the Rule) or an obligated person (as defined in the Rule) for whom financial or operating data is presented in the final official statement (as defined in the Rule) has undertaken, either individually or in combination with other issuers of such municipal securities or obligated persons, in a written agreement or contract for the benefit of holders of such securities, to provide certain information; and

WHEREAS, the Promisor desires to enter into this Agreement in order to assist the Underwriter in complying with the Rule; and

WHEREAS, any registered owner or holder of any Bond shall, by its payment for and acceptance of such Bond, accept and assent to this Agreement and the exchange of (i) such payment and acceptance for (ii) the promises of the Promisor contained herein;

NOW, THEREFORE, in consideration of the Underwriter's and any Promisee's payment for and acceptance of any Bonds, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Promisor hereby promises to each Promisee as follows:

Section 1. Definitions. The terms defined herein, including the terms defined above and in this Section 1, shall have the meanings herein specified unless the context or use clearly indicates another or different meaning or intent. Any terms defined in the Rule, but not otherwise defined herein, shall have the meanings specified in the Rule unless the context or use clearly indicates another or different meaning or intent.

(a) "Bond" shall mean any of the Bonds.

(b) "Bondholder" shall mean any registered or beneficial owner or holder of any Bond.

(c) "City" shall mean the City of Bloomington, Indiana.

(d) "EMMA" shall mean the Electronic Municipal Market Access system maintained by the MRSB.

(e) "Fiscal Year" of any person shall mean any period from time to time adopted by such person as its fiscal year for accounting purposes.

(f) "MSRB" shall mean the Municipal Securities Rulemaking Board.

(g) "Obligated Person" shall mean any person who is either generally or through an enterprise, fund or account of such person committed by contract or other arrangement to support payment of all or part of the obligations on the Bonds (other than any providers of municipal bond insurance, letters of credit or liquidity facilities), for whom financial information or operating data is presented in the Official Statement.

(h) "Official Statement" shall mean the Official Statement, dated October 12, 2011, relating to the Bonds, including any document included therein by specific reference which is available to the public on the MSRB's Internet Web site or filed with the Commission, and, if such document is a final official statement, available from the MSRB.

(i) "State" shall mean the State of Indiana.

Section 2. Term. The term of this Agreement shall commence on the date of delivery of the Bonds by the Promisor to the Underwriter and shall expire on the earlier of (a) the date of payment in full of principal of and premium, if any, and interest on the Bonds, whether upon scheduled maturity, redemption, acceleration or otherwise, or (b) the date of defeasance of the Bonds in accordance with the terms of the Bond Resolution.

Section 3. Obligated Person(s). The Promisor hereby represents and warrants that, as of the date hereof:

(a) The Promisor is the issuer of the Bonds, and is the only Obligated Person with respect to the Bonds; and

(b) Except as is disclosed in the Official Statement, there have been no instances in the five (5) years prior to the date of the Official Statement in which the Promisor failed to comply, in all material respects, with any previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

Section 4. Undertaking to Provide Information.

(a) The Promisor hereby undertakes to provide for and on behalf of itself, either directly or indirectly through a designated agent, the following to the MSRB, through its EMMA system, in an electronic format as prescribed by the MSRB:

(i) When and if available, the audited comprehensive annual financial report ("CAFR") of the City for each twelve (12) month period ending December 31st, beginning with the twelve (12) month period ending December 31, 2011, together with the opinion of such accountants and all notes thereto, within sixty (60) days of receipt from the certified public accountants;

(ii) Within 180 days of each December 31st, beginning with the calendar year ending December 31, 2011, unaudited annual financial information for the City for such calendar year (together with the financial information described in Section 4(a)(i) hereof, collectively, the "Annual Financial Information"), including (A) unaudited financial information of the City if audited financial statements are not available; (B) the information contained the tables "Number of Water Utility Customers" and "Largest Water Utility Customers" set forth in Appendix A in the Official Statement; and

(iii) In a timely manner, not in excess of ten (10) business days of the occurrence, notice of any of the following events with respect to the Bonds,

(A) Events Disclosed if Material.

(1) non-payment related defaults;
(2) modifications to the rights of Bondholders;
(3) bond calls (other than scheduled mandatory sinking redemptions for which notice is given in accordance with the Bond Resolution);
(4) release, substitution or sale of property securing repayment of the Bonds;
(5) mergers, consolidations or acquisitions involving any Obligated Persons, or the sale of all or substantially all of the assets of any Obligated Persons, including the entry into or the termination of agreements providing for such; and
(6) the appointment of a successor trustee or co-trustee or the change of name of any trustee.

(B) Events Disclosed Without Regard to Materiality.

(7) principal and interest payment delinquencies;
(8) unscheduled draws on debt service reserves reflecting financial difficulties;
(9) unscheduled draws on credit enhancements reflecting financial difficulties;
(10) substitution of credit or liquidity providers, or their failure to perform;
(11) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(12) defeasances;
(13) rating changes;
(14) tender offers; and
(15) bankruptcy, insolvency, receivership or similar event of any Obligated Person.

Events listed in subsection (A) shall be disclosed only if they are deemed to be material (which determination of materiality shall be made by the Promisor in accordance with the standards established by federal securities laws). Events listed in subsection (B) shall be disclosed regardless of whether or not they are determined to be material in nature. The Promisor may from time to time choose to provide notice of the occurrence of any other event, in addition to those listed above, if, in the judgment of the Promisor, such other event is material with respect to the Bonds and should be disclosed, but the Promisor do not commit to provide any such notice of the occurrence of any event except those events set forth above.

(iv) In a timely manner, notice of a failure of such Obligated Persons to provide required Annual Financial Information or audited financial statements, on or before the date specified in this Agreement.

(b) Any financial statements of any Obligated Person provided pursuant to subsection (a)(i) of this Section 4 shall be prepared in accordance with any accounting principles mandated by the laws of the State, as in effect from time to time, or any other consistent accounting principles that enable market participants to evaluate results and perform year to year comparisons, but need not be audited.

(c) Any Annual Financial Information or audited financial statements may be set forth in a document or set of documents, or may be included by specific reference to documents available to the public on the MSRB's Internet Web site, or filed with the Commission.

(d) If any Annual Financial Information otherwise required by any subsection of this Section 4 no longer can be generated because the operations to which it relates have been materially changed or discontinued, a statement to that effect shall be deemed to satisfy the requirements of such subsection.

(e) All documents provided to the MSRB under this Agreement shall be accompanied by identifying information as prescribed by the MSRB.

Section 5. Termination of Obligation. The obligation to provide Annual Financial Information, audited financial statements and notices of events under Section 4(a) hereof shall terminate with respect to any Obligated Person, if and when such Obligated Person no longer remains an obligated person (as defined in the Rule) with respect to the Bonds.

Section 6. Bondholders. Each Bondholder is an intended beneficiary of the obligations of the Promisor under this Agreement, such obligations create a duty in the Promisor to each Bondholder to perform such obligations, and each Bondholder shall have the right to enforce such duty.

Section 7. Limitation of Rights. Nothing expressed or implied in this Agreement is intended to give, or shall give, to the Underwriter, the Commission or any Obligated Person, or any underwriters, brokers or dealers, or any other person, other than the Promisor, each Promisee and each Bondholder, any legal or equitable right, remedy or claim under or with respect to this Agreement or any rights or obligations hereunder. This Agreement and the rights and obligations hereunder are intended to be, and shall be, for the sole and exclusive benefit of the Promisor, each Promisee and each Bondholder.

Section 8. Remedies.

(a) The sole and exclusive remedy for any breach or violation by the Promisor of any obligation of the Promisor under this Agreement shall be the remedy of specific performance by the Promisor of such obligation. Neither any Promisee nor any Bondholder shall have any right to monetary damages or any other remedy for any breach or violation by the Promisor of any obligation of the Promisor under this Agreement, except the remedy of specific performance by the Promisor of such obligation.

(b) No breach or violation by the Promisor of any obligation of the Promisor under this Agreement shall constitute a breach or violation of or default under the Bonds or the Bond Resolution.

(c) Any action, suit or other proceeding for any breach or violation by the Promisor of any obligation of the Promisor under this Agreement shall be instituted, prosecuted and maintained only in a court of competent jurisdiction in Monroe County, Indiana.

(d) No action, suit or other proceeding for any breach or violation by the Promisor of any obligation of the Promisor under this Agreement shall be instituted, prosecuted or maintained by any Promisee or any Bondholder unless, prior to instituting such action, suit or other proceeding: (i) such Promisee or such Bondholder has given the Promisor notice of such breach or violation and demand for performance; and (ii) the Promisor has failed to cure such breach or violation within sixty (60) days after such notice.

Section 9. Waiver. Any failure by any Promisee or any Bondholder to institute any suit, action or other proceeding for any breach or violation by the Promisor of any obligation of the Promisor under this Agreement, within three hundred sixty (360) days after the date such Promisee or such Bondholder first has knowledge of such breach or violation, shall constitute a waiver by such Promisee or such Bondholder of such breach or violation and, after such waiver, no remedy shall be available to such Promisee or such Bondholder for such breach or violation.

Section 10. Limitation of Liability. The obligations of the Promisor under this Agreement are special and limited obligations of the Promisor, payable solely from the trust estate under the Bond Resolution. The obligations of the Promisor under this Agreement are not and shall never constitute a general obligation, debt or liability of the Promisor or the State, or any political subdivision thereof, within the meaning of any constitutional limitation or provision, or a pledge of the faith, credit or taxing power of the Promisor or the State, or any political subdivision thereof, and do not and shall never constitute or give rise to any pecuniary liability or charge against the general credit or taxing power of the Promisor or the State, or any political subdivision thereof.

Section 11. Immunity of Officers, Directors, Members, Employees and Agents. No recourse shall be had for any claim based upon any obligation in this Agreement against any past, present or future officer, director, member, employee or agent of the Promisor, as such, either directly or through the Promisor, under any rule of law or equity, statute or constitution.

Section 12. Amendment of Obligations. The Promisor may, from time to time, amend any obligation of the Promisor under this Agreement, without notice to or consent from any Promisee or any Bondholder, if: (a)(i) such amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of any Obligated Person, or type of business conducted, (ii) this Agreement, after giving effect to such amendment, would have complied with the requirements of the Rule on the date hereof, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (iii) such amendment does not materially impair the interests of any Bondholders, as determined either by (A) any person selected by the Promisor that is unaffiliated with the Promisor or any Obligated Person (such as any trustee under the Bond Resolution) or (B) an approving vote of the Bondholders pursuant to the terms of the Bond Resolution at the time of such amendment; or (b) such amendment is otherwise permitted by the Rule.

Section 13. Assignment and Delegation. Neither any Promisee nor any Bondholder may, without the prior written consent of the Promisor, assign any of its rights under this Agreement to any other person. The Promisor may not assign any of its rights or delegate any of its obligations under this Agreement to any other person, except that the Promisor may assign any of its rights or delegate any of such obligations to any entity (a) into which the Promisor merges, with which the Promisor consolidates or to which the Promisor transfers all or substantially all of its assets or (b) which agrees in writing for the benefit of Bondholders to assume such rights or obligations.

Section 14. Communications. Any information, datum, statement, notice, certificate or other communication required or permitted to be provided, delivered or otherwise given hereunder by any person to any other person shall be in writing and, if such other person is the Promisor, shall be provided, delivered or otherwise given to the Promisor at the following address:

City of Bloomington
401 N. Morton Street
Bloomington, Indiana 47402
Attention: Controller

(or at such other address as the Promisor may, by notice to the MSRB, provide), or, if such other person is not the Promisor, shall be provided, delivered or otherwise given to such other person at any address that the person providing, delivering or otherwise giving such information, datum, statement, notice, certificate or other communication believes, in good faith but without any investigation, to be an address for receipt by such other person of such information, datum, statement, notice, certificate or other communication. For purposes of this Agreement, any such information, datum, statement, notice, certificate or other communication shall be deemed to be provided, delivered or otherwise given on the date that such information, datum, notice, certificate or other communication is (a) delivered by hand to such other person, (b) deposited with the United States Postal Service for mailing by registered or certified mail, (c) deposited with Express Mail, Federal Express or any other courier service for delivery on the following business day, or (d) sent by facsimile transmission, telecopy or telegram.

Section 15. Knowledge. For purposes of this Agreement, each Promisee and each Bondholder shall be deemed to have knowledge of the provision and content of any information, datum, statement or notice provided by the Promisor to the MSRB on the date such information, datum, statement or notice is so provided, regardless of whether such Promisee or such Bondholder was a registered or beneficial owner or holder of any Bond at the time such information, datum, statement or notice was so provided.

Section 16. Performance Due on other than Business Days. If the last day for taking any action under this Agreement is a day other than a business day, such action may be taken on the next succeeding business day and, if so taken, shall have the same effect as if taken on the day required by this Agreement.

Section 17. Use of Dissemination Agent. The Promisor may, at its sole discretion, utilize an agent or agents (the "Dissemination Agent") in connection with the dissemination of any information required to be provided by any Obligated Person pursuant to the terms of the SEC Rule and this Agreement. If a Dissemination Agent is selected for these purposes, the Promisor shall provide notice thereof to the MRSB through its EMMA system.

Section 18. Waiver of Assent. Notice of acceptance of or other assent to this Agreement is hereby waived.

Section 19. Governing Law. This Agreement and the rights and obligations hereunder shall be governed by and construed and enforced in accordance with the internal laws of the State, without reference to any choice of law principles.

Section 20. Severability. If any portion of this Agreement is held or deemed to be, or is, invalid, illegal, inoperable or unenforceable, the validity, legality, operability and enforceability of the remaining portions of this Agreement shall not be affected, and this Agreement shall be construed as if it did not contain such invalid, illegal, inoperable or unenforceable portion.

Section 21. Rule. This Agreement is intended to be an agreement or contract in which the Promisor has undertaken to provide that which is required by paragraph (b)(5) of the Rule. If and to the extent this Agreement is not such an agreement or contract, this Agreement shall be deemed to include such terms not otherwise included herein, and to exclude such terms not otherwise excluded herefrom, as are necessary to cause this Agreement to be such an agreement or contract.

Section 22. Interpretation. The use herein of the singular shall be construed to include the plural, and vice versa, and the use herein of the neuter shall be construed to include the masculine and feminine. Unless otherwise indicated, the words "hereof," "herein," "hereby" and "hereunder," or words of similar import, refer to this Agreement as a whole and not to any particular section, subsection, clause or other portion of this Agreement.

Section 23. Captions. The captions appearing in this Agreement are included herein for convenience of reference only, and shall not be deemed to define, limit or extend the scope of intent of any rights or obligations under this Agreement.

IN WITNESS WHEREOF, the Promisor has caused this Agreement to be executed on the date first above written.

CITY OF BLOOMINGTON, INDIANA

By: ______________________
Honorable Mark Kruzan, Mayor

ATTEST:

By: ______________________
Michael Trexler, Controller

City's Signature Page to Continuing Disclosure Undertaking Agreement

1600798

$35,955,000
CITY OF BLOOMINGTON, INDIANA
WATERWORKS REVENUE BONDS OF 2011, SERIES B

REQUEST FOR AUTHENTICATION AND DELIVERY
DATED OCTOBER 26, 2011

The Bank of New York Mellon Trust Company, N.A.
Indianapolis, Indiana

Ladies and Gentlemen:

The Bank of New York Mellon Trust Company, N.A., as registrar (the "Registrar"), is hereby authorized and directed to authenticate and deliver the above-captioned bonds, which are further described in Exhibit A attached hereto to the Indiana Finance Authority, as authorized by City of Bloomington, Indiana's Ordinance No. 10-07 adopted May 17, 2010, authorizing the issuance of the Bonds.

DATED as of the "Original Dated Date" set forth in the attached Exhibit A.

CITY OF BLOOMINGTON, INDIANA

By: ______________________
Michael Trexler, Controller

EXHIBIT A

Designation:	City of Bloomington, Indiana, Waterworks Revenue Bonds of 2011, Series B
Principal Amount:	$35,955,000
Denominations:	Fully registered Bonds in denominations of $5,000 or integral multiples thereof
Original Dated Date:	October 26, 2011
Interest Payable:	Each January 1 and July 1, beginning January 1, 2012
Maturities and Interest Rates:	Principal payable on January 1 and July 1 in the years and amounts bearing interest at the rates as follows:

Maturity Date	Principal Amount	Coupon Rate	Price	CUSIP
July 1, 2012	$325,000.00	3.00%	101.352%	094743LD1
July 1, 2013	640,000.00	3.00%	102.900%	094743LE9
July 1, 2014	670,000.00	3.00%	103.925%	094743LF6
July 1, 2015	665,000.00	3.00%	104.071%	094743LG4
July 1, 2016	670,000.00	3.00%	103.537%	094743LH2
July 1, 2017	690,000.00	3.00%	102.630%	094743LJ8
July 1, 2018	710,000.00	3.00%	101.208%	094743LK5
July 1, 2019	730,000.00	3.00%	99.657%	094743LL3
July 1, 2020	1,035,000.00	3.50%	101.722%	094743LM1
July 1, 2021	1,925,000.00	3.50%	100.405%	094743LN9
July 1, 2022	2,555,000.00	4.00%	103.075%	094743LP4
July 1, 2023	2,820,000.00	4.00%	101.765%	094743LQ2
July 1, 2024	3,115,000.00	4.00%	100.634%	094743LR0
July 1, 2025	3,550,000.00	4.00%	99.578%	094743LS8
July 1, 2026	4,015,000.00	4.00%	98.574%	094743LT6
July 1, 2027	4,430,000.00	4.00%	97.602%	094743LU3
July 1, 2028	4,870,000.00	4.00%	96.681%	094743LV1
January 1, 2029	2,540,000.00	4.00%	95.907%	094743LW9

CITY OF BLOOMINGTON, INDIANA
WATERWORKS REVENUE BONDS OF 2011, SERIES B

CERTIFICATE RE: AWARD OF BONDS

The undersigned hereby certifies that the undersigned is the duly appointed, qualified and acting Controller of the City of Bloomington, Indiana (the "Issuer").

I further certify that I have awarded the bonds of the Issuer described on Exhibit A hereto (the "Bonds") as follows:

Designation:	City of Bloomington, Indiana Waterworks Revenue Bonds of 2011, Series B
Total Issue:	$35,955,000
Sale Date:	October 12, 2011
Dated:	October 27, 2011
To:	Prager, Sealy & Co., LLC

Net dollar interest cost to final maturity:	$17,733,980.89
Net effective average interest rate on the entire issue:	3.992211%

I further certify that said bid satisfied (a) the conditions set forth in the Notice of Sale and the Bonds were awarded to the highest qualified bidder offering the lowest interest cost, determined by computing the total interest on all of the Bonds from the date of said Bonds to the date of maturity and deducting from that amount the premium bid, if any, or adding thereto the amount of any discount, if any, and (b) all provisions of the governing statutes and local proceedings related thereto have been complied with.

IN WITNESS WHEREOF, I have hereunto set my hand and the official seal of the Issuer, on this 12th day of October 2011.

Michael Trexler, Controller

(SEAL)

1621266

$35,955,000
CITY OF BLOOMINGTON, INDIANA
WATERWORKS REVENUE BONDS OF 2011, SERIES B

CERTIFICATE OF DELIVERY AND PAYMENT
DATED OCTOBER 26, 2011

The undersigned, Mayor of the City of Bloomington, Indiana ("City"), hereby certifies as follows:

1. The City is acting under and pursuant to Bond Ordinance No. 10-07 dated May 17, 2010 (the "Bond Ordinance"), which authorizes the issuance of the Waterworks Revenue Bonds of 2011, Series B (the "Bonds").

2. The Bonds have been delivered to Prager, Sealy & Co., LLC, as Purchaser, and the City has received this date from the Purchaser the amount of $35,636,885.58, representing the principal amount of the Bonds minus $146,115.05 in net original issue discount and $171,999.37 in Purchaser's discount.

3. Said delivery and payment is in accordance with the terms of the Purchase Agreement for said Bonds, and the terms of said Purchase Agreement have been fully complied with by the Purchaser.

4. I am the officer authorized by law to receive payment for and deliver said Bonds, and all of said Bonds have been signed by the officers now holding the offices indicated on said Bonds.

Executed to be effective as of the date first above written.

CITY OF BLOOMINGTON, INDIANA

By: ______________________________
Michael Trexler, Controller

City's Signature Page to Certificate of Delivery and Payment

EXHIBIT A

Designation:	City of Bloomington, Indiana, Waterworks Revenue Bonds of 2011, Series B
Principal Amount:	$35,955,000
Denominations:	Fully registered Bonds in denominations of $5,000 or integral multiples thereof
Original Dated Date:	October 26, 2011
Interest Payable:	Each January 1 and July 1, beginning January 1, 2012
Maturities and Interest Rates:	Principal payable on January 1 and July 1 in the years and amounts bearing interest at the rates as follows:

Maturity Date	Principal Amount	Coupon Rate	Price	CUSIP
July 1, 2012	$325,000.00	3.00%	101.352%	094743LD1
July 1, 2013	640,000.00	3.00%	102.900%	094743LE9
July 1, 2014	670,000.00	3.00%	103.925%	094743LF6
July 1, 2015	665,000.00	3.00%	104.071%	094743LG4
July 1, 2016	670,000.00	3.00%	103.537%	094743LH2
July 1, 2017	690,000.00	3.00%	102.630%	094743LJ8
July 1, 2018	710,000.00	3.00%	101.208%	094743LK5
July 1, 2019	730,000.00	3.00%	99.657%	094743LL3
July 1, 2020	1,035,000.00	3.50%	101.722%	094743LM1
July 1, 2021	1,925,000.00	3.50%	100.405%	094743LN9
July 1, 2022	2,555,000.00	4.00%	103.075%	094743LP4
July 1, 2023	2,820,000.00	4.00%	101.765%	094743LQ2
July 1, 2024	3,115,000.00	4.00%	100.634%	094743LR0
July 1, 2025	3,550,000.00	4.00%	99.578%	094743LS8
July 1, 2026	4,015,000.00	4.00%	98.574%	094743LT6
July 1, 2027	4,430,000.00	4.00%	97.602%	094743LU3
July 1, 2028	4,870,000.00	4.00%	96.681%	094743LV1
January 1, 2029	2,540,000.00	4.00%	95.907%	094743LW9

PAYING AGENCY AGREEMENT

This **Paying Agency Agreement** (the "Agreement"), entered into as of the 26th day of October, 2011 by and between City of Bloomington, Indiana (the "Issuer") and **The Bank of New York Mellon Trust Company, N.A.** a national banking association with its corporate trust office at Indianapolis, IN (the "Paying Agent"),

WITNESSETH:

WHEREAS, by Ordinance No. 10-07 ,(the "Authorization") the Issuer authorized the issuance of its Bonds or Notes and

WHEREAS, said Authorization authorized the Issuer to enter into an agreement of appointment with a Bond Registrar/Transfer Agent and Paying Agent to service such Bonds or Notes.

NOW, THEREFORE, the Issuer and the Paying Agent agree as follows:

Section 1. Appointment and Acceptance. The Issuer hereby appoints The Bank of New York Mellon Trust Company, N.A. as Bond Registrar/Transfer Agent and Paying Agent for the Bonds or Notes, and the Paying Agent accepts such appointments, acknowledging the duties, obligations and responsibilities of the Paying Agent as set forth herein.

Section 2. Documents to be Filed with the Paying Agent. The following documents shall be filed with the Paying Agent in connection with its appointment:

(i) a copy of the Authorization.

(ii) if not printed on the Bonds or Notes, an Opinion of Bond Counsel stating that (a) the Bonds or Notes are valid and legally binding obligations of the Issuer, payable in accordance with their terms and (b) the interest on such Bonds or Notes is not included in gross income for federal income tax purposes;

(iii) a specimen certificate in the form approved by the Issuer;

(iv) if the Bonds or Notes have been delivered prior to the Paying Agent's appointment:

(1) a list containing name, address and taxpayer identification number of each Bondholder or Noteholder as of the date of Paying Agent's appointment, indicating the date of issuance, the authentication date, the certificate number and the denomination for each outstanding certificate, and

(2) a list of stop transfer orders maintained by the Issuer (or its predecessor paying agent) against outstanding Bond or Note certificates giving details as to certificate numbers, denominations, names of registered owners and dates of stop transfer orders, and, if such certificates have been replaced, the numbers and denominations of the replacement certificates, dates of replacements and documents evidencing the indemnity accepted in connection with the issuance of the replacement certificates; and

(v) such other instruments and certificates as the Paying Agent may reasonably request.

Section 3. Registration, Authentication and Delivery of Initial Bonds or Notes. If the Bonds or Notes are to be newly issued, the Issuer will, or will cause its underwriter to:

(i) deliver to Paying Agent, not later than five (5) business days prior to the required delivery date, written notice setting forth the maturity date, principal amount and interest rate borne by the Bonds or Notes;

(ii) notify the Paying Agent, not later than three (3) business days prior to the required delivery date, of the name(s) in which Bonds or Notes are to be registered, the mailing addresses of the respective registered holders and their respective taxpayer identification numbers, and the quantity, denominations, interest rates, maturity dates and CUSIP numbers of the certificates to be issued to each registered holder.

The Paying Agent shall inscribe the Bonds or Notes as directed in Section 3(ii) above, authenticate the initial Bonds or Notes and deliver same in accordance with the written directions of the Issuer or its underwriter. If delivered before the Closing, such initial Bonds or Notes shall remain subject to the control of the Paying Agent, as agent for the Issuer, until released by the Paying Agent.

Section 4. Transfer or Exchange of Certificates. The Paying Agent is authorized, empowered and directed to inscribe, to countersign or authenticate as registrar, and to record and deliver new certificates for Bonds or Notes of the Issuer pursuant to requests for transfer and cancellation of other certificates theretofore outstanding, or to replace lost, destroyed, stolen or mutilated certificates, as provided in Section 6 hereof.

If the transfer and/or exchange of the Bond or Note certificate shall have been documented in the manner authorized or required by law, and if the rules and regulations of the Issuer and of the Paying Agent, governing the transfer and registration of the Bonds or Notes shall have been met, then the Paying Agent shall cancel such certificate being transferred and/or exchanged and shall inscribe, authenticate, record and deliver a new certificate for the Bonds or Notes so transferred or exchanged. In the transfer of Bond or Note certificates, the Paying Agent may require a guarantee of signature by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

The Paying Agent shall incur no liability for the refusal in good faith to make transfers which it, in its judgment, deems improper or unauthorized. The Paying Agent may, in effecting transfers, rely upon the Uniform Commercial Code of the State of Indiana and/or the rules of the Stock Transfer Association, Inc.

Section 5. Bond or Note Certificates. The Issuer will furnish to the Paying Agent a sufficient supply of blank Bond or Note certificates and, from time to time, will replenish such supply upon request of the Paying Agent. Such blank Bond or Note certificates shall be signed by officers of the Issuer, authorized by the Issuer to sign Bond or Note certificates, and shall bear the seal of the Issuer or shall bear, to the extent permitted by law, the facsimile signature of each such officer and a facsimiles of the seal. If an officer of the Issuer, whose signature appears on any Bond or Note certificate, ceases to be an officer of the Issuer before delivery of said Bond or Note certificate, such signature nevertheless shall be valid and sufficient for all purposes, the same as if such officer of the Issuer had remained in office until such delivery and the Paying Agent may inscribe, authenticate, and deliver such certificate as being that of the Issuer whose signature properly shall have been inscribed on such Bond or Note certificate prior to its issuance.

Section 6. Records of Certificates; Lost or Destroyed Certificates. The Paying Agent may open and keep such books and other records, including a Bond Register, as shall be required for, or convenient in, the performance of its duties. If Bonds or Notes have been issued and delivered prior to the Paying Agent's appointment, the Paying Agent may accept and adopt as a part of such records all lists of holders of records as may have been employed by any former Bond Registrar/Transfer Agent and Paying Agent for such Bonds or Notes if certified by such former Bond Registrar/Transfer Agent and Paying Agent. The Paying Agent shall use such list of holders of record of the Issuer's Bond or Note certificates as sufficient basis for its records and verification of Bond or Note certificates therein described.

Upon receiving instructions from the Issuer and indemnity satisfactory to the Paying Agent and the Issuer, the Paying Agent may inscribe, authenticate and deliver, to the persons entitled thereto, new certificates in place of certificates represented to have been lost, stolen or destroyed and likewise may issue a new certificate in exchange for, and upon surrender of, an identifiable mutilated certificate.

Section 7. Payments of Interest and Principal.

(i) By the Issuer. On or before the fifth business day immediately preceding any payment date, the Issuer agrees to deposit with the Paying Agent funds in an amount equal to the principal of, premium, if any, and interest on the Bonds which shall become due on the next payment date.

(ii) By the Paying Agent. The Paying Agent's obligation to pay the principal of, premium, if any, and interest on the Bonds shall at all times be conditioned upon Issuer's compliance with the terms and provisions of Section 7(i) hereof. The principal of and premium, if any, on the Bonds shall be payable as set forth in the Authorization.

(iii) Notwithstanding any other provision of this Agreement or the Authorization, the Bond Registrar agrees that upon any default or insufficiency in the deposit of funds with which to make payment of principal and interest as provided herein, the Bond Registrar will immediately, without any direction, security or indemnity file a claim with the Treasurer of the State of Indiana for an amount equal to such principal and interest in default and consents to the filing of any such claim by a bondholder in the name of the Bond Registrar for deposit with the Bond Registrar. Filing of the claim with the Treasurer of the State of Indiana, as described above, shall occur on or before the fifth business day prior to the payment date.

(iv) If a Bondholder or Noteholder shall report to the Paying Agent that any check so mailed for the payment of interest or principal has been lost and that the proceeds thereof, have not been received and if the check has not been paid then, upon execution of an indemnity agreement, in form satisfactory to the Paying Agent and the Issuer, stop payment upon such check, and issue and deliver to such Bondholder or Noteholder a new check for like amount; provided, however, that it may, at its discretion, defer the issuance of the new check for a reasonable period of time;

(v) The Paying Agent shall record the fact of payment and cancel Bonds or Notes surrendered to it for payment, coincident with such payment being made to the person thereto entitled; and

(vi) The Paying Agent shall have no liability for interest on any funds received by it; any unclaimed funds remaining in the possession of the Paying Agent for payment of the Bonds or Notes will be escheated in accordance with applicable law.

Section 8. Redemption Prior to Stated Maturity. If the Bonds or Notes are subject to redemption prior to their stated maturity date(s), the Paying Agent shall be governed by the redemption provisions set forth in the Authorization or as stated in the provisions as set forth on the bond/note form. The Paying Agent shall not be required to transfer any Bond or Note, or portion thereof, that has been called for redemption. Payment of the principal amount (including premium, if any) of any Bond or Note, or portion thereof, called for redemption shall be made by check payable to the registered owner, only upon presentation of the Bond or Note, at the designated corporate trust office of the Paying Agent on or after the redemption date. Where the entire principal amount of the Bond or Note has not been called for redemption, a new Bond or Note in the amount of the unredeemed portion will be issued to the registered holder or its assignee. Whether or not promptly submitted for redemption, interest on any Bond or Note, or portion thereof, called for redemption shall cease to accrue on and after the redemption date provided that sufficient moneys therefore are on deposit with the Paying Agent.

Section 9. Compensation; Indemnification. The Issuer agrees to pay the Paying Agent fees as set forth in **Exhibit B** attached hereto and made a part hereof, and, if applicable, to reimburse Paying Agent for its out-of-pocket expenses. The Issuer assumes full responsibility and, to the extent permitted by law, will indemnify the Paying Agent and save it harmless from and against any and all actions or suits, whether groundless or otherwise, and from and against any and all losses, liabilities, costs and expenses (including attorneys' fees and expenses) arising out of the agency relationship created by this Agreement, unless such losses, liabilities, costs and expenses shall have been finally adjudicated to have resulted from the bad faith or gross negligence of the Paying Agent, and such indemnification shall survive the Paying Agent's resignation or removal, or the termination of this Agreement

Section 10. Instructions From the Issuer and Opinion From Counsel. At any time the Paying Agent may apply to any duly authorized representative of the Issuer for instructions, and shall have the right, but not the obligation, to consult with counsel of choice at the reasonable expense of the Issuer and shall not be liable for action taken or omitted to be taken either in accordance with such instruction or such advice of counsel, or in accordance with any opinion of counsel to the Issuer addressed to the Paying Agent.

Section 11. Concerning the Paying Agent. The Paying Agent have only those duties as are specifically provided herein, which shall be deemed purely ministerial in nature, and shall have the right to perform any of its duties hereunder through agents, attorneys, custodians or nominees. The Paying Agent shall have no responsibility for the form of inscription of ownership upon any Bond or Note certificate which has been made in accordance with directions of the Issuer, the Issuer's underwriter, a broker or a holder of a Bond or Note. The Paying Agent shall be protected in acting upon any paper or document believed by it to be genuine and to have been signed by the proper person or persons and shall not be held to have notice of any change of authority of any person, until receipt of written notice thereof from the Issuer. It shall also be protected in recognizing Bond or Note certificates which it reasonably believes to bear the proper manual or facsimile signatures on behalf of the Issuer. The Paying Agent shall not be under any obligation to prosecute any action or suit in respect of the agency relationship which, in its sole judgment, may involve it in expense or liability. In any action or suit the Issuer shall, as often as requested, furnish the Paying Agent with satisfactory indemnity against any expense or liability growing out of such action or suit by or against the Paying Agent in its agency capacity.

The Paying Agent shall not be obligated to perform any obligation hereunder and shall not incur any liability for the nonperformance or breach of any obligation hereunder to the extent that it is delayed in performing, unable to perform or breaches such obligation because of acts of God, war, terrorism, fire, floods, strikes, electrical outages, equipment or transmission failures, or other causes reasonably beyond its control; provided that the Paying Agent shall use commercially reasonable efforts consistent with accepted corporate trust industry practices to maintain performance without delay or resume performance as soon as reasonably practicable under the circumstances.

Anything in this Agreement to the contrary notwithstanding, in no event shall the Paying Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Paying Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

The Paying Agent agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that (a) the Issuer, subsequent to such transmission of written instructions, shall provide the originally executed instructions or directions to the Paying Agent in a timely manner, (b) such originally executed instructions or directions shall be signed by a person as may be designated and authorized to sign for the Issuer or in the name of the Issuer, by an authorized representative of the Issuer, and (c) the Issuer shall provide to the Paying Agent an incumbency certificate listing such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Issuer elects to give the Paying Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Paying Agent in its discretion elects to act upon such instructions, the Paying Agent's understanding of such instructions shall be deemed controlling. The Paying Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Paying Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Issuer agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Paying Agent, including without limitation the risk of the Paying Agent acting on unauthorized instructions, and the risk or interception and misuse by third parties.

Any banking association or corporation into which the Paying Agent may be merged, converted or with which the Paying Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Paying Agent shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Paying Agent shall be transferred, shall succeed to all the Paying Agent's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 12. Notices. Until changed by notice in writing, communications between the parties shall be delivered to:

If to Issuer:

City of Bloomington, Indiana
401 North Morton Street
P.O. Box 100
Bloomington, Indiana

If to the Paying Agent:

The Bank of New York Mellon Trust Company, N.A.
300 North Meridian Street, Suite 910
Indianapolis, IN 46204
Attn: Public Finance Group

Section 13. Destruction of Instruments, Records and Papers. The Paying Agent may retain in its files records, instruments, and papers maintained by it in relation to its agency as long as the Paying Agent shall consider that such retention is necessary. The Paying Agent shall destroy or dispose of canceled Bonds or Notes in accordance with its customary procedures, unless contrary instructions are received from the Issuer.

Section 14. Resignation or Removal of Paying Agent. Any time, other than on a day during the forty-five (45) day period preceding any periodic payment date for Issuer's Bonds or Notes, the Paying Agent may resign by giving at least forty-five (45) days' prior written notice to Issuer; and the Paying Agent's agency shall be terminated and its duties shall cease upon expiration of such forty-five (45) days or such lesser period of time as shall be mutually agreeable to Paying Agent and Issuer. At any time, following at least forty-five (45) days' prior notice (or such lesser period of time as shall be mutually agreeable to the Paying Agent and the Issuer) the Paying Agent may be removed from its agency. Such notice shall be in the form of a certified copy of a resolution adopted by the Issuer and evidencing its resolve to so remove; such removal shall become effective upon the expiration of the forty-five (45) day or agreed lesser time period, and upon payment to the Paying Agent of all amounts payable to it in connection with its agency. In such event, the Paying Agent shall deliver to the Issuer, or to the Issuer's designated representative, all Bonds or Notes and cash belonging to the Issuer and, at the Issuer's expense, shall furnish to the Issuer, or to the Issuer's designated representative, reasonably detailed information regarding the status of the Issuer's outstanding Bonds or Notes and copies of other pertinent records then in the Paying Agent's possession, reasonably requested by the Issuer.

Section 15. Effectiveness and Term. If the Bonds or Notes already are outstanding as of the date of the execution and delivery of this Agreement, this Agreement is effective as of the date hereof and shall continue until terminated.

If the Bonds or Notes are to be newly issued, then this Agreement shall become effective as of the date that the Bonds or Notes are delivered to the original purchaser(s) thereof, and shall continue until terminated. If said Bonds/Notes are not delivered to original purchaser(s), this Agreement shall be null, void and of no effect.

This Agreement shall remain in effect and the agency established by the Agreement shall continue until (i) terminated by mutual agreement of Issuer and Paying Agent, (ii) the resignation or removal of Paying Agent pursuant to Section 14 hereof, or (iii) after all Bonds or Notes have been retired by payment or otherwise, or funds have been deposited for their retirement, and any remaining funds have either been returned to the Issuer or escheated to the State.

Section 16. Conflicts Between Documents. In the event of any conflict between any provision of this Agreement and the Authorization, the terms of the Authorization shall govern.

Section 17. Jury Trial Waiver. Each party hereto hereby agrees not to elect a trial by jury of any issue triable of right by jury, and waives any right to trial by jury fully to the extent that any such right shall now or hereafter exist with regard to this Agreement, or any claim, counterclaim or other action arising in connection herewith. This waiver of right to trial by jury is given knowingly and voluntarily by each party, and is intended to encompass individually each instance and each issue as to which the right to a trial by jury would otherwise accrue.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be signed by their duly authorized officers as of the date first above written.

City of Bloomington, Indiana

By: ______________________
Name: Mike Trexler
Title: Controller

The Bank of New York Mellon Trust Company, N.A.

By ______________________
Name: Richard W. Turley
Title: Authorized Officer

EXHIBIT A

City of Bloomington, Indiana
Waterworks Revenue Bonds
Series 2011B

Date	Principal Amount	Interest Rate
7/1/2012	$325,000.00	3.00%
7/1/2013	$640,000.00	3.00%
7/1/2014	$670,000.00	3.00%
7/1/2015	$665,000.00	3.00%
7/1/2016	$670,000.00	3.00%
7/1/2017	$690,000.00	3.00%
7/1/2018	$710,000.00	3.00%
7/1/2019	$730,000.00	3.00%
7/1/2020	$1,035,000.00	3.50%
7/1/2021	$1,925,000.00	3.50%
7/1/2022	$2,555,000.00	4.00%
7/1/2023	$2,820,000.00	4.00%
7/1/2024	$3,115,000.00	4.00%
7/1/2025	$3,550,000.00	4.00%
7/1/2026	$4,015,000.00	4.00%
7/1/2027	$4,430,000.00	4.00%
7/1/2028	$4,870,000.00	4.00%
1/1/2029	$2,540,000.00	4.00%

EXHIBIT B

(ATTACHED)

BNY MELLON

Bloomington, IN Water Utility Bonds of 2011
Fee Schedule
September 22, 2011

Upon appointment of BNYM as paying agent, the Issuer shall be responsible for the payment of the fees, expenses and charges as set forth in this Fee Schedule.

ACCEPTANCE FEE **$ 350**

This one time charge is payable at the time of the closing and includes the review and execution of the Indenture and all documents submitted in support thereof, acceptance of the trust, establishment of procedures and controls and set-up of trust accounts. **Based on the information provided, BNYM does not anticipate using counsel but reserves the right to do so if required.**

ANNUAL ADMINISTRATIVE FEE **$ 400**

The annual fee covers the duties and responsibilities related to account administration and bondholder services, which may include maintenance of accounts on various systems, collection and payment of principal and interest to bondholders and the monitoring of issuer compliance. This fee is payable in advance for the year and shall not be prorated.

INVESTMENT COMPENSATION

With respect to investments in money market mutual funds for which BNYM provides shareholder services BNYM (or its affiliates) may also receive and retain additional fees from the mutual funds (or their affiliates) for shareholder services as set forth in the Authorization and Direction to BNYM to Invest Cash Balances in Money Market Mutual Funds.

MISCELLANEOUS FEES

The fees for performing extraordinary or other services not contemplated at the time of the execution of the transaction or not specifically covered elsewhere in this schedule will be commensurate with the service to be provided and may be charged in BNYMTC's sole discretion. These extraordinary services may include, but are not limited to, supplemental agreements, consent operations, unusual releases, tender processing, sinking fund redemptions, failed remarketing processing, UCC amendments, continuations, and termination fees, the preparation of special or interim reports, custody of collateral, a one-time fee to be charged upon termination of an engagement. FDIC or other governmental charges may be charged to you as incurred. Counsel, accountants, special agents and others will be charged at the actual amount of fees and expenses billed.

OUT-OF-POCKET EXPENSES **At Cost**

Additional out-of-pocket expenses may include, but are not limited to, telephone; facsimile; courier; copying; postage; supplies; statutory filing charges, including UCC amendments, continuations, and termination fees; and expenses of BNYM's representative(s) and Counsel for attending special meetings. Fees and expenses of BNYM's representatives and Counsel will be charged at the actual amount of fees and expenses charged and all other expenses will be charged at cost.

BNY MELLON

TERMS AND DISCLOSURES

TERMS OF PROPOSAL

Final acceptance of the appointment as trustee under the Indenture is subject to approval of authorized officers of BNYM and full review and execution of all documentation related hereto. Please note that if this transaction does not close, you will be responsible for paying any expenses incurred, including Counsel fees. We reserve the right to terminate this offer if we do not enter into final written documents within three months from the date this document is first transmitted to you. Fees may be subject to adjustment during the life of the engagement.

MISCELLANEOUS

The terms of this Fee Schedule shall govern the matters set forth herein and shall not be superseded or modified by the terms of the Indenture. This Fee Schedule shall be governed by the laws of the State of Indiana without reference to laws governing conflicts. BNYM and the undersigned agree to jurisdiction of the federal and state courts located in the City of Indianapolis, State of Indiana.

CUSTOMER NOTICE REQUIRED BY THE USA PATRIOT ACT

To help the US government fight the funding of terrorism and money laundering activities, US Federal law requires all financial institutions to obtain, verify, and record information that identifies each person (whether an individual or organization) for which a relationship is established.

What this means to you: When you establish a relationship with BNYM, we will ask you to provide certain information (and documents) that will help us to identify you. We will ask for your organization's name, physical address, tax identification or other government registration number and other information that will help us to identify you. We may also ask for a Certificate of Incorporation or similar document or other pertinent identifying documentation for your type of organization.

Accepted By:		**For BNYMTC:**	
Signature	[signature]	Signature	[signature]
Date:	10/26/11	Date:	10/26/11
Name:	Mike Trexler	Name:	Richard W. Turley
Title	Controller	Title	AUTHORIZED OFFICER

Form **W-9**
(Rev. January 2011)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

See Specific Instructions on page 2. Print or type

Name (as shown on your income tax return)
City of Bloomington, Indiana

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification (required): ☐ Individual/sole proprietor ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Exempt payee

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶

☑ Other (see instructions) ▶ Municipal Corporation

Address (number, street, and apt. or suite no.)
401 N. Morton Street

Requester's name and address (optional)

City, state, and ZIP code
Bloomington, IN 47404

List account number(s) here (optional)

Part I **Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
_ _ _ – _ _ – _ _ _ _

Employer identification number
35 – 6000954

Part II **Certification**

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here **Signature of U.S. person ▶** [signature] 4RIC **Date ▶** 10.11.11

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

$35,955,000
CITY OF BLOOMINGTON, INDIANA
WATERWORKS REVENUE BONDS OF 2011, SERIES B

CERTIFICATE OF REGISTRAR AND PAYING AGENT
DATED OCTOBER 26, 2011

Dated and as of October 26, 2011:

The undersigned, a duly elected, qualified and acting officer, holding the office as indicated below my signature, of The Bank of New York Mellon Trust Company, N.A. (the "Bank"), hereby certifies that:

(1) The following officers or representatives of the Bank have been duly elected or appointed and qualified, and are presently serving as such, and that their respective signatures are as follows:

Typewritten name	Official title	Specimen signature
Richard W. Turley	AUTHORIZED OFFICER	[signature]
Patricia Slagle	AUTHORIZED OFFICER	Patricia Slagle

The Bank is a national bank as evidenced by the attached certification from the Comptroller of Currency and has the trust powers to carry out its obligations as registrar and paying agent for the Bonds. Attached hereto is a true and correct copy of excerpts from a meeting of the Board of Directors of the Bank, or of a Trust Committee duly delegated with such authority by the Board of Directors of the Bank, authorizing the above-listed officers of the Bank to execute the necessary documents including the authentication of the Bonds.

(2) The Bank is the Paying Agent and Registrar for the issuance of the City of Bloomington, Indiana's Waterworks Revenue Bonds of 2011, Series B (the "Bonds"), more fully and respectively described in Exhibit A attached hereto.

(3) Pursuant to the authorization granted herein, the representatives listed in (1) above are authorized to authenticate the Bonds in the denomination of One Dollar ($1.00) and integral multiples thereof, as described in Exhibit A.

(4) The Bank has caused the Bonds to be authenticated by the signature of one (1) of the authorized representatives named herein on the Certificate of Authentication thereon in the following forms:

[FORM OF REGISTRAR'S AUTHENTICATION CERTIFICATE FOR SAID BONDS]

It is hereby certified that this Bond is one (1) of the Bonds described in the within-mentioned Ordinance duly authenticated by the Registrar.

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

By: ______________________________
Authorized Representative

The date of this certificate is as of the date first above written.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
As Registrar and Paying Agent

By: ______________________

Printed: Perette Russell

Title: Authorized Representative

Trustee's Signature Sheet to Certificate of Registrar and Paying Agent

EXHIBIT A

Designation:	City of Bloomington, Indiana, Waterworks Revenue Bonds of 2011, Series B
Principal Amount:	$35,955,000
Denominations:	Fully registered Bonds in denominations of $5,000 or integral multiples thereof
Dated:	October 26, 2011
Interest Payable:	Each January 1 and July 1, beginning January 1, 2012
Maturities and Interest Rates:	Principal payable on January 1 and July 1 in the years and amounts bearing interest at the rates as follows:

Maturity Date	Principal Amount	Coupon Rate	Price	CUSIP
July 1, 2012	$325,000.00	3.00%	101.352%	094743LD1
July 1, 2013	640,000.00	3.00%	102.900%	094743LE9
July 1, 2014	670,000.00	3.00%	103.925%	094743LF6
July 1, 2015	665,000.00	3.00%	104.071%	094743LG4
July 1, 2016	670,000.00	3.00%	103.537%	094743LH2
July 1, 2017	690,000.00	3.00%	102.630%	094743LJ8
July 1, 2018	710,000.00	3.00%	101.208%	094743LK5
July 1, 2019	730,000.00	3.00%	99.657%	094743LL3
July 1, 2020	1,035,000.00	3.50%	101.722%	094743LM1
July 1, 2021	1,925,000.00	3.50%	100.405%	094743LN9
July 1, 2022	2,555,000.00	4.00%	103.075%	094743LP4
July 1, 2023	2,820,000.00	4.00%	101.765%	094743LQ2
July 1, 2024	3,115,000.00	4.00%	100.634%	094743LR0
July 1, 2025	3,550,000.00	4.00%	99.578%	094743LS8
July 1, 2026	4,015,000.00	4.00%	98.574%	094743LT6
July 1, 2027	4,430,000.00	4.00%	97.602%	094743LU3
July 1, 2028	4,870,000.00	4.00%	96.681%	094743LV1
January 1, 2029	2,540,000.00	4.00%	95.907%	094743LW9

$35,955,000
CITY OF BLOOMINGTON, INDIANA
WATERWORKS REVENUE BONDS OF 2011, SERIES B

CERTIFICATE AND RECEIPT OF PURCHASER

On October 26, 2011, the undersigned received from the City of Bloomington, Indiana (the "Issuer"), $35,955,000 aggregate principal amount of Waterworks Revenue Bonds of 2011, Series B, described on Exhibit A hereto (the "Bonds"). The undersigned for and on behalf of Prager, Sealy & Co., LLC (and any other participating underwriters), as the initial purchaser, hereby certifies and confirms as follows:

The initial offering price at which a substantial amount of the Bonds (that is, at least ten percent of each maturity) has been sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) is at price of $35,808,884.95 ("Offering Price"), such that the Bonds were issued with aggregate net original issue discount of $146,115.05. All of the Bonds have been the subject of a bona fide initial offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or brokers or wholesalers) at prices no higher than the Offering Price. On October 12, 2011, (the "Sale Date"), based upon our assessment of the then prevailing market conditions, we reasonably expected

(i) that all Bonds would be initially sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices no higher than the Offering Price; and
(ii) to sell all the Bonds on the date hereof.

The Offering Price does not exceed the fair market value of each Bond as of the Sale Date. Moreover, no Bonds that are substantially identical were sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at one price and to the institutional or other investors at a discount from that price.

Executed to be effective as of the date first above written.

PRAGER, SEALY & CO., LLC

By: [signature]

THOMAS HICKS
Printed

Controller
Title

Purchaser's Signature Page to Certificate and Receipt of Purchaser

EXHIBIT A

Designation:	City of Bloomington, Indiana, Waterworks Revenue Bonds of 2011, Series B
Principal Amount:	$35,955,000
Denominations:	Fully registered Bonds in denominations of $5,000 or integral multiples thereof
Original Dated Date:	October 26, 2011
Interest Payable:	Each January 1 and July 1, beginning January 1, 2012
Maturities and Interest Rates:	Principal payable on January 1 and July 1 in the years and amounts bearing interest at the rates as follows:

Maturity Date	Principal Amount	Coupon Rate	Price	CUSIP
July 1, 2012	$325,000.00	3.00%	101.352%	094743LD1
July 1, 2013	640,000.00	3.00%	102.900%	094743LE9
July 1, 2014	670,000.00	3.00%	103.925%	094743LF6
July 1, 2015	665,000.00	3.00%	104.071%	094743LG4
July 1, 2016	670,000.00	3.00%	103.537%	094743LH2
July 1, 2017	690,000.00	3.00%	102.630%	094743LJ8
July 1, 2018	710,000.00	3.00%	101.208%	094743LK5
July 1, 2019	730,000.00	3.00%	99.657%	094743LL3
July 1, 2020	1,035,000.00	3.50%	101.722%	094743LM1
July 1, 2021	1,925,000.00	3.50%	100.405%	094743LN9
July 1, 2022	2,555,000.00	4.00%	103.075%	094743LP4
July 1, 2023	2,820,000.00	4.00%	101.765%	094743LQ2
July 1, 2024	3,115,000.00	4.00%	100.634%	094743LR0
July 1, 2025	3,550,000.00	4.00%	99.578%	094743LS8
July 1, 2026	4,015,000.00	4.00%	98.574%	094743LT6
July 1, 2027	4,430,000.00	4.00%	97.602%	094743LU3
July 1, 2028	4,870,000.00	4.00%	96.681%	094743LV1
January 1, 2029	2,540,000.00	4.00%	95.907%	094743LW9

$35,955,000
CITY OF BLOOMINGTON, INDIANA
WATERWORKS REVENUE BONDS OF 2011, SERIES B

ENGINEER'S CERTIFICATE

Dated and as of October 26, 2011:

The undersigned hereby certifies that the undersigned is a member of the firm Black & Veatch Corporation, Indianapolis, Indiana, employed by the City of Bloomington, Indiana ("Issuer") as consulting engineer on the construction related to the Issuer's waterworks system (the "Project"), with such Project consisting of the main improvements generally described below (a full description of the Project, certified hereto as to the accuracy of such description, is attached as Exhibit A to the Issuer's Ordinance No. 10-07, adopted May 17, 2010 (the "Authorizing Proceedings")):

- Southeast Water System improvements that include the pump station, ground storage tank and transmission mains;
- Monroe Water Treatment Plant expansion that includes an intake facility pump upgrade, parshall flume/finished water reservoir, flocculation/sedimentation basin, filter building, air/water backwash system, filter-to-waste system, high service pump station, chemical feed system improvements, transfer pump station improvements, electrical substation upgrade and site work; and

further certify based on information known by the undersigned and its experience in similar situations:

1. Plans, specifications and cost estimates for the Project have been approved by all governmental bodies having jurisdiction; after the completion of the Project in accordance with the plans and specifications, the conditions, if any, contained in the approvals from governmental bodies will be met; bids have been advertised for and received for the construction of the Project; contracts for the construction of the Project have been or will be signed within 30 days of the date first above written, which is the issuance date of the Issuer's Waterworks Revenue Bonds of 2011, Series B (the "Bonds"); and notice to proceed orders to the contractors have been or will be promptly issued.

2. Based upon construction cost estimates made by the undersigned for the Project (and bids received related thereto), (a) the total cost of the Project is expected to be in the amount of approximately $42,000,000 ("Project Budget") (which includes non-construction costs (i) related to preconstruction engineering, design and bidding services and costs of approximately $2,724,200, (ii) related to oversight services and costs incurred after commencement of construction of approximately $2,741,215, and (iii) costs related to the issuance of the Bonds such as legal and accounting fees of approximately $5,096,606) , (b) the Issuer has advised it will make such amount available from the proceeds of the Bonds ("Borrowed Funds") for such costs, (c) such Project Budget will, absent unforeseen

circumstances, provide for completion of the construction of the Project according to the plans and specifications and (d) such Project Budget, absent unforeseen circumstances, will be fully expended on the Project.

3. Work on the Project is expected to continue with due diligence to the completion of the Project, including completing any pre-construction activities. It is reasonable for the Issuer to expect that (a) actual construction of the Project will commence within 30 days from the date of this Certificate, (b) the contract documents will provide for the completion of the Project within 620 days from the date of notice to proceed, which is expected to be given within 30 days from the date of this Certificate, (c) amounts made available (i.e., the Borrowed Funds) by the Issuer for the construction of the Project (as described in Paragraph 2 above) will be expended for Project construction or improvement costs during the monthly periods and in the estimated amounts as set forth in Exhibit A attached hereto, (d) such amounts made available by the Issuer for the construction of the Project (as described in Paragraph 2 above) will be fully expended within 90 days following the end of the period described in clause (c) above, and (e) the estimated useful life of the assets anticipated to be purchased or constructed as part of the Project will be as set forth in Exhibit B attached hereto. It is reasonable for the Issuer to expect that the Project will be substantially complete within the periods set out above.

4. Considering the nature of the construction and improvement work and based on experience in similar work, the amount of construction contingencies is a reasonable amount for anticipated change orders and alterations during the construction period. It is reasonable to expect that substantially all of the amounts allocated to construction contingencies will be expended on construction work.

5. In our opinion, the moneys accumulated or to be accumulated by the Issuer for operation and maintenance in the Operation and Maintenance Fund of the waterworks utility and for repairs, replacements, additions and extensions in the Improvement Fund pursuant to the Authorizing Proceedings, authorizing the issuance of the Bonds, are reasonable accumulations for a utility of the size and type operated by the Issuer. It is also our opinion that the Issuer may from time to time find it necessary to expend those repair and maintenance expenses or to pay for improvements, replacements, extensions and additions to the utility.

Given the size of the Issuer's utility and its type, it is reasonable to expect that moneys accumulated in either of the above-mentioned Funds could be expended for the purposes thereof at any given time in whole or in part. Therefore, there can be no reasonable assurance that those moneys would be available for any other expenses of the utility, including debt service on the Bonds, and no purchaser of those Bonds should reasonably expect any moneys held in those Funds to be available to pay debt service on the Bonds.

The date of this certificate is as of the date first above written.

Registered Professional Engineer
License Number 10000024

Donnie H. Ginn
Print Name

Attachments: Exhibit A (Engineer to create and attach) - Showing the Expected Monthly Drawdown to Pay Construction and Engineering Costs.

Exhibit B (Engineer to create and attach) - Showing the Estimated Useful Life of the Project.

EXHIBIT A

Expected Monthly Drawdown to Pay Construction and Engineering Costs

Cith of Bloomington Utilities
Monroe Water Treatment Plant Expansion
Southeast Water System Improvements
Section I -- Southeast Pump Station and Tank
Section II -- Southeast Transmission Mains

	Notice to Proceed	days	Substantial Completion	days	Final Completion
Monrore WTP	10/31/2011	580	6/2/2013	620	7/12/2013
SEWSI Section I	12/30/2011	500	5/13/2013	560	7/12/2013
SEWSI Section II	12/30/2011	460	4/3/2013	520	6/2/2013

Calendar Month	Monroe WTP Construction Cost	SEWSI Section I Construction Cost	SEWSI Section II Construction Cost	Monroe WTP Professional Services	SEWSI Professional Services	SEWSI Land and Easement	Sare/Rogers TM Improvements	Construction Contingencies	Total
October-11				1,302,000	1,422,200				2,724,200
November-11	259,420			85,705	26,256	150,000			521,381
December-11	389,130			85,705	39,384	150,000			664,219
January-12	648,550	135,940	303,599	71,421	91,896				1,251,406
February-12	648,550	203,910	505,999	71,421	78,768			50,000	1,558,648
March-12	648,550	339,850	607,199	71,421	78,768			50,000	1,795,787
April-12	778,260	407,820	809,598	71,421	65,640			50,000	2,182,739
May-12	907,970	475,790	809,598	71,421	65,640			50,000	2,380,419
June-12	907,970	475,790	809,598	85,705	65,640			50,000	2,394,703
July-12	1,037,680	543,760	809,598	85,705	78,768		50,000	50,000	2,655,511
August-12	1,037,680	543,760	809,598	85,705	78,768		50,000	50,000	2,655,511
September-12	907,970	543,760	809,598	85,705	78,768		50,000	50,000	2,525,801
October-12	907,970	543,760	708,399	99,989	91,896		50,000	50,000	2,452,014
November-12	778,260	475,790	708,399	71,421	91,896		50,000	50,000	2,225,765
December-12	648,550	407,820	607,199	71,421	78,768		50,000	50,000	1,913,757
January-13	389,130	407,820	505,999	42,852	65,640		50,000	50,000	1,511,441
February-13	389,130	339,850	505,999	42,852	65,640			50,000	1,393,471
March-13	389,130	271,880	404,799	42,852	52,512			50,000	1,211,174
April-13	389,130	271,880	202,400	42,852	52,512			50,000	1,008,774
May-13	389,130	203,910	101,200	57,137	26,256			50,000	827,632
June-13	259,420	135,940	101,200	57,137	26,256			50,000	629,952
July-13	259,420	67,970		28,568	13,128			50,000	419,086
August-13									
September-13									
October-13									
November-13									
December-13									
SUM	12,971,000	6,797,000	10,119,979	2,730,415	2,735,000	300,000	350,000	900,000	36,903,394

EXHIBIT B

Estimated Useful Life of the Project

Description of Project Item	Useful Life	Amount
Southeast Water System improvements	30 years	$18,016,979
Monroe Water Treatment Plant expansion	30 years	$13,421,000
Total Construction Costs		$31,437,979

Crowe Horwath.

Crowe Horwath LLP
Independent Member Crowe Horwath International

10 West Market Street, Suite 2000
Indianapolis, Indiana 46204-2975
Tel 317.632.1100
Fax 317.635.6127
www.crowehorwath.com

$35,955,000
CITY OF BLOOMINGTON, INDIANA
WATERWORKS REVENUE BONDS OF 2011, SERIES B

CERTIFICATE OF FINANCIAL ADVISOR
DATED OCTOBER 26, 2011

The undersigned is serving the City of Bloomington, Indiana (the "Issuer") in the capacity of financial advisor in connection with the issuance and sale of its Waterworks Revenue Bonds of 2011, Series B (the "Bonds") being issued pursuant to the Issuer's Ordinance No. 10-07 adopted May 17, 2010, (the "Authorizing Proceedings").

The Bonds and interest thereon are payable solely from a sinking fund (the "Sinking Fund") created pursuant to the Authorizing Proceedings to be funded by amounts credited on a monthly basis to the Sinking Fund from the revenues of the Municipal Waterworks Utility (the "Utility") of the Issuer remaining after providing for the payment of reasonable expenses of operation, repair and maintenance. Accordingly, the market requires a reserve as created in the "Reserve Account" within the Sinking Fund (the "Reserve Account"). The Reserve Account is a reserve for the Bonds and the Issuer's (i) Waterworks Revenue Bonds of 2000, Series A ("2000 A Bonds"), (ii) Waterworks Revenue Bonds of 2003, Series A ("2003 A Bonds"), (iii) Waterworks Revenue Bonds of 2003, Series B ("2003 B Bonds"), (iv) Waterworks Refunding Revenue Bonds of 2003 ("2003 Refunding Bonds"), (v) Waterworks Revenue Bonds of 2006 ("2006 Bonds"), and (vi) Waterworks Revenue Bonds of 2011, Series A (the "2011 A Bonds") (collectively, the 2000 A Bonds, 2003 A Bonds, 2003 B Bonds, 2003 Refunding Bonds, 2006 Bonds, and 2011 A Bonds shall be referred to as "Prior Bonds"), which all such bonds constitute a first charge upon the Net Revenues of the Utility.

The Issuer will deposit additional funds as required by the Authorizing Proceedings so that the balance in the reserve account equals, but does not exceed, the maximum annual debt service on the Bonds and Prior Bonds ("Reserve Requirement"). Such accumulation is reasonable and necessary because (1) the payment of the principal of and interest on the Bonds and Prior Bonds, and any Parity Bonds is limited to Net Revenues; (2) the collection of gross revenues may be subject to factors beyond the control of the Issuer; (3) the factors described in clauses (1) and (2) above limit the feasibility of the Issuer adjusting Net Revenues at short notice to compensate for unanticipated shortfalls therein; and (4) the projected coverage for the payment of the principal of and interest on the Bonds and Prior Bonds, and any Parity Bonds is adequate but not excessive. Due to these factors, it is determined by the financial advisor that the Reserve Account is a vital factor in marketing the Bonds and is reasonably required. Thus, in the judgment of the financial advisor, the lack of a reserve fund like the Reserve Account would likely have made the Bonds more difficult to market at present and would likely have increased the interest rate which the Bonds bear.

Nothing has come to our attention in the preparation of the Preliminary Official Statement, dated September 28, 2011, or the Final Official Statement, dated October 12, 2011 (collectively, the "Official Statement") that would lead us to believe that the Official Statement as of its date, or as of the date hereof, to the best of our knowledge and belief, contained or contains any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Pursuant to Treasury Regulation 1.150-1(c), the Bonds and 2011 A Bonds (together, the "2011 Bonds") are treated as a single issue. As financial advisor, we have calculated the yield, pursuant to Treasury Regulation 1.148-4 applicable to the 2011 Bonds as shown in Exhibit C attached to the Issuer's Certificate Re: Non-Arbitrage.

Executed to be effective as of the date first above written.

CROWE HORWATH LLP

By: John R. Skomp

John R. Skomp, Partner

October 26, 2011

City of Bloomington
401 N. Morton Street, P.O. Box 100
Bloomington, Indiana 47402
Attention: Clerk Treasurer

RE: Consent as to an Additional Borrowing Pursuant to the Terms of Qualified Obligations Purchased under the State Revolving Fund Loan Program (SRF Program)

WHEREAS, the City of Bloomington, Indiana (Qualified Entity) issued its Waterworks Revenue Bonds of 2003, Series A dated April 18, 2003, its Waterworks Revenue Bonds of 2003, Series B dated September 5, 2003 and its Waterworks Revenue Bonds of 2000, Series A dated June 23, 2000 (Qualified Obligations) and such Qualified Obligations were purchased under the SRF Program pursuant to the terms of the Financial Assistance Agreements dated April 18, 2003, September 5, 2003 and June 23, 2000 (Financial Assistance Agreements) by and between the Qualified Entity and the State of Indiana (State) acting by and through the State Budget Agency; and

WHEREAS, the Qualified Obligations were issued under and subject to the terms and provisions of Ordinance No. 01-42 (adopted December 5, 2001) and Ordinance No. 99-33 (adopted September 15, 1999) (Authorizing Instruments); and

WHEREAS, the terms and provisions of the Authorizing Instruments require the consent of the State to the creation of certain indebtedness payable from the revenues of the waterworks of the Qualified Entity; and

WHEREAS, the Qualified Entity has requested that the Indiana Finance Authority (Authority), successor in interest to the State, consent to the creation of certain indebtedness payable from the revenues of the waterworks of the Qualified Entity; and

NOW, THEREFORE, solely for purposes of Sections 20 (d) and 21 (e) and (f) of the Authorizing Instruments the Program Representative of the SRF Program, for and on behalf of the Authority, hereby consents to the issuance of its Waterworks Revenue Bonds of 2011, Series B to be dated even herewith (the "Proposed Bond") in the aggregate principal amount of $35,995,000.

This consent shall not, in any manner, be deemed to waive, estop, restrict or otherwise limit the Authority's lawful right to assert that the Qualified Entity (i) has not faithfully performed and complied with each of its obligations, agreements and covenants contained in the Financial Assistance Agreements and the Authorizing Instruments or (ii) is not in compliance with its permits. This consent shall not, in any manner, be deemed to be an amendment to the Authorizing Instruments pursuant to Section 22 of the Authorizing Instruments. This consent shall not, in any manner, be deemed to be evidence of the satisfaction of the conditions contained in Section 20, other than section (d)(i) of the Authorizing Instruments in respect of the Proposed Bond.

INDIANA FINANCE AUTHORITY

BY: ______________________
James P. McGoff,
Director of Environmental Programs

STANDARD & POOR'S

Global Credit Portal®
RatingsDirect®

August 12, 2011

Summary:
Bloomington, Indiana; Water/Sewer

Primary Credit Analyst:
Scott D Garrigan, Chicago (1) 312-233-7014; scott_garrigan@standardandpoors.com

Secondary Contact:
Corey Friedman, Chicago (1) 312-233-7010; corey_friedman@standardandpoors.com

Table Of Contents

Rationale

Outlook

Related Criteria And Research

Summary:

Bloomington, Indiana; Water/Sewer

Credit Profile

US$35.955 mil wtrwks rev bnds of 2011 ser B dtd 10/26/2011 due 01/01/2029 & 07/01/2012-2028

Long Term Rating	AA-/Stable	Affirmed
Bloomington wtwrks		
Unenhanced Rating	AA-(SPUR)/Stable	Affirmed

Many issues are enhanced by bond insurance.

Rationale

Standard & Poor's Ratings Services has assigned its 'AA-' rating and stable outlook to Bloomington, Ind.'s series 2011B waterworks revenue bonds, and affirmed the same rating on the city's previously issued series 2003 waterworks bonds.

The rating reflects the following characteristics:

- An economic base anchored by Indiana University, which we believe adds stability to the city's water revenue base;
- A revenue base that is moderately concentrated. However, top customers, including Indiana University and several wholesale customers providing primarily residential services, add stability to the revenue stream, in our view;
- Rates considered affordable, given the city's adequate income and an unemployment rate that's below both state and national averages;
- Adequate financial performance, with net revenues covering debt service by as little as 1.1x and unrestricted cash that was below 60 days in 2010; and
- Moderate system leverage, in our opinion, combined with limited additional capital and debt needs.

Debt service is secured with net revenues of the water utility. Proceeds will be used to expand the treatment plant's capacity to 30 million gallons and for other capacity-related projects. Bond provisions on the 2011B and all other parity obligations are fairly standard compared to other utility revenue bonds, in our opinion. There will be a debt service reserve funded at the lesser of maximum annual debt service (MADS), 125% of annual average debt service, or 10% of par. Additional bonds can be issued if net revenues for the prior fiscal year, adjusted for approved rate increases, represent at least 1.25x pro forma MADS. Also, rates must be set so as to provide at least 1.2x annual debt service.

The water utility serves 27,623 users among a population of about 69,000 in Bloomington. The city's economic base, as well as 10% of the water utility's revenues, is supported by Indiana University (unlimited student fee bonds rated AA+/Stable; undergraduate enrollment of about 30,000).

Although the utility's revenue base is considered moderately concentrated with the top 10 customers representing 27% of revenue, many of these top customers are among the nine wholesale customers served by the water utility; as with our opinion that the presence of Indiana University adds stability to the utility's revenue stream, we believe that the presence of these wholesale customers, serving primarily residential customers, also underpins the revenue base.

Current and proposed rates are considered affordable, given the city's economic characteristics. Residential rates for $7,500 gallons of use are $22.43 (effective March 2011), which includes a $3.90 monthly service charge and the residential usage charge. Given that median household and per capita effective buying income are both considered adequate at about 80% of national averages, we consider the city's rate structure affordable. Further supporting the competitive profile of the rate structure is an unemployment rate that has stayed below state and national averages (it was 7.1% in 2010). An additional "phase 2" rate increase of about 30% has been approved by the state regulatory body and will be implemented soon after the sale of the 2011 bonds, according to management. Even with this increase, we still view the rate profile as affordable because we believe the utility's limited additional capital and debt needs will help to mitigate the need for large rate increases in the future.

Financial performance has remained adequate in the past four fiscal years. Since 2007, both cash levels and debt service coverage have declined. Management attributes the drop to an increased use of cash for capital expenses, and an unchanged rate structure since 2006 until it was increased in 2011. In 2007, the water utility posted net revenues that covered debt service by 1.6x, and unrestricted cash of $2.4 million (133 days of operations). However, by the end of the 2010 fiscal year (unaudited), the utility had net revenues that provided about 1.2x annual debt service coverage and posted unrestricted cash of $13.1 million (53 days' cash); these are both considered adequate under Standard & Poor's utility credit rating criteria.

For 2011, with the additional rate increase to be implemented, management expects to post about 1.4x MADS coverage and also increase unrestricted cash levels given that the 2011 bond proceeds will help offset capital expenses that would otherwise be funded with cash and that the rate increases include margins for accumulating additional operating reserves. Management has a goal of maintaining unrestricted cash equal to at least 60 days of operations.

After the city issues the series 2011B waterworks bonds, management does not expect to issue more debt within the next five years. System leverage, currently moderate at about 40%, should increase due to the issue. However, we expect that as capital construction is completed, the debt to plant ratio will again return to the 40% level.

Outlook

The stable outlook reflects our view that the rating or outlook should not change within the two-year outlook horizon. The outlook is supported by rate increases that we believe will continue to underpin financial operations and help to produce financial metrics consistent with historical results. However, if there is an unexpected deterioration in the city's revenue base that significantly affects the utility's financial performance, the rating could be lowered. Although financial results have fluctuated somewhat in recent years, we believe that they are still consistent with the rating level. A consistently stronger financial performance would be a key factor for an upgrade.

Related Criteria And Research

USPF Criteria: Standard & Poor's Revises Criteria For Rating Water, Sewer, And Drainage Utility Revenue Bonds, Sept. 15, 2008

Complete ratings information is available to subscribers of RatingsDirect on the Global Credit Portal at www.globalcreditportal.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

Crowe Horwath.

Crowe Horwath LLP
Independent Member Crowe Horwath International

Independent Accountant's Report
on Applying Agreed-Upon Procedures

City of Bloomington
Bloomington, Indiana

We have performed the procedures enumerated below, which were agreed to by the City of Bloomington, Indiana (the "City") (the "Specified Party") solely to assist you with respect to the City's compliance with the requirements that the Net Revenues, as defined in the authorizing documents, adjusted for the increase in rates and charges ("Adjusted Net Revenues") of the City's Municipal Water Utility (the "Water Utility") for the year ended December 31, 2010, are not less than 125% of the combined maximum annual interest and principal requirements of the City of Bloomington, Indiana, Waterworks Revenue Bonds of 2000, Series A (the "2000 A Bonds"), the City of Bloomington, Indiana, Waterworks Revenue Bonds of 2003, Series A (the "2003 A Bonds"), the City of Bloomington, Indiana, Waterworks Revenue Bonds of 2003, Series B (the "2003 B Bonds"), the City of Bloomington, Indiana, Waterworks Refunding Revenue Bonds of 2003 (the "2003 Bonds"), the City of Bloomington, Indiana, Waterworks Revenue Bonds of 2006, Series A (the "2006 A Bonds"), the City of Bloomington, Indiana, Waterworks Revenue Bonds of 2011, Series A (the "2011 A Bonds"), and the City of Bloomington, Indiana, Waterworks Revenue Bonds of 2011, Series B (the "2011 B Bonds" and together with the "2011 A Bonds", the "2011 Bonds") (all of the foregoing, collectively, the "Revenue Bonds"). The City is responsible for being in compliance with those requirements. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Specified Party. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We have performed the procedures enumerated below.

1. The Revenue Bonds' Amortization Schedules as shown on the attached Exhibits C through I were prepared by the City based on the principal amounts, coupon rates and maturity dates as contained in the City's Final Official Statement, Financial Assistance Agreements, or Qualified Entity Purchase Agreement. We compared the principal amounts, coupon rates and maturity dates as shown in the Final Official Statement, Financial Assistance Agreements, or Qualified Entity Purchase Agreement and found them to be in agreement.

2. We compared the fiscal total of the Revenue Bonds from the amortization schedules to the Combined Maximum Annual Interest and Principal Calculation as shown on the attached Exhibit B and found them to be in agreement.

3. The Parity Test as shown on the attached Exhibit A was provided by the City from the records of the City's Water Utility. We compared the operating revenues and operating expenses to the financial statements of the City's Water Utility and found them to be in agreement.

4. We recalculated the Parity Test. The Adjusted Net Revenues on the Parity Test were not less than 125% of the combined maximum annual interest and principal requirements for the Revenue Bonds payable from the Adjusted Net Revenues of the City's Water Utility.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the City's representation or on the accompanying parity test and schedules. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is issued solely for the information and use of the Specified Party and is not intended to be and should not be used by anyone other than the Specified Party. This report is not to be quoted or referred to without our prior written consent except in the opinion of Bingham McHale LLP with respect to the 2011 Bonds and in the closing transcript for the 2011 Bonds. We have no obligation to update this report because of events occurring, or data information coming to our attention subsequent to the date of this report.

Crowe Horwath LLP

Crowe Horwath LLP

Indianapolis, Indiana
October 26, 2011

EXHIBIT A

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Parity Test

Operating Revenues (1)	$	10,537,209
Estimated Increase in Operating Revenues (2)		1,583,484
Estimated Increase in Operating Revenues (3)		3,576,986
Adjusted Operating Revenues		15,697,679
Interest Income (1)		14,571
Less: Operation and Maintenance Expenses (1)		(7,018,506)
Taxes Other Than Income Taxes (1)		(312,584)
Estimated Increase in Taxes Other Than Income Taxes (4)		(227,654)
Adjusted Net Revenues Available for Debt Service		8,153,506
Combined Maximum Annual Principal and Interest		5,639,105
Coverage - $	$	2,514,401
Coverage - %		145%

<u>125% Parity Test</u>

Adjusted Net Revenues Available for Debt Service	$	8,153,506
Less: 125% of Estimated Combined Maximum Annual Principal and Interest		(7,048,881)
Excess Net Revenues Available	$	1,104,625

(1) For the year ended December 31, 2010.
(2) Adjusted for 15.45% rate increase approved by the Indiana Utility Regulatory Commission (IURC) on March 2, 2011 and implemented March 9, 2011.
(3) Adjusted for 30.23% rate increase approved by the IURC on March 2, 2011 to be implemented after closing on the 2011 Bonds, which will be subject to a True-up at the IURC.
(4) Adjusted for the increase in Utlity Receipts Tax due to the rate increases and the 2010 Payment in Lieu of Taxes.

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Combined Maximum Annual Interest and Principal Calculation

Year	2000 SRF Loan	2003 A SRF Loan	2003 B SRF Loan	2003 Refunding Bonds	2006 Bonds	2011 Series A SRF Loan	2011 Series B Bonds	Total	
2011	$ 537,716.50	$ 147,249.50	$ 275,472.00	$ 283,659.38	$ 204,038.50	$ 40,886.03	$ 247,794.44	$ 1,736,816.35	
2012	1,074,554.50	294,466.50	551,133.00	530,984.38	411,798.25	484,010.80	2,017,525.00	5,364,472.43	
2013	1,076,151.00	294,586.00	551,055.00	531,000.00	412,872.00	484,177.55	2,003,175.00	5,353,016.55	
2014	1,075,008.00	295,458.00	551,581.00	539,343.75	413,365.00	483,969.70	1,988,300.00	5,347,025.45	
2015	1,076,140.00	294,082.50	551,661.50	546,493.75	413,250.00	483,387.25	1,978,425.00	5,343,440.00	
2016	1,076,503.50	294,492.50	551,329.50	561,625.00	412,390.25	482,430.20	1,963,325.00	5,342,095.95	
2017	1,076,084.00	294,638.50	551,552.00	554,912.50	410,825.50	486,098.55	1,972,850.00	5,346,961.05	
2018	1,075,867.00	294,520.50	551,312.50	567,637.50	413,717.50	484,205.00	1,961,625.00	5,348,885.00	
2019	1,075,838.00	295,138.50	551,594.50	568,562.50	410,855.00	481,936.85	1,969,950.00	5,353,875.35	
2020	1,075,953.50	295,443.00	551,398.00		412,201.00	484,200.45	2,544,725.00	5,363,920.95	
2021		296,450.50	551,690.00		412,847.25	485,995.80	3,632,412.50	5,379,396.05	
2022		295,144.50	551,454.00		407,694.00	482,229.25	3,654,500.00	5,391,021.75	
2023			551,690.00		411,870.00	482,994.45	3,965,800.00	5,412,354.45	
2024			551,348.50		405,111.25	483,291.40	4,002,800.00	5,442,551.15	
2025					407,723.25	482,932.80	4,587,900.00	5,478,556.05	
2026					409,369.25	487,105.95	4,634,300.00	5,530,775.20	
2027						485,436.25	5,093,300.00	5,578,736.25	
2028						483,204.65	5,155,900.00	5,639,104.65	(1)
Totals	$ 10,219,816.00	$ 3,391,670.50	$ 7,444,271.50	$ 4,684,218.76	$ 6,369,928.00	$ 8,268,492.93	$ 53,374,606.94	$ 93,753,004.63	

Combined Maximum Annual Interest and Principal (1) $ 5,639,104.65

EXHIBIT B

EXHIBIT C

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Waterworks Revenue Bonds of 2000, Series A
State Revolving Fund (SRF) Loan
Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
1/1/12	$ 409,000	2.9 %	$ 128,716.50	$ 537,716.50	$ 537,716.50
7/1/12	415,000	2.9	122,786.00	537,786.00	
1/1/13	420,000	2.9	116,768.50	536,768.50	1,074,554.50
7/1/13	428,000	2.9	110,678.50	538,678.50	
1/1/14	433,000	2.9	104,472.50	537,472.50	1,076,151.00
7/1/14	440,000	2.9	98,194.00	538,194.00	
1/1/15	445,000	2.9	91,814.00	536,814.00	1,075,008.00
7/1/15	454,000	2.9	85,361.50	539,361.50	
1/1/16	458,000	2.9	78,778.50	536,778.50	1,076,140.00
7/1/16	467,000	2.9	72,137.50	539,137.50	
1/1/17	472,000	2.9	65,366.00	537,366.00	1,076,503.50
7/1/17	480,000	2.9	58,522.00	538,522.00	
1/1/18	486,000	2.9	51,562.00	537,562.00	1,076,084.00
7/1/18	494,000	2.9	44,515.00	538,515.00	
1/1/19	500,000	2.9	37,352.00	537,352.00	1,075,867.00
7/1/19	508,000	2.9	30,102.00	538,102.00	
1/1/20	515,000	2.9	22,736.00	537,736.00	1,075,838.00
7/1/20	523,000	2.9	15,268.50	538,268.50	
1/1/21	530,000	2.9	7,685.00	537,685.00	1,075,953.50
Totals	$ 8,877,000		$ 1,342,816.00	$ 10,219,816.00	

EXHIBIT D

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Waterworks Revenue Bonds of 2003, Series A
State Revolving Fund (SRF) Loan
Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
1/1/12	$ 101,000	3.3 %	$ 46,249.50	$ 147,249.50	$ 147,249.50
7/1/12	103,000	3.3	44,583.00	147,583.00	
1/1/13	104,000	3.3	42,883.50	146,883.50	294,466.50
7/1/13	106,000	3.3	41,167.50	147,167.50	
1/1/14	108,000	3.3	39,418.50	147,418.50	294,586.00
7/1/14	110,000	3.3	37,636.50	147,636.50	
1/1/15	112,000	3.3	35,821.50	147,821.50	295,458.00
7/1/15	113,000	3.3	33,973.50	146,973.50	
1/1/16	115,000	3.3	32,109.00	147,109.00	294,082.50
7/1/16	117,000	3.3	30,211.50	147,211.50	
1/1/17	119,000	3.3	28,281.00	147,281.00	294,492.50
7/1/17	121,000	3.3	26,317.50	147,317.50	
1/1/18	123,000	3.3	24,321.00	147,321.00	294,638.50
7/1/18	125,000	3.3	22,291.50	147,291.50	
1/1/19	127,000	3.3	20,229.00	147,229.00	294,520.50
7/1/19	129,000	3.3	18,133.50	147,133.50	
1/1/20	132,000	3.3	16,005.00	148,005.00	295,138.50
7/1/20	134,000	3.3	13,827.00	147,827.00	
1/1/21	136,000	3.3	11,616.00	147,616.00	295,443.00
7/1/21	139,000	3.3	9,372.00	148,372.00	
1/1/22	141,000	3.3	7,078.50	148,078.50	296,450.50
7/1/22	143,000	3.3	4,752.00	147,752.00	
1/1/23	145,000	3.3	2,392.50	147,392.50	295,144.50
Totals	$ 2,803,000		$ 588,670.50	$ 3,391,670.50	

EXHIBIT E

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Waterworks Revenue Bonds of 2003, Series B
State Revolving Fund (SRF) Loan
Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
1/1/12	$ 177,000	3.3 %	$ 98,472.00	$ 275,472.00	$ 275,472.00
7/1/12	180,000	3.3	95,551.50	275,551.50	
1/1/13	183,000	3.3	92,581.50	275,581.50	551,133.00
7/1/13	186,000	3.3	89,562.00	275,562.00	
1/1/14	189,000	3.3	86,493.00	275,493.00	551,055.00
7/1/14	192,000	3.3	83,374.50	275,374.50	
1/1/15	196,000	3.3	80,206.50	276,206.50	551,581.00
7/1/15	199,000	3.3	76,972.50	275,972.50	
1/1/16	202,000	3.3	73,689.00	275,689.00	551,661.50
7/1/16	205,000	3.3	70,356.00	275,356.00	
1/1/17	209,000	3.3	66,973.50	275,973.50	551,329.50
7/1/17	212,000	3.3	63,525.00	275,525.00	
1/1/18	216,000	3.3	60,027.00	276,027.00	551,552.00
7/1/18	219,000	3.3	56,463.00	275,463.00	
1/1/19	223,000	3.3	52,849.50	275,849.50	551,312.50
7/1/19	227,000	3.3	49,170.00	276,170.00	
1/1/20	230,000	3.3	45,424.50	275,424.50	551,594.50
7/1/20	234,000	3.3	41,629.50	275,629.50	
1/1/21	238,000	3.3	37,768.50	275,768.50	551,398.00
7/1/21	242,000	3.3	33,841.50	275,841.50	
1/1/22	246,000	3.3	29,848.50	275,848.50	551,690.00
7/1/22	250,000	3.3	25,789.50	275,789.50	
1/1/23	254,000	3.3	21,664.50	275,664.50	551,454.00
7/1/23	258,000	3.3	17,473.50	275,473.50	
1/1/24	263,000	3.3	13,216.50	276,216.50	551,690.00
7/1/24	267,000	3.3	8,877.00	275,877.00	
1/1/25	271,000	3.3	4,471.50	275,471.50	551,348.50
Totals	$ 5,968,000		$ 1,476,271.50	$ 7,444,271.50	

EXHIBIT F

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Waterworks Refunding Revenue Bonds of 2003
Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
1/1/12	$ 200,000	3.875 %	$ 83,659.38	$ 283,659.38	$ 283,659.38
7/1/12	185,000	3.875	79,784.38	264,784.38	
1/1/13	190,000	4.000	76,200.00	266,200.00	530,984.38
7/1/13	190,000	4.000	72,400.00	262,400.00	
1/1/14	200,000	4.250	68,600.00	268,600.00	531,000.00
7/1/14	205,000	4.250	64,350.00	269,350.00	
1/1/15	210,000	4.250	59,993.75	269,993.75	539,343.75
7/1/15	215,000	4.250	55,531.25	270,531.25	
1/1/16	225,000	4.500	50,962.50	275,962.50	546,493.75
7/1/16	230,000	4.500	45,900.00	275,900.00	
1/1/17	245,000	4.500	40,725.00	285,725.00	561,625.00
7/1/17	245,000	4.500	35,212.50	280,212.50	
1/1/18	245,000	4.500	29,700.00	274,700.00	554,912.50
7/1/18	255,000	4.500	24,187.50	279,187.50	
1/1/19	270,000	4.500	18,450.00	288,450.00	567,637.50
7/1/19	275,000	4.500	12,375.00	287,375.00	
1/1/20	275,000	4.500	6,187.50	281,187.50	568,562.50
Totals	$ 3,860,000		$ 824,218.76	$ 4,684,218.76	

EXHIBIT G

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Waterworks Revenue Bonds of 2006, Series A
Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
1/1/12	$ 100,000	4.10 %	$ 104,038.50	$ 204,038.50	$ 204,038.50
7/1/12	105,000	4.15	101,988.50	206,988.50	
1/1/13	105,000	4.20	99,809.75	204,809.75	411,798.25
7/1/13	110,000	4.25	97,604.75	207,604.75	
1/1/14	110,000	4.27	95,267.25	205,267.25	412,872.00
7/1/14	115,000	4.30	92,918.75	207,918.75	
1/1/15	115,000	4.35	90,446.25	205,446.25	413,365.00
7/1/15	120,000	4.40	87,945.00	207,945.00	
1/1/16	120,000	4.48	85,305.00	205,305.00	413,250.00
7/1/16	125,000	4.55	82,617.00	207,617.00	
1/1/17	125,000	4.59	79,773.25	204,773.25	412,390.25
7/1/17	130,000	4.59	76,904.50	206,904.50	
1/1/18	130,000	4.62	73,921.00	203,921.00	410,825.50
7/1/18	135,000	4.62	70,918.00	205,918.00	
1/1/19	140,000	4.64	67,799.50	207,799.50	413,717.50
7/1/19	140,000	4.64	64,551.50	204,551.50	
1/1/20	145,000	4.73	61,303.50	206,303.50	410,855.00
7/1/20	150,000	4.73	57,874.25	207,874.25	
1/1/21	150,000	4.75	54,326.75	204,326.75	412,201.00
7/1/21	155,000	4.75	50,764.25	205,764.25	
1/1/22	160,000	4.78	47,083.00	207,083.00	412,847.25
7/1/22	160,000	4.78	43,259.00	203,259.00	
1/1/23	165,000	4.80	39,435.00	204,435.00	407,694.00
7/1/23	170,000	4.80	35,475.00	205,475.00	
1/1/24	175,000	4.83	31,395.00	206,395.00	411,870.00
7/1/24	175,000	4.83	27,168.75	202,168.75	
1/1/25	180,000	4.83	22,942.50	202,942.50	405,111.25
7/1/25	185,000	4.83	18,595.50	203,595.50	
1/1/26	190,000	4.83	14,127.75	204,127.75	407,723.25
7/1/26	195,000	4.83	9,539.25	204,539.25	
1/1/27	200,000	4.83	4,830.00	204,830.00	409,369.25
Totals	$ 4,480,000		$ 1,889,928.00	$ 6,369,928.00	

EXHIBIT H

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Waterworks Revenue Bonds of 2011, Series A
State Revolving Fund (SRF) Loan
Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
1/1/12			$ 40,886.03	$ 40,886.03	$ 40,886.03
7/1/12	$ 130,000	3.746 %	113,222.85	243,222.85	
1/1/13	130,000	3.746	110,787.95	240,787.95	484,010.80
7/1/13	135,000	3.746	108,353.05	243,353.05	
1/1/14	135,000	3.746	105,824.50	240,824.50	484,177.55
7/1/14	140,000	3.746	103,295.95	243,295.95	
1/1/15	140,000	3.746	100,673.75	240,673.75	483,969.70
7/1/15	145,000	3.746	98,051.55	243,051.55	
1/1/16	145,000	3.746	95,335.70	240,335.70	483,387.25
7/1/16	150,000	3.746	92,619.85	242,619.85	
1/1/17	150,000	3.746	89,810.35	239,810.35	482,430.20
7/1/17	155,000	3.746	87,000.85	242,000.85	
1/1/18	160,000	3.746	84,097.70	244,097.70	486,098.55
7/1/18	160,000	3.746	81,100.90	241,100.90	
1/1/19	165,000	3.746	78,104.10	243,104.10	484,205.00
7/1/19	165,000	3.746	75,013.65	240,013.65	
1/1/20	170,000	3.746	71,923.20	241,923.20	481,936.85
7/1/20	175,000	3.746	68,739.10	243,739.10	
1/1/21	175,000	3.746	65,461.35	240,461.35	484,200.45
7/1/21	180,000	3.746	62,183.60	242,183.60	
1/1/22	185,000	3.746	58,812.20	243,812.20	485,995.80
7/1/22	185,000	3.746	55,347.15	240,347.15	
1/1/23	190,000	3.746	51,882.10	241,882.10	482,229.25
7/1/23	195,000	3.746	48,323.40	243,323.40	
1/1/24	195,000	3.746	44,671.05	239,671.05	482,994.45
7/1/24	200,000	3.746	41,018.70	241,018.70	
1/1/25	205,000	3.746	37,272.70	242,272.70	483,291.40
7/1/25	210,000	3.746	33,433.05	243,433.05	
1/1/26	210,000	3.746	29,499.75	239,499.75	482,932.80
7/1/26	215,000	3.746	25,566.45	240,566.45	
1/1/27	225,000	3.746	21,539.50	246,539.50	487,105.95
7/1/27	225,000	3.746	17,325.25	242,325.25	
1/1/28	230,000	3.746	13,111.00	243,111.00	485,436.25
7/1/28	235,000	3.746	8,803.10	243,803.10	
1/1/29	235,000	3.746	4,401.55	239,401.55	483,204.65
Totals	$ 6,045,000		$ 2,223,492.93	$ 8,268,492.93	

EXHIBIT I

BLOOMINGTON MUNICIPAL WATER UTILITY
Bloomington, Indiana

Waterworks Revenue Bonds of 2011, Series B
Amortization Schedule

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
1/1/12			$ 247,794.44	$ 247,794.44	$ 247,794.44
7/1/12	$ 325,000	3.00 %	686,200.00	1,011,200.00	
1/1/13	325,000	3.00	681,325.00	1,006,325.00	2,017,525.00
7/1/13	315,000	3.00	676,450.00	991,450.00	
1/1/14	340,000	3.00	671,725.00	1,011,725.00	2,003,175.00
7/1/14	330,000	3.00	666,625.00	996,625.00	
1/1/15	330,000	3.00	661,675.00	991,675.00	1,988,300.00
7/1/15	335,000	3.00	656,725.00	991,725.00	
1/1/16	335,000	3.00	651,700.00	986,700.00	1,978,425.00
7/1/16	335,000	3.00	646,675.00	981,675.00	
1/1/17	340,000	3.00	641,650.00	981,650.00	1,963,325.00
7/1/17	350,000	3.00	636,550.00	986,550.00	
1/1/18	355,000	3.00	631,300.00	986,300.00	1,972,850.00
7/1/18	355,000	3.00	625,975.00	980,975.00	
1/1/19	360,000	3.00	620,650.00	980,650.00	1,961,625.00
7/1/19	370,000	3.00	615,250.00	985,250.00	
1/1/20	375,000	3.50	609,700.00	984,700.00	1,969,950.00
7/1/20	660,000	3.50	603,137.50	1,263,137.50	
1/1/21	690,000	3.50	591,587.50	1,281,587.50	2,544,725.00
7/1/21	1,235,000	3.50	579,512.50	1,814,512.50	
1/1/22	1,260,000	4.00	557,900.00	1,817,900.00	3,632,412.50
7/1/22	1,295,000	4.00	532,700.00	1,827,700.00	
1/1/23	1,320,000	4.00	506,800.00	1,826,800.00	3,654,500.00
7/1/23	1,500,000	4.00	480,400.00	1,980,400.00	
1/1/24	1,535,000	4.00	450,400.00	1,985,400.00	3,965,800.00
7/1/24	1,580,000	4.00	419,700.00	1,999,700.00	
1/1/25	1,615,000	4.00	388,100.00	2,003,100.00	4,002,800.00
7/1/25	1,935,000	4.00	355,800.00	2,290,800.00	
1/1/26	1,980,000	4.00	317,100.00	2,297,100.00	4,587,900.00
7/1/26	2,035,000	4.00	277,500.00	2,312,500.00	
1/1/27	2,085,000	4.00	236,800.00	2,321,800.00	4,634,300.00
7/1/27	2,345,000	4.00	195,100.00	2,540,100.00	
1/1/28	2,405,000	4.00	148,200.00	2,553,200.00	5,093,300.00
7/1/28	2,465,000	4.00	100,100.00	2,565,100.00	
1/1/29	2,540,000	4.00	50,800.00	2,590,800.00	5,155,900.00
Totals	$ 35,955,000		$ 17,419,606.94	$ 53,374,606.94	

Bingham McHale LLP
ATTORNEYS AT LAW

Hans W. Steck
Government Department Chair
317.635.8900
hsteck@binghammchale.com

October 27, 2011

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Internal Revenue Service
Ogden, Utah 84201

Re: City of Bloomington, Indiana
Waterworks Revenue Bonds of 2011, Series A and Series B
Total Issue: $42,000,000
Original Issue Date: October 26, 2011
Form 8038-G Filing

Ladies and Gentlemen:

We are filing the enclosed Form 8038-G in connection with the following obligations issued by City of Bloomington, Indiana:

* Waterworks Revenue Bonds of 2011, Series A and Series B.

Also enclosed is a photocopy of the Form 8038-G and a self-addressed, stamped envelope. We would ask that you mark the photocopy as having been received by the Internal Revenue Service and return them to us in the enclosed envelope. Thank you for your assistance in this matter.

Very truly yours,

Hans W. Steck

Hans W. Steck

HWS/jmj 1625084
Enclosures

Form **8038-G** (Rev. September 2011) Department of the Treasury Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)
▶ See separate instructions.
Caution: *If the issue price is under $100,000, use Form 8038-GC.*

OMB No. 1545-0720

Part I Reporting Authority

If Amended Return, check here ▶ ☐

1 Issuer's name CITY OF BLOOMINGTON, INDIANA	2 Issuer's employer identification number (EIN) 35-6000954
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) Hans W. Steck	3b Telephone number of other person shown on 3a 317-635-8900
4 Number and street (or P.O. box if mail is not delivered to street address) 401 N. MORTON · Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code Bloomington, Indiana 47402	7 Date of issue October 26, 2011
8 Name of issue Waterworks Revenue Bonds of 2011, Series A and Series B	9 CUSIP number 094743 LW9
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Michael Trexler, Controller	10b Telephone number of officer or other employee shown on 10a 812-349-3416

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11	Education	11	
12	Health and hospital	12	
13	Transportation	13	
14	Public safety	14	
15	Environment (including sewage bonds)	15	
16	Housing	16	
17	Utilities	17	41,853,884.95
18	Other. Describe ▶	18	
19	If obligations are TANs or RANs, check only box 19a ▶ ☐		
	If obligations are BANs, check only box 19b ▶ ☐		
20	If obligations are in the form of a lease or installment sale, check box ▶ ☐		

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	1/1/2029	$ 41,853,884.95	$ 42,000,000	11.9188 years	3.9282772 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22	
23	Issue price of entire issue (enter amount from line 21, column (b))			23	41,853,884.95
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	827,885		
25	Proceeds used for credit enhancement	25	-0-		
26	Proceeds allocated to reasonably required reserve or replacement fund	26	4,082,605.95		
27	Proceeds used to currently refund prior issues	27	-0-		
28	Proceeds used to advance refund prior issues	28	-0-		
29	Total (add lines 24 through 28)			29	4,910,490.95
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	36,943,394.00

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31	Enter the remaining weighted average maturity of the bonds to be currently refunded ▶	N/A years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded ▶	N/A years
33	Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) ▶	N/A
34	Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)	

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) 35

36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) 36a

b Enter the final maturity date of the GIC ▶

c Enter the name of the GIC provider ▶

37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units 37

38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☒ and enter the following information: *

b Enter the date of the master pool obligation ▶ October 26, 2011

c Enter the EIN of the issuer of the master pool obligation ▶ 35-1602316

d Enter the name of the issuer of the master pool obligation ▶ Indiana Finance Authority

39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box . . . . ▶ ☐

40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box . . . . ▶ ☐

41a If the issuer has identified a hedge, check here ▶ ☐ and enter the following information:

b Name of hedge provider ▶

c Type of hedge ▶

d Term of hedge ▶

42 If the issuer has superintegrated the hedge, check box . . . . ▶ ☐

43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box . . . . ▶ ☒

44 If the issuer has established written procedures to monitor the requirements of section 148, check box . . . . ▶ ☒

45a If some portion of the proceeds was used to reimburse expenditures, check here ▶ ☒ and enter the amount of reimbursement . . . . ▶ $2,724,200

b Enter the date the official intent was adopted ▶ March 30, 2009

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Signature of issuer's authorized representative	Date	Type or print name and title
[signature]	10/26/11	Michael Trexler, Controller

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Hans W. Steck	[signature]	10/26/11		P01078128

Firm's name ▶ Bingham McHale LLP — Firm's EIN ▶ 35-0854235

Firm's address ▶ 2700 Market Tower, 10 W. Market St. Indianapolis, IN 46204 — Phone no. 317-635-8900

*Applicable to $6,045,000 Series A only

Blanket Issuer Letter of Representations
[To be Completed by Issuer]

City of Bloomington, Indiana
[Name of Issuer]

September 29, 1998
[Date]

Attention: Underwriting Department — Eligibility
The Depository Trust Company
55 Water Street; 50th Floor
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:
Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By: Rolyn Brandt

Very truly yours,

City of Bloomington, Indiana
(Issuer)

By: Jeffrey H. Underwood
(Authorized Officer's Signature)

Jeffrey H. Underwood, Controller
(Typewrite Name & Title)

City Hall, 401 N. Morton Street
(Street Address)

Bloomington, Indiana 47402
(City) (State) (Zip)

(812) 349-3408
(Phone Number)

SCHEDULE A

SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

([illegible]red by DTC—bracketed material may be applicable only to certain issues)

1. [illegible] Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the [illegible] Securities"). The Securities will be issued as fully-registered securities registered in the [illegible] & Co. (DTC's partnership nominee). One fully-registered Security certificate will be [illegible] issue of] the Securities, [each] in the aggregate principal amount of such issue, and will [illegible] with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $200 [illegible] certificate will be issued with respect to each $200 million of principal amount and an [illegible] certificate will be issued with respect to any remaining principal amount of such issue.]

[illegible] limited-purpose trust company organized under the New York Banking Law, a "banking [illegible] within the meaning of the New York Banking Law, a member of the Federal Reserve [illegible] clearing corporation" within the meaning of the New York Uniform Commercial Code, and a [illegible] agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of [illegible] holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates [illegible] among Participants of securities transactions, such as transfers and pledges, in deposited [illegible] through electronic computerized book-entry changes in Participants' accounts, thereby [illegible] the need for physical movement of securities certificates. Direct Participants include [illegible] brokers and dealers, banks, trust companies, clearing corporations, and certain other [illegible]. DTC is owned by a number of its Direct Participants and by the New York Stock [illegible] Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers. [illegible] to the DTC system is also available to others such as securities brokers and dealers, banks, [illegible] companies that clear through or maintain a custodial relationship with a Direct Participant, [illegible] directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants [illegible] with the Securities and Exchange Commission.

[illegible] Purchases of Securities under the DTC system must be made by or through Direct Participants, [illegible] receive a credit for the Securities on DTC's records. The ownership interest of each actual [illegible] of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect [illegible]'s records. Beneficial Owners will not receive written confirmation from DTC of their [illegible] but Beneficial Owners are expected to receive written confirmations providing details of the [illegible], as well as periodic statements of their holdings, from the Direct or Indirect Participant [illegible] which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the [illegible] are to be accomplished by entries made on the books of Participants acting on behalf of [illegible] Owners. Beneficial Owners will not receive certificates representing their ownership interests [illegible] Securities, except in the event that use of the book-entry system for the Securities is discontinued.

[illegible] To facilitate subsequent transfers, all Securities deposited by Participants with DTC are registered [illegible] name of DTC's partnership nominee, Cede & Co. The deposit of Securities with DTC and their [illegible] registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no [illegible] knowledge of the actual Beneficial Owners of the Securities: DTC's records reflect only the identity of [illegible] Direct Participants to whose accounts such Securities are credited, which may or may not be the [illegible] Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on [illegible] of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

[6. Redemption notices shall be sent to Cede & Co. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. will consent or vote with respect to Securities. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal and interest payments on the Securities will be made to DTC. DTC's practice is to credit Direct Participants' accounts on payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer or the Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with a demand for purchase or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records.]

10. DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to the Issuer or the Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

11. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

Corporation Counsel
Margie K. Rice

City Attorney
Vickie Renfrow

City of Bloomington
Legal Department

Assistant City Attorneys
Susan Failey
Barbara E. McKinney
Jacquelyn F. Moore
Patricia M. Mulvihill
Inge Van der Cruysse
Michael M. Rouker

October 26, 2011

City of Bloomington, Indiana
Bloomington, Indiana

Bingham McHale, LLP
2700 Market Tower
10 West Market Street
Indianapolis, IN 46204-2982

RE: City of Bloomington, Indiana
Waterworks Revenue Bonds of 2011, Series A and Waterworks Revenue Bonds of 2011, Series B (collectively, the "Bonds")
Original Issue Date: October 26, 2011

Ladies and Gentlemen:

The undersigned is counsel for the City of Bloomington, Indiana (the "Issuer"), a municipality under the laws of the State of Indiana and in such capacity has examined and is familiar with the following:

(a) The Issuer's Bonds (collectively the "Bonds"), each originally dated as of October 26, 2011 and all other documents related thereto;

(b) The proceedings of the Common Council (the "Legislative Body") of the Issuer relating to the authorization of the execution, issuance and delivery of the Bonds, including particularly, Ordinance No. 10-07 adopted May 17, 2011, as referenced in the Issuer's General Certificate dated even herewith (the "Authorizing Proceedings"); and

(c) The applicable Constitutional provisions and laws of the State of Indiana.

I have also made such other investigations of fact and law, examined such documents, obtained such certificates from public officials and officers of the Issuer, and have done such other things as I have determined necessary to render this opinion.

Based upon the foregoing, I am of the opinion that:

(1) The Issuer is a duly constituted municipality of the State of Indiana, validly existing under the Constitution and laws of the State of Indiana, and the Issuer has the power and authority to issue the Bonds, and to carry out and consummate all transactions contemplated thereby and by

the Authorizing Proceedings. Neither the corporate existence nor the boundaries of said issuing unit, or the title of the Issuer's officers to their respective offices is being contested.

(2) The Issuer has complied with all the requirements of Indiana law with respect to the authorization, execution and delivery of the Bonds.

(3) The Authorizing Proceedings adopted by the Issuer relating to the Bonds, and all the related proceedings comply with all rules and regulations of the Legislative Body of the Issuer.

(4) To the best of my knowledge, after reasonable investigation, the Issuer is not in any material way in breach of or default under (i) any applicable law or administrative regulation of the State of Indiana or the United States or any applicable judgment or decree, or (ii) any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or by which it or its properties are otherwise subject or bound, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute an event of default under such instrument; to the best of my knowledge, after reasonable investigation, the authorization, issuance, execution and delivery of the Bonds, the consummation of the transactions contemplated by the Authorizing Proceedings and the fulfillment of or the compliance with the terms and conditions thereof, will not conflict with or constitute a violation or breach of or default under any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution or other instrument to which the Issuer is a party or by which it or its utility are otherwise subject or bound or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Issuer, which conflict, violate, breach, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transaction contemplated by the Authorizing Proceedings or the financial condition, assets, properties or operation of the Issuer or its such properties.

(5) To the best of my knowledge, after reasonable investigation, there is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority or any public board, regulatory agency or body pending or threatened, nor is there any basis for such, against or affecting the existence of the Issuer or its officers to their respective offices or seeking to prohibit, restrain or enjoin the issuance, execution and delivery of the Bonds, or in any way contesting or affecting the Issuer, or its assets, properties or operations which, if determined adversely to the Issuer or its interests, would have a material and adverse affect upon the consummation of the transactions contemplated by the Authorizing Proceedings.

(6) The Authorizing Proceedings authorizing the execution and delivery of the Bonds, and otherwise relating to the transactions which are the subject of this opinion, was validly adopted, and to the best of my knowledge, after reasonable investigation, has not been amended, modified or rescinded and remain in full force and effect.

(7) To the best of my knowledge, after reasonable investigation, there is no stop order in effect suspending the issuance, execution and delivery of the Bonds, and no proceedings for the purpose are pending before or threatened by the Securities and Exchange Commission or any regulatory body in the State of Indiana.

(8) In connection with the issuance of the Bonds, all necessary petitions, determinations, notices, hearings and other necessary actions have been furnished, had and done.

(9) I have reviewed the certificates of the Issuer contained in the Transcript of which this opinion is a part, in connection with the Bonds and nothing has come to my attention that would render the representations therein untrue, inaccurate or in any material way misleading.

Sincerely,

Vickie Renfrow
City Attorney

Bingham McHale LLP
ATTORNEYS AT LAW

October 26, 2011

City of Bloomington
Bloomington, Indiana

Re: City of Bloomington, Indiana
Waterworks Revenue Bonds of 2011, Series B
Total Issue: $35,955,000
Original Issue Date: October 26, 2011

Ladies and Gentlemen:

We have acted as bond counsel to the City of Bloomington (the "Issuer") in connection with the issuance of its Waterworks Revenue Bonds of 2011, Series B, dated October 26, 2011, in the aggregate principal amount of $33,955,000 (the "2011 B Bonds"), pursuant to Indiana Code 8-1.5-2 and 8-1.5-3, and other applicable laws, as amended, (collectively, the "Act") and Ordinance 10-07 adopted by the Common Council (the "Common Council") of the Issuer on May 17, 2010 (the "Bond Ordinance").

In such capacity, we have examined such law and such certified proceedings, certifications and other documents as we have deemed necessary to render this opinion. We have relied upon the certified transcript of proceedings and other certificates of public officials, including the Issuer's tax covenants and representations (collectively, "Tax Covenants"), and we have not undertaken to verify any facts by independent investigation.

Under the Bond Ordinance, the Issuer has pledged, on a parity basis, the Net Revenues of the System (both as defined in the Bond Ordinance) for the payment, when due, of the principal of and interest on the Issuer's currently outstanding (i) Waterworks Revenue Bonds of 2000, Series A, dated June 23, 2000, now outstanding in an aggregate principal amount of $8,877,000 and maturing semi-annually over a period ending not later than January 1, 2021; (ii) Waterworks Revenue Bonds of 2003, Series A, dated April 18, 2003, now outstanding in an aggregate principal amount of $2,803,000 and maturing semi-annually over a period ending not later than January 1, 2023; (iii) the Waterworks Revenue Bonds of 2003, Series B, dated September 5, 2003, now outstanding in an aggregate principal amount of $5,968,000 and maturing semi-annually over a period ending not later than January 1, 2025; and (iv) the Waterworks Refunding Revenue Bonds of 2003, dated July 23, 2003, now outstanding in an aggregate principal amount of $3,860,000 and maturing semi-annually over a period ending not later than January 1, 2020; (v) the Waterworks Revenue Bonds of 2006, dated May 4, 2006, now outstanding in an aggregate principal amount of $4,480,000 and maturing semi-annually over a period ending not later than January 1, 2027; and (vi) Waterworks Revenue Bonds of 2011, Series A (the "2011 A Bonds"), dated October 26, 2011, now outstanding in an aggregate principal amount of

$6,045,000, and 2011 B Bonds and any other bonds of equal standing which are hereafter issued within the restrictions of the Bond Ordinance (collectively, the "Bonds").

Regarding questions of fact material to our opinion, we have relied on representations of the Issuer contained in the Bond Ordinance, the certified proceedings and other certifications of public officials furnished to us, and certifications, representations and other information furnished to us by or on behalf of the Issuer and others, without undertaking to verify the same by independent investigation. We have relied upon the legal opinion of Vickie Renfrow, City Attorney, Bloomington, Indiana, counsel to the Issuer, dated the date hereof, as to the matters stated therein.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Issuer is a municipality validly existing under the laws of the State of Indiana (the "State"), with the corporate power to adopt the Bond Ordinance and perform its obligations thereunder and to issue the 2011 B Bonds.

2. The 2011 B Bonds have been duly authorized, executed and delivered by the Issuer and are valid and binding limited obligations of the Issuer, enforceable in accordance with their terms. The 2011 B Bonds are payable solely from the Net Revenues of the System and other funds provided therefore in the Bond Ordinance on a parity with the 2000 Bonds, 2003 A Bonds, 2003 B Bonds, 2003 Refunding Bonds, 2006 Bonds, the 2011 A Bonds and any other Bonds hereafter issued in accordance with the Bond Ordinance.

3. The Bond Ordinance has been duly adopted by the Common Council and is a valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms.

4. Under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on this date (the "Code"), the interest on the 2011 B Bonds is excludable from gross income for federal income tax purposes. The opinion set forth in this paragraph is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the 2011 B Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted or represented that it will comply with such requirements. Failure to comply with certain of such requirements may cause the interest on the 2011 B Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the 2011 B Bonds.

5. Under State statutes in effect on this date, interest on the 2011 B Bonds is exempt from income taxation in the State for all purposes, except the State financial institutions tax.

We express no opinion regarding any tax consequences arising with respect to the 2011 B Bonds, other than as expressly set forth herein.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the 2011 B Bonds, and we express no opinion relating thereto.

With respect to the enforceability of any document or instrument, this opinion is subject to the qualifications that: (i) the enforceability of such document or instrument may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance and similar laws relating to or affecting the enforcement of creditors' rights; (ii) the enforceability of equitable rights and remedies provided for in such document or instrument is subject to judicial discretion, and the enforceability of such document or instrument may be limited by general principles of equity; (iii) the enforceability of such document or instrument may be limited by public policy; and (iv) certain remedial, waiver and other provisions of such document or instrument may be unenforceable, provided, however, that, in our opinion, the unenforceability of those provisions would not, subject to the other qualifications set forth herein, affect the validity of such document or instrument or prevent the practical realization of the benefits thereof.

This opinion is given only as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

Bingham McHale LLP