

*In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana ("Bond Counsel"), under existing laws, interest on the 2012A Bonds (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 Bonds (the "Code"). Interest on the 2012B Bonds (as hereinafter defined) is **not** excludable from gross income for federal income tax purposes. In the opinion of Bond Counsel, under existing laws, interest on the 2012A Bonds and the 2012B Bonds is exempt from income taxation in the State of Indiana for all purposes except for the Indiana financial institutions tax. See "TAX MATTERS" herein and APPENDIX E hereto.*

\$185,145,000

**CITY OF CARMEL (INDIANA)
REDEVELOPMENT AUTHORITY**

\$115,900,000

**Lease Rental Revenue Multipurpose
Bonds, Series 2012A**

\$69,245,000

**Lease Rental Revenue Multipurpose
Bonds, Series 2012B (Taxable)**

Original Date: Date of Delivery

Due: As shown on inside front cover

The City of Carmel Redevelopment Authority (the "Authority") is issuing \$115,900,000 of Lease Rental Revenue Multipurpose Bonds, Series 2012A (the "2012A Bonds") and \$69,245,000 Lease Rental Revenue Multipurpose Bonds, Series 2012B (Taxable) (the "2012B Bonds") and together with the 2012A Bonds, the "Bonds") (a) to finance the acquisition by the Authority from the City of Carmel, Indiana (the "City") of all or a portion of the existing Keystone Avenue right-of-way between 116th Street and U.S. 31 located in the City (the "Leased Premises" as further defined herein) and the use by the City of the proceeds of such sale (i) to refund, or cause to be refunded, certain outstanding obligations of the City and/or the District identified by the Common Council of the City (the "Common Council") in the Council Ordinance (as defined hereinafter) of the Common Council (clause (a)(i) the "Refunding"), (ii) to pay expenses associated with terminating certain outstanding obligations and (iii) to finance or reimburse the cost of the construction, renovation, improvement and/or equipping of the projects identified in the Council Ordinance of the Common Council (clause (a)(iii) the "New Project"); (b) to pay the premium for a debt service reserve fund credit facility; and (c) to pay costs of issuance of the Bonds (clauses (a) through and including (c), collectively, the "Project"). The Leased Premises will be leased by the Authority to the City of Carmel Redevelopment Commission (the "Commission").

The Bonds are secured by and payable from fixed, semiannual lease rental payments (the "Lease Rentals") to be paid by the Commission to The Huntington National Bank, as trustee (the "Trustee") under a Trust Indenture between the Authority and the Trustee dated as of December 1, 2012 (the "Indenture") and the Lease (defined herein) between the Commission and the Authority. **SUCH LEASE RENTALS ARE PAYABLE FROM REVENUES TO BE DERIVED FROM A SPECIAL BENEFITS TAX (AN AD VALOREM PROPERTY TAX) TO BE LIEVED AND COLLECTED BY THE COMMISSION ON ALL TAXABLE PROPERTY WITHIN THE GEOGRAPHICAL BOUNDARIES OF THE CITY OF CARMEL REDEVELOPMENT DISTRICT (THE "DISTRICT") PURSUANT TO INDIANA CODE § 36-7-14-27;** provided, however, the Commission has reserved the right and reasonably expects, but is not required, to pay the Lease Rentals from tax increment revenues derived from several allocation areas in the District pursuant to Ind. Code § 36-7-14-39 or other legally available revenues of the Commission. The Bonds are further secured by a debt service reserve fund established under the Indenture.

The Bonds will be issued only as fully registered bonds, and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). Purchases of beneficial interests in the Bonds will be made in book-entry-only form in the denomination of \$5,000 or any integral multiples thereof. Purchasers of beneficial interests in the Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interests in the Bonds. Interest on the Bonds will be payable semiannually on February 1 and August 1 of each year, beginning August 1, 2013. Principal and interest will be disbursed on behalf of the Authority by the Trustee, The Huntington National Bank, which will serve as Registrar and Paying Agent for the Bonds pursuant to the Indenture (the "Registrar" and "Paying Agent"). Interest on the Bonds will be paid by check, mailed one business day prior to the interest payment date or by wire transfer to depositories. The principal of and premium, if any, on the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Paying Agent in Indianapolis, Indiana. Interest on, together with the principal of, the Bonds will be paid directly to DTC by the Paying Agent so long as DTC or its nominee is the registered owner of the Bonds. The final disbursement of such payments to the Beneficial Owners of the Bonds will be the responsibility of the DTC Participants and the Indirect Participants. See "BOOK-ENTRY-ONLY SYSTEM".

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity, all as more fully described herein. See "THE BONDS – Redemption of Bonds" herein.

(A detailed maturity schedule is set forth on the inside cover.)

The Bonds are offered when, as and if issued and accepted by the Underwriters, subject to prior sale, to withdrawal or modification of the offer without notice, to the approval of certain legal matters by Barnes & Thornburg LLP, Indianapolis, Indiana, Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the Underwriters by Hall, Render, Killian, Heath & Lyman, P.C., Indianapolis, Indiana, for the City by Douglas C. Haney, Esq., Carmel, Indiana, for the Authority by Barnes & Thornburg LLP, and for the District and the Commission by Wallack Somers & Haas P.C., Indianapolis, Indiana. It is anticipated that the Bonds will be available for delivery through the facilities of The Depository Trust Company in New York, New York, or its agent, against payment therefor, on or about December 27, 2012.

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



William Blair & Company



MATURITY SCHEDULE

(Base CUSIP* 14329N)

\$115,900,000**Lease Rental Revenue Multipurpose Bonds,
Series 2012A**

\$14,395,000	2.625%	Term Bonds due August 1, 2026 -	Yield: 2.850%	Price: 97.477	CUSIP*: DE1
18,195,000	3.750%	Term Bonds due August 1, 2028 -	Yield: 2.850%	Price: 107.506 ^C	CUSIP*: DF8
15,345,000	4.000%	Term Bonds due August 1, 2030 -	Yield: 2.840%	Price: 109.680 ^C	CUSIP*: DG6
21,035,000	4.000%	Term Bonds due August 1, 2033 -	Yield: 3.020%	Price: 108.107 ^C	CUSIP*: DH4
18,025,000	4.000%	Term Bonds due August 1, 2035 -	Yield: 3.160%	Price: 106.903 ^C	CUSIP*: DJ0
28,905,000	4.000%	Term Bonds due February 1, 2038 -	Yield: 3.250%	Price: 106.137 ^C	CUSIP*: DK7

^C Denotes priced to first call date of August 1, 2022**\$69,245,000****Lease Rental Revenue Multipurpose Bonds,
Series 2012B (Taxable)**

<u>Maturity</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP*</u>
2/1/2014	\$1,000,000	0.608%	0.608%	100.000	DL5
8/1/2014	1,735,000	0.691%	0.691%	100.000	DM3
2/1/2015	1,745,000	0.768%	0.768%	100.000	DN1
8/1/2015	2,110,000	0.813%	0.813%	100.000	DP6
2/1/2016	2,120,000	0.857%	0.857%	100.000	DQ4
8/1/2016	2,680,000	0.990%	0.990%	100.000	DR2
2/1/2017	2,695,000	1.188%	1.188%	100.000	DS0
8/1/2017	2,805,000	1.238%	1.238%	100.000	DT8
2/1/2018	2,820,000	1.288%	1.288%	100.000	DU5
8/1/2018	3,075,000	1.338%	1.338%	100.000	DV3
2/1/2019	3,095,000	1.768%	1.768%	100.000	DW1
8/1/2019	3,310,000	1.818%	1.818%	100.000	DX9
2/1/2020	3,340,000	1.990%	1.990%	100.000	DY7
8/1/2020	3,525,000	2.040%	2.040%	100.000	DZ4
2/1/2021	3,560,000	2.400%	2.400%	100.000	EA8
8/1/2021	3,775,000	2.430%	2.430%	100.000	EB6
2/1/2022	3,825,000	2.500%	2.500%	100.000	EC4
8/1/2022	4,080,000	2.530%	2.530%	100.000	ED2
2/1/2023	4,130,000	2.650%	2.650%	100.000	EE0
8/1/2023	3,850,000	2.680%	2.680%	100.000	EF7
2/1/2024	3,900,000	2.850%	2.850%	100.000	EG5
8/1/2024	3,830,000	2.880%	2.880%	100.000	EH3
2/1/2025	2,240,000	3.000%	3.000%	100.000	EJ9

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

No dealer, broker, salesperson or other person has been authorized by the Authority, the City, the District, the Commission or the Underwriters to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Authority, the City, the District, the Commission, the Trustee, DTC and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. In accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction, the Underwriters have reviewed the information in this Official Statement, but do not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances or at any time, create any implication that information herein is correct as of any time subsequent to the date of this Official Statement. This Official Statement and the information contained herein are subject to completion or amendment without notice. The Bonds may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AND THE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON THE EXEMPTIONS CONTAINED IN SUCH ACTS. THE SECURITIES AND EXCHANGE COMMISSION HAS NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. WITH RESPECT TO THE VARIOUS STATES IN WHICH THE BONDS MAY BE OFFERED, NO ATTORNEY GENERAL, STATE OFFICIAL, STATE AGENCY OR BUREAU, OR OTHER STATE OR LOCAL GOVERNMENTAL AUTHORITY OR ENTITY, HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OF THE BONDS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**Cautionary Statements Regarding Forward-Looking
Statements in this Official Statement**

Certain statements included or incorporated by reference in this Official Statement, including specifically, but not limited to, Appendix B hereto, constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget” or similar words. Such forward-looking statements include, among others, the schedules titled “Estimated Lease Rental Payments” and “Comparison of Estimated Revenues, Lease Rentals and Outstanding Obligations” in APPENDIX B.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVES KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. NEITHER THE AUTHORITY, THE COMMISSION NOR THE CITY PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN CHANGES TO THEIR EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED, OCCUR.

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- C DEFINITIONS
- D SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AND THE TRUST INDENTURE
- E FORM OF OPINIONS OF BOND COUNSEL

PROJECT PERSONNEL

Names and positions of officials and professionals who have taken part in the planning of the project and proposed bond issue are:

Mayor

Honorable James C. Brainard

Clerk-Treasurer

Diana L. Cordray

Common Council

Richard L. Sharp, President
Ronald E. Carter
Sue Finkam
Kevin Rider
Carol Schleif
W. Eric Seidensticker
Luci Snyder

City Attorney

Douglas C. Haney, Esq

Redevelopment Commission Counsel

Wallack Somers & Haas, P.C.
Indianapolis, Indiana

Bond Counsel

Barnes & Thornburg LLP
Indianapolis, Indiana

Special Counsel to the City

Frost Brown Todd LLC
Indianapolis, Indiana

Carmel Redevelopment Authority

Robert B. Bush II, President
Ike Batelis, Vice President
Jack Badger, Secretary-Treasurer

Carmel Redevelopment Commission

William Hammer, President
David C. Bowers, Vice President
Bradley F. Meyer, Secretary
Carolyn E. Anker, Commissioner
Jeff Worrell, Commissioner
Greg W. Phillips, Ex-Officio, Commissioner

Director of Redevelopment

Les Olds, AIA

Financial Advisor

H.J. Umbaugh & Associates
Certified Public Accountants, LLP
Indianapolis, Indiana

Special Financial Advisor to the City

Long Economic Development Advisors, LLC
Columbus, Ohio

OFFICIAL STATEMENT

\$185,145,000

**CITY OF CARMEL (INDIANA)
REDEVELOPMENT AUTHORITY**

\$115,900,000

**Lease Rental Revenue Multipurpose
Bonds, Series 2012A**

\$69,245,000

**Lease Rental Revenue Multipurpose
Bonds, Series 2012B (Taxable)**

INTRODUCTION TO THE OFFICIAL STATEMENT

This introduction to the Official Statement contains certain information for quick reference only. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The City of Carmel Redevelopment Authority (the “Authority”) is issuing \$115,900,000 of Lease Rental Revenue Multipurpose Bonds, Series 2012A (the “2012A Bonds”) and \$69,245,000 Lease Rental Revenue Multipurpose Bonds, Series 2012B (Taxable) (the “2012B Bonds” and together with the 2012A Bonds, the “Bonds”). The Authority was created and established under Indiana Code § 36-7-14.5 in order to finance local public improvements for purposes of redevelopment or economic development, and to lease such improvements to the City of Carmel Redevelopment Commission (the “Commission”) in accordance with certain leases from time to time, including but not limited to, the Lease Agreement dated November 20, 2012, as supplemented and amended by the Addendum thereto dated as of December 11, 2012, each of which is by and between the Authority, as lessor, and the Commission, as lessee (collectively, the “Lease”).

Definitions of certain capitalized words and terms used herein are set forth in APPENDIX C, “DEFINITIONS.” Other words and terms not defined herein or in APPENDIX D shall have the same meanings as set forth in the Indenture or the Lease.

PURPOSE OF ISSUE

The Bonds are being issued (i) to finance the acquisition by the Authority from the City of Carmel, Indiana (the “City”), of the real property consisting of all or a portion of the existing Keystone Avenue right-of-way between 116th Street and U.S. 31 in the City (the “Keystone Corridor” or the “Real Estate” or the “Leased Premises”), (ii) to pay the premium for a debt service reserve fund credit facility, and (iii) to pay all costs incurred in connection with the issuance and sale of the Bonds. The Leased Premises will be leased by the Authority to the Commission. The City will use the proceeds from the sale of the Leased Premises to (a) refund, or cause to be refunded, certain outstanding obligations of the City and/or the District (defined herein) identified by the Common Council of the City in an ordinance of the Common Council (the “Refunding”) (See “FINANCING PLAN – The Refunding” below), (b) pay expenses associated with terminating certain outstanding obligations and (c) finance or reimburse the cost of the construction, renovation, improvement and/or equipping of the projects identified in the Council Ordinance (as defined hereinafter) (the “New Project”) (See “FINANCING PLAN – The New Project” below).

SECURITY AND SOURCES OF PAYMENT

The Bonds shall constitute an indebtedness of the Authority payable in accordance with and secured by terms and pledges contained in the Trust Indenture dated as of December 1, 2012 (the “Indenture”) between the Authority and The Huntington National Bank, as trustee (the “Trustee”). The principal source of payment for the Bonds will be from fixed, semiannual lease rental payments (the “Lease Rentals”) to be paid by the Commission directly to the Trustee pursuant to the terms of the Lease.

Such Lease Rentals are payable from revenues to be derived from a special benefits tax (an *ad valorem* property tax) to be levied and collected by the Commission on all taxable property within the geographical boundaries of the City of Carmel Redevelopment District (the “District”) pursuant to Ind. Code § 36-7-14-27 (the “Special Benefits Tax Revenues”); provided, however, the Commission has reserved the right and reasonably expects, but is not required, to pay the Lease Rentals from tax increment revenues derived from several allocation areas in the District pursuant to Ind. Code § 36-7-14-39 (the “TIF Revenues”) or other legally available revenues of the Commission (collectively, the “CRC Revenues”). See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein and APPENDIX B hereto.

The Commission has agreed to pay fixed Lease Rentals for the Leased Premises during the term of the Lease, payable in semiannual installments. The Lease Rentals to be paid by the Commission are required to be in amounts sufficient to pay principal of and interest on the Bonds. Payment of the Lease Rentals will commence on the later of the date the Real Estate is acquired by the Authority or a date to be determined at the time of the sale of the Bonds, but no earlier than January 15, 2013. The Lease Rentals are subject to certain conditions regarding abatement. See “RISKS TO BONDHOLDERS” herein.

The Bonds are further secured by the debt service reserve fund established under the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Debt Service Reserve Fund” herein.

CIRCUIT BREAKER TAX CREDIT

The Indiana General Assembly has enacted legislation (Ind. Code § 6-1.1-20.6), which provides taxpayers with a tax credit for all property taxes in an amount that exceeds the gross assessed value of real and personal property eligible for the credit (“Circuit Breaker Tax Credit”). If applicable, the Circuit Breaker Tax Credit will result in a reduction of property tax collections for each political subdivision in which the Circuit Breaker Tax Credit is applied. The legislation requires local governments to fund their debt service obligations regardless of any property tax revenues shortfalls due to the Circuit Breaker Tax Credit. Indiana law further provides that property taxes imposed by a political subdivision to pay lease rental payments constitute “protected taxes”. Pursuant to Ind. Code § 6-1.1-20.6-9.8, the total amount of protected taxes will be allocated to the fund for which they were imposed as if no credit were granted and any loss in revenue resulting from any Circuit Breaker Tax Credit will reduce only other, unprotected taxes. Moreover, the State of Indiana (the “State”) may intercept funds to pay debt service. (See “CIRCUIT BREAKER TAX CREDIT” herein.)

MISCELLANEOUS

The information contained in this Official Statement has been compiled from the Authority, the Commission, the City and other sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, it is believed to be correct as of this date. However, the Official Statement speaks only as of its date, and the information contained herein is subject to change.

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights and obligations of the owners thereof. A complete text of the Indenture, the Lease and the Council Ordinance and additional information may be requested from the Authority’s, Commission’s and City’s financial advisor, H.J. Umbaugh & Associates, 8365 Keystone Crossing, Suite 300, Indianapolis, IN 46240-0458, phone (317) 465-1500.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the owners of the Bonds.

THE CITY, THE AUTHORITY AND THE DISTRICT

THE CITY

The City of Carmel (the “City”) is located in Hamilton County, Indiana, directly north of Indianapolis. The City has experienced significant growth within the past few decades as represented in the population statistics presented in APPENDIX A hereto. The City includes residential and commercial areas. Personal income statistics are above national and State averages. The unemployment rate in Hamilton County has been lower than that of the State. Currently, Hamilton County has the lowest unemployment rate in Indiana. The City is recognized for its corporate environment, residential neighborhoods, schools, cultural amenities, infrastructure and economy. The City of Carmel, Indiana was recently ranked as the number one best place to live in America for cities with a population of 50,000 to 300,000 by Money Magazine. The proximity of Carmel to Indianapolis provides employment, recreation and higher education opportunities for local residents. See APPENDIX A hereto for additional information about the City.

THE AUTHORITY

The City of Carmel Redevelopment Authority (the “Authority”) was organized by the Common Council in 1997 as an instrumentality of the City pursuant to Ind. Code § 36-7-14.5. The primary purpose of the Authority is to finance certain local public improvements and certain redevelopment projects and to lease such improvements to the Commission (as hereinafter defined).

THE DISTRICT

The City of Carmel Redevelopment District (the “District”) is a special taxing district constituted by all of the territory within the corporate boundaries of the City and established by Ind. Code § 36-7-14-3 (the “Redevelopment Act”). The District was created by the City for the purpose of undertaking redevelopment and economic development initiatives within the District.

The City of Carmel Redevelopment Commission (the “Commission”) is the governing body of the District. The Commission consists of five members, three of whom are appointed by the Mayor of the City and two of whom are appointed by the Common Council of the City. Commission members serve one-year terms and may be summarily removed by their appointing authority at any time. The Commission has one non-voting, advisory member representing the Carmel Clay School Corporation.

Pursuant to the Redevelopment Act, the Commission is empowered to enter into leases of property and such leases may provide for payments to be made by the Commission from the levy of special benefits taxes, tax increment revenues or any other revenues available to the Commission.

FINANCING PLAN

The proceeds of the Bonds will be used (i) to acquire a portion of the existing Keystone Corridor (the “Leased Premises” as further defined herein) from the City, (ii) to pay the premium for a debt service reserve fund credit facility; and (iii) to pay costs of issuance of the Bonds. The City will use the proceeds from the sale of the Leased Premises to (a) refund, or cause to be refunded, certain outstanding obligations of the City and/or the District identified by the Common Council of the City (the “Common Council”) in Ordinance D-2100-12, as amended, of the Common Council adopted on November 19, 2012 (the “Council Ordinance”) approving the Lease and the issuance of the Bonds, and to pay all costs or expenses incurred in connection therewith (collectively, the “Refunding,” as more particularly described below), (b) pay expenses associated with terminating certain outstanding obligations and (c) finance or reimburse the cost of the construction, renovation, improvement and/or equipping of the projects identified in the Council Ordinance (the “New Project,” as more particularly described below).

The Leased Premises will be leased from the Authority to the Commission. Because the Leased Premises consist of existing roadway improvements, there is no construction period risk anticipated with the commencement

of payment of the Lease Rentals. It is anticipated that the Commission will begin to pay Lease Rentals on July 15, 2013.

The Refunding and the New Project, which will be funded from the proceeds of the City's sale of the Leased Premises, are described in more detail below.

THE REFUNDING

A portion of the proceeds of the Bonds will be deposited into the 2012A Acquisition Account and the 2012B Acquisition Account created and established within the Project Fund under the Indenture, and will be used to pay the purchase price for the acquisition of the Leased Premises from the City. From the purchase price received by the City, the City will transfer and deposit such funds as follows:

(a) A portion of the moneys will be transferred to and deposited into separate escrow accounts created and established under an Escrow Agreement, dated as of December 1, 2012 (the "COPs Escrow Agreement"), among the Commission, the Carmel Theater Development Company, LLC, and Wells Fargo Bank, N.A., as escrow agent (the "COPs Escrow Agent") and as trustee under the Trust Agreement, dated as of December 1, 2009 (the "COPs Trust Agreement"), between the Carmel Theatre Development Company, LLC, and Wells Fargo Bank, N.A. Under the terms of the COPs Escrow Agreement, the COPs Escrow Agent will use the funds on deposit in the escrow accounts thereunder to purchase non-callable U.S. Government Obligations maturing on the dates and in the amounts, which, together with an initial cash deposit thereunder, will be sufficient to pay (i) the principal of and interest on (A) the outstanding City of Carmel, Indiana, Redevelopment District Certificates of Participation, Series 2010A (the "2010A COPs"), and (B) the outstanding City of Carmel, Indiana, Redevelopment District Certificates of Participation, Series 2010B (the "2010B COPs"), as the same becomes due through and including January 15, 2018, and (ii) the prepayment price of the 2010A COPs and the prepayment price of the 2010B COPs on January 15, 2018; thereby effecting a defeasance and advance refunding of the 2010A COPs and the 2010B COPs. An escrow verification report will be delivered by H.J. Umbaugh & Associates, Certified Public Accountants, LLP at closing with respect to the sufficiency of amounts deposited pursuant to the COPs Escrow Agreement.

(b) A portion of the moneys will be transferred to and deposited into an escrow account created and established under an Escrow Agreement, dated as of December 1, 2012 (the "2008 Escrow Agreement"), between the Commission and Wells Fargo Bank, N.A., as escrow agent (the "2008 Escrow Agent") and as paying agent for the City of Carmel, Indiana, Redevelopment District Taxable Tax Increment Revenue Bonds of 2008, dated July 15, 2008 (the "2008 Bonds"). Under the terms of the 2008 Escrow Agreement, the 2008 Escrow Agent will use the funds on deposit in the escrow account thereunder to purchase non-callable U.S. Government Obligations maturing on the dates and in the amounts, which, together with an initial cash deposit thereunder, will be sufficient to pay (i) the principal of and interest on the 2008 Bonds, as the same becomes due through and including July 15, 2016, and (ii) the redemption price of the 2008 Bonds on July 15, 2016; thereby effecting a defeasance and advance refunding of the 2008 Bonds. An escrow verification report will be delivered by H.J. Umbaugh & Associates, Certified Public Accountants, LLP at closing with respect to the sufficiency of amounts deposited pursuant to the 2008 Escrow Agreement.

(c) A portion of the moneys will be transferred to and deposited into one or more escrow accounts created and established under an Escrow Agreement, dated as of December 1, 2012 (the "Contractual Obligations Escrow Agreement"), between the Commission and The Huntington National Bank, as escrow agent (the "Contractual Obligations Escrow Agent"). Under the terms of the Contractual Obligations Escrow Agreement, the Contractual Obligations Escrow Agent will use the funds on deposit in the escrow accounts thereunder to prepay and refund the obligations of the Commission listed below under the caption "OBLIGATIONS OF THE CITY AND/OR THE DISTRICT TO BE REFUNDED" (excluding the 2010A COPs, the 2010B COPs and the 2008 Bonds) and to pay any costs or expenses in connection with prepayment thereof. An escrow verification report will be delivered by H.J. Umbaugh & Associates, Certified Public Accountants, LLP at closing with respect to the sufficiency of amounts deposited pursuant to the Contractual Obligations Escrow Agreement. Such verification report will rely solely upon pay-off

letters and other information provided to H.J. Umbaugh & Associates by the holders of the Obligations of the City and/or the District to be Refunded from amounts deposited pursuant to the Contractual Obligations Escrow Agreement.

OBLIGATIONS OF THE CITY AND/OR THE DISTRICT TO BE REFUNDED

1. Installment Purchase Contracts securing loans under Master Loan Program Agreement with Regions Bank dated December 30, 2008 [Advance Date: January 7, 2009]
2. Installment Purchase Contracts securing loans under Master Loan Program Agreement with Regions Bank dated December 30, 2008 [Advance Date: May 22, 2009]
3. Installment Purchase Contracts securing loans under Master Loan Program Agreement with Mercantile Bank dated August 31, 2009
4. City of Carmel, Indiana, Redevelopment District Certificates of Participation, Series 2010A, dated January 21, 2010
5. City of Carmel, Indiana, Redevelopment District Certificates of Participation, Series 2010B, dated January 21, 2010
6. Installment Purchase Contracts securing loans under Master Loan Program Agreement with The National Bank of Indianapolis dated January 29, 2010
7. Installment Purchase Contract(s) securing loan(s) under agreement with United Fidelity Bank dated June 10, 2010
8. Installment Purchase Contracts under Loan Program Agreement with Regions Bank dated July 22, 2010
9. Grant Agreement securing line of credit with STAR Financial Bank dated November 17, 2011
10. Grant Agreement securing line of credit with Fowler State Bank dated November 8, 2011
11. Grant Agreement securing line of credit with CIBM Bank dated November 30, 2011
12. Amended and Restated Grant Agreement securing line of credit with Mercantile Bank dated January 18, 2012
13. Grant Agreement securing line of credit with BMO Harris Bank N.A. dated February 17, 2012
14. Amended and Restated Grant Agreement securing loan from BMO Harris Bank N.A. dated September 30, 2011
15. Parking and Grant Agreement securing loan from Lake City Bank dated December 28, 2010
16. Tri-Party Agreement regarding loan from Community Bank dated September 10, 2009
17. Installment Purchase Agreement (Primary) securing loan(s) under agreement with BMO Harris Bank N.A. dated December 7, 2011
18. Replacement Land Sale Contract, dated February 17, 2010, between the City of Carmel Redevelopment Commission and 251, LLC

19. Land Sale Contract, dated March 2, 2011, between the City of Carmel Redevelopment Commission and BobbyJohn, LLC
20. Land Sale Contract, dated November 10, 2009, between the City of Carmel Redevelopment Commission and Old Town Properties, LLC
21. City of Carmel, Indiana, Redevelopment District Taxable Tax Increment Revenue Bonds of 2008, dated July 15, 2008

THE NEW PROJECT

A portion of the proceeds from the sale of the Leased Premises will be deposited pursuant to a Project Escrow Agreement to be entered into among the Board of Public Works of the City, acting on behalf of the City, the Commission and The Huntington National Bank, as escrow agent, and disbursed in accordance therewith (the "New Project Proceeds"). The New Project Proceeds will be used to finance or reimburse costs related to the construction of parking facilities for the Nash Building, a three-story mixed use building to be constructed in the Carmel City Center.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds are as follows:

Source of Funds:	<u>Tax-Exempt Series 2012A</u>	<u>Taxable Series 2012B</u>	<u>Total</u>
Principal Amount	\$115,900,000	\$69,245,000	\$185,145,000
Net Original Issue Premium	7,211,400	---	7,211,400
Transfer from Prior Debt Service Reserve & Other Funds	<u>3,701,888</u>	<u>261,774</u>	<u>3,963,662</u>
Total Sources of Funds	\$126,813,288	\$69,506,774	\$196,320,062
Uses of Funds:			
Deposit to Acquisition Accounts ⁽¹⁾	\$120,762,600	\$67,757,284	\$188,519,883
Deposit to Escrow Accounts	3,701,888	261,774	3,963,662
Premium for Debt Service Reserve Fund Credit Facility	494,116	295,212	789,328
Costs of Issuance ⁽²⁾	<u>1,854,684</u>	<u>1,192,504</u>	<u>3,047,189</u>
Total Uses of Funds	\$126,813,288	\$69,506,774	\$196,320,062

- (1) A portion of the proceeds deposited into the 2012A Acquisition Account and the 2012B Acquisition Account will be utilized to pay the purchase price for the Leased Premises to the City. The City will in turn utilize the purchase price received for the purchase of the Leased Premises to make certain deposits to the respective escrow accounts created under the separate escrow agreements to (i) refund certain obligations of the City and the District and (ii) finance or reimburse costs of construction, renovation, improvement and/or equipping of the New Project. See "THE REFUNDING" and "THE NEW PROJECT" herein.
- (2) Includes Underwriters' discount, fees and expenses of accountants, the Trustee, Bond Counsel, counsel to (i) the Commission, (ii) the Issuer and (iii) the Trustee, and costs of printing, rating agency fees, and other miscellaneous costs.

SCHEDULE OF DEBT SERVICE REQUIREMENTS

The following table sets forth the amounts required in each year for the payment of principal at maturity or by sinking fund redemption on each February 1 and August 1 within each year and the payment of interest on the 2012A Bonds and the 2012B Bonds.

Payment Date	2012A Bonds			2012B Bonds			Combined
	Principal Amount	Interest	Total Debt Service	Principal Amount	Interest	Total Debt Service	Total Debt Service
8/1/2013		\$ 2,611,146	\$ 2,611,146		\$ 813,262	\$ 813,262	\$ 3,424,408
2/1/2014		2,196,291	2,196,291	\$ 1,000,000	684,052	1,684,052	3,880,343
8/1/2014		2,196,291	2,196,291	1,735,000	681,012	2,416,012	4,612,303
2/1/2015		2,196,291	2,196,291	1,745,000	675,018	2,420,018	4,616,309
8/1/2015		2,196,291	2,196,291	2,110,000	668,317	2,778,317	4,974,608
2/1/2016		2,196,291	2,196,291	2,120,000	659,740	2,779,740	4,976,031
8/1/2016		2,196,291	2,196,291	2,680,000	650,656	3,330,656	5,526,947
2/1/2017		2,196,291	2,196,291	2,695,000	637,390	3,332,390	5,528,681
8/1/2017		2,196,291	2,196,291	2,805,000	621,381	3,426,381	5,622,672
2/1/2018		2,196,291	2,196,291	2,820,000	604,019	3,424,019	5,620,310
8/1/2018		2,196,291	2,196,291	3,075,000	585,858	3,660,858	5,857,149
2/1/2019		2,196,291	2,196,291	3,095,000	565,286	3,660,286	5,856,577
8/1/2019		2,196,291	2,196,291	3,310,000	537,926	3,847,926	6,044,217
2/1/2020		2,196,291	2,196,291	3,340,000	507,838	3,847,838	6,044,129
8/1/2020		2,196,291	2,196,291	3,525,000	474,605	3,999,605	6,195,896
2/1/2021		2,196,291	2,196,291	3,560,000	438,650	3,998,650	6,194,941
8/1/2021		2,196,291	2,196,291	3,775,000	395,930	4,170,930	6,367,221
2/1/2022		2,196,291	2,196,291	3,825,000	350,064	4,175,064	6,371,355
8/1/2022		2,196,291	2,196,291	4,080,000	302,252	4,382,252	6,578,543
2/1/2023		2,196,291	2,196,291	4,130,000	250,640	4,380,640	6,576,931
8/1/2023		2,196,291	2,196,291	3,850,000	195,917	4,045,917	6,242,208
2/1/2024		2,196,291	2,196,291	3,900,000	144,327	4,044,327	6,240,618
8/1/2024		2,196,291	2,196,291	3,830,000	88,752	3,918,752	6,115,043
2/1/2025	\$ 1,645,000	2,196,291	3,841,291	2,240,000	33,600	2,273,600	6,114,891
8/1/2025	4,145,000	2,174,700	6,319,700				6,319,700
2/1/2026	4,200,000	2,120,297	6,320,297				6,320,297
8/1/2026	4,405,000	2,065,172	6,470,172				6,470,172
2/1/2027	4,465,000	2,007,356	6,472,356				6,472,356
8/1/2027	4,505,000	1,923,638	6,428,638				6,428,638
2/1/2028	4,590,000	1,839,169	6,429,169				6,429,169
8/1/2028	4,635,000	1,753,106	6,388,106				6,388,106
2/1/2029	4,725,000	1,666,200	6,391,200				6,391,200
8/1/2029	3,655,000	1,571,700	5,226,700				5,226,700
2/1/2030	3,725,000	1,498,600	5,223,600				5,223,600
8/1/2030	3,240,000	1,424,100	4,664,100				4,664,100
2/1/2031	3,305,000	1,359,300	4,664,300				4,664,300
8/1/2031	3,370,000	1,293,200	4,663,200				4,663,200
2/1/2032	3,435,000	1,225,800	4,660,800				4,660,800
8/1/2032	3,405,000	1,157,100	4,562,100				4,562,100
2/1/2033	3,470,000	1,089,000	4,559,000				4,559,000
8/1/2033	4,050,000	1,019,600	5,069,600				5,069,600
2/1/2034	4,135,000	938,600	5,073,600				5,073,600
8/1/2034	4,180,000	855,900	5,035,900				5,035,900
2/1/2035	4,265,000	772,300	5,037,300				5,037,300
8/1/2035	5,445,000	687,000	6,132,000				6,132,000
2/1/2036	5,555,000	578,100	6,133,100				6,133,100
8/1/2036	5,665,000	467,000	6,132,000				6,132,000
2/1/2037	5,780,000	353,700	6,133,700				6,133,700
8/1/2037	5,895,000	238,100	6,133,100				6,133,100
2/1/2038	<u>6,010,000</u>	<u>120,200</u>	<u>6,130,200</u>				<u>6,130,200</u>
	\$115,900,000	\$85,324,768*	\$201,224,768*	\$69,245,000	\$11,566,492	\$80,811,492	\$282,036,260*

* Components may not sum to totals due to rounding.

THE BONDS

GENERAL PROVISIONS

The Bonds are being issued under the authority of Indiana law, including, without limitation, Ind. Code §§ 36-7-14-27 and 36-7-14.5, as in effect on the issue date of the Bonds (collectively, the “Act”) and pursuant to the Indenture and the Lease. See APPENDIX D “SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AND THE TRUST INDENTURE.”

The Bonds are issuable as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The Bonds will carry an original date of their initial date of delivery and authentication.

Interest on the Bonds will be payable semi-annually on February 1 and August 1 of each year (each, an “Interest Payment Date”), commencing August 1, 2013. The Bonds will bear interest (calculated on the basis of a 30-day month and a 360-day year) at the rates and will mature on the dates and in the principal amounts set forth on the inside cover page of this Official Statement. If a Bond is authenticated on or prior to July 15, 2013, it shall bear interest from the date of original issuance of the Bonds. Each Bond authenticated after July 15, 2013, shall bear interest from the most recent Interest Payment Date to which interest has been paid on the date of authentication of such Bond unless such Bond is authenticated after a Record Date and on or before the next succeeding Interest Payment Date, in which event the Bond will bear interest from such next succeeding Interest Payment Date.

When issued, all Bonds will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). Purchases of beneficial interests from DTC in the Bonds will be made in book-entry-only form (without certificates) in the denomination of \$5,000 or any integral multiple thereof. So long as DTC or its nominee is the registered owner of the Bonds payments of the principal of and interest on the Bonds will be made directly by the Trustee by wire transfer of funds to Cede & Co., as nominee for DTC. Disbursement of such payments to the participants of DTC (the “DTC Participants”) will be the sole responsibility of DTC, and the ultimate disbursement of such payments to the Beneficial Owners, as defined herein, of the Bonds will be the responsibility of the DTC Participants and the Indirect Participants, as defined herein. See the heading, “Book-Entry-Only System” under this caption.

If DTC or its nominee is not the registered owner of the Bonds, principal of and premium, if any, on all of the Bonds will be payable at maturity upon the surrender thereof at the principal corporate trust office of the Trustee. Interest on the Bonds, when due and payable, will be paid by check dated the due date mailed by the Trustee one business day prior to the due date (or, in the case of an owner of Bonds in an aggregate principal amount of at least \$1,000,000, by wire transfer on such due date, upon written direction of such registered owner to the Trustee not less than five business days before the Record Date immediately prior to such Interest Payment Date, which direction shall remain in effect until revoked in writing by such owner) to the persons in whose names such Bonds are registered, at their addresses as they appear on the bond registration books maintained by the Trustee on the Record Date, irrespective of any transfer or exchange of such Bonds subsequent to such Record Date and prior to such Interest Payment Date unless the Authority shall default in the payment of interest due on such Interest Payment Date.

Except as provided under “Book-Entry-Only System,” in all cases in which the privilege of exchanging or transferring Bonds is exercised, the Authority will execute and the Trustee will deliver Bonds in accordance with the provisions of the Indenture. The Bonds will be exchanged or transferred at the principal corporate trust office of the Trustee only for Bonds of the same tenor and maturity. In connection with any transfer or exchange of Bonds, the Authority or the Trustee may impose a charge for any applicable tax, fee or other governmental charge incurred in connection with such transfer or exchange, which sums are payable by the person requesting such transfer or exchange.

The person in whose name a Bond is registered will be deemed and regarded as its absolute owner for all purposes and payment of principal thereof and interest thereon will be made only to or upon the order of the registered owner or its legal representative, but such registration may be changed as provided above. All such

payments shall be valid to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

REDEMPTION

Optional Redemption. The 2012A Bonds maturing on or after February 1, 2023 are subject to redemption prior to maturity on or after August 1, 2022, in whole or in part, on any date as selected by the Authority, at a redemption price equal to the principal amount of each 2012A Bond to be redeemed, plus accrued interest to the redemption date, and without any redemption premium.

The 2012 B Bonds are **not** subject to redemption prior to maturity.

If less than all of the 2012A Bonds shall be called for redemption, the principal amount and maturity of the particular 2012A Bonds to be redeemed shall be selected by the Authority. Unless the Authority directs the particular 2012A Bonds be redeemed, the Trustee shall select the particular 2012A Bonds to be redeemed by lot within a maturity in such manner as the Trustee may determine.

Mandatory Sinking Fund Redemption. The 2012A Bonds (or any portions thereof in integral multiples of \$5,000 each) (the “2012A Term Bonds”) are also subject to mandatory sinking fund redemption prior to their maturity date at a redemption price equal to the principal amount of such 2012A Term Bonds, plus accrued interest on the dates as shown in the following tables:

Series 2012A Term Bonds Due August 1, 2026

Date	Principal Amount
02/01/2025	\$1,645,000
08/01/2025	4,145,000
02/01/2026	4,200,000
08/01/2026	4,405,000*

Series 2012A Term Bonds Due August 1, 2028

Date	Principal Amount
02/01/2027	\$4,465,000
08/01/2027	4,505,000
02/01/2028	4,590,000
08/01/2028	4,635,000*

Series 2012A Term Bonds Due August 1, 2030

Date	Principal Amount
02/01/2029	\$4,725,000
08/01/2029	3,655,000
02/01/2030	3,725,000
08/01/2030	3,240,000*

*Final Maturity

Series 2012A Term Bonds Due August 1, 2033

Date	Principal Amount
02/01/2031	\$3,305,000
08/01/2031	3,370,000
02/01/2032	3,435,000
08/01/2032	3,405,000
02/01/2033	3,470,000
08/01/2033	4,050,000*

Series 2012A Term Bonds Due August 1, 2035

Date	Principal Amount
02/01/2034	\$4,135,000
08/01/2034	4,180,000
02/01/2035	4,265,000
08/01/2035	5,445,000*

Series 2012A Term Bonds Due February 1, 2038

Date	Principal Amount
02/01/2036	\$5,555,000
08/01/2036	5,665,000
02/01/2037	5,780,000
08/01/2037	5,895,000
02/01/2038	6,010,000*

*Final Maturity

Under the Indenture, selection of 2012A Term Bonds to be redeemed will be made by lot by the Trustee. In accordance with DTC's standard practices and its agreement with the Authority, DTC and the DTC Participants will make this selection so long as the Bonds are in book-entry form. The principal amount of 2012A Term Bonds to be redeemed on each date set forth above will be subject to reduction by the principal amount of any such 2012A Term Bonds of the same maturity which, not less than 45 days prior to a sinking fund redemption date, have been theretofore surrendered to or purchased by the Trustee for cancellation and canceled, all in accordance with the Indenture. The principal amount of any 2012A Term Bonds so surrendered and canceled in excess of the principal amount scheduled for redemption in any one year will be credited against future redemption obligations and the principal amounts of 2012A Term Bonds subject to sinking fund redemption at such times will be accordingly reduced.

Notice of Redemption. In the case of redemption of the Bonds, notice of the call for any such redemption identifying the Bonds, or portions of fully registered Bonds, to be redeemed will be given by mailing a copy of the redemption notice by first class, registered or certified mail not less than 30 days nor more than 45 days prior to the date fixed for redemption to the Registered Owner of the Bonds to be redeemed at the address shown on the registration books of the Trustee. Failure to give such notice by mailing, or any defect in such notice, shall not affect the validity of any proceedings for the redemption of any other Bonds. All Bonds so called for redemption shall cease to bear interest on the specified redemption date, shall no longer be protected by the Indenture and shall not be deemed to be outstanding under the provisions of the Indenture, provided funds for their redemption are on deposit at the place of payment at that time. Calls for redemption may be conditioned upon conditions precedent

which must be satisfied prior to the redemption. If a call for redemption is contingent upon a conditioned precedent, the notice of such redemption shall state the condition precedent and shall further state the if such condition precedent is not satisfied by the date set forth for redemption, then such notice shall be rescinded, and of no force and effect, and the principal and premium of such Bond shall continue to bear interest on and after the date fixed for redemption.

For so long as the Bonds are held in book-entry-only form, the Trustee will send notices of redemption of the Bonds only to DTC or its nominee, as the registered owner of the Bonds, in accordance with the preceding paragraphs. Neither the Authority nor the Trustee will have any responsibility for any Beneficial Owners' receipt from DTC or its nominee, or from any Direct Participant or Indirect Participant, of any notices of redemption. See "Book-Entry-Only System" under this caption of this Official Statement.

ADDITIONAL BONDS

Additional bonds may be issued pursuant to the Indenture to finance or refinance the acquisition or construction of any portion of the Project, or to refund any of the Bonds.

INVESTMENT OF FUNDS

All funds may be invested by the Trustee in such Qualified Investments as the Authority directs in writing. In the absence of direction from the Authority, the Trustee shall invest funds in certain Qualified Investments specified in the Indenture. The Trustee shall allocate interest earnings to the fund or account to which the earnings are allocable. Funds invested for the Sinking Fund, the Debt Service Reserve Fund or the Rebate Fund shall mature prior to the time the funds invested will be needed for payment of principal and interest on the Bonds or rebate to the United States Government. The Trustee is authorized to sell any securities so acquired from time to time in order to make required payments from a particular fund or account. The Trustee shall not be liable for any losses occurring as a result of any such sale.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The 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 Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such issue, 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 a Standard & Poor's rating of AA+. 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 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Security ("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 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all 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 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 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 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the 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 Bonds 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 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 Authority 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 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 Authority or the Trustee, 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 Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, 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 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bonds are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry only transfers through DTC (or a success or securities depository). In that event, Bonds will be printed and delivered to DTC.

THE INFORMATION IN THIS SECTION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE AUTHORITY BELIEVES TO BE RELIABLE, BUT THE AUTHORITY TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

Revision of Book-Entry-Only System. In the event that either (i) the Authority receives notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities as a clearing agency for the Bonds or (ii) the Authority elects to discontinue its use of DTC as a clearing agency for the Bonds, then the Authority and the Trustee will do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the Bonds, as are necessary or appropriate to discontinue use of DTC as a clearing agency for the Bonds and to transfer the ownership of each of the Bonds to such person or persons, including any other clearing agency, as the holder of such Bonds may direct in accordance with the Indenture. Any expenses of such a discontinuation and transfer, including any expenses of printing new certificates to evidence the Bonds, will be paid by the Authority.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

The Bonds will not constitute a corporate obligation of the City or the Commission. The Bonds shall constitute an obligation of the Authority payable in accordance with the terms of the Indenture and secured by the pledge and assignment to the Trustee of the funds and accounts defined and described therein, including the Lease Rentals and other income as defined in the Indenture. The Indenture creates a continuing pledge by the Authority to the bondholders to pay principal and interest on the Bonds until the principal sum shall be fully paid.

The Lease Rentals to be paid by the Commission during the term of the Lease are required to be in amounts sufficient to pay the principal of and interest on the Bonds. Funds for the Lease Rentals will be paid by the Commission directly to the Trustee (for the account of the Authority) pursuant to the terms of the Lease. The first Lease Rental for the Bonds shall be due on the later of (i) the date the Real Estate is acquired by the Authority, or (ii) a date to be determined at the time of the sale of the Bonds, but no earlier than January 15, 2013. Thereafter, Lease Rentals are payable semiannually on January 15 and July 15 of each year. It is anticipated that the Commission will begin to pay Lease Rentals on July 15, 2013.

The Leased Premises is comprised of the real estate consisting of a portion of the existing Keystone Avenue right-of-way between 116th Street and U.S. 31 (the "Keystone Corridor") in the City which will be acquired by the Authority with a portion of the proceeds of the Bonds.

The Lease Rentals shall be payable from Special Benefits Tax Revenues to be derived from a special benefits tax to be levied and collected by the Commission on all taxable property within the geographical boundaries of the District pursuant to Ind. Code § 36-7-14-27; provided, however, the Commission has reserved the right and reasonably expects, but is not required, to pay the Lease Rentals from the CRC Revenues, which includes the TIF Revenues and other legally available revenues of the Commission. Lease Rentals will commence on the later of (i) the date the Leased Premises is acquired by the Authority or (ii) a date to be determined at the time of the sale of the Bonds, but no earlier than January 15, 2013. The term of the Lease will begin on the date on which the Lessee begins to make Lease Rental payments and end on the day prior to a date not more than twenty-five (25) years thereafter.

After acquisition, if the Leased Premises should ever be substantially or totally destroyed, the Lease Rentals will be abated during the period in which the Leased Premises are unfit or unavailable for their intended use. However, under the terms of the Lease, the Commission and the Authority have the ability to substitute other existing road improvements for the Leased Premises of equivalent value in order to maintain the ability of the Commission to continue to pay Lease Rentals under the Lease. See APPENDIX D hereto and "RISKS TO BONDHOLDERS" herein.

DEBT SERVICE RESERVE FUND

A debt service reserve fund will be established and held under the Indenture to further secure the payment of principal and interest due on the Bonds (the “Debt Service Reserve Fund”). It is anticipated that the Debt Service Reserve Fund will be initially funded by the deposit of a Debt Service Reserve Fund Credit Facility (as defined in APPENDIX C) (the “Debt Service Reserve Fund Credit Facility”) provided by a Credit Provider (as defined in APPENDIX C) and replenished (if necessary) to maintain a balance equal to the least of: (i) maximum annual principal and interest due on the outstanding Bonds; (ii) 125% of average annual principal and interest due on the Bonds or (iii) 10% of the stated principal amount of the Bonds (the “Reserve Requirement”).

Under the Indenture, upon certain conditions the Authority may satisfy all or any part of its obligation to maintain amounts equal to the Reserve Requirement in the Debt Service Reserve Fund by depositing or substituting a Debt Service Reserve Fund Credit Facility therein. A Debt Service Reserve Fund Credit Facility may be a letter of credit, revolving credit agreement, surety bond, insurance policy or other agreement or instrument furnished by a Credit Provider whose debt obligations at the time of issuance of such instrument are rated in one of the three highest Rating Categories by the Rating Agency or Rating Agencies rating the Bonds.

Except as provided in a Debt Service Reserve Fund Credit Facility, moneys in the Debt Service Reserve Fund up to the amount of the Reserve Requirement are required under the Indenture to be held and applied solely for the payment of interest on and principal of the Bonds. If moneys in the Debt Service Reserve Fund exceed the Reserve Requirement, such excess shall be transferred at least semiannually by the Trustee to the Sinking Fund, subject to the satisfaction of any Debt Service Reserve Fund Reimbursement Obligations (as defined in APPENDIX C) from such excess.

The Indenture provides that, in the event that the amount on deposit in the Debt Service Reserve Fund is less than the Reserve Requirement, the Trustee will give notice to the Authority and the Commission of such deficiency. The Authority will cause the Commission to take all steps necessary to levy and collect the special benefits tax in an amount necessary to provide sufficient Special Benefits Tax Revenues in order to pay the Additional Rentals under the Lease required to (i) restore the amount on deposit or credited to the Debt Service Reserve Fund to the Reserve Requirement and (ii) pay any Debt Service Reserve Fund Reimbursement Obligation that is due, or to become due pending the collection of Special Benefits Tax Revenues, and owing to any Credit Provider.

A commitment has been made by Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company (“Assured Guaranty”), for the issuance of its Municipal Bond Debt Service Reserve Insurance Policy (the “Policy”) in connection with the Bonds for the purpose of funding the Debt Service Reserve Fund. The Policy constitutes a Debt Service Reserve Fund Credit Facility and will be issued in an amount sufficient to satisfy the Reserve Requirement. The Policy is expected to be delivered by Assured Guaranty upon the issuance and delivery of the Bonds. See APPENDIX D “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE - OPERATION OF FUNDS AND ACCOUNTS - Debt Service Reserve Fund.”

FUNDS AND ACCOUNTS

The Indenture establishes certain funds and accounts and the flow of funds. Such funds and accounts, except the Rebate Fund, and the moneys and securities held therein, are pledged under the Indenture as further security for the Bonds. (For greater detail, refer to the SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AND THE TRUST INDENTURE provided in APPENDIX D. The complete Indenture may be obtained from the Authority’s, Commission’s and City’s financial advisor, H.J. Umbaugh & Associates (see “INTRODUCTION TO THE OFFICIAL STATEMENT - Miscellaneous” herein).

RELATIONSHIP OF ANNUAL LEASE RENTAL PAYMENTS TO ANNUAL DEBT SERVICE REQUIREMENTS

The Lease Rentals to be paid by the Commission each January 15 and July 15 for the use and occupancy of the Leased Premises will be equal to an amount which will be sufficient to pay unpaid principal of and interest on the Bonds which is due on or before the February 1 and August 1 following such January 15 and June 15, plus an amount sufficient to provide for the fees of the Trustee and incidental expenses of the Authority.

All Lease Rentals shall be paid by or on behalf of the Commission to the Trustee under the Indenture or to such other bank or trust company as may from time to time succeed the Trustee as provided thereunder. All payments so made by or on behalf of the Commission shall be considered as payment to the Authority of the Lease Rentals payable under the Lease.

PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION

Real and personal property in the State is assessed each year as of March 1. On or before August 1 each year, each county auditor must submit to each underlying political subdivision located within that county a statement containing: (1) information concerning the assessed valuation of the political subdivisions for the next calendar year; (2) an estimate of the taxes to be distributed to the political subdivision during the last six months of the current calendar year; (3) the current assessed valuation as shown on the abstract of charges; (4) the average growth in assessed valuation in the political subdivision over the preceding three budget years, excluding years in which a general reassessment occurs, determined according to procedures established by the Department of Local Government Finance (the "DLGF"); and (5) any other information at the disposal of the county auditor that might affect the assessed value as shown on the most recent abstract of property.

By statute, the budget, tax rate and levy of a local political subdivision must be established no later than November 1. The budget, tax levy and tax rate are subject to review, revision, reduction or increase by the DLGF. The DLGF must complete its actions on or before February 15 of the immediately succeeding calendar year.

On or before March 15, each county auditor prepares and delivers to the Auditor of State and the county treasurer the final abstract of property taxes within that county. The county treasurer mails tax statements the following April (but mailing may be delayed due to reassessment or other factors). Unless the mailing of tax bills is delayed, property taxes are due and payable to the county treasurer in two installments on May 10 and November 10. If an installment of taxes is not completely paid on or before the due date, a penalty of 10% of the amount delinquent is added to the amount due; provided, that so long as the installment is completely paid within 30 days of the due date and the taxpayer is not liable for delinquent property taxes first due and payable in a previous year for the same parcel, the amount of the penalty is five percent of the amount of the delinquent taxes. On May 11 and November 11 of each year after one year of delinquency, an additional penalty equal to 10% of any taxes remaining unpaid is added. The penalties are imposed only on the principal amount of the delinquency. Real property becomes subject to tax sale procedures on July 1 if a delinquency then exists with respect to an installment due on or before May 10 of the prior year. With respect to delinquent personal property taxes, each county treasurer shall serve a demand upon each county resident who is delinquent in the payment of personal property taxes after November 10, but before August 1 of the succeeding year. Each county auditor distributes property taxes collected to the various political subdivisions on or before the June 30 or December 31 after the due date of the tax payment.

Under State law, personal property is assessed at its actual historical cost less depreciation, whereas real property assessed after February 28, 2011, must be assessed in accordance with the 2011 Real Property Assessment Manual (the "Manual") and the Real Property Assessment Guideline (the "Guidelines"), both published by the DLGF, pursuant to 50 Indiana Administrative Code 2.4 (the "Rule"). The purpose of the Rule is to accurately determine "true tax value" as defined in the Manual and the Guidelines, not to mandate that any specific assessment method be followed. The Manual defines "true tax value" for all real property, other than agricultural property, as "the market value in use of a property for its current use, as reflected by the utility received by the owner or a similar user from that property." In the case of agricultural land, true tax value shall be the value determined in accordance with the Guidelines and certain provisions of the Indiana Code. The Manual permits assessing officials in each county to choose any acceptable mass appraisal method to determine true tax value, taking into consideration the ease in administration and the uniformity of the assessments produced by that method. The Guidelines were adopted to provide assessing officials with an acceptable appraisal methodology, although the Manual makes it clear that assessing officials are free to select from any number of appraisal methods, provided that they are capable of producing accurate and uniform values throughout the jurisdiction and across all classes of real property. The Manual specifies the standards for accuracy and validation that the DLGF will use to determine the acceptability of any alternate appraisal method.

The intent of the DLGF is that an assessment determined by an assessing official in accordance with the Rule and the Manual and Guidelines shall be presumed to be correct. Any evidence relevant to the true tax value of

the real property as of the assessment date may be presented to rebut the presumption of correctness of the assessment. Such evidence may include an appraisal prepared in accordance with generally recognized appraisal standards; however, there is no requirement that an appraisal be presented either to support or to rebut an assessment. Instead, the validity of the assessment shall be evaluated on the basis of all relevant evidence presented. Whether an assessment is correct shall be determined on the basis of whether, in light of the relevant evidence, it reflects the real property's true tax value.

There are certain credits, deductions and exemptions available for various classes of property. For instance, real property may be eligible for certain deductions for mortgages, solar energy heating or cooling systems, wind power devices, hydroelectric power devices and geothermal energy heating or cooling devices and if such property is owned by the aged. Residential real property may be eligible for certain deductions for rehabilitation. Real property, which is the principal residence of the owner thereof, is entitled to certain deductions and may be eligible for additional deductions, and if such owner is blind or disabled, such property may also be eligible for additional deductions. Buildings designed and constructed to systematically use coal combustion products throughout the building may be eligible for certain deductions. Tangible property consisting of coal conversion systems and resource recovery systems may be eligible for certain deductions. Tangible property or real property owned by disabled veterans and their surviving spouses may be eligible for certain deductions. Commercial and industrial real property, new manufacturing equipment and research and development equipment may be entitled to economic revitalization area deductions. Government-owned properties and properties owned, used and occupied for charitable, educational or religious purposes may be entitled to exemptions from tax. "Assessed value" or "assessed valuation" means an amount equal to the true tax value of property, which represents the gross assessed value of such property, less any deductions, credits and exemptions applicable to such property, and is the value used for taxing purposes in the determination of tax rates.

Changes in assessed values of real property occur periodically as a result of general reassessments scheduled by the State General Assembly, as well as when changes occur in the property due to new construction or demolition of improvements. The most recent scheduled reassessment became effective as of the March 1, 2012 assessment date and will affect taxes payable beginning in 2013. The assessed value of real property is annually adjusted to reflect changes in market value, based, in part, on comparable sales data, in order to account for changes in value that occur between general reassessments. This process is generally known as "Trending."

When a change in assessed value occurs, a written notification is sent to the affected property owner. If the owner wishes to appeal this action, the owner must first request in writing a preliminary conference with the county or township official who sent the owner such written notification. That request must be filed with such official within 45 days after the written notification is given to the taxpayer. That preliminary conference is a prerequisite to a review of the assessment by the county property tax assessment board of appeals. While the appeal is pending: (1) any taxes on real property which become due on the property in question must be paid in an amount based on the immediately preceding year's assessment, or it may be paid based on the amount that is billed; and (2) any taxes on personal property which become due on the property in question must be paid in an amount based on the assessed value reported by the taxpayer on the taxpayer's personal property tax return, or it may be paid based on the amount billed.

Prior to February 15 of each year for taxes to be collected during that year, the DLGF is required to review the proposed budgets, tax rates and tax levies of each political subdivision, including the City, and the proposed appropriations from those levies to pay principal of and interest on each political subdivision's outstanding general obligation bonds and to pay the political subdivision's outstanding lease rental obligations (collectively "bond and lease obligations") to be due and payable in the next calendar year. If it determines that the proposed levies and appropriations are insufficient to pay the bond and lease obligations, the DLGF may at any time increase the tax rate and tax levy of a political subdivision to pay such bond and lease obligations.

CIRCUIT BREAKER TAX CREDIT

The electors of the State, at the general election held on November 2, 2010, approved an amendment to the State Constitution (the "Amendment"), which provides taxpayers with a tax credit for all property taxes in an amount that exceeds a percentage of the gross assessed value of real and personal property eligible for the credit (the

“Circuit Breaker Tax Credit”). As a result of such approval, the Amendment has become a part of the State Constitution.

In particular, under the Amendment, with respect to property taxes first due and payable in 2012 and thereafter, the State General Assembly will be required to limit a taxpayer’s property tax liability as follows:

(1) A taxpayer’s property tax liability on tangible property, including curtilage, used as a principal place of residence by an:

- (a) owner of property;
- (b) individual who is buying the tangible property under a contract; or
- (c) individual who has a beneficial interest in the owner of the tangible property (collectively, “Tangible Property”);

may not exceed 1% of the gross assessed value of the property that is the basis for the determination of property taxes.

(2) A taxpayer’s property tax liability on other residential property may not exceed 2% of the gross assessed value of the property that is the basis for the determination of property taxes.

(3) A taxpayer’s property tax liability on agricultural property may not exceed 2% of the gross assessed value of the property that is the basis for the determination of property taxes.

(4) A taxpayer’s property tax liability on other real property may not exceed 3% of the gross assessed value of the property that is the basis for the determination of property taxes.

(5) A taxpayer’s property tax liability on personal property (other than personal property that is Tangible Property or personal property that is other residential property) within a particular taxing district may not exceed 3% of the gross assessed value of the taxpayer’s personal property that is the basis for the determination of property taxes within the taxing district.

The Amendment provides that, with respect to property taxes first due and payable in 2012 and thereafter, property taxes imposed after being approved by the voters in a referendum will not be considered for purposes of calculating the limits to property tax liability under the provisions of the Amendment described in the preceding paragraphs. In addition, pursuant to statute, certain senior citizens with annual income below specified levels or their surviving spouses may be entitled to credits in addition to the Circuit Breaker Tax Credit with respect to their property tax liability attributable to their homesteads.

The application of the Circuit Breaker Tax Credit will result in a reduction of property tax collections for each political subdivision in which the Circuit Breaker Tax Credit is applied. Except for referendum tax levies approved by voters for the benefit of school corporations, a political subdivision may not increase its property tax levy or borrow money to make up for any property tax revenue shortfall due to the application of the Circuit Breaker Tax Credit.

Political subdivisions are required by law to fully fund the payments of their debt obligations in an amount sufficient to pay any debt service or lease rentals on outstanding obligations, regardless of any reduction in property tax collections due to the application of the Circuit Breaker Tax Credit. If the amount deposited in a fund from which Debt Service Obligations (as defined herein) of the political subdivision are paid is reduced as a result of the application of the Circuit Breaker Tax Credit below the amount needed to meet the Debt Service Obligations of a political subdivision as such Obligations become due, the political subdivision may transfer funds from one or more of the other funds of the political subdivision. “Debt Service Obligations” of a political subdivision means (1) the principal and interest payable during a calendar year on bonds and (2) lease rental payments payable during a calendar year on leases of such political subdivision, which are payable from ad valorem property taxes. This

application of property tax revenues may impact the ability of political subdivisions to provide existing levels of service and, in extreme cases, the ability to make debt service or lease rental payments.

Upon the failure of a political subdivision to pay any of the political subdivision's Debt Service Obligations during a calendar year when due, the Treasurer of State, upon being notified of the failure by a claimant, shall pay the unpaid Debt Service Obligations that are due from money in possession of the State that would otherwise be available for distribution to the political subdivision under any other law, deducting such payment from the amount distributed.

The Authority, the Commission and City cannot predict the timing, likelihood or impact on property tax collections of any future judicial actions, amendments to the State Constitution, including legislation, regulations or rulings taken, enacted, promulgated or issued to implement the regulations, statutes or the Amendment described above or of future property tax reform in general. In addition, there can be no assurance as to future events or legislation that may impact such regulations or statutes or the Amendment or the collection of property taxes by the Commission or the City.

Estimated Circuit Breaker Tax Credit for the City

According to the Hamilton County abstracts, the Circuit Breaker Tax Credit allocable to the City for budget year 2010, when the Circuit Breaker Tax Credit was fully implemented, was \$232,100. In budget year 2012, the Circuit Breaker Tax Credit is \$246,452.

The Circuit Breaker Tax Credit amounts above do not reflect the potential effect of any further changes in the property tax system or methods of funding local government that may be enacted by the Indiana General Assembly in the future. The effects of these changes could affect the Circuit Breaker Tax Credit and the impact could be material. Other future events, such as the loss of a major taxpayer, reductions in assessed value, increases in property taxes rates of overlapping taxing units or the reduction in local option income taxes applied to property tax relief could increase effective property tax rates and the amount of the lost revenue due to the Circuit Breaker Tax Credit, and the resulting increase could be material.

RISKS TO BONDHOLDERS

Prospective investors in the Bonds should be aware that there are risk factors associated with the Bonds.

GENERAL RISKS AND RISKS ASSOCIATED WITH THE LEASE

The principal of and interest on the Bonds are payable only from Lease Rentals received by the Trustee on behalf of the Authority from the Commission pursuant to the Lease. The Authority has no taxing power. The Authority has no source of funds from which to pay debt service on the Bonds except moneys collected from Lease Rentals and funds held under the Indenture. If, for any reason, the Leased Premises are damaged or destroyed and unavailable for use, the Commission would no longer be able to pay Lease Rentals. However, under the terms of the Lease, the Commission and the Authority have the ability to substitute other existing road improvements for the Leased Premises of equivalent value in order to maintain the ability of the Commission to continue to pay Lease Rental under the Lease. To the extent that the damaged or destroyed Leased Premises is not replaced or repaired or is unavailable for use beyond the period covered by the Debt Service Reserve Fund, the Commission will be unable to pay the Lease Rentals attributable to the damaged or destroyed Leased Premises, and the Authority would have insufficient funds to pay debt service on the outstanding Bonds.

While the Special Benefits Tax is pledged to the payment of the Lease Rentals, the Commission intends to pay the Lease Rentals with CRC Revenues. The CRC Revenues are not pledged to the payment of Lease Rentals and there can be no assurance that in the future they will not be pledged to another obligation, or that they will be available to pay Lease Rentals.

RISKS ASSOCIATED WITH SPECIAL BENEFITS TAX

Tax Collection. In the event of delayed billing, collection or distribution by the County Auditor of ad valorem property taxes, including the Special Benefits Tax levied on the District, sufficient funds may not be available to the Commission in time to pay the Lease Rentals when due. This risk is inherent in all property tax-supported obligations. The debt service reserve fund established pursuant to the Indenture helps to mitigate this timing risk, but does not eliminate it.

Circuit Breaker Tax Credit. If applicable, the Circuit Breaker Tax Credit will result in a reduction of property tax collections for each political subdivision in which the Circuit Breaker Tax Credit is applied. A political subdivision may not increase its property tax levy or borrow money to make up for any property tax revenue shortfall due to the application of the Circuit Breaker Tax Credit.

Ind. Code § 6-1.1-20.6-10 requires political subdivisions to fully fund any levies for the payment of outstanding debt service or lease rental obligations regardless of any reduction in property tax collections due to the application of the Circuit Breaker Tax Credit. If property tax collections are insufficient to fully fund debt service or lease rental levies due to the Circuit Breaker Tax Credit, political subdivisions must use non-property tax revenues or revenues from property tax levies for other funds (including operating) to offset revenue loss to the debt service fund.

Ind. Code § 6-1.1-20.6-9.8 further provides that property taxes imposed by a political subdivision to pay for debt service obligations of a political subdivision (including lease rental payments on leases) are “protected taxes”. The total amount of protected taxes will be allocated to the fund for which they were imposed as if no Circuit Breaker Tax Credit were granted and any loss in revenue resulting from any applicable Circuit Breaker Tax Credit will reduce only other, unprotected taxes.

Ind. Code § 6-1.1-20.6-10 also provides that if property tax revenues are not sufficient to pay debt service on bonds or leases payable from property taxes, the State must intercept local option income tax distributions and available distributions of State monies for the benefit of bondholders.

This application of property tax revenues may impact the ability of political subdivisions to provide existing levels of service and, in extreme cases, the ability to make debt service or lease rental payments on bonds secured by intercepted funds. There has been no judicial interpretation of this legislation. In addition, there can be no assurance as to future events or legislation that may affect the Circuit Breaker Tax Credit or the collection of property taxes. According to the 2012 Hamilton County Abstract, the Circuit Breaker Tax Credit allocable to the City of Carmel is \$246,452 for budget year 2012.

RISKS ASSOCIATED WITH TIF REVENUES

The Commission expects that it will make a portion of the lease payment from TIF Revenues and other available funds of the Commission. There are certain risks associated with TIF Revenues, however, to the extent that the TIF Revenues or CRC Revenues are insufficient, the Commission is required to levy the Special Benefits Tax. A firm estimate of TIF Revenues should be available by the time of the decision to levy the Special Benefits Tax for the upcoming Lease Rental. If insufficient TIF Revenues are collected, the Commission may not be able to impose an additional Special Benefits Tax levy until the following budget year which may cause a timing delay as receipt of the Special Benefits Tax may occur after the Lease Rental payment is due. The debt service reserve fund established pursuant to the Indenture helps to mitigate this timing risk, but does not eliminate it. However, the Commission is permitted to use other legally available funds to make Lease Rental payments.

LITIGATION

To the knowledge of the officers and counsel for the Authority, the Commission and the City, there is no litigation pending or threatened against the Authority, the Commission or the City, which in any way questions or affects the validity of the Bonds, the Lease, the Indenture or any proceedings or transactions relating to the issuance, sale or delivery thereof or the Special Benefits Tax Revenues pledged to pay Lease Rentals.

The officers and counsel for the Authority and the City will certify at the time of delivery of the Bonds that there is no litigation pending or in any way threatened questioning the validity of the Bonds, the Lease, the Indenture or any of the proceedings had relating to the authorization, issuance and sale thereof or the Special Benefits Tax Revenues pledged to pay Lease Rentals.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters incident to the authorization, issuance, sale and delivery of the Bonds are subject to the approval of Barnes & Thornburg LLP, Indianapolis, Indiana, Bond Counsel, whose approving legal opinions will be delivered with the Bonds, substantially in the form attached hereto as APPENDIX E. Certain legal matters will be passed on for the City by Douglas C. Haney, Esq., Carmel, Indiana, for the Authority by Barnes & Thornburg LLP, for the District and the Commission by Wallack Somers & Haas P.C., Indianapolis, Indiana, and for the Underwriters by Hall, Render, Killian, Heath & Lyman, P.C., Indianapolis, Indiana.

LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES

The enforceability of the rights and remedies of the Trustee or the registered owners of the Bonds under the Indenture and the availability of remedies to any party seeking to enforce the lien on the Trust Estate 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 Indenture and the availability of remedies to any party seeking to enforce the lien on the Trust Estate may be limited.

The various legal opinions to be delivered concurrently with the delivery of the 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 Authority, the Commission, the City and the State), in a manner consistent with the public health and welfare. The enforceability of the Indenture and the availability of remedies to a party seeking to enforce the lien on the Trust Estate, in a situation where such enforcement or availability may adversely affect the public health and welfare, may be subject to those police powers.

RELATIONSHIPS AMONG THE PARTIES

In connection with the issuance of the Bonds, the City, the Authority, the Commission and the Underwriters are being represented by the law firms identified above under the heading “APPROVAL OF LEGAL PROCEEDINGS” and Barnes & Thornburg LLP is acting as Bond Counsel. In other transactions not related to the Bonds, each of these law firms may have acted as counsel or represented the City, the Authority, the Commission or the Underwriters or their affiliates, in capacities different from those described under “APPROVAL OF LEGAL PROCEEDINGS,” and there will be no limitations imposed as a result of the issuance of the Bonds on the ability of any of these law firms to act as counsel or represent any of these parties in any future transactions. Furthermore, the City, the Authority, the Commission, the Underwriters and their affiliates are not limited in engaging in future business transactions together or in any combination with each other. Potential purchasers of the Bonds should not assume that the City, the Authority, the Commission and the Underwriters or their respective counsel or Bond Counsel have not previously engaged in, or will not after the issuance of the Bonds engage in, other transactions with each other or with any affiliates of any of them, and no assurance can be given that there are or will be no past or future relationships or transactions between or among any of these parties or law firms.

TAX MATTERS

In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana (“Bond Counsel”), under existing laws, interest on the 2012A 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 2012A Bonds (the “Code”). The opinion of Bond Counsel is based on certain certifications, covenants and representations of the

Authority, the Commission and the City and is conditioned on their continuing compliance therewith. Interest on the 2012B Bonds is not excludable from gross income for federal income tax purposes. In the opinion of Bond Counsel, under existing laws, interest on the Bonds is exempt from income taxation in the State of Indiana for all purposes, except the State financial institutions tax. See APPENDIX E for the form of opinions of Bond Counsel.

The Code imposes certain requirements which must be met subsequent to the issuance of the 2012A Bonds as a condition to the excludability from gross income of interest on the 2012A Bonds for federal income tax purposes. Noncompliance with such requirements may cause interest on the 2012A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue, regardless of the date on which noncompliance occurs. Should the 2012A Bonds bear interest that is not excludable from gross income for federal income tax purposes, the market value of the 2012A Bonds would be materially and adversely affected. It is not an event of default if interest on the 2012A 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 2012A Bonds.

The interest on the 2012A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. However, interest on the 2012A Bonds is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

The 2012A Bonds are NOT “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

Ind. Code § 6-5.5 imposes a franchise tax on certain taxpayers (as defined in Ind. Code § 6-5.5), which, in general, includes 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 2012A Bonds is excludable from gross income for federal tax purposes and that interest on the Bonds is exempt from State income tax, the accrual or receipt of interest on the 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 Bonds should consult their own tax advisors with respect to the other tax consequences of owning the Bonds.

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

ORIGINAL ISSUE DISCOUNT

The initial public offering price of the 2012A Bonds maturing on August 1, 2026 is less than the principal amount payable at maturity as shown on the inside cover hereof (the “2012A Discount Bonds”). As a result, the 2012A Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering price of the 2012A Discount Bonds, as set forth on the inside 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 2012A Discount Bonds, will be treated as “original issue discount”. The original issue discount on each of the 2012A Discount Bonds is treated as accruing daily over the term of such 2012A 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 longer period from the date of the original issue) ending on February 1 and August 1 (with straight line interpolation between compounding dates). An owner who purchases a 2012A 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 2012A Discount Bond for federal income tax purposes.

Section 1288 of the Code provides, with respect to tax-exempt obligations such as the 2012A Discount Bonds, that the amount of original issue discount accruing each period will be added to the owner's tax basis for the 2012A Discount Bonds. Such adjusted tax basis will be used to determine taxable gain or loss upon disposition of the 2012A Discount Bonds (including sale, redemption or payment at maturity). Owners of 2012A Discount Bonds who dispose of 2012A 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 2012A Discount Bonds prior to maturity.

The original issue discount that accrues in each year to an owner of a 2012A Discount Bond may result in certain collateral federal income tax consequences. Owners of any 2012A 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 2012A Discount Bonds will not receive a corresponding cash payment until a later year.

Owners who purchase 2012A 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 2012A Discount Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of subsequent purchasers of Bonds such as the 2012A Discount Bonds. Owners who do not purchase 2012A Discount Bonds in the initial offering should consult their own tax advisors with respect to the tax consequences of the ownership of the 2012A Discount Bonds.

Owners of 2012A Discount Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the 2012A Discount Bonds. It is possible under the applicable provisions governing the determination of state or local income taxes that accrued interest on the 2012A 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 offering price of the 2012A Bonds maturing on August 1 of the years 2028, 2030, 2033 and 2035 and February 1, 2038 is greater than the principal amount payable at maturity as shown on the inside cover hereof (such Bonds, the "Premium Bonds"). As a result, the Premium Bonds will be considered to be issued with amortizable bond premium (the "Bond Premium"). An owner who acquires a Premium Bond in the initial 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 (i) the amount of amortizable Bond Premium and (ii) the amount amortizable in a particular year are set forth at Section 171(b) of the Code. No income tax deduction for the amount of 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 Premium Bonds.

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

FORWARD-LOOKING STATEMENTS

This Official Statement, and specifically certain information contained in APPENDIX B, contain statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect” and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Among the factors that may cause projected revenues and expenditures to be materially different from those anticipated are an inability to incur debt at assumed rates, general economic downturns, factors affecting the CRC Revenues and TIF Revenues in particular, federal legislation and/or regulations, and regulatory and other restrictions. Any forecast is subject to such uncertainties. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

CONTINUING DISCLOSURE

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission (“SEC”) in SEC Rule 15c2-12, as amended (the “SEC Rule”), the Authority will enter into a Continuing Disclosure Undertaking Agreement (the “Undertaking”), which will be acknowledged by the Commission and the City, to be dated the date of delivery of the Bonds. Pursuant to the terms of the Undertaking, the Authority will agree to provide the following information while any of the Bonds are outstanding:

- Financial Statements. To the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access system (“EMMA”), when and if available, the Audit or Examination Report of the City as prepared and examined by the State Board of Accounts for each twelve (12) month period ending December 31, beginning with the period ending on December 31, 2012, together with the opinion of such accountants and all notes thereto, within sixty (60) days of receipt from the State Board of Accounts; and
- Financial Information in this Official Statement. To the MSRB through EMMA, within 180 days of each December 31, beginning with the period ending on December 31, 2012, unaudited annual financial information for the City for such calendar year including (i) unaudited financial information of the City, if audited financial statements are not available and (ii) operating data of the type provided under the following headings in APPENDIX A to this Official Statement (collectively, the “Annual Information”).

APPENDIX A

GENERAL ECONOMIC AND FINANCIAL INFORMATION

- Schedule of Historical Net Assessed Valuation
 - Detail of Net Assessed Valuation
 - Comparative Schedule of Tax Rates
 - Property Taxes Levied and Collected
 - Large Taxpayers
 - Statement of Receipts and Disbursements
- Reportable Events. In a timely manner, within ten (10) business days of the occurrence, to the MSRB through EMMA, notice of the following events, if material, with respect to the Bonds (which determination of materiality shall be made by the Authority in accordance with the standards established by federal securities laws):
 1. non-payment related defaults;
 2. modifications to rights of Bondholders;
 3. Bond calls;
 4. release, substitution or sale of property securing repayment of the Bonds;
 5. the consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the obligated person, or entry into or termination of a definitive agreement relating to the foregoing; and
 6. appointment of a successor or additional trustee or the change of name of a trustee.

Within ten (10) business days, to the MSRB through EMMA, notice of the following events, regardless of materiality:

1. principal and interest payment delinquencies;
 2. unscheduled draws on debt service reserves reflecting financial difficulties;
 3. unscheduled draws on credit enhancements reflecting financial difficulties;
 4. substitution of credit or liquidity providers, or their failure to perform;
 5. defeasances;
 6. rating changes;
 7. adverse tax opinions or other material events affecting the tax-exempt status of the 2012A Bonds; the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material events, notices or determinations with respect to the tax status of the Bonds;
 8. tender offers; and
 9. bankruptcy, insolvency, receivership or similar event of the obligated person.
- Failure to Disclose. In a timely manner, to the MSRB through EMMA, notice of the Authority failing to provide the Annual Information as described above.

The Authority may, from time to time, amend or modify the Undertaking without the consent of or notice to the owners of the Bonds if either (a)(i) such amendment or modification 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 the Commission, or type of business conducted; (ii) the Undertaking, as so amended or modified, would have complied with the requirements of the SEC Rule on the date of execution of the Undertaking, after taking into account any amendments or interpretations of the SEC Rule, as well as any change in circumstances; and (iii) such amendment or modification does not materially impair the interests of the holders of the Bonds, as determined either by (A) nationally recognized bond counsel or (B) an approving vote of the Bondholders pursuant to the terms of the Indenture at the time of such amendment or modification; or (b) such amendment or modification (including an amendment or modification which rescinds the Undertaking) is permitted by the SEC Rule, as then in effect.

The Authority may, at its sole discretion, use an agent in connection with the dissemination of any annual financial information required to be provided by the Authority pursuant to the terms of the Undertaking.

The purpose of the Undertaking is to enable the Underwriters to purchase the Bonds by providing for an undertaking by the Authority in satisfaction of the SEC Rule. The Undertaking is solely for the benefit of the owners of the Bonds and creates no new contractual or other rights for the SEC, underwriters, brokers, dealers, municipal securities dealers, potential customers, other obligated persons or any other third party. The sole remedy against the Authority for any failure to carry out any provision of the Undertaking shall be for specific performance of the Authority's disclosure obligations under the Undertaking and not for money damages of any kind or in any amount or any other remedy. The Authority's failure to honor its covenants under the Undertaking shall not constitute a breach or default of the Bonds, the Indenture or any other agreement.

In the previous five years, the Authority, the Commission and the City have complied with all previous undertakings; however, in a few instances, notice of certain material events has not been filed in a timely manner.

BOND RATING

Standard & Poor's Ratings Services ("S&P") has assigned a bond rating of "AA+" to the Bonds. Such rating reflects only the view of S&P and any explanation of the significance of such rating may only be obtained from S&P.

The rating is not a recommendation to buy, sell or hold the Bonds, and such rating may be subject to revision or withdrawal at any time by S&P. Any downward revision or withdrawal of the rating may have an adverse effect upon the market price of the Bonds.

The Authority did not apply to any other rating service for a rating on the Bonds.

UNDERWRITING

The Bonds are being purchased, subject to certain conditions, by Oppenheimer & Co. Inc., as representative of itself and the underwriters identified on the outside front cover page hereof (collectively, the “Underwriters”). The Underwriters have agreed to purchase all, but not less than all, of (i) the 2012A Bonds at a price equal to \$121,952,400 (which amount is equal to the par amount of the 2012A Bonds, plus a net original issue premium of \$7,211,400 and less an Underwriters’ discount of \$1,159,000) and (ii) the 2012B Bonds at a price equal to \$68,552,550 (which amount is equal to the par amount of the 2012B Bonds, less an Underwriters’ discount of \$692,450).

The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts, certain of which may be sponsored or managed by the Underwriters) at prices lower than the initial public offering prices stated on the inside cover. The initial public offering prices of the Bonds may be changed, from time to time, by the Underwriters.

FINANCIAL ADVISOR

H.J. Umbaugh & Associates, Certified Public Accountants, LLP (the “Financial Advisor” or “Umbaugh”) has been retained by the Authority, the Commission and the City to provide certain financial advisory services in connection with the issuance of the Bonds. Although the Financial Advisor has assisted in the preparation of this Official Statement, the Financial Advisor was not and is not obligated to undertake and has not undertaken to make, an independent verification of the accuracy, completeness or fairness of the information contained in this Official Statement.

The Financial Advisor’s duties, responsibilities and fees arise solely as financial advisor to the City and they have no secondary obligations or other responsibility. However, the Financial Advisor is preparing the escrow verification and lease sufficiency reports for the Bonds. The Financial Advisor’s fees are expected to be paid from proceeds of the Bonds.

Municipal Advisor Registration

H.J. Umbaugh & Associates, Certified Public Accountants, LLP is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. As such, Umbaugh is providing certain specific municipal advisory services to the Authority, but is neither a placement agent to the Authority nor a broker/dealer.

The offer and sale of the Bonds shall be made by the Authority, in the sole discretion of the Authority, and under its control and supervision. The Authority agrees that Umbaugh does not undertake to sell or attempt to sell the Bonds, and will take no part in the sale thereof.

Other Financial Industry Activities and Affiliations

Umbaugh Cash Advisory Services, LLC (“UCAS”) is a wholly-owned subsidiary of H.J. Umbaugh & Associates, Certified Public Accountants, LLP. UCAS is registered as an investment adviser with the Securities and Exchange Commission under the federal Investment Advisers Act. UCAS provides non-discretionary investment advice with the purpose of helping clients create and maintain a disciplined approach to investing their funds prudently and effectively. UCAS may provide advisory services to the clients of Umbaugh.

UCAS has no other activities or arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

OTHER MATTERS

The Authority and the Commission certify to the best of their knowledge and belief that this Official Statement, as of its date and as it relates to the Authority, the Commission and the City and the City’s economic and financial condition, (i) is complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material facts or information which would make the statements contained herein misleading.

This Official Statement and its execution are duly authorized.

CITY OF CARMEL REDEVELOPMENT AUTHORITY

By: /s/ Robert B. Bush II
President

CITY OF CARMEL REDEVELOPMENT COMMISSION

By: /s/ William Hammer
President

APPENDIX A

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CITY OF CARMEL, INDIANA

GENERAL PHYSICAL AND DEMOGRAPHIC INFORMATION

LOCATION AND GENERAL CHARACTERISTICS

The City of Carmel (the “City”) is located in Hamilton County directly north of Indianapolis. The City has experienced tremendous growth within the past few decades as represented in the population statistics presented herein. The City serves mainly as a residential and commercial area for both Carmel and Indianapolis professionals. Personal income statistics are above the national and State of Indiana averages. Hamilton County ranks first in the State of Indiana for median household income and second in the State for per capita personal income. The unemployment rate in Hamilton County has been substantially lower than that of the State of Indiana. The City is recognized for its sound corporate environment, high quality residential neighborhoods, outstanding schools, cultural amenities, well-developed infrastructure and strong economy. The City of Carmel, Indiana was recently ranked as the number one best place to live in America for cities with a population of 50,000 to 300,000 by Money Magazine. The proximity of Carmel to Indianapolis provides increased employment, recreation and higher education opportunities for local residents.

The City’s proximity to Indianapolis provides Carmel residents with an abundance of cultural, recreational, and entertainment activities including the Indianapolis Symphony Orchestra, Clowes Memorial Hall, the Ballet Theater and Opera Company, the Indianapolis Children’s Choir, the Indianapolis Museum of Art, the Indiana State Museum, the Eiteljorg Museum of American Indian and Western Art, the Indiana Repertory Theater, the Indianapolis Civic Theater and the Children’s Museum.

Indianapolis, famous for “Indy 500” racing, and home of the “Indiana Pacers”, the “Indianapolis Colts”, and the “Indianapolis Indians” is also known as the amateur sports capital of the United States. Numerous facilities provide spectator sporting events, as well as facilities open to the public for swimming, tennis and bicycling. Many public and private golf courses are located throughout the metropolitan area. The downtown White River State Park includes a 78-acre Indianapolis Zoo and the White River Gardens.

Over the past ten years, park land in Carmel has increased from 20 to 600 acres through purchases and gifts. Central Park, which opened in 2007, provides many recreational opportunities for residents of the City. The Park includes a 147,000 square foot community recreation center, which houses a three-court gymnasium, an indoor walking/jogging track, a workout center, meeting rooms, a banquet facility, park offices, and outdoor and indoor aquatic centers. Another unique Carmel recreational feature is the Monon Greenway, a 5-mile paved trail built on an old rail corridor, which extends through the center of Carmel and links into a 10.5-mile Monon Trail system that extends all the way to downtown Indianapolis. The trail system is very popular with joggers, walkers, bicyclists and roller bladers.

Cultural activities are provided by several local organizations as well as the Carmel Symphony Orchestra which was organized in 1976. In 2011, the City opened a \$140 million world class Performing Arts Center, which includes a 1,600 seat concert hall and a 500-seat multi-purpose theater. The City of Indianapolis also provides a wide range of cultural attractions including art, theater, symphonic productions and ballet.

The Carmel Arts and Design District, located in the heart of Old Town Carmel, is comprised of galleries, eateries, boutiques, gift and interior design shops, antique stores and other retail establishments geared toward the arts.

The Carmel Clay Public Library serves residents of the City. The Library provides students, teachers and residents of the City access to books and other resource materials located in the Library. The Library is consistently ranked in the top ten libraries in the country by Hennen’s American Public Library Ratings (HAPLR). The present 116,000 square foot facility opened in the spring of 1999 and provides state-of-the-art technology, group study rooms and two technology centers.

GOVERNMENTAL STRUCTURE

The City of Carmel is governed by a seven-member Common Council, with each member elected to a four-year term. The Mayor serves as the chief executive of the City and serves a four-year term. The Clerk Treasurer, also

elected to a four-year term, is responsible for the financial records of the City. Additional City departments include the following:

Board of Public Works	Information Systems
Board of Zoning Appeals	Law
Cable and Telecommunications Commission	Parks & Recreation
Communications Center (911)	Plan Commission
Community Relations	Planning and Zoning
Engineering	Police
Economic Development Commission	Redevelopment Commission
Ethics Commission	Streets
Fire	Utilities
Human Resources	

The City employs a total of approximately 625 full and part-time employees with union representation as follows:

<u>Union Name</u>	<u>Union Representation</u>	<u>Number of Members</u>	<u>Contract Expiration Date</u>
Carmel Professional Firefighters #4444	Firefighters	153	12/31/12

PLANNING AND ZONING

The Carmel Plan Commission promotes orderly growth throughout the City and other areas of Clay Township. The 11-member Commission is appointed by the Mayor (5), City Council (1), Park Board (1), City Engineer (1), Board of Public Works (1), and County Commissioners (2). The Board of Zoning Appeals has five members appointed by the Mayor, City Council and Plan Commission.

EDUCATION

Carmel Clay Schools serve the residents of the City and surrounding Clay Township. Currently, the school system has one high school, three middle schools, and eleven elementaries. Total enrollment is reported at 15,562 for the 2011/2012 school year. A certified staff of 1,027 and a non-certified staff of 1,290 provide educational opportunities for school-aged children.

PENSION OBLIGATIONS

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

1925 Police Officers' Pension Plan

Plan Description

The 1925 Police Officers' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

On Behalf Payments

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Public Employees' Retirement Fund as provided under Indiana Code 5-10.3-11.

1937 Firefighters' Pension Plan

Plan Description

The 1937 Firefighters' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute.

On Behalf Payments

The 1937 Firefighters' Pension Plan is funded by the State of Indiana through the Public Employees' Retirement Fund as provided under Indiana Code 5-10.3-11.

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

PERF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy

The contribution requirements of plan members and the City are established by the Board of Trustees of PERF.

GENERAL ECONOMIC AND FINANCIAL INFORMATION

COMMERCE AND INDUSTRY

The City has experienced extensive residential and commercial development in recent years and has been one of the fastest growing areas in the Indianapolis Metropolitan Area. Several companies have headquarters located in the City. Hamilton County has the second highest per capita income and highest median household income in the State of Indiana.

Along U.S. 31, known as the Meridian Corridor, numerous modern multi-story office complexes have been built in recent years. The corporate headquarters and offices of major corporations such as CNO Financial Group, Inc., formerly Conseco, Inc., Monster.com, and Indiana Insurance are among the many office complexes which form the Meridian Corridor. In addition to these corporate headquarters, the Corridor's strength as a provider of medical services is attested to by the newly constructed St. Vincent Heart Center and I.U. Health North Hospital (formerly Clarian North Medical Center), as well as the existing St. Vincent Carmel Hospital.

CNO Financial Group, Inc., formerly Conseco, Inc., is a life insurance holding company founded in 1979. Conseco acquired numerous insurance companies in the 1980's and 1990's. In May 2010, the Company changed its name to CNO Financial Group, Inc. CNO has seen an increase in sales and net income in 2012 compared to the same time frame in 2011. According to the Hamilton County Alliance, the number of employees is currently approximately 1,750.

Liberty Mutual Insurance, which began operations in 1912, employs approximately 1,200, according to the Hamilton County Alliance. The employment trend has been steady in the past year and is expected to remain steady in the upcoming year. Midwest Independent Transmission System Operator, Inc. (MISO) located its corporate headquarters in Carmel in 1998, and has constructed a second building. The Company employs approximately 700 according to company personnel and expects employment to continue at this level.

According to the Hamilton County Alliance, several other established major employers in the School Corporation include Duke Realty with 475 employees; the national headquarters for Firestone Building Products with 825 employees; Ingersoll Rand, the divisional headquarters for a security technology company, with 400 employees; Resort Condominium Intl., a resort hotel exchange network, with 900 employees and The Capital Group, a financial services management company, with 1,000 employees.

In 1998, the City of Carmel and its Redevelopment Commission began an aggressive redevelopment effort to redevelop and revitalize the center of the City, including the historic downtown, into a cultural and civic center. The central City has undergone a tremendous amount of new construction, including offices, restaurants, retail, up-scale apartments, condominiums, town homes and public spaces and monuments designed to create a vibrant urban atmosphere. This mixed-use development is called "City Center". The historic area is also being developed into an arts district. On January 29, 2011, the Palladium celebrated the Grand Opening of the Performing Arts Center, which includes a 1,600 seat concert hall and a 500-seat multi-purpose theater.

Development has also occurred in Carmel in an area called Clay Terrace. This up-scale open-air retail environment includes approximately 500,000 square feet of retail space, dining options and 70,000 square feet of second story office space and an area for shows and concerts. The \$100 million development opened in October 2004.

Due to substantial growth in Carmel, the City saw the need to redesign the Keystone Parkway Interchanges – 106th and 126th Street Bridges. The cost of the bridge construction projects was approximately \$3 million. It involved redesigning the bridges into roundabouts. The unique and award-winning teardrop design allows traffic to travel more easily through this previously congested thoroughfare.

In 2011, construction began on a project to upgrade 13 miles of existing highway on US 31 between I-465 in Indianapolis to SR 38 north of the City. The reconstruction of US 31 has added new interchanges and reconstructed ramps and bridges and has reduced congestion and improved safety in the area. This project is the largest and most aggressive road project ever attempted in Hamilton County. The project is anticipated to be completed and open to all traffic by December 2015.

LARGE EMPLOYERS

Below is a list of the City's largest employers. The number of employees shown are as reported by company personnel unless otherwise notes. Because of reporting time lags and other factors inherent in collecting and reporting such statistics may not reflect recent employment levels.

<u>Name</u>	<u>Year Established</u>	<u>Type of Business</u>	<u>Reported Employment</u>
Carmel-Clay School Corporation	1888	Public education	2,317 (1)
CNO Financial Group, Inc., formerly Conseco, Inc.	1979	Life insurance holding company	1,750
I.U. Health North Hospital, formerly Clarian North Medical Center	2005	Acute healthcare	1,400
Liberty Mutual Insurance	1912	Insurance company	1,200 (2)
The Capital Group	2007	Financial services	1,000 (2)
Resort Condominium Intl. (RCI)	1974	Resort hotel	900 (2)
Firestone Building Products		National headquarters for manufacturing facilities	825 (2)
St. Vincent Carmel Hospital	1985	Acute health care facility	800
Midwest Independent Transmission System Operator, Inc. (MISO)	2002	Business consulting services	700
City of Carmel	1874	City government	625

(1) Includes 1,027 certified employees and 1,290 non-certified employees.

(2) Per the Hamilton County Alliance.

EMPLOYMENT

<u>Year</u>	<u>Unemployment Rate</u>		<u>Hamilton County Labor Force</u>
	<u>Hamilton County</u>	<u>Indiana</u>	
2003	3.3%	5.3%	120,547
2004	3.4%	5.3%	124,838
2005	3.4%	5.4%	130,557
2006	3.2%	5.0%	137,057
2007	2.9%	4.6%	141,334
2008	3.8%	5.9%	145,701
2009	6.7%	10.4%	141,723
2010	7.0%	10.2%	143,137
2011	6.3%	9.0%	141,952
2012, July	5.9%	8.3%	143,067

Source: Indiana Business Research Center

BUILDING PERMITS

Provided below is a summary of the number of building permits and estimated construction costs for the City.

<u>Year</u>	<u>Single Family</u>	<u>Two- Family</u>	<u>Multi- Family</u>	<u>Commercial</u>	<u>Institutional</u>	<u>Total</u>
2007	567	2	12	32	3	616
2008	360		1	13		374
2009	273		31	12	2	318
2010	299	2	2	10	6	319
2011	268		25	8	2	303
2012, July	239	5	10	6		260

Source: Carmel Department of Community Services.

POPULATION

<u>Year</u>	<u>City of Carmel</u>		<u>Hamilton County</u>	
	<u>Population</u>	<u>Percent of Change</u>	<u>Population</u>	<u>Percent of Change</u>
1970	6,691	364.01%	54,532	35.88%
1980	18,272	173.08%	82,027	50.42%
1990	25,380	38.90%	108,936	32.81%
2000	37,733	48.67%	182,740	67.75%
2010	79,191	109.87%	274,569	50.25%

Source: U.S. Census Bureau

AGE STATISTICS

	<u>City of Carmel</u>	<u>Hamilton County</u>
Under 25 Years	27,502	98,591
25 to 44 Years	20,009	82,113
45 to 64 Years	23,465	70,176
65 Years and Over	8,215	23,689

Source: U.S. Census Bureau's 2010 Census

EDUCATIONAL CHARACTERISTICS

<u>Years of School Completed</u>	<u>Persons 25 and Over</u>	
	<u>City of Carmel</u>	<u>Hamilton County</u>
Less than 9th grade	0.8%	0.8%
9th to 12th grade, no diploma	0.6%	2.7%
High school graduate	11.5%	16.8%
Some college, no degree	15.0%	19.8%
Associate's degree	5.6%	5.7%
Bachelor's degree	38.1%	35.4%
Graduate or professional degree	28.4%	18.8%

Source: U.S. Census Bureau's 2010 Census

MISCELLANEOUS ECONOMIC INFORMATION

	<u>City of Carmel</u>	<u>Hamilton County</u>	<u>Indiana</u>
Per capita personal income in 2010	\$49,084	\$48,692	\$33,981
Median household income in 2010	\$103,667	\$82,054	\$44,616
Average weekly earnings in manufacturing (4th qtr. of 2011)	N/A	\$1,030	\$1,072
Area in square miles - 2010	48.48	402.44	36,419.55
Population per square mile - 2010	1,658.4	696.4	181.0
Retail sales in 2007:			
Total retail sales	N/A	\$3,295,421,000	\$78,745,589,000
Sales per capita*	N/A	\$12,002	\$12,145
Sales per establishment	N/A	\$4,013,911	\$3,323,721

Source: Bureau of Census Reports and the Indiana Business Research Center

* Based on 2010 population.

<u>Employment and Earnings - 2010</u>	<u>Earnings</u> (In 1,000's)	<u>Percent of Earnings</u>	<u>Distribution of Labor Force</u>
Services	\$3,151,216	40.88%	44.94%
Finance, insurance and real estate	1,337,024	17.34%	19.41%
Wholesale and retail trade	1,154,979	14.98%	14.52%
Government	720,225	9.34%	7.79%
Construction	483,119	6.27%	5.30%
Manufacturing	346,922	4.50%	3.07%
Information	243,658	3.16%	2.34%
Utilities	148,379	1.92%	0.59%
Transportation and warehousing	66,776	0.87%	1.22%
Farming	33,796	0.44%	0.46%
Mining	13,510	0.18%	0.24%
Forestry, fishing, related activities	8,923	0.12%	0.12%
Totals	<u>\$7,708,527</u>	<u>100.00%</u>	<u>100.00%</u>

Source: Bureau of Census Reports and the Indiana Business Research Center

<u>Adjusted Gross Income</u>	<u>Year</u>	<u>Hamilton County Total</u>
	2006	\$9,712,536,173
	2007	9,518,337,922
	2008	9,749,707,881
	2009	9,326,419,169
	2010	10,111,061,038

Source: Indiana Department of Revenue

SCHEDULE OF INDEBTEDNESS

The following schedule shows the outstanding indebtedness of the City of Carmel and the taxing units within and overlapping its jurisdiction as of October 2, 2012, as reported by the respective taxing units.

	<u>Total Debt</u>	Percent Allocable to <u>City*</u>	Amount Allocable to <u>City</u>
<u>Direct Debt</u>			
Tax Supported Debt			
City of Carmel and Redevelopment	\$417,667,599	100.00%	\$417,667,599
Carmel Redevelopment/EDC TIF Revenue	59,708,107	0.00%	0
Revenue Supported Debt:			
City of Carmel	<u>134,843,484</u>	100.00%	<u>134,843,484</u>
Total Direct Debt	<u><u>\$612,219,190</u></u>		<u><u>\$552,511,084</u></u>
<u>Overlapping Debt</u>			
Tax Supported Debt			
Hamilton County and Redevelopment	\$154,592,410	36.45%	\$56,348,933
Hamilton County Redevelopment/EDC TIF Revenue	12,650,000	0.00%	0
Carmel Clay School Corporation	169,415,000	97.49%	165,162,684
Carmel Clay Public Library	11,785,000	97.49%	11,489,197
Clay Township	<u>45,180,000</u>	20.04%	<u>9,054,072</u>
Total Overlapping Debt	<u><u>\$393,622,410</u></u>		<u><u>\$242,054,885</u></u>

* Based upon the 2011 payable 2012 net assessed valuation of the respective taxing units.

The schedule presented above is based on information furnished by the obligors or other sources and is deemed reliable. We make no representation or warranty as to its accuracy or completeness.

DEBT RATIOS

The following presents the ratios relative to the tax supported indebtedness of the taxing units within and overlapping the City of Carmel as of October 2, 2012.

	Direct Tax Supported Debt <u>\$417,667,599</u>	Allocable Portion of All Other Overlapping Tax Supported Debt <u>\$242,054,885</u>	Total Direct and Overlapping Tax Supported Debt <u>\$659,722,485</u>
Per capita (1)	\$5,274.18	\$3,056.60	\$8,330.78
Percent of net assessed valuation (2)	6.54%	3.79%	10.33%

- (1) According to the U.S. Census Bureau, the 2010 population of the City of Carmel is 79,191.
- (2) The net assessed valuation of the City of Carmel for taxes payable in 2012 is \$6,383,598,057 according to the Hamilton County and Redevelopment Auditor's office.

SCHEDULE OF HISTORICAL NET ASSESSED VALUATION

(As Provided by the Hamilton County Auditor's Office)

<u>Year Payable</u>	<u>Real Estate</u>	<u>Utilities</u>	<u>Personal Property</u>	<u>Total</u>
2008	\$6,607,228,812	\$26,058,210	\$356,265,164	\$6,989,552,186
2009 (1)	5,040,219,932	32,153,530	362,534,349	5,434,907,811
2010	5,124,488,495	30,375,950	358,263,374	5,513,127,819
2011	4,927,632,012 (2)	34,220,060	392,618,914	5,354,470,986
2012	5,952,884,868 (3)	34,827,030	395,886,159	6,383,598,057

(1) In 2009, the standard deduction for homesteads increased from the lesser of \$45,000 or 50% of assessed value to the lesser of \$45,000 or 60% of assessed value. Additionally, a supplemental homestead deduction equal to 35% for up to \$600,000 of assessed value remaining after the application of the standard deduction and 25% of the remaining assessed value over \$600,000 was implemented.

(2) According to the County Auditor's office, net assessed values decreased due to appeals and trending.

(3) Increase due to the annexation of Clay Township beginning in 2012.

NOTE: Net assessed valuations represent the assessed value less certain deductions for mortgages, veterans, the aged and the blind, as well as tax-exempt property.

Real property is valued for assessment purposes at its true tax value as defined in the Real Property Assessment Rule, 50 IAC 2.4, the 2011 Real Property Assessment Manual ("Manual"), as incorporated into 50 IAC 2.4, and the 2011 Real Property Assessment Guidelines ("Guidelines"), as adopted by the Department of Local Government Finance (DLGF). In the case of agricultural land, true tax value is the value determined in accordance with the Guidelines adopted by the DLGF and IC 6-1.1-4-13. In the case of all other real property, true tax value is defined as "The market value-in-use of a property for its current use, as reflected by the utility received by the owner or by a similar user, from the property."

Real property assessments are annually adjusted to market value based on sales data. The process of adjusting real property assessments to reflect market values has been termed "trending" by the DLGF.

The Manual permits assessing officials in each county to choose any acceptable mass appraisal method to determine true tax value, taking into consideration the ease of administration and the uniformity of the assessments produced by that method. The Guidelines were adopted to provide assessing officials with an acceptable appraisal method, although the Manual makes it clear that assessing officials are free to select from any number of appraisal methods, provided that they produce accurate and uniform values throughout the jurisdiction and across all classes of property. The Manual specifies the standards for accuracy and validation that the DLGF uses to the acceptability of any alternative appraisal method.

DETAIL OF NET ASSESSED VALUATION
As of 2011 for Taxes Payable in 2012
(As Provided by the Hamilton County Auditor's Office)

	<u>City of Carmel</u>	<u>Carmel - County TIF (1)</u>	<u>Carmel- Washington Twp.</u>	<u>Carmel- Abated (2)</u>	<u>Total</u>
Value of Land	\$2,030,364,700	\$59,770,700	\$2,968,200	\$471,951,000	\$2,565,054,600
Value of Improvements	<u>7,123,833,800</u>	<u>193,183,300</u>	<u>27,445,800</u>	<u>1,311,501,100</u>	<u>8,655,964,000</u>
Total Value of Real Estate	9,154,198,500	252,954,000	30,414,000	1,783,452,100	11,221,018,600
Less: Mortgage Exemptions, Veterans', Blind Age 65 & Other Exemptions	(2,881,498,556)	(3,013,780)		(499,753,246)	(3,384,265,582)
Nontaxable Property	(149,934,635)	(30,245,300)		(21,296,900)	(201,476,835)
TIF	<u>(1,258,935,406)</u>	<u>(213,425,900)</u>		<u>(210,030,009)</u>	<u>(1,682,391,315)</u>
Net Assessed Value of Real Estate	<u>4,863,829,903</u>	<u>6,269,020</u>	<u>30,414,000</u>	<u>1,052,371,945</u>	<u>5,952,884,868</u>
Business personal property	415,840,326	0	207,050	34,053,062	450,100,438
Less: Deductions	<u>(52,296,669)</u>	<u>0</u>	<u>0</u>	<u>(1,917,610)</u>	<u>(54,214,279)</u>
Net Assessed Value of Personal Property	<u>363,543,657</u>	<u>0</u>	<u>207,050</u>	<u>32,135,452</u>	<u>395,886,159</u>
Net Assessed Value of Utility Property	<u>34,765,290</u>	<u>61,740</u>	<u>0</u>	<u>0</u>	<u>34,827,030</u>
Total Net Assessed Value	<u><u>\$5,262,138,850</u></u>	<u><u>\$6,330,760</u></u>	<u><u>\$30,621,050</u></u>	<u><u>\$1,084,507,397</u></u>	<u><u>\$6,383,598,057</u></u>

(1) County TIF Areas were established prior to City annexation.

(2) Annexed portion of Clay Township beginning in 2012.

COMPARATIVE SCHEDULE OF TAX RATES
Per \$100 of Net Assessed Valuation
(As Provided by the Hamilton County Auditor's Office)

	Year Taxes Payable				
	<u>2008</u>	<u>2009</u> (1)	<u>2010</u>	<u>2011</u>	<u>2012</u>
Detail of City Tax Rate:					
Corporation	\$0.3147	\$0.3969	\$0.4578	\$0.5266	\$0.5284
M.V.H.	0.1153	0.1490	0.1291	0.0777	0.1080
Cumulative Capital Dev.		0.0331	0.0331	0.0332	0.0264
Cumulative Sewer	0.0166	0.0166			
Lease Rental Payment	0.0118	0.0143	0.0133	0.0144	
Redevelopment Bond	<u>0.0449</u>	<u>0.0565</u>	<u>0.0331</u>	<u>0.0145</u>	<u>0.0160</u>
Total Corp. Tax Rate	<u><u>\$0.5033</u></u>	<u><u>\$0.6664</u></u>	<u><u>\$0.6664</u></u>	<u><u>\$0.6664</u></u>	<u><u>\$0.6788</u></u>
Total Tax Rate: (2)					
City of Carmel	<u><u>\$2.0090</u></u>	<u><u>\$1.7319</u></u>	<u><u>\$1.7209</u></u>	<u><u>\$1.9894</u></u>	<u><u>\$1.9007</u></u>
City of Carmel - TIF (3)					<u><u>\$1.7398</u></u>
Carmel County TIF (4)	<u><u>\$2.0175</u></u>	<u><u>\$1.7421</u></u>	<u><u>\$1.7209</u></u>	<u><u>\$1.9925</u></u>	<u><u>\$1.9014</u></u>
Carmel - Washington Twp.	<u><u>\$2.6337</u></u>	<u><u>\$2.4684</u></u>	<u><u>\$2.4746</u></u>	<u><u>\$2.8885</u></u>	<u><u>\$2.9835</u></u>
Carmel - Abated (5)					<u><u>\$1.3905</u></u>

(1) Beginning with property taxes payable in 2009, the State has assumed 100% of the cost of School General and Special Education Preschool for local schools; Family & Children Medical Assistance to Wards, Children's Residential Psychiatric Treatment, Children with Special Health Care Needs, and Juvenile Incarceration Costs for counties; member benefits of the Pre-1977 Pension Plans for cities and towns; State Fair; and the Indiana Department of Natural Resources Forestry. As a result, the tax rate payable in 2009 shows a significant decrease when compared to prior years.

(2) Includes tax rates of overlapping taxing units.

(3) Per recent legislation, the additional property taxes for new debt or operating levies approved after April 30, 2010 imposed by a voter referendum, will not be included in Tax Increment calculations. Beginning with tax payable year 2012 and thereafter, the tax rate was reduced by \$0.1609 to exclude the Carmel Schools additional operating levy approved by referendum on May 4, 2010.

(4) Applies to the county established TIF areas annexed by the City of Carmel.

(5) Applies to the Clay Township area annexed by the City of Carmel.

PROPERTY TAXES LEVIED AND COLLECTED

<u>Collection Year</u>	<u>Taxes Levied</u>	<u>Circuit Breaker Tax Credit (1)</u>	<u>Taxes Levied Net of Circuit Breaker Tax Credit</u>	<u>Taxes Collected</u>	<u>Collected as Percent of Gross Levy</u>	<u>Collected as Percent of Net Levy</u>
2007	\$28,046,412		\$28,046,412	\$28,279,366		100.83%
2008	34,911,856		34,911,856	34,254,302		98.12%
2009	36,092,579	(\$4,012)	36,088,567	35,971,899	99.67%	99.68%
2010	36,193,490	(232,100)	35,961,390	36,607,153	101.14%	101.80%
2011	35,993,200	(614,682)	35,378,518	34,398,702	95.57%	97.23% (2)

(1) Circuit Breaker Tax Credits allocable to the City of Carmel per the Hamilton County Abstract.

(2) Low collections due to unpaid taxes, penalties and refunds per the Hamilton County Auditor's office.

Prior to 2003, total taxes collected included property tax replacement credits (PTRC) distributed by the State of Indiana to each county in an amount up to approximately 20% of the tax levy. Legislation adopted by the Indiana General Assembly in 2002 increased the PTRC for taxes payable in 2003 and thereafter to replace 60% of the general fund levies for school corporations and to eliminate PTRC for depreciable personal property. With legislation adopted by the Indiana General Assembly in 2008, beginning with property taxes payable in 2009, the State assumed 100% of the cost of School General and Pre-school Education funds of local schools, along with certain county and municipal funds and eliminated all PTRC payments paid to local taxing units.

In 2007, the Indiana General Assembly enacted legislation (IC 6-1.1-20.6), which provides taxpayers with a tax credit for all property taxes in an amount that exceeds the gross assessed value of real and personal property eligible for the credit ("Circuit Breaker Tax Credit"). For property assessed as a homestead (as defined in IC 6-1.1-20.9-1), the Circuit Breaker Tax Credit was the amount by which the property taxes attributable to the homestead exceeded 2% of the gross assessed value of the homestead, beginning with property taxes first due and payable in 2008. The following year, the Indiana General Assembly expanded these tax credits. For taxes payable in 2009, property taxes for homesteads were limited to 1.5% of the gross assessed value of the homestead; property taxes for agricultural, other residential property and long term care facilities were limited to 2.5% of their gross assessed value; and property taxes for all other real and personal property were limited to 3.5% of gross assessed value.

Effective with property taxes payable in 2010, property taxes for residential homesteads are limited to 1.0% of the gross assessed value of the homestead; property taxes for agricultural, other residential property and long term care facilities are limited to 2.0% of their gross assessed value; and property taxes for all other real and personal property are limited to 3.0% of gross assessed value. Additional property tax limits have been made available to certain senior citizens. School corporations are authorized to impose a referendum tax levy to replace property tax revenue that the school corporation will not receive due to the Circuit Breaker Tax Credit. Other political subdivisions may not increase their property tax levy or borrow money to make up for any property tax revenue shortfall due to the application of the Circuit Breaker Tax Credit.

LARGE TAXPAYERS

The following is a list of the ten largest taxpayers located within the City of Carmel as provided by the Hamilton County Treasurer's Office and the Department of Local Government Finance.

<u>Name</u>	<u>Type of Business</u>	2011/2012 Net Assessed <u>Valuation</u> (1)	Percent of Total Net Assessed <u>Valuation</u> (2)
Duke Weeks Realty/Duke Realty Ltd./ Duke Realty Services, LP	Office complex management companies	\$208,294,890	3.26%
I.U. Health North Hospital, formerly Clarian North Medical Center	Health care facilities/medical office buildings	164,214,870	2.57%
Washington National Life Insurance Co., formerly Bankers National Life Insurance	Life Insurance holding company	88,551,250	1.39%
Clay Terrace Partners, LLC	Outdoor mall	80,181,140	1.26%
HCR ManorCare Properties LLC	Assisted living, rehabilitation therapy	67,180,400	1.05%
Carmel Indy Properties, LLC	Office complex	57,069,700	0.89%
Carmel Lofts LLC	Mixed use, retail and apartments	43,633,500	0.68%
MCP Partners	Commercial property	41,123,200	0.64%
Technology Center Assoc LTD/ REI Investments/Fidelity Office Bldgs/ North Penn Associates	Office complexes	38,064,490	0.60%
Zeller Carmel LLC	Office complexes	<u>37,278,100</u>	<u>0.58%</u>
Totals		<u><u>\$825,591,540</u></u>	<u><u>12.93%</u></u>

(1) Located in a Tax Increment allocation area; therefore, all or a portion of the taxes are captured as TIF and not distributed to individual taxing units.

(2) The net assessed valuation of the City of Carmel is \$6,383,598,057 for taxes payable in 2012, according to the Hamilton County Auditor's Office.

Note: The following financial statements on pages A-17 - A-20 are excerpts from the City of Carmel's 2009, 2010 and 2011 audit reports of the Indiana State Board of Accounts. Consequently, these schedules do not include all disclosures required by generally accepted accounting principles. Complete audits will be furnished upon request.

CITY OF CARMEL, INDIANA

**STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS**
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2009

	<u>General</u>	<u>Redevelopment Commission</u>	<u>Keystone Ave Fund</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
Receipts:					
Taxes	\$22,689,384	\$15,055,399		\$15,093,954	\$52,838,737
Licenses and permits	1,105,594				1,105,594
Intergovernmental	25,903,245	4,867		9,009,548	34,917,660
Charges for services	5,531,073			7,374,194	12,905,267
Fines and forfeits	524,918			1,817,569	2,342,487
Other	627,176	58,665	410,583	1,740,560	2,836,984
Total receipts	<u>56,381,390</u>	<u>15,118,931</u>	<u>410,583</u>	<u>35,035,825</u>	<u>106,946,729</u>
Disbursements:					
General government	11,190,394	6,106,867	872,276	3,001,790	21,171,327
Public safety	36,544,316			301,670	36,845,986
Highways and streets				9,811,739	9,811,739
Economic development				214,352	214,352
Culture and recreation	3,761,398			6,947,450	10,708,848
Debt Service:					
Principal	4,900,000			3,112,536	8,012,536
Interest	3,946,584			2,323,282	6,269,866
Capital outlay:					
General government	589,215	13,801,050	42,949,808	88,701	57,428,774
Public safety	142,701			369,490	512,191
Highways and streets				766,491	766,491
Economic development				225,041	225,041
Culture and recreation	85,585			664,702	750,287
Total disbursements	<u>61,160,193</u>	<u>19,907,917</u>	<u>43,822,084</u>	<u>27,827,244</u>	<u>152,717,438</u>
Excess (deficiency) of receipts over disbursements	<u>(4,778,803)</u>	<u>(4,788,986)</u>	<u>(43,411,501)</u>	<u>7,208,581</u>	<u>(45,770,709)</u>
Other financing sources (uses):					
Net proceeds from borrowing			\$20,001,203		\$20,001,203
Transfers in	39,305			519,748	559,053
Transfers out	(407,938)			(151,115)	(559,053)
Other receipts	257,547	7,133,303	2,500,000	67,952	9,958,802
Total other financing sources (uses)	<u>(111,086)</u>	<u>7,133,303</u>	<u>22,501,203</u>	<u>436,585</u>	<u>29,960,005</u>

(Continued on next page)

CITY OF CARMEL, INDIANA

(Cont'd)

**STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS**
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2009

	<u>General</u>	<u>Redevelopment Commission</u>	<u>Keystone Ave Fund</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(\$4,889,889)	\$2,344,317	(\$20,910,298)	\$7,645,166	(\$15,810,704)
Cash and investment fund balance - beginning	<u>14,769,925</u>	<u>5,412,736</u>	<u>41,051,969</u>	<u>13,274,941</u>	<u>74,509,571</u>
Cash and investment fund balance - ending	<u>\$9,880,036</u>	<u>\$7,757,053</u>	<u>\$20,141,671</u>	<u>\$20,920,107</u>	58,698,867
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:					
Internal services funds are used by management to charge the cost of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.					<u>3,332,109</u>
Net assets of governmental activities					<u>\$62,030,976</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$9,880,036	\$7,757,053		\$5,195,241	\$22,832,330
Restricted assets:					
Cash and investments	<u></u>	<u></u>	<u>20,141,671</u>	<u>15,724,866</u>	<u>35,866,537</u>
Total cash and investments assets - ending	<u>\$9,880,036</u>	<u>\$7,757,053</u>	<u>\$20,141,671</u>	<u>\$20,920,107</u>	<u>\$58,698,867</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
General government				\$4,532,428	\$4,532,428
Public safety				851,802	851,802
Highways and streets				2,119,921	2,119,921
Culture and recreation				390,207	390,207
Urban redevelopment and housing				58,360	58,360
Debt service				1,931,772	1,931,772
Capital outlay			20,141,671	5,840,376	25,982,047
Unrestricted	<u>9,880,036</u>	<u>7,757,053</u>	<u></u>	<u>5,195,241</u>	<u>22,832,330</u>
Total cash and investment fund balance - ending	<u>\$9,880,036</u>	<u>\$7,757,053</u>	<u>\$20,141,671</u>	<u>\$20,920,107</u>	<u>\$58,698,867</u>

CITY OF CARMEL, INDIANA

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS**

For the Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General Fund	\$9,879,938	\$60,333,983	\$62,471,375	\$7,742,546
Motor Vehicle Highway	3,521,881	9,701,120	10,142,354	3,080,647
Local Road And Street	1,533,957	1,058,432	1,434,884	1,157,505
Throughfare Fund	585,963	966		586,929
Parks Program Fund	390,206		390,206	0
Economic Fund	33,197	55		33,252
Housing Authority	58,360	96		58,456
User Fee Fund	148,338	82,591	103,093	127,836
Clerk's Record Perpetuation	54,609	20,142	5,643	69,108
Deferral Fund	487,381	95,791	67,743	515,429
Drug Task Force	593,609	175,187	122,690	646,106
Fire Gift Fund	3,923	20,738	21,175	3,486
Parks Gift Fund	52,488	1,695	2,715	51,468
Ambulance Fund	216,080	872,932	665,275	423,737
Grant Fund	493,703	479,875	73,469	900,109
Rainy Day	4,192,552	3,891,979	1,635,904	6,448,627
Hazardous Material Response Fund	2,547	2,945		5,492
Levy Excess Fund	232,953	101,452		334,405
Police Gift	22,624	20,541	9,288	33,877
DNR/Tree City	52,313	947	3,331	49,929
Court Interperter Fund	4,895	53		4,948
Community Relations Gift Func	1,356	6,348	5,253	2,451
Public Defenders Fund	595	677		1,272
Redevelopment Commission	7,757,052	18,374,055	25,436,596	694,511
CRC Mercantile Bank Line Of Credit	0	72,500	72,500	0
CRC Regions Account	0	33,633,723	30,979,772	2,653,951
Carmel City Court	98,084	1,995,808	1,921,645	172,247
Parks Program Fund	0	3,241,136	2,801,073	440,063
Parks Monon Fund	0	4,427,510	3,884,129	543,381
2002 Bond & Interest Fund	2,135	1	2,136	0
Lease Rental Fund	46,998	790,294	824,000	13,292
2004 Road Bond	380,615	1,966,510	2,324,687	22,438
CRC 416035	509			509
CRC 416037	0	1,371,608	1,371,608	0
CRC 32M21302	796,611	804,060	282,650	1,318,021
CRC 32M21203	265,500			265,500
CRC 32M21138	441,534			441,534
CRC 32M21146	5			5
Cumulative Capital Developmen	1,231,069	1,975,003	957,757	2,248,315
Parks Capital	870,700	1,336	140,378	731,658
Cumulative Capital Sewer	2,552,156	3,773	644,698	1,911,231
Cumulative Capital Improvemen	366,368	324,961	210,195	481,134
Park Impact Fee Fund	819,027	373,761	21,163	1,171,625
Barrett Law Fund	6			6
Civic Square Construction Fund	593	1		594
2002 COIT Construction Bond	365		365	0
Old Town/126th Street	456	1		457
Land Acquisition Fund	353,806	351	354,157	0
Keystone Ave Fund	20,141,671	25,033,571	38,132,395	7,042,847
Health Insurance Fund	3,112,718	10,969,393	10,348,866	3,733,245
Workers Comp Fund	219,392	400,003	202,948	416,447
Police Pension Fund	3,791,105	473,433	431,936	3,832,602
Fire Pension Fund	4,878,297	405,640	597,474	4,686,463
Support For The Arts	10,032	1,014,458	1,001,657	22,833
Payroll Fund	851,271	48,032,198	47,987,772	895,697
Barrett Law Surplus	164,023	840		164,863
Sewer Operating	15,891	6,434,331	6,442,913	7,309
Sewer Depreciating	1	39,204	39,205	0
Sewer Connection Fund	4,591	120,041	124,632	0
Sewer Availability Fund	5,488	4,378	9,866	0
Sewer Loan SRF	5,021,656		4,321,757	699,899
Sewer Bond & Interest At BONY	0	2,468,699	996,984	1,471,715
Water Operating	70,769	16,900,869	16,940,389	31,249
Water Bond & Interest	1,072,280			1,072,280
Water Depreciation	716	144,583	145,299	0
Hydrant Meter Deposit Fund	28,690	4,635	1,000	32,325
Water Connection	132,564	873,530	1,006,094	0
Water Availability	30,629	143,468	174,097	0
Water Sinking Fund	943,693	4,035,742	4,079,999	899,436
Wells Fargo Water Constr	28,820,450	148,051	12,494,004	16,474,497
Totals	<u>\$107,862,984</u>	<u>\$263,872,004</u>	<u>\$294,863,194</u>	<u>\$76,871,794</u>

CITY OF CARMEL, INDIANA

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS**

For the Year Ended December 31, 2011

	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General Fund	\$7,742,546	\$59,118,973	\$64,033,820	\$2,827,699
Motor Vehicle Highway	3,080,647	6,438,770	8,461,268	1,058,149
Local Road And Street	1,157,505	999,695	195,042	1,962,158
Throughfare Fund	586,929	142,578		729,507
Economic Fund	33,252	20,060		53,312
Housing Authority	58,456	81		58,537
User Fee Fund	127,836	82,589	113,034	97,391
Clerk's Record Perpetuation	69,108	18,273	7,827	79,554
Deferral Fund	515,429	63,923	46,434	532,918
Rainy Day	6,448,627	8,943		6,457,570
Hazardous Material Response Fund	5,492	2,037		7,529
Levy Excess Fund	334,405		334,405	0
Cumulative Capital Development	2,248,315	1,890,479	1,877,923	2,260,871
Parks Capital	731,658	980	43,995	688,643
Cumulative Capital Improvement	481,134	197,907	110,679	568,362
Police Pension Fund	3,832,602	510,458	482,160	3,860,900
Fire Pension Fund	4,686,463	653,304	545,464	4,794,303
Judicial Salary Fees	0	38,810		38,810
Drug Task Force	646,106	124,812	152,398	618,520
Fire Gift Fund	3,486	70,988	58,113	16,361
Parks Gift Fund	51,468	5,269	3,149	53,588
Ambulance Fund	423,737	1,009,591	901,725	531,603
Grant Fund	900,109	386,703	739,613	547,199
Police Gift	33,877	17,373	16,135	35,115
DNR/Tree City	49,929	304	55	50,178
Court Interpreter Fund	4,948	7		4,955
Community Relations Gift Fund	2,451	7,542	6,752	3,241
Public Defenders Fund	1,272	527		1,799
Redevelopment Commission	694,511	29	671,235	23,305
CRC Regions Account	2,653,951	31,416,033	28,345,585	5,724,399
Carmel City Court	172,247	1,816,154	1,813,287	175,114
Parks Program Fund	440,063	3,177,064	2,882,349	734,778
Parks Monon Fund	543,381	4,568,407	4,170,129	941,659
Lease Rental Fund	13,292	818,538	828,001	3,829
2004 Road Bond	22,438	824,224	831,810	14,852
Cumulative Capital Sewer	1,911,231	2,289	675,934	1,237,586
Park Impact Fee Fund	1,171,625	947,136	1,023,986	1,094,775
Barrett Law Fund	6			6
Civic Square Construction Fund	594	1		595
Old Town/126th Street	457	1		458
Keystone Ave Fund	7,042,847	9,322	753,642	6,298,527
Health Insurance Fund	3,733,245	11,251,947	11,213,780	3,771,412
Workers Comp Fund	416,447	217,059	557,296	76,210
Support For The Arts	22,833	235,013	253,000	4,846
Payroll Fund	895,697	42,875,454	43,032,601	738,550
Barrett Law Surplus	164,863	1,292	698	165,457
Sewer Operating	7,309	6,744,060	6,637,770	113,599
Sewer Depreciating	0	54,427	54,426	1
Sewer Connection Fund	0	273,827	262,420	11,407
Sewer Availability Fund	0	70,611	70,611	0
Sewer Loan SRF	699,899	41,900	741,799	0
Sewer Bond & Interest At BONY	1,471,715	1,176,802	1,122,281	1,526,236
Water Operating	31,249	16,355,158	16,349,078	37,329
Water Bond & Interest	1,072,280	148	148	1,072,280
Water Depreciation	0	121,394	121,394	0
Hydrant Meter Deposit Fund	32,325	4,015	350	35,990
Water Connection	0	1,531,947	1,356,996	174,951
Water Availability	0	65,581	21,101	44,480
Water Sinking Fund	899,436	4,053,090	4,225,170	727,356
Wells Fargo Water Constr	16,474,497	88,164	16,488,860	73,801
Totals	<u>\$74,846,225</u>	<u>\$200,552,063</u>	<u>\$222,635,728</u>	<u>\$52,762,560</u>

APPENDIX B

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December 11, 2012

Carmel Redevelopment Authority
City of Carmel
One Civic Square
Carmel, Indiana 46032

Re: \$115,900,000 Lease Rental Revenue Multipurpose Bonds, Series 2012A
\$69,245,000 Lease Rental Revenue Multipurpose Bonds, Series 2012B (Taxable)

Dear Members of the Redevelopment Authority:

In connection with the issuance of the City of Carmel Redevelopment Authority \$115,900,000 principal amount of Lease Rental Revenue Multipurpose Bonds, Series 2012A and \$69,245,000 principal amount of Lease Rental Revenue Multipurpose Bonds, Series 2012B (Taxable), we have prepared this special purpose report including the following schedules for inclusion in the Official Statement dated December 11, 2012.

Page(s)

B-2 - B-9	General Comments
B-10	Estimated Sources and Uses of Funds
B-11	Amortization of \$115,900,000 Principal Amount of Lease Rental Revenue Multipurpose Bonds, Series 2012A
B-12	Amortization of \$69,245,000 Principal Amount of Lease Rental Revenue Multipurpose Bonds, Series 2012B (Taxable)
B-13	Lease Rental Payments
B-14	Illustrative Annual Lease Rental Tax Rate
B-15	Comparison of Estimated Revenues, Lease Rentals and Outstanding Obligations
	<u>Supplemental Data</u>
B-16	Outstanding Lease Rental Payments of Lease Rental Revenue Bonds of 2005
B-17	Outstanding Amortization of Taxable County Option Income Tax Revenue Refunding Bonds, Series 2006
B-18	Outstanding Amortization of Certificates of Participation, Series 2010C

In the preparation of these schedules, assumptions were made as noted regarding certain future events. As is the case with such assumptions regarding future events and transactions, some or all may not occur as expected and the resulting differences could be material. We have not examined the underlying assumptions nor have we audited or reviewed the historical data. Consequently, we express no opinion thereon nor do we have a responsibility to prepare subsequent reports.

GENERAL COMMENTS

The City of Carmel Redevelopment Authority (the "Authority") is issuing \$115,900,000 principal amount of Lease Rental Revenue Multipurpose Bonds, Series 2012A (the "2012A Bonds") and \$69,245,000 principal amount of Lease Rental Revenue Multipurpose Bonds, Series 2012B (Taxable) (the "2012B Bonds" and together with the 2012A Bonds, the "Bonds" or the "2012 Bonds") (i) to finance the acquisition by the Authority from the City of Carmel, Indiana (the "City"), of the real property consisting of all or a portion of the existing Keystone Avenue right-of-way between 116th Street and U.S. 31 in the City (the "Keystone Corridor" or the "Real Estate" or the "Leased Premises"), (ii) to pay the premium for a debt service reserve fund credit facility (the "Debt Service Reserve Fund Credit Facility"), and (iii) to pay all costs incurred in connection with the issuance and sale of the Bonds. The Leased Premises will be leased by the Authority to the City of Carmel Redevelopment Commission (the "Commission"). The City will use the proceeds from the sale of the Leased Premises to (a) refund, or cause to be refunded, certain outstanding obligations of the City and/or the District (defined herein) identified by the Common Council of the City in an ordinance of the Common Council (the "Council Ordinance") (the "Refunding"), (b) pay expenses associated with terminating certain outstanding obligations and (c) finance or reimburse the cost of the construction, renovation, improvement and/or equipping of the projects identified in the Council Ordinance (the "New Project").

A Lease Agreement dated November 20, 2012, as supplemented and amended by the Addendum thereto dated December 11, 2012 (collectively, the "Lease") has been executed between the Authority and the Commission. The Lease provides, among other things, for the Commission to make semiannual lease payments (the "Lease Rentals") to the Authority, in amounts that will enable the Authority to pay the principal, interest and fiscal agency fees on the Bonds. The Lease Rental will be paid directly to The Huntington National Bank, as trustee, registrar and paying agent (the "Trustee"), pursuant to a Trust Indenture dated December 1, 2012 (the "Indenture").

The Bonds are payable solely from the Lease Rentals. The Lease Rentals are payable from a special benefits tax (an *ad valorem* property tax) ("Special Benefits Tax") levied on all taxable property within the geographical boundaries of the City of Carmel Redevelopment District (the "District"). The boundaries of the District are coterminous with the boundaries of the City. However, the Commission has reserved the right and reasonably expects, but is not required, to pay the Lease Rentals from Tax Increment revenues collected from several allocation areas in the District (the "TIF Revenues") or other legally available revenues of the Commission (altogether, the "CRC Revenues").

The Commission has previously entered into a lease with the Authority dated July 12, 2005 (the "2005 Lease") payable from the Special Benefits Tax. However the Commission reasonably expects to pay the lease rental due under the 2005 Lease from the CRC Revenues. The 2005 Lease secures \$79,998,227.15 of Lease Rental Revenue Bonds of 2005 issued as \$52,200,000.00 of Current Interest Bonds and \$27,798,227.15 original issue amount of Capital Appreciation Bonds.

(Continued on next page)

GENERAL COMMENTS

For additional information concerning the security and the Bonds, refer to the Official Statement, dated December 11, 2012, the Lease and the Indenture. Summaries of these documents are provided in Appendix D of this Official Statement.

The Refunding Program

A portion of the proceeds of the Bonds will be deposited into the 2012A Acquisition Account and the 2012B Acquisition Account created and established within the Project Fund under the Indenture, and will be used to pay the purchase price for the acquisition of the Leased Premises from the City. From the purchase price received by the City, the City will transfer and deposit such funds as follows:

- (a) A portion of the moneys will be transferred to and deposited into separate escrow accounts created and established under an Escrow Agreement, dated as of December 1, 2012 (the "COPs Escrow Agreement"), among the Commission, the Carmel Theater Development Company, LLC, and Wells Fargo Bank, N.A., as escrow agent (the "COPs Escrow Agent") and as trustee under the Trust Agreement, dated as of December 1, 2009 (the "COPs Trust Agreement"), between the Carmel Theatre Development Company, LLC, and Wells Fargo Bank, N.A. Under the terms of the COPs Escrow Agreement, the COPs Escrow Agent will use the funds on deposit in the escrow accounts thereunder to purchase non-callable U.S. Government Obligations maturing on the dates and in the amounts, which, together with an initial cash deposit thereunder, will be sufficient to pay (i) the principal of and interest on (A) the outstanding City of Carmel, Indiana, Redevelopment District Certificates of Participation, Series 2010A (the "2010A COPs"), and (B) the outstanding City of Carmel, Indiana, Redevelopment District Certificates of Participation, Series 2010B (the "2010B COPs"), as the same becomes due through and including January 15, 2018, and (ii) the prepayment price of the 2010A COPs and the prepayment price of the 2010B COPs on January 15, 2018; thereby effecting a defeasance and advance refunding of the 2010A COPs and the 2010B COPs.
- (b) A portion of the moneys will be transferred to and deposited into an escrow account created and established under an Escrow Agreement, dated as of December 1, 2012 (the "2008 Escrow Agreement"), between the Commission and Wells Fargo Bank, N.A., as escrow agent (the "2008 Escrow Agent") and as paying agent for the City of Carmel, Indiana, Redevelopment District Taxable Tax Increment Revenue Bonds of 2008, dated July 15, 2008 (the "2008 Bonds"). Under the terms of the 2008 Escrow Agreement, the 2008 Escrow Agent will use the funds on deposit in the escrow account thereunder to purchase non-callable U.S. Government Obligations maturing on the dates and in the amounts, which, together with an initial cash deposit thereunder, will be sufficient to pay (i) the principal of and interest on the 2008 Bonds, as the same becomes due through and including July 15, 2016, and (ii) the redemption price of the 2008 Bonds on July 15, 2016; thereby effecting a defeasance and advance refunding of the 2008 Bonds.

(Continued on next page)

GENERAL COMMENTSThe Refunding Program (Cont'd)

- (c) A portion of the moneys will be transferred to and deposited into one or more escrow accounts created and established under an Escrow Agreement, dated as of December 1, 2012 (the "Contractual Obligations Escrow Agreement"), between the Commission and The Huntington National Bank, as escrow agent (the "Contractual Obligations Escrow Agent"). Under the terms of the Contractual Obligations Escrow Agreement, the Contractual Obligations Escrow Agent will use the funds on deposit in the escrow accounts thereunder to prepay and refund the obligations of the Commission listed under the caption "Obligations of the City and/or the District to be Refunded" (excluding the 2010A COPs, the 2010B COPs and the 2008 Bonds) and to pay any costs or expenses in connection with prepayment thereof.

The U.S. Government Obligations to be purchased and deposited with the respective escrow agent will bear interest at such rates and will be scheduled to mature at such times and in such amounts so that, when paid according to their respective terms, sufficient moneys, together with any amounts of cash on deposit with the respective escrow agent, will be available to make full and timely payment of all principal and interest due with respect to the obligations to be refunded from and after the date of delivery of the Bonds (the date of available Refunding proceeds) to and including their respective first redemption dates at which time the obligations to be refunded will be called for redemption with all interest due and applicable redemption premiums.

Obligations of the City and/or the District to be Refunded

1. Installment Purchase Contracts securing loans under Master Loan Program Agreement with Regions Bank dated December 30, 2008 [Advance Date: January 7, 2009]
2. Installment Purchase Contracts securing loans under Master Loan Program Agreement with Regions Bank dated December 30, 2008 [Advance Date: May 22, 2009]
3. Installment Purchase Contracts securing loans under Master Loan Program Agreement with Mercantile Bank dated August 31, 2009
4. City of Carmel, Indiana, Redevelopment District Certificates of Participation, Series 2010A dated January 21, 2010
5. City of Carmel, Indiana, Redevelopment District Certificates of Participation, Series 2010B dated January 21, 2010
6. Installment Purchase Contracts securing loans under Master Loan Program Agreement with The National Bank of Indianapolis dated January 29, 2010
7. Installment Purchase Contract(s) securing loan(s) under agreement with United Fidelity Bank dated June 10, 2010
8. Installment Purchase Contracts under Loan Program Agreement with Regions Bank dated July 22, 2010
9. Grant Agreement securing line of credit with STAR Financial Bank dated November 17, 2011

(Continued on next page)

GENERAL COMMENTS

Obligations of the City and/or the District to be Refunded (Cont'd)

10. Grant Agreement securing line of credit with Fowler State Bank dated November 8, 2011
11. Grant Agreement securing line of credit with CIBM Bank dated November 30, 2011
12. Amended and Restated Grant Agreement securing line of credit with Mercantile Bank dated January 18, 2012
13. Grant Agreement securing line of credit with BMO Harris Bank N.A. dated February 17, 2012
14. Amended and Restated Grant Agreement securing loan from BMO Harris Bank N.A. dated September 30, 2011
15. Parking and Grant Agreement securing loan from Lake City Bank dated December 28, 2010
16. Tri-Party Agreement regarding loan from Community Bank dated September 10, 2009
17. Installment Purchase Agreement (Primary) securing loan(s) under agreement with BMO Harris Bank N.A. dated December 7, 2011
18. Replacement Land Sale Contract, dated February 17, 2010, between the City of Carmel Redevelopment Commission and 251, LLC
19. Land Sale Contract, dated March 2, 2011, between the City of Carmel Redevelopment Commission and BobbyJohn, LLC
20. Land Sale Contract, dated November 10, 2009, between the City of Carmel Redevelopment Commission and Old Town Properties, LLC
21. City of Carmel, Indiana, Redevelopment District Taxable Tax Increment Revenue Bonds of 2008, dated July 15, 2008

Risks to Bondholders

Prospective investors in the Bonds should be aware that there are risk factors associated with the Bonds:

General Risks and Lease Risks

The principal of and interest on the Bonds is payable only from Lease Rentals received by the Trustee on behalf of the Authority from the Commission pursuant to the Lease. The Authority has no taxing power. The Authority has no source of funds from which to pay debt service on the Bonds except moneys collected from Lease Rentals and funds held under the Indenture.

If, for any reason, the Leased Premises are damaged or destroyed and unavailable for use, the Commission would no longer be able to pay Lease Rentals. However, under the terms of the Lease, the Commission and the Authority have the ability to substitute other existing road improvements for the Leased Premises of equivalent value in order to maintain the ability of the Commission to continue to pay Lease Rental under the Lease.

(Continued on next page)

GENERAL COMMENTSRisks to Bondholders (Cont'd)

To the extent that the damaged or destroyed Leased Premises is not replaced or repaired or is unavailable for use beyond the period covered by the debt service reserve, the Commission will be unable to pay the Lease Rentals attributable to the damaged or destroyed Leased Premises, and the Authority would have insufficient funds to pay debt service on the outstanding Bonds.

While the Special Benefits Tax is pledged to the payment of the Lease Rentals, the Commission intends to pay the Lease Rentals with CRC Revenues. The CRC Revenues are not pledged to the payment of Lease Rentals and there can be no assurance that in the future they will not be pledged to another obligation, or that they will be available to pay Lease Rentals.

Special Benefits Tax Risks

Tax Collection. In the event of delayed billing, collection or distribution by the County Auditor of *ad valorem* property taxes, including the Special Benefits Tax levied on the District, sufficient funds may not be available to the Commission in time to pay the Lease Rentals when due. This risk is inherent in all property tax-supported obligations. The debt service reserve fund established pursuant to the Indenture helps to mitigate this timing risk, but does not eliminate it.

Circuit Breaker Tax Credit. If applicable, the Circuit Breaker Tax Credit will result in a reduction of property tax collections for each political subdivision in which the Circuit Breaker Tax Credit is applied. A political subdivision may not increase its property tax levy or borrow money to make up for any property tax revenue shortfall due to the application of the Circuit Breaker Tax Credit.

Indiana Code 6-1.1-20.6-10 requires political subdivisions to fully fund any levies for the payment of outstanding debt service or lease rental obligations regardless of any reduction in property tax collections due to the application of the Circuit Breaker Tax Credit. If property tax collections are insufficient to fully fund debt service or lease rental levies due to the Circuit Breaker Tax Credit, political subdivisions must use non-property tax revenues or revenues from property tax levies for other funds (including operating) to offset revenue loss to the debt service fund.

Indiana Code 6-1.1-20.6-9.8 further provides that property taxes imposed by a political subdivision to pay for debt service obligations of a political subdivision (including lease rental payments on leases) are “protected taxes”. The total amount of protected taxes will be allocated to the fund for which they were imposed as if no Circuit Breaker Tax Credit were granted and any loss in revenue resulting from any applicable Circuit Breaker Tax Credit will reduce only other, unprotected taxes.

Indiana Code 6-1.1-20.6-10 also provides that if property tax revenues are not sufficient to pay debt service on bonds or leases payable from property taxes, the State must intercept Local Option Income Tax distributions and available distributions of State monies for the benefit of bondholders.

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GENERAL COMMENTSRisks to Bondholders (Cont'd)

This application of property tax revenues may impact the ability of political subdivisions to provide existing levels of service and, in extreme cases, the ability to make debt service or lease rental payments on bonds secured by intercepted funds.

There has been no judicial interpretation of this legislation. In addition, there can be no assurance as to future events or legislation that may affect the Circuit Breaker Tax Credit or the collection of property taxes. Per the 2012 Hamilton County Abstract, the Circuit Breaker Tax Credit allocable to the City of Carmel is \$246,452 for budget year 2012.

TIF Revenues Risks

The Commission expects that it will make a portion of the lease payment from TIF Revenues and other available funds of the Commission. There are certain risks associated with TIF Revenues. However, to the extent that the TIF Revenues or CRC Revenues are insufficient, the Commission is required to levy the Special Benefits Tax. An estimate of TIF Revenues is expected to be available by the time of the decision to levy the Special Benefits Tax for the upcoming Lease Rental.

If insufficient TIF Revenues are collected, the Commission may not be able to impose an additional Special Benefits Tax levy until the following budget year, which may cause a timing delay as receipt of the Special Benefits Tax may occur after the Lease Rental payment is due. The debt service reserve fund established pursuant to the Indenture is to be funded by the deposit of the Debt Service Reserve Fund Credit Facility and replenished, if necessary. The debt service reserve fund will be funded and maintained at the lesser of the maximum annual principal and interest due on the Bonds, 125% of average annual debt service on the Bonds or 10% of the proceeds of the Bonds. The availability of the debt service reserve fund helps to mitigate this timing risk. However, the Commission is permitted to use other legally available funds to make Lease Rental payments.

Estimated Sources and Uses of Funds - Page B-10

The Bond proceeds will be used to purchase the Leased Premises, to pay the premium for the Debt Service Reserve Fund Credit Facility and to pay Bond issuance costs. The City will use the proceeds from the sale of the Leased Premises for the prepayment or advance refunding of the various outstanding obligations and related expenses associated with terminating the obligations and to fund the New Project (Nash Building) as shown in this schedule. The source of funding includes the Bonds, the premium thereon and certain funds released by the refunding of the 2010A COPs, the 2010B COPs and the 2008 Bonds.

GENERAL COMMENTSAmortization of \$115,900,000 Principal Amount of Lease Rental Revenue Multipurpose Bonds, Series 2012A - Page B-11

The amortization of \$115,900,000 of Lease Rental Revenue Multipurpose Bonds, Series 2012A is presented in this schedule. The 2012A Bonds, dated December 27, 2012, mature semiannually over a period of approximately twenty-five years and two months with the final 2012A Bonds due February 1, 2038. The amortization schedule of the 2012A Bonds is based upon actual interest rates determined through the negotiated bond sale with Oppenheimer & Co. Inc. et al. Certain bonds are issued as term bonds and subject to mandatory sinking fund redemption prior to maturity.

Amortization of \$69,245,000 Principal Amount of Lease Rental Revenue Multipurpose Bonds, Series 2012B (Taxable) - Page B-12

The amortization of \$69,245,000 of Lease Rental Revenue Multipurpose Bonds, Series 2012B (Taxable) is presented in this schedule. The 2012B Bonds, dated December 27, 2012, mature semiannually over a period of approximately twelve years and two months with the final 2012B Bonds due February 1, 2025. The amortization schedule of the 2012B Bonds is based upon actual interest rates determined through the negotiated bond sale with Oppenheimer & Co. Inc. et al.

Lease Rental Payments - Page B-13

The Lease provides for a maximum annual Lease Rental amount of \$21,500,000 and a term not to exceed twenty-five years. However, each Lease Rental amount is to be reduced to an amount equal to the sum of principal and interest due in each six month period ending January 15 or July 15, rounded upward to the next \$1,000 plus \$5,000 for payment of fiscal agency charges. The Lease Rentals will be payable semiannually on January 15 and July 15 of each year, commencing on July 15, 2013. The calculation of Lease Rentals shown in this schedule is based on the amortization schedules on B-11 and B-12.

Illustrative Annual Lease Rental Tax Rate - Page B-14

The Commission intends to pay the Lease Rentals from the CRC Revenues, including TIF Revenues collected from several allocation areas in the District. To the extent that the Tax Increment is not sufficient, the Commission would have the option to pay Lease Rentals from other available revenues. To the extent that these other revenues are not anticipated to be available, the Commission is required to levy the Special Benefits Tax on the District.

This schedule presents the illustrative calculation of the annual lease rental property tax rate if the Commission were to levy the entire annual Lease Rental payment. Based on the Bond interest rates, payments and Lease Rentals shown in the previous schedules, the lease rental tax rate would range from a minimum of \$0.1089 to a maximum of \$0.1959 per \$100 of assessed value, assuming no future growth in assessed value over the next twenty-five years.

GENERAL COMMENTS

Illustrative Annual Lease Rental Tax Rate - Page B-14 (Cont'd)

The net assessed value of the District (coterminous with the City) for 2011 taxes payable 2012 is \$6,383,598,057. Assuming a 1% annual growth in assessed values for 2012 taxes payable 2013 and thereafter, the lease rental tax rate would range from a minimum of \$0.1078 to a maximum of \$0.1774 per \$100 of assessed value.

Comparison of Estimated Revenues, Lease Rentals and Outstanding Obligations - Page B-15

This schedule provides a comparison of the estimated CRC Revenues and the annual Lease Rental payments due on the Bonds and due on the obligations that will remain outstanding after the Refunding. A portion of the annual surplus revenues are anticipated to be accumulated in special reserves to reduce the risk of a Special Benefits Tax levy in the event that the CRC Revenues are less than estimated, and to prepay the Bonds on or after the optional redemption dates prior to the expiration of the allocation areas.

CITY OF CARMEL (INDIANA) REDEVELOPMENT AUTHORITY

ESTIMATED SOURCES AND USES OF FUNDS

	<u>2012A Bonds</u>	<u>2012B Bonds (Taxable)</u>	<u>Total</u>
<u>Estimated Uses of Funds:</u>			
Refunding proceeds:			
4CDC Grant Obligations:			
BMO Harris		\$12,500,000.00	\$12,500,000.00
Lake City		8,000,000.00	8,000,000.00
Certificates of Participation:			
Deposit to Escrow (2010A COPs)	\$53,135,120.82		53,135,120.82
Deposit to Escrow (2010B COPs)		3,707,909.74	3,707,909.74
Deposit to Escrow (2008 Bonds)		15,958,919.01	15,958,919.01
Installment Purchase Contracts:			
BMO Harris - Pedcor	17,000,000.00		17,000,000.00
Mercantile	9,532,878.97		9,532,878.97
National Bank of Indianapolis (NBI)	9,788,078.49		9,788,078.49
Regions	23,621,088.20		23,621,088.20
Regions	9,856,097.29		9,856,097.29
United Fidelity		2,480,116.58	2,480,116.58
Land Installment Contracts (1)		2,075,407.00	2,075,407.00
Land Purchase Contract - Community Bank		3,038,990.37	3,038,990.37
Lines of Credit		15,000,508.00	15,000,508.00
Accrued interest on outstanding obligations	477,536.30	369,406.85	846,943.15
Swap make-whole premium		2,887,800.00	2,887,800.00
Yield maintenance fee (NBI)	1,053,687.46		1,053,687.46
New Project Proceeds (Nash Building)		2,000,000.00	2,000,000.00
Debt service reserve surety policy	494,116.26	295,212.08	789,328.34
Underwriter's discount	1,159,000.00	692,450.00	1,851,450.00
Issuance costs and contingencies (2)	695,684.48	500,053.93	1,195,738.41
	<u>\$126,813,288.27</u>	<u>\$69,506,773.56</u>	<u>\$196,320,061.83</u>
<u>Estimated Sources of Funds:</u>			
Lease Rental Revenue Multipurpose			
Bonds, Series 2012A	\$115,900,000.00		\$115,900,000.00
Lease Rental Revenue Multipurpose			
Bonds, Series 2012B (Taxable)		\$69,245,000.00	69,245,000.00
Premium	7,211,399.90		7,211,399.90
Refunded 2010A COPs funds (3)	3,701,888.37		3,701,888.37
Refunded 2010B COPs funds (3)		255,978.64	255,978.64
Refunded 2008 Bonds funds (3)		5,794.92	5,794.92
	<u>\$126,813,288.27</u>	<u>\$69,506,773.56</u>	<u>\$196,320,061.83</u>

(1) Includes accrued interest.

(2) Includes estimated expenses including Bond Counsel, Financial Advisor, Local Counsel, S&P rating, Trustee, Escrow Agent, Underwriter's Counsel, and miscellaneous issuance expenses.

(3) Represents the current debt service reserve and other funds released by refunding.

(Subject to the comments in the attached Report
dated December 11, 2012 of Umbaugh)

CITY OF CARMEL (INDIANA) REDEVELOPMENT AUTHORITY

**AMORTIZATION OF \$115,900,000 PRINCIPAL AMOUNT OF
LEASE RENTAL REVENUE MULTIPURPOSE BONDS, SERIES 2012A**
2012A Bonds dated December 27, 2012

Bond Payment Date	Principal Outstanding	Principal	Interest Rate (%)	Interest	Total Debt Service	Budget Year Debt Service
08/01/13	\$115,900,000			\$2,611,145.52	\$2,611,145.52	
02/01/14	115,900,000			2,196,290.63	2,196,290.63	\$4,807,436.15
08/01/14	115,900,000			2,196,290.63	2,196,290.63	
02/01/15	115,900,000			2,196,290.63	2,196,290.63	4,392,581.26
08/01/15	115,900,000			2,196,290.63	2,196,290.63	
02/01/16	115,900,000			2,196,290.63	2,196,290.63	4,392,581.26
08/01/16	115,900,000			2,196,290.63	2,196,290.63	
02/01/17	115,900,000			2,196,290.63	2,196,290.63	4,392,581.26
08/01/17	115,900,000			2,196,290.63	2,196,290.63	
02/01/18	115,900,000			2,196,290.63	2,196,290.63	4,392,581.26
08/01/18	115,900,000			2,196,290.63	2,196,290.63	
02/01/19	115,900,000			2,196,290.63	2,196,290.63	4,392,581.26
08/01/19	115,900,000			2,196,290.63	2,196,290.63	
02/01/20	115,900,000			2,196,290.63	2,196,290.63	4,392,581.26
08/01/20	115,900,000			2,196,290.63	2,196,290.63	
02/01/21	115,900,000			2,196,290.63	2,196,290.63	4,392,581.26
08/01/21	115,900,000			2,196,290.63	2,196,290.63	
02/01/22	115,900,000			2,196,290.63	2,196,290.63	4,392,581.26
08/01/22	115,900,000			2,196,290.63	2,196,290.63	
02/01/23	115,900,000			2,196,290.63	2,196,290.63	4,392,581.26
08/01/23	115,900,000			2,196,290.63	2,196,290.63	
02/01/24	115,900,000			2,196,290.63	2,196,290.63	4,392,581.26
08/01/24	115,900,000			2,196,290.63	2,196,290.63	
02/01/25	115,900,000	\$1,645,000 (1)	2.625	2,196,290.63	3,841,290.63	6,037,581.26
08/01/25	114,255,000	4,145,000 (1)	2.625	2,174,700.00	6,319,700.00	
02/01/26	110,110,000	4,200,000 (1)	2.625	2,120,296.88	6,320,296.88	12,639,996.88
08/01/26	105,910,000	4,405,000 (1)	2.625	2,065,171.88	6,470,171.88	
02/01/27	101,505,000	4,465,000 (2)	3.750	2,007,356.25	6,472,356.25	12,942,528.13
08/01/27	97,040,000	4,505,000 (2)	3.750	1,923,637.50	6,428,637.50	
02/01/28	92,535,000	4,590,000 (2)	3.750	1,839,168.75	6,429,168.75	12,857,806.25
08/01/28	87,945,000	4,635,000 (2)	3.750	1,753,106.25	6,388,106.25	
02/01/29	83,310,000	4,725,000 (3)	4.000	1,666,200.00	6,391,200.00	12,779,306.25
08/01/29	78,585,000	3,655,000 (3)	4.000	1,571,700.00	5,226,700.00	
02/01/30	74,930,000	3,725,000 (3)	4.000	1,498,600.00	5,223,600.00	10,450,300.00
08/01/30	71,205,000	3,240,000 (3)	4.000	1,424,100.00	4,664,100.00	
02/01/31	67,965,000	3,305,000 (4)	4.000	1,359,300.00	4,664,300.00	9,328,400.00
08/01/31	64,660,000	3,370,000 (4)	4.000	1,293,200.00	4,663,200.00	
02/01/32	61,290,000	3,435,000 (4)	4.000	1,225,800.00	4,660,800.00	9,324,000.00
08/01/32	57,855,000	3,405,000 (4)	4.000	1,157,100.00	4,562,100.00	
02/01/33	54,450,000	3,470,000 (4)	4.000	1,089,000.00	4,559,000.00	9,121,100.00
08/01/33	50,980,000	4,050,000 (4)	4.000	1,019,600.00	5,069,600.00	
02/01/34	46,930,000	4,135,000 (5)	4.000	938,600.00	5,073,600.00	10,143,200.00
08/01/34	42,795,000	4,180,000 (5)	4.000	855,900.00	5,035,900.00	
02/01/35	38,615,000	4,265,000 (5)	4.000	772,300.00	5,037,300.00	10,073,200.00
08/01/35	34,350,000	5,445,000 (5)	4.000	687,000.00	6,132,000.00	
02/01/36	28,905,000	5,555,000 (6)	4.000	578,100.00	6,133,100.00	12,265,100.00
08/01/36	23,350,000	5,665,000 (6)	4.000	467,000.00	6,132,000.00	
02/01/37	17,685,000	5,780,000 (6)	4.000	353,700.00	6,133,700.00	12,265,700.00
08/01/37	11,905,000	5,895,000 (6)	4.000	238,100.00	6,133,100.00	
02/01/38	6,010,000	6,010,000 (6)	4.000	120,200.00	6,130,200.00	12,263,300.00
Totals		<u>\$115,900,000</u>		<u>\$85,324,767.52</u>	<u>\$201,224,767.52</u>	<u>\$201,224,767.52</u>

(1) \$14,395,000 of Term Bonds due August 1, 2026.

(2) \$18,195,000 of Term Bonds due August 1, 2028.

(3) \$15,345,000 of Term Bonds due August 1, 2030.

(4) \$21,035,000 of Term Bonds due August 1, 2033.

(5) \$18,025,000 of Term Bonds due August 1, 2035.

(6) \$28,905,000 of Term Bonds due February 1, 2038.

(Subject to the comments in the attached Report
dated December 11, 2012 of Umbaugh)

CITY OF CARMEL (INDIANA) REDEVELOPMENT AUTHORITY

AMORTIZATION OF \$69,245,000 PRINCIPAL AMOUNT OF
LEASE RENTAL REVENUE MULTIPURPOSE BONDS, SERIES 2012B (TAXABLE)
2012B Bonds dated December 27, 2012

Bond Payment Date	Principal Outstanding	Principal	Interest Rate (%)	Interest	Total Debt Service	Budget Year Debt Service
08/01/13	\$69,245,000			\$813,262.21	\$813,262.21	
02/01/14	69,245,000	\$1,000,000	0.608	684,052.33	1,684,052.33	\$2,497,314.54
08/01/14	68,245,000	1,735,000	0.691	681,012.33	2,416,012.33	
02/01/15	66,510,000	1,745,000	0.768	675,017.90	2,420,017.90	4,836,030.23
08/01/15	64,765,000	2,110,000	0.813	668,317.10	2,778,317.10	
02/01/16	62,655,000	2,120,000	0.857	659,739.95	2,779,739.95	5,558,057.05
08/01/16	60,535,000	2,680,000	0.990	650,655.75	3,330,655.75	
02/01/17	57,855,000	2,695,000	1.188	637,389.75	3,332,389.75	6,663,045.50
08/01/17	55,160,000	2,805,000	1.238	621,381.45	3,426,381.45	
02/01/18	52,355,000	2,820,000	1.288	604,018.50	3,424,018.50	6,850,399.95
08/01/18	49,535,000	3,075,000	1.338	585,857.70	3,660,857.70	
02/01/19	46,460,000	3,095,000	1.768	565,285.95	3,660,285.95	7,321,143.65
08/01/19	43,365,000	3,310,000	1.818	537,926.15	3,847,926.15	
02/01/20	40,055,000	3,340,000	1.990	507,838.25	3,847,838.25	7,695,764.40
08/01/20	36,715,000	3,525,000	2.040	474,605.25	3,999,605.25	
02/01/21	33,190,000	3,560,000	2.400	438,650.25	3,998,650.25	7,998,255.50
08/01/21	29,630,000	3,775,000	2.430	395,930.25	4,170,930.25	
02/01/22	25,855,000	3,825,000	2.500	350,064.00	4,175,064.00	8,345,994.25
08/01/22	22,030,000	4,080,000	2.530	302,251.50	4,382,251.50	
02/01/23	17,950,000	4,130,000	2.650	250,639.50	4,380,639.50	8,762,891.00
08/01/23	13,820,000	3,850,000	2.680	195,917.00	4,045,917.00	
02/01/24	9,970,000	3,900,000	2.850	144,327.00	4,044,327.00	8,090,244.00
08/01/24	6,070,000	3,830,000	2.880	88,752.00	3,918,752.00	
02/01/25	2,240,000	2,240,000	3.000	33,600.00	2,273,600.00	6,192,352.00
Totals		<u>\$69,245,000</u>		<u>\$11,566,492.07</u>	<u>\$80,811,492.07</u>	<u>\$80,811,492.07</u>

(Subject to the comments in the attached Report
dated December 11, 2012 of Umbaugh)

CITY OF CARMEL (INDIANA) REDEVELOPMENT AUTHORITY

LEASE RENTAL PAYMENTS

Bond Payment Date	Lease Payment Date	Debt Service			Lease Rentals	
		2012B Bonds		Budget Year Total	Total	Budget Year Total
		2012A Bonds (1)	(Taxable) (2)			
08/01/13	07/15/13	\$2,611,145.52	\$813,262.21	\$3,424,407.73	\$3,430,000	
02/01/14	01/15/14	2,196,290.63	1,684,052.33	3,880,342.96	3,886,000	\$7,316,000
08/01/14	07/15/14	2,196,290.63	2,416,012.33	4,612,302.96	4,618,000	
02/01/15	01/15/15	2,196,290.63	2,420,017.90	4,616,308.53	4,622,000	9,240,000
08/01/15	07/15/15	2,196,290.63	2,778,317.10	4,974,607.73	4,980,000	
02/01/16	01/15/16	2,196,290.63	2,779,739.95	4,976,030.58	4,982,000	9,962,000
08/01/16	07/15/16	2,196,290.63	3,330,655.75	5,526,946.38	5,532,000	
02/01/17	01/15/17	2,196,290.63	3,332,389.75	5,528,680.38	5,534,000	11,066,000
08/01/17	07/15/17	2,196,290.63	3,426,381.45	5,622,672.08	5,628,000	
02/01/18	01/15/18	2,196,290.63	3,424,018.50	5,620,309.13	5,626,000	11,254,000
08/01/18	07/15/18	2,196,290.63	3,660,857.70	5,857,148.33	5,863,000	
02/01/19	01/15/19	2,196,290.63	3,660,285.95	5,856,576.58	5,862,000	11,725,000
08/01/19	07/15/19	2,196,290.63	3,847,926.15	6,044,216.78	6,050,000	
02/01/20	01/15/20	2,196,290.63	3,847,838.25	6,044,128.88	6,050,000	12,100,000
08/01/20	07/15/20	2,196,290.63	3,999,605.25	6,195,895.88	6,201,000	
02/01/21	01/15/21	2,196,290.63	3,998,650.25	6,194,940.88	6,200,000	12,401,000
08/01/21	07/15/21	2,196,290.63	4,170,930.25	6,367,220.88	6,373,000	
02/01/22	01/15/22	2,196,290.63	4,175,064.00	6,371,354.63	6,377,000	12,750,000
08/01/22	07/15/22	2,196,290.63	4,382,251.50	6,578,542.13	6,584,000	
02/01/23	01/15/23	2,196,290.63	4,380,639.50	6,576,930.13	6,582,000	13,166,000
08/01/23	07/15/23	2,196,290.63	4,045,917.00	6,242,207.63	6,248,000	
02/01/24	01/15/24	2,196,290.63	4,044,327.00	6,240,617.63	6,246,000	12,494,000
08/01/24	07/15/24	2,196,290.63	3,918,752.00	6,115,042.63	6,121,000	
02/01/25	01/15/25	3,841,290.63	2,273,600.00	6,114,890.63	6,120,000	12,241,000
08/01/25	07/15/25	6,319,700.00		6,319,700.00	6,325,000	
02/01/26	01/15/26	6,320,296.88		6,320,296.88	6,326,000	12,651,000
08/01/26	07/15/26	6,470,171.88		6,470,171.88	6,476,000	
02/01/27	01/15/27	6,472,356.25		6,472,356.25	6,478,000	12,954,000
08/01/27	07/15/27	6,428,637.50		6,428,637.50	6,434,000	
02/01/28	01/15/28	6,429,168.75		6,429,168.75	6,435,000	12,869,000
08/01/28	07/15/28	6,388,106.25		6,388,106.25	6,394,000	
02/01/29	01/15/29	6,391,200.00		6,391,200.00	6,397,000	12,791,000
08/01/29	07/15/29	5,226,700.00		5,226,700.00	5,232,000	
02/01/30	01/15/30	5,223,600.00		5,223,600.00	5,229,000	10,461,000
08/01/30	07/15/30	4,664,100.00		4,664,100.00	4,670,000	
02/01/31	01/15/31	4,664,300.00		4,664,300.00	4,670,000	9,340,000
08/01/31	07/15/31	4,663,200.00		4,663,200.00	4,669,000	
02/01/32	01/15/32	4,660,800.00		4,660,800.00	4,666,000	9,335,000
08/01/32	07/15/32	4,562,100.00		4,562,100.00	4,568,000	
02/01/33	01/15/33	4,559,000.00		4,559,000.00	4,564,000	9,132,000
08/01/33	07/15/33	5,069,600.00		5,069,600.00	5,075,000	
02/01/34	01/15/34	5,073,600.00		5,073,600.00	5,079,000	10,154,000
08/01/34	07/15/34	5,035,900.00		5,035,900.00	5,041,000	
02/01/35	01/15/35	5,037,300.00		5,037,300.00	5,043,000	10,084,000
08/01/35	07/15/35	6,132,000.00		6,132,000.00	6,137,000	
02/01/36	01/15/36	6,133,100.00		6,133,100.00	6,139,000	12,276,000
08/01/36	07/15/36	6,132,000.00		6,132,000.00	6,137,000	
02/01/37	01/15/37	6,133,700.00		6,133,700.00	6,139,000	12,276,000
08/01/37	07/15/37	6,133,100.00		6,133,100.00	6,139,000	
02/01/38	01/15/38	6,130,200.00		6,130,200.00	6,136,000	12,275,000
Totals		\$201,224,767.52	\$80,811,492.07	\$282,036,259.59	\$282,036,259.59	\$282,313,000
						\$282,313,000

(1) See page B-11.

(2) See page B-12.

Note: The Lease Rental is reduced to an amount equal to the semiannual principal and interest payment due in each six month period ending January 15 or July 15, rounded up to the next \$1,000, plus \$5,000 for the payment of fiscal agency fees.

(Subject to the comments in the attached Report
dated December 11, 2012 of Umbaugh)

CITY OF CARMEL (INDIANA) REDEVELOPMENT AUTHORITY

ILLUSTRATIVE ANNUAL LEASE RENTAL TAX RATE

<u>Budget Year</u>	<u>Budget Year Lease Rental</u>	<u>Budget Year Tax Levy</u>	<u>Estimated Assessed Valuation</u>	<u>Illustrative Tax Rate</u>
(1)	(2)	(3)	(4)	
2013	\$7,316,000	\$6,950,200	\$6,383,598,057	\$0.1089
2014	9,240,000	8,778,000	6,383,598,057	0.1375
2015	9,962,000	9,463,900	6,383,598,057	0.1483
2016	11,066,000	10,512,700	6,383,598,057	0.1647
2017	11,254,000	10,691,300	6,383,598,057	0.1675
2018	11,725,000	11,138,750	6,383,598,057	0.1745
2019	12,100,000	11,495,000	6,383,598,057	0.1801
2020	12,401,000	11,780,950	6,383,598,057	0.1846
2021	12,750,000	12,112,500	6,383,598,057	0.1897
2022	13,166,000	12,507,700	6,383,598,057	0.1959
2023	12,494,000	11,869,300	6,383,598,057	0.1859
2024	12,241,000	11,628,950	6,383,598,057	0.1822
2025	12,651,000	12,018,450	6,383,598,057	0.1883
2026	12,954,000	12,306,300	6,383,598,057	0.1928
2027	12,869,000	12,225,550	6,383,598,057	0.1915
2028	12,791,000	12,151,450	6,383,598,057	0.1904
2029	10,461,000	9,937,950	6,383,598,057	0.1557
2030	9,340,000	8,873,000	6,383,598,057	0.1390
2031	9,335,000	8,868,250	6,383,598,057	0.1389
2032	9,132,000	8,675,400	6,383,598,057	0.1359
2033	10,154,000	9,646,300	6,383,598,057	0.1511
2034	10,084,000	9,579,800	6,383,598,057	0.1501
2035	12,276,000	11,662,200	6,383,598,057	0.1827
2036	12,276,000	11,662,200	6,383,598,057	0.1827
2037	12,275,000	11,661,250	6,383,598,057	0.1827
Totals	<u>\$282,313,000</u>	<u>\$268,197,350</u>		

(1) Lease Rentals are payable January 15 and July 15, beginning July 15, 2013.

(2) See page B-13.

(3) Assumes financial institutions / license excise factor of 5%.

(4) Based on the 2011 taxes payable 2012 net assessed value of the City.

Note: The Commission intends to pay the Lease Rentals from the CRC Revenues, including TIF Revenues collected from several allocation areas in the District. To the extent that the Tax Increment is not sufficient, the Commission would have the option to pay Lease Rentals from other available revenues. To the extent that the other available revenues are not anticipated to be available, the Commission is required to levy the Special Benefits Tax on the District.

(Subject to the comments in the attached Report
dated December 11, 2012 of Umbaugh)

CITY OF CARMEL (INDIANA) REDEVELOPMENT AUTHORITY

COMPARISON OF ESTIMATED REVENUES, LEASE RENTALS AND OUTSTANDING OBLIGATIONS

Tax Collection Year	Total Estimated CRC Revenues (1)	Estimated and Outstanding Obligations			Annual Surplus	Cumulative Surplus	Annual Coverage
		2012 Bonds Lease Rentals (2)	Outstanding Obligations (3)	Total			
Fall 2012	\$9,335,686 (4)		\$3,764,642	\$3,764,642	\$5,571,044	\$5,571,044	248%
2013	17,659,993	\$7,316,000	7,822,542	15,138,542	2,521,451	8,092,495	117%
2014	19,721,141	9,240,000	8,104,230	17,344,230	2,376,911	10,469,406	114%
2015	21,692,226	9,962,000	8,377,861	18,339,861	3,352,365	13,821,771	118%
2016	23,188,910	11,066,000	8,647,971	19,713,971	3,474,939	17,296,710	118%
2017	23,662,618	11,254,000	8,899,603	20,153,603	3,509,015	20,805,726	117%
2018	24,454,693	11,725,000	9,152,101	20,877,101	3,577,593	24,383,318	117%
2019	25,161,836	12,100,000	9,428,569	21,528,569	3,633,267	28,016,585	117%
2020	25,748,890	12,401,000	9,669,819	22,070,819	3,678,071	31,694,657	117%
2021	26,396,432	12,750,000	9,919,488	22,669,488	3,726,945	35,421,601	116%
2022	27,173,042	13,166,000	10,217,288	23,383,288	3,789,755	39,211,356	116%
2023	28,076,508	12,494,000	11,724,863	24,218,863	3,857,646	43,069,002	116%
2024	28,938,396	12,241,000	12,763,913	25,004,913	3,933,483	47,002,485	116%
2025	29,454,814	12,651,000	12,830,200	25,481,200	3,973,614	50,976,098	116%
2026	29,874,796	12,954,000	12,920,400	25,874,400	4,000,396	54,976,494	115%
2027	29,889,593	12,869,000	13,017,513	25,886,513	4,003,080	58,979,574	115%
2028	29,904,520	12,791,000	13,107,375	25,898,375	4,006,145	62,985,719	115%
2029	19,665,932 (5)	10,461,000	6,010,825	16,471,825	3,194,107	66,179,826	119%
2030	19,681,168	9,340,000	7,143,375	16,483,375	3,197,793	69,377,618	119%
2031	19,696,556	9,335,000	7,162,025	16,497,025	3,199,531	72,577,149	119%
2032	18,412,910	9,132,000	7,165,613	16,297,613	2,115,297	74,692,446	113%
2033	13,696,328 (5)	10,154,000	2,462,650	12,616,650	1,079,678	75,772,124	109%
2034	13,620,568	10,084,000	2,464,650	12,548,650	1,071,918	76,844,041	109%
2035	6,660,575 (5)	12,276,000	681,450	12,957,450	(6,296,875)	70,547,166	51%
2036	4,404,622	12,276,000		12,276,000	(7,871,378)	62,675,788	36%
2037	2,109,502 (5)	12,275,000		12,275,000	(10,165,498)	52,510,290	17%
Totals	<u>\$538,282,251</u>	<u>\$282,313,000</u>	<u>\$203,458,962</u>	<u>\$485,771,962</u>	<u>\$52,510,290</u>		

(1) Includes Tax Increment, Keystone Corporation payments, Village on the Green (VOG) rent and energy payments.

(2) See page B-13.

(3) Includes Redevelopment Authority Lease Rental Revenue Bonds of 2005, Redevelopment District Taxable County Option Income Tax Revenue Refunding Bonds, Series 2006, Redevelopment District Certificates of Participation, Series 2010C and Secondary Village Financial Installment Contracts. See pages B-16, B-17 and B-18. Principal on the \$5,500,000 Secondary Village Financial Installment Contracts is due in ten equal installments in the years 2030 through 2034. No interest is accruing.

(4) Actual CRC Revenues.

(5) Assumes 30-year lives of the TIF Areas begin to expire.

(Subject to the comments in the attached Report
dated December 11, 2012 of Umbaugh)

SUPPLEMENTAL DATA

CITY OF CARMEL (INDIANA) REDEVELOPMENT AUTHORITY

OUTSTANDING LEASE RENTAL PAYMENTS OF LEASE RENTAL REVENUE BONDS OF 2005

Dated December 21, 2005

Bond Payment Date	Lease Payment Date	Debt Service			Lease Rental	
		Current Interest	Capital Appreciation	Budget Year	Budget Year	
		Bonds	Bonds	Total	Total	Total
8/1/2012	7/1/2012	\$1,295,000.00		\$1,295,000.00		\$2,600,000
2/1/2013	1/1/2013	1,295,000.00	\$2,605,000.00	3,900,000.00	\$5,195,000.00	2,600,000
8/1/2013	7/1/2013	1,295,000.00		1,295,000.00		2,745,000
2/1/2014	1/1/2014	1,295,000.00	2,895,000.00	4,190,000.00	5,485,000.00	2,745,000
8/1/2014	7/1/2014	1,295,000.00		1,295,000.00		2,887,500
2/1/2015	1/1/2015	1,295,000.00	3,180,000.00	4,475,000.00	5,770,000.00	2,887,500
8/1/2015	7/1/2015	1,295,000.00		1,295,000.00		3,027,500
2/1/2016	1/1/2016	1,295,000.00	3,460,000.00	4,755,000.00	6,050,000.00	3,027,500
8/1/2016	7/1/2016	1,295,000.00		1,295,000.00		3,162,500
2/1/2017	1/1/2017	1,295,000.00	3,730,000.00	5,025,000.00	6,320,000.00	3,162,500
8/1/2017	7/1/2017	1,295,000.00		1,295,000.00		3,290,000
2/1/2018	1/1/2018	1,295,000.00	3,985,000.00	5,280,000.00	6,575,000.00	3,290,000
8/1/2018	7/1/2018	1,295,000.00		1,295,000.00		3,417,500
2/1/2019	1/1/2019	1,295,000.00	4,240,000.00	5,535,000.00	6,830,000.00	3,417,500
8/1/2019	7/1/2019	1,295,000.00		1,295,000.00		4,032,500
2/1/2020	1/1/2020	1,295,000.00	5,470,000.00	6,765,000.00	8,060,000.00	4,032,500
8/1/2020	7/1/2020	1,295,000.00		1,295,000.00		4,155,000
2/1/2021	1/1/2021	1,295,000.00	5,715,000.00	7,010,000.00	8,305,000.00	4,155,000
8/1/2021	7/1/2021	1,295,000.00		1,295,000.00		4,280,000
2/1/2022	1/1/2022	1,295,000.00	5,965,000.00	7,260,000.00	8,555,000.00	4,280,000
8/1/2022	7/1/2022	1,295,000.00		1,295,000.00		4,427,500
2/1/2023	1/1/2023	1,295,000.00	6,260,000.00	7,555,000.00	8,850,000.00	4,427,500
8/1/2023	7/1/2023	1,295,000.00		1,295,000.00		5,182,500
2/1/2024	1/1/2024	1,295,000.00	7,770,000.00	9,065,000.00	10,360,000.00	5,182,500
8/1/2024	7/1/2024	1,295,000.00		1,295,000.00		5,702,500
2/1/2025	1/1/2025	1,295,000.00	8,810,000.00	10,105,000.00	11,400,000.00	5,702,500
8/1/2025	7/1/2025	1,295,000.00		1,295,000.00		5,732,500
2/1/2026	1/1/2026	7,365,000.00	2,800,000.00	10,165,000.00	11,460,000.00	5,732,500
8/1/2026	7/1/2026	1,143,250.00		1,143,250.00		5,778,500
2/1/2027	1/1/2027	10,408,250.00		10,408,250.00	11,551,500.00	5,778,500
8/1/2027	7/1/2027	911,625.00		911,625.00		5,827,000
2/1/2028	1/1/2028	10,736,625.00		10,736,625.00	11,648,250.00	5,827,000
8/1/2028	7/1/2028	666,000.00		666,000.00		5,873,500
2/1/2029	1/1/2029	11,076,000.00		11,076,000.00	11,742,000.00	5,873,500
8/1/2029	7/1/2029	405,750.00		405,750.00		2,323,500
2/1/2030	1/1/2030	4,235,750.00		4,235,750.00	4,641,500.00	2,323,500
8/1/2030	7/1/2030	312,287.50		312,287.50		2,340,000
2/1/2031	1/1/2031	4,362,287.50		4,362,287.50	4,674,575.00	2,340,000
8/1/2031	7/1/2031	213,600.00		213,600.00		2,351,500
2/1/2032	1/1/2032	4,483,600.00		4,483,600.00	4,697,200.00	2,351,500
8/1/2032	7/1/2032	109,687.50		109,687.50		2,352,500
2/1/2033	1/1/2033	4,589,687.50		4,589,687.50	4,699,375.00	2,352,500
Totals		<u>\$95,984,400.00</u>	<u>\$66,885,000.00</u>	<u>\$162,869,400.00</u>	<u>\$162,869,400.00</u>	<u>\$162,978,000</u>

Note: The Commission is only obligated to pay the Lease Rentals from the Special Benefits Tax. However, the Commission plans to pay the Lease Rentals from Tax Increment.

(Subject to the comments in the attached Report
dated December 11, 2012 of Umbaugh)

CITY OF CARMEL (INDIANA) REDEVELOPMENT AUTHORITY

OUTSTANDING AMORTIZATION OF TAXABLE COUNTY OPTION INCOME TAX REVENUE REFUNDING BONDS, SERIES 2006

Dated December 6, 2006

Bond Payment Date	Principal Outstanding	Principal	Interest Rate	Interest	Total Debt Service	Budget Year Debt Service
06/15/12	\$5,580,000	\$340,000	5.110%	\$145,341.25	\$485,341.25	
12/15/12	5,240,000	345,000	5.110%	136,654.25	481,654.25	\$966,995.50
06/15/13	4,895,000	360,000	5.170%	127,839.50	487,839.50	
12/15/13	4,535,000	360,000	5.170%	118,533.50	478,533.50	966,373.00
06/15/14	4,175,000	375,000	5.170%	109,227.50	484,227.50	
12/15/14	3,800,000	380,000	5.170%	99,533.75	479,533.75	963,761.25
06/15/15	3,420,000	390,000	5.220%	89,710.75	479,710.75	
12/15/15	3,030,000	400,000	5.220%	79,531.75	479,531.75	959,242.50
06/15/16	2,630,000	415,000	5.220%	69,091.75	484,091.75	
12/15/16	2,215,000	420,000	5.220%	58,260.25	478,260.25	962,352.00
06/15/17	1,795,000	435,000	5.270%	47,298.25	482,298.25	
12/15/17	1,360,000	440,000	5.270%	35,836.00	475,836.00	958,134.25
06/15/18	920,000	460,000	5.270%	24,242.00	484,242.00	
12/15/18	460,000	460,000	5.270%	12,121.00	472,121.00	956,363.00
Totals		<u>\$5,580,000</u>		<u>\$1,153,221.50</u>	<u>\$6,733,221.50</u>	<u>\$6,733,221.50</u>

Note: The Commission is only obligated to pay the debt service from the City's distributive share of the County Option Income Tax. However, the Commission plans pay the debt service from Tax Increment.

(Subject to the comments in the attached Report
dated December 11, 2012 of Umbaugh)

CITY OF CARMEL (INDIANA) REDEVELOPMENT AUTHORITY

OUTSTANDING AMORTIZATION OF CERTIFICATES OF PARTICIPATION, SERIES 2010C

Dated November 12, 2010

Payment Date	Principal Outstanding	Principal	Interest Rate	Interest	Total Debt Service	Budget Year Debt Service
07/15/12	\$16,300,000			\$512,987.50	\$512,987.50	
01/15/13	16,300,000	\$170,000 (1)	5.750%	512,987.50	682,987.50	\$1,195,975.00
07/15/13	16,130,000	175,000 (1)	5.750%	508,100.00	683,100.00	
01/15/14	15,955,000	180,000 (1)	5.750%	503,068.75	683,068.75	1,366,168.75
07/15/14	15,775,000	185,000 (1)	5.750%	497,893.75	682,893.75	
01/15/15	15,590,000	190,000 (1)	5.750%	492,575.00	682,575.00	1,365,468.75
07/15/15	15,400,000	195,000 (1)	5.750%	487,112.50	682,112.50	
01/15/16	15,205,000	200,000 (1)	5.750%	481,506.25	681,506.25	1,363,618.75
07/15/16	15,005,000	205,000 (1)	5.750%	475,756.25	680,756.25	
01/15/17	14,800,000	210,000 (1)	5.750%	469,862.50	679,862.50	1,360,618.75
07/15/17	14,590,000	215,000 (1)	5.750%	463,825.00	678,825.00	
01/15/18	14,375,000	225,000 (1)	5.750%	457,643.75	682,643.75	1,361,468.75
07/15/18	14,150,000	230,000 (1)	5.750%	451,175.00	681,175.00	
01/15/19	13,920,000	235,000 (1)	5.750%	444,562.50	679,562.50	1,360,737.50
07/15/19	13,685,000	245,000 (1)	5.750%	437,806.25	682,806.25	
01/15/20	13,440,000	250,000 (1)	5.750%	430,762.50	680,762.50	1,363,568.75
07/15/20	13,190,000	255,000 (1)	5.750%	423,575.00	678,575.00	
01/15/21	12,935,000	265,000 (1)	5.750%	416,243.75	681,243.75	1,359,818.75
07/15/21	12,670,000	270,000 (1)	5.750%	408,625.00	678,625.00	
01/15/22	12,400,000	280,000 (1)	5.750%	400,862.50	680,862.50	1,359,487.50
07/15/22	12,120,000	290,000 (1)	5.750%	392,812.50	682,812.50	
01/15/23	11,830,000	295,000 (2)	6.500%	384,475.00	679,475.00	1,362,287.50
07/15/23	11,535,000	305,000 (2)	6.500%	374,887.50	679,887.50	
01/15/24	11,230,000	315,000 (2)	6.500%	364,975.00	679,975.00	1,359,862.50
07/15/24	10,915,000	325,000 (2)	6.500%	354,737.50	679,737.50	
01/15/25	10,590,000	335,000 (2)	6.500%	344,175.00	679,175.00	1,358,912.50
07/15/25	10,255,000	350,000 (2)	6.500%	333,287.50	683,287.50	
01/15/26	9,905,000	360,000 (2)	6.500%	321,912.50	681,912.50	1,365,200.00
07/15/26	9,545,000	370,000 (2)	6.500%	310,212.50	680,212.50	
01/15/27	9,175,000	385,000 (2)	6.500%	298,187.50	683,187.50	1,363,400.00
07/15/27	8,790,000	395,000 (2)	6.500%	285,675.00	680,675.00	
01/15/28	8,395,000	410,000 (2)	6.500%	272,837.50	682,837.50	1,363,512.50
07/15/28	7,985,000	420,000 (2)	6.500%	259,512.50	679,512.50	
01/15/29	7,565,000	435,000 (2)	6.500%	245,862.50	680,862.50	1,360,375.00
07/15/29	7,130,000	450,000 (2)	6.500%	231,725.00	681,725.00	
01/15/30	6,680,000	465,000 (2)	6.500%	217,100.00	682,100.00	1,363,825.00
07/15/30	6,215,000	480,000 (2)	6.500%	201,987.50	681,987.50	
01/15/31	5,735,000	495,000 (2)	6.500%	186,387.50	681,387.50	1,363,375.00
07/15/31	5,240,000	510,000 (2)	6.500%	170,300.00	680,300.00	
01/15/32	4,730,000	525,000 (2)	6.500%	153,725.00	678,725.00	1,359,025.00
07/15/32	4,205,000	545,000 (2)	6.500%	136,662.50	681,662.50	
01/15/33	3,660,000	560,000 (2)	6.500%	118,950.00	678,950.00	1,360,612.50
07/15/33	3,100,000	580,000 (2)	6.500%	100,750.00	680,750.00	
01/15/34	2,520,000	600,000 (2)	6.500%	81,900.00	681,900.00	1,362,650.00
07/15/34	1,920,000	620,000 (2)	6.500%	62,400.00	682,400.00	
01/15/35	1,300,000	640,000 (2)	6.500%	42,250.00	682,250.00	1,364,650.00
07/15/35	660,000	660,000 (2)	6.500%	21,450.00	681,450.00	681,450.00
Totals		<u>\$16,300,000</u>		<u>\$15,546,068.75</u>	<u>\$31,846,068.75</u>	<u>\$31,846,068.75</u>

(1) \$4,470,000 of Term Certificates due July 15, 2022.

(2) \$11,830,000 of Term Certificates due July 15, 2035.

Note: The Commission is obligated to pay the debt service from Tax Increment and energy payments.

(Subject to the comments in the attached Report
dated December 11, 2012 of Umbaugh)

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APPENDIX C

DEFINITIONS

The following are definitions of certain key terms used in this Official Statement, including the Appendices hereto, which terms may also be used in the Indenture. Any capitalized terms used in this Official Statement and not otherwise defined herein will have the meanings set forth in the Indenture.

“Acquisition Accounts” means, collectively, the 2012A Acquisition Account and the 2012B Acquisition Account.

“Additional Bonds” means additional bonds issued pursuant to the Indenture to finance or refinance the acquisition or construction of any portion of the Project, or to refund any of the Bonds.

“Assured Guaranty” means Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof.

“Authority” means the City of Carmel Redevelopment Authority, a separate body corporate and politic organized and existing under Indiana Code 36-7-14.5, as an instrumentality of the City.

“Authorized Representative” means any officer of the Authority, any officer of the Commission, the Mayor of the City, the Clerk-Treasurer of the City, or such other officer of the Authority, the Commission or the City or such other individual as the Authority shall notify the Trustee in writing as being an Authorized Representative under the Indenture, with evidence of such authority.

“Bond” or “Bonds” means (unless the context shall otherwise require) any Bond or Bonds, or all the Bonds, including the 2012 Bonds and any Additional Bonds as the case may be, authenticated and delivered under the Indenture.

“Bond Issuance Expense Accounts” means, collectively, the 2012A Bond Issuance Expense Account and the 2012B Bond Issuance Expense Account.

“City” means the City of Carmel, Indiana, a municipal corporation under the laws of the State of Indiana.

“Closing” means the date on which the 2012 Bonds are exchanged for their purchase price.

“Code” means the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the 2012 Bonds.

“Commission” means the City of Carmel Redevelopment Commission, established under Indiana Code 36-7-14, governing body of the District.

“Credit Facility” means any letter of credit, revolving credit agreement, surety bond, insurance policy or other agreement or instrument.

“Credit Provider” means the issuer of any Credit Facility and its successor in such capacity and their assigns. To qualify under the Indenture, the Credit Provider providing such Credit Facility shall be either:

- (i) an insurer whose long-term debt obligations are rated (at the time of issuance of such Credit Facility) in one of the three highest Rating Categories by the Rating Agency or Rating Agencies rating the Bonds; or

- (ii) a bank or trust company which has an outstanding, unsecured, uninsured and unguaranteed debt issue rated (at the time of issuance of such Credit Facility) in one of the three highest Rating Categories by the Rating Agency or Rating Agencies rating the Bonds.

“Debt Service Reserve Fund” means the Debt Service Reserve Fund created and established under the Indenture.

“Debt Service Reserve Fund Credit Facility” means any Credit Facility issued or provided by a Credit Provider, (i) which may be deposited in a reserve account in any Debt Service Reserve Fund in lieu of or in partial substitution for cash or Qualified Investments to be on deposit therein, and (ii) which shall be payable (upon the giving of notice as required thereunder) on any due date on which moneys will be required to be withdrawn from such reserve account in which such Credit Facility is deposited and applied to the payment of the principal of or interest on any Bonds.

“Debt Service Reserve Fund Reimbursement Obligation” means any obligation to reimburse the Credit Provider of any Debt Service Reserve Fund Credit Facility for any payment made under such Debt Service Reserve Fund Credit Facility or any other obligation to repay any amounts (including, but not limited to, fees or additional interest) owing to the Credit Provider.

“Depository Company” means The Depository Trust Company, and its successors and assigns, including any surviving, resulting or transferee corporation, or any successor corporation that may be appointed in a manner consistent with this Indenture and shall include any direct or indirect participants of The Depository Trust Company.

“District” means the City of Carmel Redevelopment District.

“Fitch” means Fitch Ratings, or any successor thereof which qualifies as a Rating Agency under the Indenture.

“Government Obligations” means (i) direct obligations of the United States of America or obligations the payment of the principal of and interest on which are unconditionally guaranteed by the United States of America, including, but not limited to, securities evidencing ownership interests in such obligations or in specified portions thereof (which may consist of specific portions of the principal of or interest on such obligations) and (ii) obligations of any state of the United States of America or any political subdivision thereof, the full payment of principal of, premium, if any, and interest on which (a) are unconditionally guaranteed or insured by the United States of America, or (b) are provided for by an irrevocable deposit of securities described in clause (a) and are not subject to call or redemption by the issuer thereof prior to maturity or for which irrevocable instructions to redeem have been given.

“Indenture” means the Trust Indenture, by and between the Authority and The Huntington National Bank, as trustee, registrar and paying agent, dated as of December 1, 2012, and as may be supplemented, modified or amended by any supplemental indenture entered into pursuant to the provisions of the Indenture.

“Interest Payment Date” means February 1 and August 1 of each year, commencing on August 1, 2013 with respect to the 2012 Bonds.

“Lease” means the Lease Agreement, by and between the Authority and the Commission, dated as of November 20, 2012, as amended by the Addendum to Lease by and between the Authority and the Commission, dated as of December 11, 2012, and as further amended from time to time hereafter.

“Leased Premises” means the real property described in the Lease and certain road improvements which have been constructed thereon, generally consisting of all or a portion of the existing Keystone Avenue right-of-way between 116th Street and U.S. 31 located in the City.

“Lessee” means the Commission, or any successor or assign, as lessee under the Lease.

“Moody’s” means Moody’s Investors Service or any successor thereof which qualifies as a Rating Agency under the Indenture.

“Operation Fund” means the Operation Fund created and established by the Indenture.

“Ordinance” or “Council Ordinance” means Ordinance D-2100-12, as amended, adopted by the Common Council of the City on November 19, 2012.

“Paying Agent” means the Trustee, or any bank or trust company (singular or plural) at which the principal of the Bonds is payable.

“Project” means, collectively, (a) the financing of the acquisition by the Authority from the City of the Leased Premises and the use by the City of the proceeds of such sale (i) to refund, or cause to be refunded, certain outstanding obligations of the City and/or the District identified by the Common Council of the City in the Council Ordinance (clause (a)(i) the “Refunding”), (ii) to pay expenses associated with terminating certain outstanding obligations and (iii) to finance or reimburse the cost of the construction, renovation, improvement and/or equipping of the projects identified in the Council Ordinance (clause (a)(iii) the “New Project”); (b) to pay the premium for a debt service reserve fund credit facility; and (c) to pay costs of issuance of the 2012 Bonds.

“Project Fund” means the Project Fund created and established by the Indenture.

“Purchase Agreement” means the Bond Purchase Agreement, dated December 11, 2012, between the Authority and the Underwriters concerning the terms of the sale and purchase of the 2012 Bonds.

“Purchase Price” means \$188,519,883 which is the consideration for the acquisition of the Leased Premises and the transfer thereof from the City to the Authority.

“Qualified Investments” means those investments in: (i) Governmental Obligations; (ii) other investments permitted by Indiana Code 5-13, as amended from time to time; (iii) money market funds (including any money market fund for which the Trustee or any affiliate of the Trustee provides services for a fee), the assets of which are obligations or, or guaranteed by, the United States of America and which funds are rated at the time of purchase “Aaa” or “Am-G” (or their equivalent) or higher by S&P; and (iv) deposits constituting an obligation of a bank, as defined by the Indiana Banking Act, Indiana Code 28-2, as amended (including deposits offered by the Trustee and its affiliates), whose outstanding unsecured long-term issuer is rated at the time of deposit in any of the three highest Rating Categories by any Rating Agency.

“Rating Agency” or “Rating Agencies” means Fitch, S&P or Moody’s, according to which of such rating agencies then rates a Bond; and provided that, if none of such rating agencies then rates a Bond, the term “Rating Agency” or “Rating Agencies” shall refer to any national rating agency (if any) that provides such rating.

“Rating Category” means one of the generic rating categories of the applicable Rating Agency, without regard to any refinements or gradations of such generic rating category by numerical or other modifier.

“Real Estate” means the real property described in the Lease, which together with certain road improvements constructed thereon constitutes the Leased Premises.

“Rebate Fund” means the Rebate Fund created by the Indenture.

“Redemption Price,” with respect to any Bonds outstanding under the Indenture, means the price at which the Bonds are redeemable as set forth in the Indenture or any indenture supplemental hereto.

“Registrar” means The Huntington National Bank, and its successors and assigns.

“Reserve Requirement” means an amount equal to the least of: (i) the maximum annual principal and interest requirements on the 2012 Bonds, (ii) 125% of the average annual principal and interest requirements on the 2012 Bonds, or (iii) 10% of the stated principal amount of the 2012 Bonds. At the time of issuance of the 2012 Bonds, the Reserve Requirement means an amount equal to \$13,155,472.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, or any successor thereof which qualifies as a Rating Agency under the Indenture.

“Sinking Fund” means the Sinking Fund created and established under the Indenture.

“Trust Estate” shall have the meaning set forth in the preambles and granting clauses of the Indenture, consisting of (i) all proceeds of all Bonds issued under the Indenture and other cash and securities now or hereafter held in the funds and accounts (except the Rebate Fund) created and established thereunder and the investment earnings thereon and all proceeds thereof; (ii) all rights, titles and interests of the Authority under the Lease; and (iii) all other properties and moneys hereafter pledged to the Trustee by the Authority to the extent of that pledge.

“Trustee” means and includes The Huntington National Bank, and its successor or successors in trust.

“2012 Bonds” means, collectively, the 2012A Bonds and the 2012B Bonds.

“2012 Debt Service Reserve Fund Credit Facility” means the Debt Service Reserve Fund Credit Facility anticipated to be deposited into the Debt Service Reserve Fund to satisfy the Reserve Requirement with respect thereto upon the issuance of the 2012 Bonds. The 2012 Debt Service Reserve Fund Credit Facility constitutes a Debt Service Reserve Fund Credit Facility at the time of issuance thereof.

“2012A Acquisition Account” means the 2012A Acquisition Account of the Project Fund established under the Indenture.

“2012A Bonds” means the Lease Rental Revenue Multipurpose Bonds, Series 2012A, authorized to be issued pursuant to the Indenture in the original aggregate principal amount of \$115,900,000.

“2012A Bond Issuance Expense Account” means the 2012A Bond Issuance Expense Account of the Project Fund established under the Indenture.

“2012A Term Bonds” means the 2012A Bonds maturing on August 1 of the years 2026, 2028, 2030, 2033 and 2035 and February 1, 2038.

“2012B Acquisition Account” means the 2012B Acquisition Account of the Project Fund established under the Indenture.

“2012B Bonds” means the Lease Rental Revenue Multipurpose Bonds, Series 2012B (Taxable), authorized to be issued pursuant to the Indenture in the original aggregate principal amount of \$69,245,000.

“2012B Bond Issuance Expense Account” means the 2012B Bond Issuance Expense Account of the Project Fund established under the Indenture.

“Underwriters” means, collectively, Oppenheimer & Co. Inc., as representative of itself and the other underwriters identified in the Purchase Agreement, as underwriters of the 2012 Bonds.

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AND THE TRUST INDENTURE

The following is a summary of certain provisions contained in: (i) the Lease Agreement, dated as of November 20, 2012, as supplemented and amended from time to time (collectively, the “Lease”), by and between the City of Carmel Redevelopment Authority (the “Authority”), as lessor, and the City of Carmel Redevelopment Commission (the “Commission”), as lessee; and (ii) the Trust Indenture, dated as of December 1, 2012 (the “Indenture”), by and between the Authority and The Huntington National Bank, as trustee, registrar and paying agent (the “Trustee”, the “Registrar” and “Paying Agent”) pursuant to which the Authority is issuing its (a) Lease Rental Revenue Multipurpose Bonds, Series 2012A (the “2012A Bonds”), and (b) Lease Rental Revenue Multipurpose Bonds, Series 2012B (Taxable) (the “2012B Bonds”). Unless the context clearly indicates otherwise, the term “Bonds” as used herein refers collectively to the 2012A Bonds and the 2012B Bonds. This summary does not purport to be a comprehensive description and is qualified in its entirety by reference to the Lease and the Indenture. During the period of this offering, copies of the entire Lease and the entire Indenture are available without charge from H.J. Umbaugh & Associates, Certified Public Accountants, LLP, 8365 Keystone Crossing, Suite 300, P. O. Box 40458, Indianapolis, Indiana.

SUMMARY OF CERTAIN PROVISIONS OF THE LEASE

LEASE TERM AND RENTAL

Under the Lease, the Authority leases to the Commission an interest in certain real estate and certain road improvements which have been constructed thereon (collectively, the “Leased Premises”). Under the Lease, the Commission agrees to pay the Authority annual lease rental in amounts sufficient to pay the principal of and interest on the Bonds, together with administrative expenses related to the Bonds.

At any time during the term of the Lease, the Leased Premises may be amended to add additional property to the Leased Premises or remove any portion of the Leased Premises; *provided, however*, following such amendment, the rental payable under the Lease shall be based on the value of the portion of the Leased Premises which is available for use, and the rental payments due under the Lease shall be in amounts sufficient to pay when due all principal of and interest on all outstanding Bonds, together with administrative expenses related to the Bonds.

The term of the Lease will commence on the date on which the Commission begins to make lease rental payments thereunder and will end on the day prior to a date not more than twenty-five (25) years thereafter. However, the term of the Lease will terminate at the earlier of (a) the exercise by the Commission of the option to purchase the Leased Premises, as described below, or (b) the payment or defeasance of all bonds issued (i) to finance the cost of the Leased Premises, (ii) to refund all or a portion of such bonds, (iii) to refund all or a portion of such refunding bonds, or (iv) to improve the Leased Premises. The Commission may renew the Lease for a further like, or lesser, term upon the same or like conditions as established in the Lease. The Commission must exercise this option by written notice sent to the Authority and to the other parties to the Maintenance and Use Agreements (as hereinafter defined) (at the addresses set forth in the respective Maintenance and Use Agreements) on any rental payment date prior to expiration of the Lease.

The first lease rental payment for the Leased Premises is due on the later of (i) the date the Real Estate is acquired by the Authority, or (ii) a date to be determined at the time of the sale of the Bonds, but no earlier than January 15, 2013, as set forth in the addendum to lease be endorsed on the Lease by the parties thereto at the time of issuance of the Bonds. Thereafter, rentals on the Leased Premises are payable in advance in semi-annual installments on January 15 and July 15 of each year during the term of the Lease. Rentals under the Lease are to be paid by the Commission directly to the Trustee.

The Lease also provides that the Commission will pay as further rental for the leased premises (i) all taxes and assessments levied against or on account of the Leased Premises, (ii) to the extent applicable to any series of Bonds, the amount required to be rebated, or paid as a penalty, to the United States of America under Section 148(f) of the Internal Revenue Code of 1986, as amended and in effect on the date of issue of the Bonds (“Code”), after taking into account other available moneys, to prevent any series of Bonds from becoming arbitrage obligations under Section 148 of the Code, if the interest of such series of Bonds is excludable from gross income under the Code for federal income tax purposes; and (iii) the amount necessary to restore the amount on deposit or credited to the Debt Service Reserve Funds to an amount equal to the Reserve Requirement upon receiving notice from the Trustee, pursuant to the terms of the Indenture, that the amount on deposit or credited to the Debt Service Reserve Fund is less than the Reserve Requirement.

The Commission’s lease rental payments under the Lease are payable solely from the revenues derived from the special benefits tax levied by the Commission pursuant to Indiana Code 36-7-14-27 (the “Special Tax Revenues”); *provided, however*, the Commission has reserved the right to pay the lease

rental payments or any other amounts due under the Lease from any other revenues legally available to the Commission, including, but not limited to, incremental property tax revenues received by the Commission from one or more allocation areas in the District pursuant to Indiana Code 36-7-14-39; *provided, further*, that the Commission shall be under no obligation to pay any lease rental payments or any other amounts due under the Lease from any moneys or properties of the Commission, except the Special Tax Revenues received by the Commission. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” in this Official Statement.

ABATEMENT OF RENT

The Lease provides that, in the event the Leased Premises is taken under the exercise of the power of eminent domain, so as to render it unfit, in whole or in part, for use or occupancy by the Commission, it will then be the obligation the Authority to restore and rebuild that portion of the Leased Premises as promptly as may be done, unavoidable strikes and other causes beyond the control of the Authority excepted; *provided*, however, that the Authority will not be obligated to expend on such restoration or rebuilding more than the amount of the condemnation proceeds received by the Authority. If any part of the Leased Premises is partially or totally destroyed, or is taken under the exercise of the power of eminent domain, so as to render it unfit, in whole or in part, for use or occupancy by the Commission, the rent will be abated for the period during which the Leased Premises or such part thereof is unfit or unavailable for use or occupancy, and the abatement will be in proportion to the percentage of the Leased Premises which is unfit or unavailable for use or occupancy.

At any time during the term of the Lease, the Leased Premises may be amended to add additional property to the Leased Premises or remove any portion of the Leased Premises; *provided, however*, following such amendment, the rental payable under the Lease shall be based on the value of the portion of the Leased Premises which is available for use, and the rental payments due under the Lease shall be in amounts sufficient to pay when due all principal of and interest on all outstanding Bonds.

MAINTENANCE, ALTERATION, AND REPAIR

The Commission is responsible for operation, maintenance and repair of the Leased Premises; *provided*, however, the Commission may enter into agreements with one or more other parties for the operation, maintenance, repair and alterations of all or any portion of the Leased Premises (the “Maintenance and Use Agreements”). Such other parties may assume all responsibility for operation, maintenance, repairs and alterations to the Leased Premises. At the end of the term of the Lease, the Commission shall deliver the Leased Premises to the Authority in as good condition as at the beginning of the term, reasonable wear and tear only excepted.

INSURANCE

During the full term of the Lease, the Commission will, at it’s own expense, maintain combined bodily injury insurance, including accidental death, and property damage insurance with respect to the Leased Premises in an amount not less than One Million Dollars (\$1,000,000) on account of each occurrence with one or more good and responsible insurance companies. Such policies must be for the benefit of persons having an insurable interest in the property and must be made payable to the Authority, the Commission, and the Trustee, and such other person or persons as the Authority may designate. If, at any time, the Commission fails to maintain the above described insurance, the Authority may, but is not required to, obtain such insurance and the amount paid therefor will be added to the amount of rental payable by the Commission under the Lease. Another party may obtain such insurance policies and satisfy the requirements of the Lease, as long as the Commission, the Authority and the Trustee are named as additional insureds under such policies.

At any time during the term of the Lease, the Leased Premises may be amended to add additional property to the Leased Premises or remove any portion of the Leased Premises; *provided, however*, following such amendment, the rental payable under the Lease shall be based on the value of the portion of the Leased Premises which is available for use, and the rental payments due under the Lease shall be in amounts sufficient to pay when due all principal of and interest on all outstanding Bonds.

TAX COVENANTS

In order to preserve the exclusion of interest any series of Bonds from gross income for federal income tax purposes (other than Bonds issued under the Indenture the interest on which is not excludable for federal income tax purposes, including the 2012B Bonds)(the “Tax-Exempt Bonds”) and as an inducement to purchasers of the Tax-Exempt Bonds, the Commission and the Authority have each covenanted and agreed that neither the Commission nor the Authority will take any action or fail to take any action with respect to the Tax-Exempt Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds pursuant to Section 103 of the Code and the regulations thereunder as applicable to the Tax-Exempt Bonds, including, without limitation, the taking of such action as is necessary to rebate or cause to be rebated arbitrage profits on Tax-Exempt Bond proceeds, or other monies treated as Tax-Exempt Bond proceeds, to the federal government as provided in Section 148 of the Code.

DEFAULTS

The Lease provides that, if the Commission defaults (a) in the payment of rentals or other sums payable to the Authority under the Lease, or (b) in the observance of any other covenant, agreement or condition thereof, and such default shall continue for ninety (90) days after written notice to correct the same, then, in any or either of such events, the Authority may proceed to protect and enforce its rights by suit or suits in equity or at law in any court of competent jurisdiction, whether for specific performance of any covenant or agreement contained therein or for the enforcement of any other appropriate legal or equitable remedy, or the Authority, at its option, without further notice, may terminate the estate and interest of the Commission thereunder, and the Authority may resume possession of the leased premises subject thereto. The exercise by the Authority of its right to terminate such Lease will not release the Commission from the performance of any obligation thereof maturing prior to the Authority’s actual entry into possession.

OPTION TO PURCHASE

The Commission has the right and option, under the Lease, to purchase the Leased Premises, or any portion thereof, on any date upon 60 days’ written notice to the Authority, at a price which is equal to the amount required to enable the Authority to pay all indebtedness incurred on account of the Leased Premises, or such portion thereof (including indebtedness incurred for the refunding of that indebtedness), including accrued and unpaid interest to the first date on which bonds may be redeemed and all premiums, if any, payable upon the redemption thereof. In no event, however, shall such purchase price exceed the capital actually invested by the Authority represented by outstanding securities or existing indebtedness, plus the cost of transferring property.

TRANSFER OF OWNERSHIP

The Lease provides that, in the event the Commission has not exercised its option to purchase the Leased Premises and has not exercised its option to renew the Lease, as described above, then, upon full performance by the Commission of its obligations under the Lease, the Leased Premises will become the absolute property of the Commission, and the Authority will execute the proper instruments conveying to the Commission, or to any entity (including the City and any other party to the Maintenance and Use Agreements) designated by the Commission, all of the Authority's right, title and interest to the Leased Premises, or such portion thereof.

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE

REVENUES, FUNDS AND ACCOUNTS

Creation of Funds and Accounts

The Authority creates and establishes the following Funds and Accounts to be held by the Trustee under the Indenture:

- (i) Project Fund, consisting of a:
 - (a) 2012A Bond Issuance Expense Account;
 - (b) 2012B Bond Issuance Expense Account;
 - (c) 2012A Acquisition Account;
 - (d) 2012B Acquisition Account;
- (ii) Sinking Fund;
- (iii) Debt Service Reserve Fund;
- (iv) Rebate Fund; and
- (v) Operation Fund.

Deposit of Net Proceeds of Bonds, Revenues and Other Receipts.

The Trustee will deposit the net proceeds from the sale of the 2012A Bonds as follows:

- (i) into the 2012A Bond Issuance Expense Account an amount equal to \$1,189,800.74 to be used to pay the Costs of Issuance incurred in connection with the 2012A Bonds (including a portion of the premium for the 2012 Debt Service Reserve Fund Credit Facility (to be deposited into the Debt Service Reserve Fund) paid by the Trustee to Assured Guaranty, for and on behalf of the Authority, in the amount of \$494,116.26, but excluding the Underwriters' discount retained by the Underwriters with respect to the 2012A Bonds in the amount of \$1,159,000); and
- (ii) into the 2012A Acquisition Account, an amount equal to \$120,762,599.16 to be used to pay a portion of the purchase price of the Leased Premises.

The Trustee will deposit the net proceeds from the sale of the 2012B Bonds as follows:

- (i) into the 2012B Bond Issuance Expense Account an amount equal to \$795,266.01 to be used to pay the Costs of Issuance incurred in connection with the 2012B Bonds (including a portion of the premium for the 2012 Debt Service Reserve Fund Credit Facility (to be deposited into the Debt Service Reserve Fund) paid by the Trustee to Assured Guaranty, for and on behalf of the Authority, in the amount of \$295,212.08, but excluding the Underwriters' discount retained by the Underwriters with respect to the 2012B Bonds in the amount of \$500,053.93); and

- (ii) into the 2012B Acquisition Account, an amount equal to \$67,757,283.99 to be used to pay a portion of the purchase price of the Leased Premises.

The Trustee will deposit the net proceeds of any subsequent Series of Bonds as provided in the Supplemental Indenture for that Series of Bonds.

OPERATION OF FUNDS AND ACCOUNTS

2012A Acquisition Account. A portion of the net proceeds from the sale of the 2012A Bonds will be deposited into the 2012A Acquisition Account of the Project Fund. The Trustee shall apply moneys in the 2012A Acquisition Account to the payment of a portion of the Purchase Price for the acquisition of the real estate and other property subject to the Lease. Upon receipt of one or more written requisitions from an Authorized Representative of the Authority, the Trustee shall disburse funds held in the 2012A Acquisition Account to the City or its designee. Immediately upon the receipt of such funds, the City will deposit such sale proceeds into one or more escrow accounts established pursuant to one or more escrow agreements and will use such amounts in the manner and for the purposes described under the caption “FINANCING PLAN” in this Official Statement. Any amounts remaining in the 2012A Acquisition Account thirty (30) days after the issuance of the 2012A Bonds shall be transferred to the Sinking Fund, at which time the 2012A Acquisition Account may, at the direction of the Authority, be closed.

2012B Acquisition Account. A portion of the net proceeds from the sale of the 2012B Bonds will be deposited into the 2012B Acquisition Account of the Project Fund. The Trustee shall apply moneys in the 2012B Acquisition Account to the payment of a portion of the Purchase Price for the acquisition of the real estate and other property subject to the Lease. Upon receipt of one or more written requisitions from an Authorized Representative of the Authority, the Trustee shall disburse funds held in the 2012B Acquisition Account to the City or its designee. Immediately upon the receipt of such funds, the City will deposit such sale proceeds into one or more escrow accounts established pursuant to one or more escrow agreements and will use such amounts in the manner and for the purposes described under the caption “FINANCING PLAN” in this Official Statement. Any amounts remaining in the 2012B Acquisition Account thirty (30) days after the issuance of the 2012B Bonds shall be transferred to the Sinking Fund, at which time the 2012B Acquisition Account may, at the direction of the Authority, be closed.

2012A Bond Issuance Expense Account. A portion of the net proceeds from the sale of the 2012A Bonds will be deposited into the 2012A Bond Issuance Expense Account of the Project Fund. The Trustee shall apply moneys in the 2012A Bond Issuance Expense Account to the payment of costs incurred in connection with the Project allocable to the 2012A Bonds. Any amounts remaining in the 2012A Bond Issuance Expense Account within ninety (90) days following the issuance of the 2012A Bonds shall be transferred by the Trustee to the Sinking Fund, at which time the 2012A Bond Issuance Expense Account may, at the direction of the Authority, be closed.

2012B Bond Issuance Expense Account. A portion of the net proceeds from the sale of the 2012B Bonds will be deposited into the 2012B Bond Issuance Expense Account of the Project Fund. The Trustee shall apply moneys in the 2012B Bond Issuance Expense Account to the payment of costs incurred in connection with the Project allocable to the 2012B Bonds. Any amounts remaining in the 2012B Bond Issuance Expense Account within ninety (90) days following the issuance of the 2012B Bonds shall be transferred by the Trustee to the Sinking Fund, at which time the 2012B Bond Issuance Expense Account may, at the direction of the Authority, be closed.

Sinking Fund. The Trustee will deposit into the Sinking Fund from each rental payment received by the Trustee pursuant to the Lease an amount equal to the lesser of the following: (i) all of such rental payment; or (ii) an amount which equals the sum of the principal and interest on the Bonds due on, before or within twenty (20) days after the date such rental payment becomes due. Any amounts contained in the Sinking Fund on a Lease rental payment date shall be credited against the rental amount then due from the Commission under the Lease. Any portion of a rental payment remaining after such deposit will be deposited by the Trustee in the Operation Fund created under the Indenture. The Trustee will from time to time withdraw from the Sinking Fund and will deposit in a special trust fund and make available to itself, as Trustee, or to any Paying Agent, sufficient moneys for paying the principal of the Bonds at maturity and to pay the interest on the Bonds as the same falls due. Investment earnings, if any, in the Sinking Fund may be deposited in the Rebate Fund at the written direction of the Authority.

Debt Service Reserve Fund. The Trustee will deposit in the Debt Service Reserve Fund an amount equal to the Reserve Requirement at the time of delivery of the Bonds. The Trustee will maintain the Debt Service Reserve Fund and disburse the funds held in the Debt Service Reserve Fund solely for the payment of interest on and principal of the Bonds, and only if moneys in the Sinking Fund are insufficient to pay principal of and interest on the Bonds after making all the transfers thereto required to be made from the Operation Fund. If moneys in the Debt Service Reserve Fund are used to pay principal of or interest on the Bonds, the depletion of the balance in the Debt Service Reserve Fund will be restored from rental payments under the Lease not needed for deposit into the Sinking Fund as required by the Indenture. If moneys in the Debt Service Reserve Fund exceed the Reserve Requirement, such excess will be transferred at least semiannually to the Sinking Fund.

Notwithstanding the foregoing, the Authority may cause a Debt Service Reserve Fund Credit Facility to be deposited into the Debt Service Reserve Fund for the benefit of the holders of the Bonds. If such deposit causes the Debt Service Reserve Fund balance to be equal to the Reserve Requirement, moneys in the Debt Service Reserve Fund which cause its balance to be in excess of the Reserve Requirement will be moved in accordance with the Indenture, subject to the satisfaction of any Debt Service Reserve Fund Reimbursement Obligations from such excess as provided below. If a disbursement is made pursuant to a Debt Service Reserve Fund Credit Facility, the Authority shall be obligated (but solely from the Trust Estate), within twelve months from the date on which such disbursement was made, to cure such deficiency, either (i) to reinstate the maximum limits of such Debt Service Reserve Fund Credit Facility or (ii) to deposit cash into the Debt Service Reserve Fund, or a combination of such alternatives, so that the balance of the Debt Service Reserve Fund equals the Reserve Requirement. The Trustee will include in the total amount held in the Debt Service Reserve Fund an amount equal to the maximum principal amount which could be drawn by the Trustee under any such Debt Service Reserve Fund Credit Facility on deposit with the Trustee. Amounts required to be deposited in the Debt Service Reserve Fund will include any amount required to satisfy a Debt Service Reserve Fund Reimbursement Obligation for any Debt Service Reserve Fund Credit Facility. The Trustee is authorized to move the amounts to satisfy the Debt Service Reserve Fund Reimbursement Obligations to a Credit Provider with respect to any Debt Service Reserve Fund Credit Facility.

In the event that the amount on deposit in the Debt Service Reserve Fund is less than the Reserve Requirement, the Trustee will give notice to the Authority and the Commission of such deficiency, and the Authority will cause the Commission to take all steps necessary to levy and collect the special benefits tax in an amount necessary to provide sufficient Special Tax Revenues (as defined in Appendix C) in order to pay the Additional Rentals (as defined under the Lease) required to (i) restore the amount on deposit or credited to the Debt Service Reserve Fund to the Reserve Requirement, and (ii) pay any Debt Service Reserve Fund Reimbursement Obligation that is due, or will become due pending the collection of the Special Tax Revenues, and owing to any Credit Provider.

If the moneys in the Debt Service Reserve Fund exceed the Reserve Requirement, the Trustee will move the cash or Qualified Investments, in excess of that needed for amount therein to be equal to the Reserve Requirement, from the Debt Service Reserve Fund to the Sinking Fund or the Operation Fund, as directed by the Authority.

The Trustee will draw first on cash or Qualified Investments on deposit in the Debt Service Reserve Fund and then on the Debt Service Reserve Fund Credit Facility or Facilities, if any, in accordance with the terms thereof.

Notwithstanding the foregoing, for so long as (i) the 2012 Debt Service Reserve Fund Credit Facility remains in full force and effect, and (ii) the long-term debt obligations of Assured Guaranty are rated in one of the three highest rating categories by a rating agency then rating the 2012 Bonds; the prior written consent of Assured Guaranty will be a condition precedent to the deposit of any Debt Service Reserve Fund Credit Facility (other than the 2012 Debt Service Reserve Fund Credit Facility) provided in lieu of a cash deposit into the Debt Service Reserve Fund. Notwithstanding anything to the contrary set forth in this Indenture, amounts on deposit in the Debt Service Reserve Fund will be applied solely to the payment of debt service on the 2012 Bonds.

Notwithstanding the foregoing, for so long as the 2012 Debt Service Reserve Fund Credit Facility remains in full force and effect, the following provisions will apply:

(1) The Authority will repay any draws under the 2012 Debt Service Reserve Fund Credit Facility and pay all related reasonable expenses incurred by Assured Guaranty. Interest will accrue and be payable on such draws and expenses from the date of payment by Assured Guaranty at the Late Payment Rate. “*Late Payment Rate*” means the lesser of: (a) the greater of: (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A. (“*Chase*”) at its principal office in the City of New York, as its prime or base lending rate (“*Prime Rate*”) (any change in such Prime Rate to be effective on the date such change is announced by Chase) plus 5%; and (ii) the then applicable highest rate of interest on the 2012 Bonds; and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate will be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event Chase ceases to announce its Prime Rate publicly, Prime Rate will be the publicly announced prime or base lending rate of such national bank as Assured Guaranty shall specify.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, “*Policy Costs*”) will commence in the first month following each draw, and each such monthly payment will be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to Assured Guaranty will be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to Assured Guaranty on account of principal due, the coverage under the 2012 Debt Service Reserve Fund Credit Facility will be increased by a like amount, subject to the terms of the 2012 Debt Service Reserve Fund Credit Facility.

All cash and investments in the Debt Service Reserve Fund allocated to the 2012 Bonds will be transferred to the Sinking Fund for payment of debt service on the 2012 Bonds before any drawing may be made on the 2012 Debt Service Reserve Fund Credit Facility or any other Credit Facility credited to the Debt Service Reserve Fund in lieu of cash. Payment of any Policy Costs will be made prior to replenishment of any such cash amounts, and immediately upon such payment of such Policy Costs the amount available to be drawn under the 2012 Debt Service Reserve Fund Credit Facility will be

automatically reinstated to the extent of the reimbursement of such Policy Costs, but only up to the maximum amount of the Policy Limit. Draws on all Credit Facilities (including the 2012 Debt Service Reserve Fund Credit Facility) on which there is Available Coverage will be made on a pro rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Debt Service Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities will be made on a pro rata basis prior to replenishment of any cash drawn from the Debt Service Reserve Fund. “*Available Coverage*” means the coverage then available for disbursement pursuant to the terms of the applicable alternative Debt Service Reserve Fund Credit Facilities without regard to the legal or financial ability or willingness of the Credit Providers of such instruments to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(2) If the Authority fails to pay any Policy Costs in accordance with the requirements of clause (1) above, Assured Guaranty will be entitled to exercise any and all legal and equitable remedies available to it, including those provided hereunder, other than: (i) acceleration of the maturity of the 2012 Bonds; or (ii) remedies which would adversely affect owners of the 2012 Bonds.

(3) The Indenture will not be discharged until all Policy Costs owing to Assured Guaranty have been paid in full. The Authority’s obligation to pay such amounts will expressly survive payment in full of the 2012 Bonds.

(4) In order to secure the Authority’s payment obligations with respect to the Policy Costs, there is hereby granted and perfected, in favor of Assured Guaranty, a security interest (subordinate only to that of the owners of the 2012 Bonds) in the Trust Estate.

(5) The Trustee will ascertain the necessity for a claim upon the 2012 Debt Service Reserve Fund Credit Facility and to provide notice to Assured Guaranty in accordance with the terms of the 2012 Debt Service Reserve Fund Credit Facility at least five (5) business days prior to each date upon which interest or principal is due on the 2012 Bonds.

Rebate Fund. If, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes (other than Bonds issued under the Indenture the interest on which is not excludable for federal income tax purposes, including the 2012B Bonds), the Authority is required to rebate portions of investment earnings to the United States government the Authority will compute the amount required to be so rebated. At the written direction of the Authority, the Trustee will deposit such amount annually into the Rebate Fund from the Operation Fund, or investment earnings on the Sinking Fund. The Trustee will pay required rebates from the Rebate Fund as directed in writing by the Authority.

Operation Fund. The Operation Fund will be used only to pay necessary and incidental expenses of the Authority (e.g. Trustee’s fees, required audits, attorney’s fees, appraisals, meetings, reports and deposits into the Rebate Fund), the payment of any rebate to the United States government, the payment of principal of and interest on the Bonds upon redemption or the purchase price of Bonds purchased, and if the amount in the Sinking Fund at any time is less than the required amount, the Trustee will transfer funds from the Operation Fund to the Sinking Fund in an amount sufficient to raise the amount in the Sinking Fund to the required amount. Incidental expenses will be paid by the Trustee upon the presentation of an affidavit of the Authority (or such individuals as are designed in writing by the Authority to the Trustee) stating the character of the expenditure, the amount thereof and to whom due, together with the statement of the creditor as to the amount owing, except for the payment of Trustee’s fees which require no affidavit from the Authority.

Notwithstanding anything in the Indenture to the contrary, upon receipt by the Trustee of a Request for Release of Funds (as defined below), the Trustee will as soon thereafter as practical release to the Authority funds in the Operation Fund in accordance with such Request. For these purposes, a “*Request for Release of Funds*” means a written request made by the Authority which (i) is signed by an appropriate representative of the Authority, (ii) sets forth the amount requested to be released from the Operation Fund to the Authority, and (iii) includes a statement, accompanied by supporting schedules prepared by an accountant or firm of accountants which verify the statement, that the balance to be held in the Operation Fund immediately after such amount is released to the Authority are expected to be sufficient to meet the known and anticipated payments and transfers to be satisfied from the Operation Fund in the succeeding eighteen (18) months. The supporting schedules must identify with particularity the anticipated sources and applications of funds. The statement and supporting schedules required by clause (iii) above must not include anticipated investment earnings based on assumptions about reinvestment rates, but may include known investment earnings scheduled to be received on then current investments, and must include any known or anticipated gain or loss from the disposition of investments. Notwithstanding the foregoing provisions of this paragraph, the Trustee will not so release funds from the Operation Fund to the Authority during any time that there exists an uncured or unwaived event of default under the Indenture, or an event which with notice or lapse of time or both would become such an event of default, or if the Trustee determines that the information set forth in the Request for Release of Funds (including the supporting schedules) is not reasonably consistent with the books and records of the Trustee or is otherwise not accurate or appropriate.

Investment of Funds. All funds will be invested by the Trustee in any one or more Qualified Investments (as defined in Appendix C of this Official Statement). All funds will be invested by the Trustee as directed by the Authority in writing in such Qualified Investments, and the Trustee will allocate and deposit interest earnings to the fund or account to which the earnings are allocable, except as otherwise provided in the Indenture. Funds invested for the Sinking Fund, the Debt Service Reserve Fund and the Rebate Fund will mature prior to the time the funds invested will be needed for payment of principal of and interest on the Bonds or rebate to the United States government. The Trustee is authorized to sell any securities so acquired from time to time in order to make required payments from a particular fund or account. The Trustee will not be liable for any losses occurring as a result of any such sale.

Redemption of Bonds. Whenever the amounts contained in the Sinking Fund and Operation Fund are sufficient, together with any other funds deposited with the Trustee by the Authority (other than amounts deposited into the Rebate Fund), to redeem, upon the next redemption date, all Bonds then outstanding, the Trustee will apply the amounts in such funds to the redemption of the Bonds pursuant to the terms of the Indenture.

Purchase of Bonds. At the request of the Authority, the Trustee may remove funds from the Operation Fund to be used for the redemption of Bonds, or for the purchase of Bonds.

ADDITIONAL BONDS

Additional Bonds (as defined in Appendix C of this Official Statement) may be issued under and secured by the Indenture on a parity with the Bonds and any other bonds then outstanding to finance or refinance the acquisition or construction of any of the Projects or to refund any of the Bonds. The principal of and interest on any Additional Bonds shall be payable on February 1 and August 1 of each year, beginning on the date specified in the Supplemental Indenture authorizing the same. Any Additional Bonds shall be secured by a debt service reserve fund created and established by the Supplemental Indenture authorizing the same.

Upon the execution and delivery of an appropriate supplement to the Indenture, the Authority will execute and deliver to the Trustee and the Trustee will authenticate such Additional Bonds and deliver them as may be directed by the Authority. Prior to the delivery of any Additional Bonds, there must be filed with the Trustee:

- (1) a copy, certified by the Secretary-Treasurer after Authority, of an amendment to the Lease, or a new lease agreement, between the Authority and the Commission, which requires the Commission to pay to the Authority fixed annual rentals in an amount sufficient to pay the principal of and interest on such Additional Bonds;
- (2) an executed counterpart of such supplemental indenture, adding to the Trust Estate all rights, titles and interests of the Authority under such amendment to the Lease or such new lease agreement;
- (3) a report or a certificate prepared by an independent certified public account or an independent financial advisor selected by the Authority supported by appropriate calculations, stating that the Additional Bonds can be amortized, along with the Bonds, from lease rental payments pursuant to the Lease;
- (4) a copy, certified by the secretary-treasurer of the Authority, of the resolution, adopted by the Board of Directors of the Authority, authorizing the execution and delivery of such supplemental indenture and such Additional Bonds;
- (5) a request and authorization to the Trustee by an officer of the Authority to authenticate and deliver such Additional Bonds to the purchasers therein identified upon payment to the Trustee of the purchase price thereof plus accrued interest thereon to the date of delivery, as specified in such request and authorization; and
- (6) an opinion of recognized bond counsel to the effect that the issuance and sale of such Additional Bonds will not result in interest on the 2012A Bonds and any outstanding, tax-exempt Additional Bonds becoming includable in the gross income of the owners thereof for federal income tax purposes.

COVENANTS OF AUTHORITY

In the Indenture, the Authority makes certain covenants to the Trustee for the benefit of registered owners of the Bonds, including the following.

Observance of Provisions Contained in and Payment of Bonds. The Authority covenants and agrees that it will faithfully observe any and all covenants, undertakings, stipulations and provisions contained in the Indenture and each and every Bond, and will duly and punctually pay or cause to be paid the principal of said Bonds and the interest thereon, at the times and places, and in the manner, mentioned in the Bonds; provided however, that the obligations of the Authority under the Indenture and the Bonds are special and limited obligations of the Authority, payable solely from and secured exclusively by the Trust Estate.

Payment of Taxes on Leased Premises; Payment of Taxes by Trustee. The Authority covenants that by the Lease it has required the Commission to pay the amount of all taxes and assessments levied against the Leased Premises or the receipt of rental payments under the Lease. If the Commission should at any time fail to pay any tax, assessment or other charge for which it is responsible

under the Lease, the Trustee may, without obligation to inquire into the validity thereof, pay such tax, assessment, or other charge, but without prejudice to the rights of the Trustee arising under the Indenture in consequence of such default, and the amount of every payment so made at any time by the Trustee, with interest thereon at the highest rate of interest of any of the Bonds when sold, whether or not then outstanding, from the date of payment, will constitute an additional indebtedness of the Authority secured by the lien of the Indenture, prior or paramount to the lien hereunder of any of the Bonds and the interest thereon.

Corporate Existence; Compliance with Laws. The Authority covenants that it will maintain its existence; that it will not do or suffer to be done anything whereby its existence or its right to hold the Leased Premises might in any way be questioned. The Authority also covenants that it will faithfully observe and comply with the terms of all applicable laws and ordinances of the State of Indiana and any political or municipal subdivision thereof, relative to the Leased Premises.

Books of Record and Account. The Authority covenants that proper books of record and account will be kept in which full, true and correct entries will be made of all dealings or transactions of or in relation to the properties, business and affairs of the Authority. The Authority will: (i) at least annually, furnish to the Trustee statements in reasonable detail showing the earnings, expenses and financial condition of the Authority; (ii) from time to time furnish the Trustee such information as to the property of the Authority as the Trustee reasonably requests; and (iii) on or before the expiration of ninety (90) days after the end of each calendar year, file with the Trustee a certificate stating that all taxes then due on the Leased Premises have been duly paid (unless the Authority, in good faith, contests any of said taxes, in which event the facts concerning such contest must be set forth), that all insurance premiums required by the terms of the Indenture to be paid by the Authority have been duly paid, and that the Authority is in existence under Indiana law. All books, documents and vouchers relating to the properties, business and affairs of the Authority will at all times be open to the inspection of such accountants or other agents as the Trustee may from time to time designate.

Maintenance of Leased Premises. The Authority covenants that it will maintain the Leased Premises or caused the Leased Premises to be maintained in good working conditions for the uses for which the Leased Premises are intended, and will not dispose of the Leased Premises except as permitted by the Indenture and the Lease.

Incurring Indebtedness. The Authority covenants that it will not incur any indebtedness other than the Bonds except (i) Additional Bonds as permitted by the Indenture, (ii) indebtedness payable from the Trust Estate and subordinate to the rights of the Trustee under the Indenture, or (iii) indebtedness payable from income of the Authority from some source other than the Trust Estate.

Valid Lease; No Impairment. The Authority covenants that the Lease is valid and binding on the Authority, and that a full, true and correct copy of the Lease is on file with the Trustee. The Authority further covenants that, upon the receipt by the Trustee of the proceeds of the Bonds, it will forthwith proceed to acquire the Leased Premises. The Authority agrees not to modify the terms of the Lease which would substantially impair or reduce the security of the owners of the Bonds or agree to a reduction of the lease rental or other payments provided in the Lease other than in connection with partial or total refunding of the Bonds, except as otherwise provided in the Indenture.

Pursuit of Remedies upon Default. The Authority covenants that, upon any default in the payment of lease rental or other amounts as provided in the Lease, it will file a suit to mandate the appropriation of sufficient funds from the sources provided in the Lease, and pursue any other remedy permitted by law and necessary to collect and enforce the payment of such rentals.

Tax Matters. The Authority represents, covenants and agrees it will not take any action nor fail to take any action with respect to the 2012A Bonds that would result in the loss of the excludability of interest on the 2012A Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. Notwithstanding any other provisions of the Indenture, the covenants and authorizations (the “Tax Sections”) which are designed to preserve the exclusion of interest on the 2012A Bonds from gross income under federal income tax law (the “Tax Exemption”) need not be complied with if the Authority receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption. In addition, the Authority may elect to issue a series of Bonds (including the 2012B Bonds) the interest on which is not excludable from gross income for federal tax purposes, so long as such election does not adversely affect the exclusion from gross income of interest for federal tax purposes on any other series of Bonds (including the 2012A Bonds), by making such election on the date of delivery of such series of Bonds. In such case, the tax covenants in the Indenture shall not apply to such series of Bonds.

INSURANCE

Insurance. The Authority covenants that by the Lease it has required the Commission to carry combined bodily injury insurance, including accidental death, and property damage with reference to the Leased Premises in an amount not less than One Million Dollars (\$1,000,000) on account of each occurrence with one or more good and responsible insurance companies. Such public liability insurance may be by blanket insurance policy or policies.

Beneficiaries of Insurance. The insurance policies required of the Authority by the Indenture, as described above, will be for the benefit of, as their interests appear, the Trustee, the Authority, the Commission and other persons having an insurable interest in the insured property. Any proceeds under the policies relative to the property subject to the Lease will be payable to the Trustee, and the Trustee is authorized to demand, collect and receipt for and recover any and all insurance moneys which may become due and payable under any of said policies of insurance and to prosecute all necessary actions in the courts to recover any such insurance moneys.

Evidence of Insurance. Such insurance policies or a certificate of insurance will be maintained by good and responsible commercial insurance companies, and shall be countersigned by an agent of the insurer who is a resident of the State of Indiana. The public liability insurance required herein may be by blanket insurance policy or policies or through a self-insurance program. A copy of such policies or certificate of insurance will be deposited with the Trustee. Upon the request of the Trustee or an original purchaser of the Bonds issued thereunder, the Authority will furnish to the Trustee or an original purchaser of the Bonds issued thereunder a copy of each policy or certificate of insurance deposited with the Trustee, and, on or before the last day of April of each year, the Authority will furnish to the Trustee or an original purchaser of the Bonds issued thereunder, whichever is applicable, a schedule of all such policies which were in force on the first day of such year. Such schedule will contain the names of the insurers, the amounts of each policy or each certificate of insurance, the character of the risk insured. Trustee may rely upon such policies, certificates or schedules without further inquiry.

Insurance by Trustee. If the Authority or the Commission at any time refuses, the Trustee may, in its discretion, procure such insurance policies as are commercially available, and all moneys paid by the Trustee for such insurance, together with interest thereon at the highest rate of interest on any of the Bonds when sold, whether or not then outstanding, will be repaid by the Authority upon demand, and will constitute an additional indebtedness of the Authority secured by the lien of the Indenture, prior and paramount to the lien hereunder of said Bonds and interest thereon. The Trustee, however, will not be

obligated to effect such insurance unless fully indemnified against the expense thereof and furnished with means therefore.

CONDEMNATION OF LEASED PREMISES

In the event all or part of the Leased Premises is taken by exercise of eminent domain, the proceed of such condemnation award received by the Trustee or the Authority shall be applied to the replacement or reconstruction of the condemned property by the Authority. In the event the Authority does not commence to replace or reconstruct the Leased Premises so condemned within ninety (90) days after any such condemnation or the Authority, having commenced such replacement or reconstruction, abandons or fails diligently to prosecute the same, the Trustee may, in its discretion, make or complete such replacements or reconstructions; provided however the Trustee is not obligated to make or complete such replacement or reconstructions and if the Authority instructs the Trustee not to undertake such work because the cost exceeds the amount of the condemnation proceeds therefore, the Trustee may not make or complete such replacements or reconstructions. In case the Authority neglects, fails or refuses to proceed forthwith in good faith with such replacement or reconstruction of the condemned Leased Premises, and such negligence, failure or refusal continues for one hundred twenty (120) days, the Trustee, upon receipt of the condemnation award, must (unless the Trustee proceeds to make such replacements or reconstructions) apply such proceeds in the following manner: (i) if the proceeds are sufficient to redeem all of the then outstanding Bonds and such Bonds are then subject to redemption, the Trustee will apply the proceeds to the redemption of such Bonds in the manner provided in the Indenture as if such redemption had been at the option of the Authority, and (ii) if the proceeds are not sufficient to redeem all of the then outstanding Bonds, or if such Bonds are not then subject to redemption, the Trustee will apply the proceeds to the payment of the outstanding Bonds in the manner provided by the Indenture. See “*Events of Default--Application of Moneys*” herein.

If, at any time, the Leased Premises are totally or substantially condemned and the amount of condemnation money received on account thereof by the Trustee is sufficient to redeem all of the then outstanding Bonds and such Bonds are then subject to redemption, the Authority, with the written approval of the Commission will direct the Trustee to use said moneys for the purpose of calling for redemption all of the Bonds outstanding at the then current redemption price.

EVENTS OF DEFAULT AND REMEDIES

Events of Default. Each of the following events is defined as and declared to be an “event of default” under the Indenture:

- (i) Default in the payment on the due date of the interest on any Bonds;
- (ii) Default in the payment on the due date of the principal of, or premium on, any Bond, whether at the stated maturity thereof, or upon proceedings for the redemption thereof, or upon the maturity thereof by acceleration;
- (iii) Default in the performance or observance of any other of the covenants or agreements of the Authority in the Indenture or the Bonds, and the continuance thereof for a period of sixty (60) days after written notice thereof to the Authority by the Trustee;
- (iv) The Authority: (a) admits in writing its inability to pay its debts generally as they become due; (b) files a petition in bankruptcy; (c) makes an assignment for the benefit of

its creditors; or (d) consents to or fails to contest the appointment of a receiver or trustee for itself or of the whole or any substantial part of the Leased Premises or the lease rentals due under the Lease;

- (v) (a) The Authority is adjudged insolvent by a court of competent jurisdiction; (b) the Authority, on a petition in bankruptcy filed against the Authority, is adjudged a bankrupt; or (c) an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the Authority, a receiver or trustee of the Authority or of the whole or any substantial part of the Leased Premises or the lease rentals due under the Lease, and any of the aforesaid adjudications, orders, judgments or decrees is not vacated or set aside or stayed within sixty (60) days from the date of entry thereof;
- (vi) Any judgment is recovered against the Authority or any attachment or other court process issues that becomes or creates a lien upon any of its property, and such judgment, attachment or court process is not discharged or effectually secured within sixty (60) days;
- (vii) The Authority files a petition under the provisions of the United States Bankruptcy Code, or files answer seeking the relief provided in said Bankruptcy Code;
- (viii) A court of competent jurisdiction enters an order, judgment or decree approving a petition filed against the Authority under the provisions of said Bankruptcy Code, and such judgment, order or decree is not vacated or set aside or stayed within one hundred twenty (120) days from the date of the entry thereof;
- (ix) Under the provisions of any other law now or hereafter existing for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the Authority or of the whole or any substantial part of the Leased Premises, or the lease rentals due under the Lease, and such custody or control is not terminated within one hundred twenty (120) days from the date of assumption of such custody or control;
- (x) Failure of the Authority to bring suit to mandate the Commission to pay lease rentals provided in the Lease, or such other action to enforce the Lease as is reasonably requested by the Trustee, if such rental is more than sixty (60) days in default; or
- (xi) The lease rental provided for in the Lease is not paid within ten (10) days after it is due.

Remedies. In the case of the happening and continuance of any of the events of default, the Trustee, by written notice to the Authority, may, and must upon written request of the registered owners of 25% in principal amount of the Bonds then outstanding, declare the principal of all Bonds outstanding, and the interest accrued thereon, immediately due and payable. Upon such declaration, such principal and interest will thereupon become and be immediately due and payable. However, the registered owners of a majority in principal amount of all outstanding Bonds, by written notice to the Authority and to the Trustee, may annul each declaration and destroy its effect at any time before any sale under the Indenture if, before any such sale, all agreements with respect to which default has been made are fully performed and all such defaults are cured, and all arrears of interest upon all Bonds outstanding and the reasonable expenses and charges of the Trustee, its agents and attorneys, and all other indebtedness secured by the Indenture, except the principal of any Bonds not then due by their terms and interest accrued thereon since the then last Interest Payment Date, are paid or the amount thereof is paid to the Trustee for the benefit of those entitled thereto. If default occurs with respect to the payment of principal or interest due

under the Indenture, interest shall be payable on overdue principal and overdue interest at the rate of interest set forth in each Bond.

In case of the happening and continuance of any event of default, the Trustee may, and shall upon the written request of the registered owners of at least 25% in principal amount of the Bonds then outstanding and upon being indemnified to its reasonable satisfaction, proceed to protect and enforce its rights and the rights of the registered owners of the Bonds by suit in equity or at law or in any court of competent jurisdiction, whether for specific performance of any covenant or agreement contained in the Indenture or in aid of any power granted in the Indenture, or for any foreclosure of or under the Indenture, or for the enforcement of any other appropriate legal or equitable remedy.

In the case of the happening of an event of default and the filing of judicial proceedings to enforce the rights of the Trustee or the registered owners of the Bonds, the Trustee may appoint a receiver for the lease rentals under the Lease pending the completion of such proceedings.

Application of Moneys. Any moneys received by the Trustee or any receiver or Bondholder pursuant to any right or action under this Article, together with any other amounts of cash which may then be held by the Trustee as a part of the Trust Estate, shall be applied as follows:

- (i) to the payment of all costs and expenses of any suit or suits to enforce the rights of the Trustee or the registered owners of the Bonds;
- (ii) to the payment of all other expenses of the trust created by the Indenture, with interest thereon at the highest rate of interest on any of the Bonds when sold, whether or not then outstanding;
- (iii) to the payment of all the principal and accumulated and unpaid interest on the Bonds then outstanding in full, if said proceeds are sufficient, but if not sufficient, then to the payment thereof ratably without preference or priority of any one Bond over any other or of interest over principal, or of principal over interest, or of any installment of interest over any other installment of interest;
- (iv) to the payment of any amounts due and owing to any Credit Provider pursuant to the terms of any Credit Facility, and, if the amount available shall not be sufficient to pay in full all amounts owing to all Credit Providers, then to such payment ratably, according to the aggregate amount due under all Credit Facilities on such date, to each Credit Provider entitled thereto without any discrimination or privilege; and
- (v) any surplus thereof remaining, to the Authority, its successors or assigns, or to whomsoever may be lawfully entitled to receive the same.

Limitation of Rights. No registered owner or owners of any Bond have the right to institute any proceeding in law or equity for the enforcement of the Indenture, or for the appointment of a receiver, or for any other remedy under the Indenture, without first giving notice in writing to the Trustee of the occurrence and continuance of an event of default as aforesaid, and unless the registered owners of at least 25% in principal amount of the then outstanding Bonds have made written request to the Trustee and have offered it reasonable opportunity either to proceed to exercise the powers granted under the Indenture or to institute such action, suit or proceeding in its own name, and without also having offered to the Trustee adequate security and indemnity against the cost, expenses and liabilities to be incurred by the Trustee therein or thereby; and such notice, request and offer of indemnity may be required by the Trustee as conditions precedent to the execution of the powers and trusts of the Indenture or to the

institution of any suit, action or proceeding at law or in equity for the enforcement thereof, for the appointment of a receiver, or for any other remedy under the Indenture, or otherwise, in case of any such default as aforesaid. No one or more registered owners of the Bonds has any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture by his or their action or to enforce any right thereunder except in the manner therein provided, and all proceedings at law or in equity must be instituted, had and maintained in the manner therein provided, and for the equal benefit of all registered owners of outstanding Bonds. However, the right of any registered owner of any Bond to receive payment of the principal of and interest on such Bond on or after the respective due dates therein expressed, or to institute suit for the recovery of any such payment on or after such respective dates, will not be impaired or affected without the consent of such registered owner.

No recourse under or upon any obligation, covenant or agreement contained in the Indenture or in any Bond, or because of the creation of any indebtedness thereby secured, may be had against any officer, member, employee or agent, past, present or future, of the Authority, either directly or through the Authority, by the enforcement of any assessment or by any legal or equitable proceeding or by virtue of any statute or otherwise.

SUPPLEMENTAL INDENTURES

The Authority and the Trustee may, without the consent of the registered owners of the Bonds then outstanding, from time to time and at any time, enter into such supplemental indentures:

- (i) To cure any ambiguity or formal defect or omission in the Indenture, or in any supplemental indenture, which does not adversely affect the rights of the registered owners of any Bonds; or
- (ii) To grant to or confer upon the Trustee, for the benefit of the registered owners, any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the registered owners of any Bonds or the Trustee; or
- (iii) To subject to the lien and pledge of the Indenture additional revenues, properties or collateral; or
- (iv) To modify, amend or supplement the Indenture or any indenture supplemental thereto in such manner as to permit the qualification under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to the Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939 or similar federal statute; or
- (v) To evidence the appointment of a separate or co-trustee or the succession of a new Trustee hereunder or the succession of a new registrar and/or paying agent; or
- (vi) To provide for the issuance of Additional Bonds, including the issuance of one or more series of refunding bonds to refund all or a portion of any of the Bonds outstanding under the Indenture, as provided in the Indenture; or
- (vii) To provide for the issuance of Additional Bonds as provided in the Indenture; or

- (viii) To amend the Indenture to permit the Authority to comply with any future federal tax law or any covenants contained in any Supplemental Indenture with respect to compliance with future federal tax law; or
- (ix) For any other purpose which, in the judgment of the Authority and the Trustee does not materially and adversely affect the interests of Bondholders.

In addition, the registered owners of not less than a majority in aggregate principal amount of the Bonds then outstanding have the right from time to time to consent to and approve the execution by the Authority and the Trustee of such other supplemental indentures as are deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any supplemental indenture; provided, however, that such supplemental indenture does not affect:

- (i) An extension of the maturity of the principal or interest on any Bond; or
- (ii) A reduction in the principal amount of any Bond or the rate of interest thereon; or
- (iii) The creation of a lien upon the Trust Estate ranking prior to or on a parity with the lien created by the Indenture; or
- (iv) A preference or priority of any Bond or Bonds over any other Bond or Bonds; or
- (v) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture.

Notwithstanding the foregoing, the rights and obligations of the Authority and of the registered owners of the Bonds, and the terms and provisions of the Bonds and the Indenture, or any supplemental indenture, may be modified or altered in any respect with the consent of the Authority, and the consent of the registered owners of all the Bonds then outstanding.

DEFEASANCE

If, when the Bonds or any portion thereof have become due and payable in accordance with their terms or have been duly called for redemption or irrevocable instructions to call such Bonds for redemption have been given by the Authority to the Trustee, the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of such Bonds then outstanding is paid, or (i) cash, or (ii) Government Obligations, which are noncallable by the issuer thereof, the principal of and the interest on which when due without reinvestment will provide sufficient money, are held by the Trustee (or any paying agent) for such purpose under the provisions of the Indenture, and provision is also made for paying all Trustee's and paying agents' fees and expenses and other sums payable under the Indenture by the Authority, then and in that case such Bonds shall no longer be deemed to be outstanding under the Indenture, and in the event the foregoing applies to all Bonds, the right, title and interest of the Trustee will thereupon cease, determine and become void. Upon any such termination of the Trustee's title, on demand of the Authority, the Trustee will release the Indenture and execute such documents to evidence such release as may be reasonably required by the Authority, and will turn over to the Authority or to such officer, board or body as may then be entitled by law to receive the same any surplus in the Sinking Fund and in the Operation Fund created by the Indenture and all balances remaining in any other fund or accounts other than moneys and obligations held for the redemption or payment of Bonds. In the event money and/or Government Obligations are deposited with and held by the Trustee (or any paying

agent) as provided above, in addition to the requirements set forth in the Indenture, the Trustee will, within 30 days, after such obligations have been deposited with it, cause a notice signed by the Trustee to be mailed to the owners of such Bonds, setting forth (i) the date designated for the redemption of the Bonds, (ii) a description of the obligations so held by it (iii) that the registered owners of such Bonds are entitled to be paid principal and interest from such funds and income of such securities held by the Trustee and not from the Sinking Fund or the Authority, (iv) that the Authority is released from all liability with respect to the Bonds, and (v) in the event the redemption applies to all Bonds secured by the Indenture, that the Indenture has been released.

If (1) cash, or (2) Government Obligations, which are noncallable by the issuer thereof, the principal of and the interest on which when due without reinvestment will provide sufficient money, or (3) a combination of cash and such Government Obligations, are held by the Trustee (or any paying agent) in trust for the payment of the whole amount of the principal of and the interest upon the Bonds under the provisions of the Indenture, and provision is made for paying all Trustee's and paying agents' fees and expenses related thereto and other sums payable under the Indenture by the Authority, such Bonds shall not be deemed outstanding under the Indenture and the registered owners of such Bonds shall be entitled to payment of any principal or interest from such funds and income of such obligations held by the Trustee and not from the Sinking Fund or the Authority. The Trustee will, within 30 days after such money and/or obligations have been deposited with it, cause a notice signed by the Trustee to be mailed to the owners of such bonds, setting forth a description of the obligations so held by it, a description of the Bonds payable from such deposited obligations and that the registered owners are entitled to be paid principal and interest from such funds and income of such securities held by the Trustee and not from the Sinking Fund or the Authority.

Any Bond not presented at the proper time and place for payment will be deemed to be fully paid when due if the money necessary to discharge the principal amount thereof and all interest then accrued and unpaid thereon is held by the Trustee or any paying agent when or before the same become due. The registered owner of any such Bond is not entitled to any interest thereon after the maturity thereof nor to any interest upon money so held by the Trustee or any paying agent.

APPENDIX E-1

FORM OF BOND COUNSEL OPINION FOR THE 2012A BONDS

Upon the delivery of the 2012A Bonds, Barnes & Thornburg LLP, as bond counsel, proposes to deliver an opinion in substantially the following form:

December 27, 2012

City of Carmel Redevelopment Authority
City of Carmel, Indiana

Re: City of Carmel Redevelopment Authority Lease Rental Revenue Multipurpose
Bonds, Series 2012A

Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of Carmel Redevelopment Authority (the “Issuer”) of its Lease Rental Revenue Multipurpose Bonds, Series 2012A, dated the date hereof (the “Bonds”), in the aggregate principal amount of \$115,900,000, pursuant to (i) Indiana Code 5-1-5, Indiana Code 36-7-14 and Indiana Code 36-7-14.5, each as amended (collectively, the “Act”), (ii) a resolution adopted by the Issuer on September 19, 2012, (iii) the Trust Indenture, dated as of December 1, 2012 (the “Indenture”), by and between the Issuer and The Huntington National Bank, as trustee, and (iv) the Lease Agreement, dated as of November 20, 2012, as amended and supplemented by the Addendum to Lease Agreement, dated as of December 11, 2012 (collectively, the “Lease”), each of which is between the Issuer, as lessor, and the City of Carmel Redevelopment Commission (the “Commission”), as lessee. 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.

Regarding questions of fact material to our opinion, we have relied on representations of the Issuer and the Commission contained in the Indenture and the Lease, 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, the Commission, the City of Carmel, Indiana (the “City”), and others, including, without limitation, certifications contained in the tax and arbitrage certificate of the Issuer, the Commission and the City, dated the date hereof, without undertaking to verify the same by independent investigation. We have relied upon the legal opinion of Wallack, Somers & Haas, Indianapolis, Indiana, special counsel to the Commission, dated the date hereof, as to the matters stated therein, and the legal opinion of Douglas C. Haney, corporation counsel to the City, dated the date hereof, as to the matters stated therein. We have relied on the reports of H.J. Umbaugh and Associates LLP, Indianapolis, Indiana, independent certified public accountants, each dated the date hereof, as to the matters stated therein.

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

1. The Issuer is a body corporate and politic validly existing under the laws of the State of Indiana (the "State"), with the corporate power to enter into the Indenture and the Lease and perform its obligations thereunder and to issue the Bonds.

2. The Bonds have been duly authorized, executed and delivered by the Issuer, and are valid and binding special and limited obligations of the Issuer, enforceable in accordance with their terms. The Bonds are payable solely from the Trust Estate (as defined in the Indenture).

3. The Indenture has been duly authorized, executed and delivered by the Issuer, and is a valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms.

4. The Lease has been duly authorized, executed and delivered by the parties thereto and is a valid and binding agreement of the parties thereto, enforceable against the parties thereto in accordance with its terms. The rental payments due under the Lease are payable from an *ad valorem* special benefits tax to be levied on all taxable property within the boundaries of the City of Carmel Redevelopment District (the "Special Benefits Tax"), and from any other revenues legally available to the Commission; *provided, however*, the Commission is under no obligation to pay any rental payments due under the Lease from any moneys or properties of the Commission, except the Special Benefits Tax received by the Commission.

5. Under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on this date (the "Code"), the interest on the Bonds is excludable from gross income for federal income tax purposes. The opinion set forth in the preceding sentence is subject to the condition that the Issuer, the Commission and the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer, the Commission and the City have covenanted or represented that they will comply with such requirements. Failure to comply with certain of such covenants may cause the inclusion of interest on the Bonds in gross income for federal tax purposes retroactive to the date of issuance of the Bonds.

6. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations.

7. Interest on the Bonds is exempt from income taxation in the State for all purposes, except the State financial institutions tax.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement, dated December 11, 2012, or any other offering material relating to the Bonds, and we express no opinion relating thereto.

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

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 or other 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,

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APPENDIX E-2

FORM OF BOND COUNSEL OPINION FOR THE 2012B BONDS

Upon the delivery of the 2012B Bonds, Barnes & Thornburg LLP, as bond counsel, proposes to deliver an opinion in substantially the following form:

December 27, 2012

City of Carmel Redevelopment Authority
City of Carmel, Indiana

Re: City of Carmel Redevelopment Authority Lease Rental Revenue Multipurpose
Bonds, Series 2012B (Taxable)

Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of Carmel Redevelopment Authority (the “Issuer”) of its Lease Rental Revenue Multipurpose Bonds, Series 2012B (Taxable), dated the date hereof (the “Bonds”), in the aggregate principal amount of \$69,245,000, pursuant to (i) Indiana Code 5-1-5, Indiana Code 36-7-14 and Indiana Code 36-7-14.5, each as amended (collectively, the “Act”), (ii) a resolution adopted by the Issuer on September 19, 2012, (iii) the Trust Indenture, dated as of December 1, 2012 (the “Indenture”), by and between the Issuer and The Huntington National Bank, as trustee, and (iv) the Lease Agreement, dated as of November 20, 2012, as amended and supplemented by the Addendum to Lease Agreement, dated as of December 11, 2012 (collectively, the “Lease”), each of which is between the Issuer, as lessor, and the City of Carmel Redevelopment Commission (the “Commission”), as lessee. 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.

Regarding questions of fact material to our opinion, we have relied on representations of the Issuer and the Commission contained in the Indenture and the Lease, 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, the Commission, the City of Carmel, Indiana (the “City”), and others without undertaking to verify the same by independent investigation. We have relied upon the legal opinion of Wallack, Somers & Haas, Indianapolis, Indiana, special counsel to the Commission, dated the date hereof, as to the matters stated therein, and the legal opinion of Douglas C. Haney, corporation counsel to the City, dated the date hereof, as to the matters stated therein. We have relied on the reports of H.J. Umbaugh and Associates LLP, Indianapolis, Indiana, independent certified public accountants, each dated the date hereof, as to the matters stated therein.

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

1. The Issuer is a body corporate and politic validly existing under the laws of the State of Indiana (the "State"), with the corporate power to enter into the Indenture and the Lease and perform its obligations thereunder and to issue the Bonds.

2. The Bonds have been duly authorized, executed and delivered by the Issuer, and are valid and binding special and limited obligations of the Issuer, enforceable in accordance with their terms. The Bonds are payable solely from the Trust Estate (as defined in the Indenture).

3. The Indenture has been duly authorized, executed and delivered by the Issuer, and is a valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms.

4. The Lease has been duly authorized, executed and delivered by the parties thereto and is a valid and binding agreement of the parties thereto, enforceable against the parties thereto in accordance with its terms. The rental payments due under the Lease are payable from an *ad valorem* special benefits tax to be levied on all taxable property within the boundaries of the City of Carmel Redevelopment District (the "Special Benefits Tax"), and from any other revenues legally available to the Commission; *provided, however*, the Commission is under no obligation to pay any rental payments due under the Lease from any moneys or properties of the Commission, except the Special Benefits Tax received by the Commission.

5. Interest on the Bonds is exempt from income taxation in the State for all purposes, except the State financial institutions tax.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement, dated December 11, 2012, or any other offering material relating to the Bonds, and we express no opinion relating thereto.

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

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 or other 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,

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