

This Final Official Statement is dated April 30, 2014

In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, ("Bond Counsel") under existing laws, interest on the 2014 Bonds (as hereinafter defined) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the 2014 Bonds (the "Code"). In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, under existing laws, interest on the 2014 Bonds is exempt from income taxation in the State of Indiana, except for the financial institutions tax. See "TAX MATTERS" and Appendix E herein. The 2014 Bonds are not "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

CITY OF CARMEL REDEVELOPMENT AUTHORITY
Carmel, Indiana
\$55,685,000 LEASE RENTAL REVENUE REFUNDING BONDS, SERIES 2014
(Performing Arts Center Project)
Special Tax – Ad Valorem Property Tax

Original Date: Date of Delivery (May 29, 2014)

Due: February 1 and August 1, as shown on inside cover page

The City of Carmel Redevelopment Authority (the "Authority") is issuing \$55,685,000 of Lease Rental Revenue Refunding Bonds, Series 2014 (Performing Arts Center Project) (the "2014 Bonds") for the advance refunding of the \$52,200,000 of currently outstanding Lease Rental Revenue Bonds of 2005 - Current Interest Bonds (the "2005 Refunded Bonds"), to pay the premium for a debt service reserve surety policy and to pay issuance expenses. The Authority originally issued its Lease Rental Revenue Bonds of 2005, dated December 21, 2005, consisting of the 2005 Refunded Bonds and capital appreciation bonds in the aggregate issued amount of \$27,798,227.15 (the "2005 Capital Appreciation Bonds", and together with the 2005 Refunded Bonds, the "2005 Bonds"), to finance the design and construction of a new performing arts center complex (the "Project") in the City Center Redevelopment Area (the "Area") within City of Carmel, Indiana (the "City"). The Project was leased by the Authority to the City of Carmel Redevelopment Commission (the "Commission").

The 2014 Bonds are secured by and payable from fixed, semiannual lease rental payments (the "Lease Rentals") to be paid by the Commission to The Bank of New York Mellon Trust Company, N.A., Indianapolis, Indiana (the "Trustee") under a Trust Indenture between the Authority and the Trustee dated as of December 1, 2005, as supplemented by a First Supplemental Trust Indenture dated as of May 1, 2014 (the "Trust Indenture") and the Lease (herein defined) between the Commission and the Authority. **Such Lease Rentals are payable from a special ad valorem property tax levied on all taxable property with 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 (as herein defined) revenues derived from several allocation areas in the District or other legally available revenues of the Commission. The boundaries of the District are coterminous with the City.

The 2014 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 2014 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 2014 Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interests in the 2014 Bonds. Interest on the 2014 Bonds will be payable semiannually on February 1 and August 1 of each year, beginning August 1, 2014. Principal and interest will be disbursed on behalf of the Authority by The Bank of New York Mellon Trust Company, N.A., in Indianapolis, Indiana (the "Registrar" and "Paying Agent"). Interest on the 2014 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 2014 Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent. Interest on, together with the principal of, the 2014 Bonds will be paid directly to DTC by the Paying Agent so long as DTC or its nominee is the registered owner of the 2014 Bonds. The final disbursement of such payments to the Beneficial Owners of the 2014 Bonds will be the responsibility of the DTC Participants and the Indirect Participants. See "BOOK-ENTRY-ONLY SYSTEM".

The 2014 Bonds will be subject to optional redemption prior to maturity, as more fully described herein.

The 2014 Bonds are being offered for delivery when, as and if issued and received by the Underwriter and subject to the approval of legality by Barnes & Thornburg LLP, Indianapolis, Indiana, Bond Counsel. Certain legal matters will be passed on for the Underwriter by its counsel, Krieg DeVault LLP, Indianapolis, Indiana, by Douglas C. Haney, Esq., as Corporation Counsel to the City, and on behalf of the Commission by Wallack Somers & Haas, Indianapolis, Indiana. The 2014 Bonds are expected to be available for delivery to DTC in New York, New York, on May 29, 2014.

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

MATURITY SCHEDULE
(Base CUSIP* 14329N)

<u>Maturity</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Yield⁺</u>	<u>CUSIP</u>	<u>Maturity</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Yield⁺</u>	<u>CUSIP</u>
February 1, 2018	\$305,000	3.000%	1.100%	EN0	February 1, 2027	\$2,100,000 **	4.000%	3.200%	EX8
February 1, 2019	315,000	3.000%	1.430%	EP5	February 1, 2028	6,955,000 **	3.250%	3.510%	EL4
February 1, 2020	325,000	3.000%	1.780%	EQ3	February 1, 2028	3,000,000 **	5.000%	3.160%	EY6
February 1, 2021	335,000	4.000%	2.100%	ER1	February 1, 2029	10,425,000	5.000%	3.250%	EZ3
February 1, 2022	345,000	2.250%	2.360%	ES9	February 1, 2030	2,350,000 **	3.500%	3.680%	EM2
February 1, 2023	355,000	4.000%	2.540%	ET7	February 1, 2030	1,500,000 **	5.000%	3.330%	FA7
February 1, 2024	370,000	2.500%	2.690%	EU4	February 1, 2031	4,040,000	5.000%	3.410%	FB5
February 1, 2025	375,000	3.000%	2.810%	EV2	February 1, 2032	4,260,000	3.750%	3.910%	FC3
February 1, 2026	6,460,000	3.000%	3.190%	EW0	February 1, 2033	4,425,000	4.000%	4.000%	FD1
February 1, 2027	7,445,000 **	3.125%	3.350%	EK6					

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** Bifurcated maturity.

⁺ Yield to call date.

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the securities described herein by any person in a jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been provided by the County and by other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the securities described herein shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date of this Official Statement.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THE IRRESPECTIVE RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCE OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

In connection with this offering the Underwriter may over-allot or effect transactions which stabilize or maintain the market price of the 2014 Bonds offered here by at a level above that which might otherwise prevail in the open market, and such stabilizing, if commenced, may be discontinued at any time.

THE 2014 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COUNTY AND THE TERMS OF THE OFFERING, INCLUDING THE MERIT AND RISK INVOLVED. THE 2014 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission in Securities and Exchange Commission Rule 15c2-12, as amended, the Authority will enter into a Continuing Disclosure Undertaking Agreement. For a description of the Continuing Disclosure Undertaking, see "CONTINUING DISCLOSURE" and Appendix F – containing a form of the Continuing Disclosure Undertaking Agreement.

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PROJECT PERSONNEL

Names and positions of officials and professionals who have taken part in the planning of the 2014 Bonds are:

Mayor

Honorable James C. Brainard

Clerk-Treasurer

Diana L. Cordray

City Council

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

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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.

FINAL OFFICIAL STATEMENT

CITY OF CARMEL REDEVELOPMENT AUTHORITY Carmel, Indiana \$55,685,000 LEASE RENTAL REVENUE REFUNDING BONDS, SERIES 2014 (Performing Arts Center Project)

INTRODUCTION TO THE OFFICIAL STATEMENT

The City of Carmel Redevelopment Authority (the “Authority”) is issuing \$55,685,000 of Lease Rental Revenue Refunding Bonds, Series 2014 (the “2014 Bonds”). The Authority was created under and pursuant to Ind. Code § 36-7-14.5 to finance the construction of local public improvements and lease them to the City of Carmel Redevelopment Commission (the “Commission”) for purposes of redevelopment or economic development.

PURPOSE

The 2014 Bonds are being issued for the advance refunding of the \$52,200,000 of currently outstanding Lease Rental Revenues Bonds of 2005 - Current Interest Bonds (the “2005 Refunded Bonds”), to pay the premium for a debt service reserve surety policy and to pay issuance expenses. The Authority originally issued its Lease Rental Revenue Bonds of 2005, dated December 21, 2005, consisting of the 2005 Refunded Bonds and capital appreciation bonds in the aggregate issued amount of \$27,798,227.15 (the “2005 Capital Appreciation Bonds”, and together with the 2005 Refunded Bonds, the “2005 Bonds”), to finance the design and construction of a new performing arts center complex (the “Project”) in the City Center Redevelopment Area within the City of Carmel, Indiana (the “City”). The Project was leased by the Authority to the Commission.

SECURITY AND SOURCES OF PAYMENT

The 2014 Bonds shall constitute an indebtedness of the Authority payable in accordance with and secured by terms and pledges contained in the Trust Indenture adopted on December 1, 2005, as supplemented by a First Supplemental Trust Indenture dated as of May 1, 2014 (the “Trust Indenture”) between the Authority and The Bank of New York Mellon Trust Company, N.A., Indianapolis, Indiana (the “Trustee”, “Registrar”, “Paying Agent” and the “Escrow Trustee”). Pursuant to a Lease Agreement executed on July 12, 2005, as amended by an Addendum to Lease dated as of December 6, 2005, a First Amendment to Lease Agreement dated as of January 19, 2010 and a Second Amendment to Lease Agreement dated as of May 1, 2014 (the “Lease”) between the Authority and the Commission, the 2014 Bonds are payable from semiannual lease rental payments (the “Lease Rentals”) to be paid by the Commission directly to the Trustee (on behalf of the Authority). The 2014 Bonds will be secured by, and payable from, the trust estate created and established under the Trust Indenture (including the Lease Rentals), and on parity with the pledge thereof to the 2005 Capital Appreciation Bonds.

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 or other legally available revenues of the Commission. The boundaries of the District are coterminous with the City of Carmel (the “City”).

The Commission agrees to pay fixed Lease Rentals for the Leased Premises (herein defined) during the term of the Lease, payable in equal 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 2014 Bonds and the 2005 Capital Appreciation Bonds.

The Lease Rentals are subject to certain conditions. See “Risks to Bondholders” herein.

The advance refunding of the 2005 Refunded Bonds will be accomplished by creating an irrevocable escrow account (the “Escrow Account”) and depositing therein cash and certain noncallable direct obligations of the United

States of America (the “Government Obligations”). The 2005 Refunded Bonds will be payable from the Escrow Account from and after the date of delivery of the 2014 Bonds to and including the redemption date of February 1, 2016, which is the first date on which the 2005 Refunded Bonds may be redeemed.

CIRCUIT BREAKER TAX CREDIT

Ind. Code § 6-1.1-20.6 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. The State of Indiana (the “State”) may intercept funds to pay debt service. (See “Intercept Program” and “Circuit Breaker Tax Credit” herein).

REDEMPTION PROVISIONS

The 2014 Bonds are subject to optional redemption beginning February 1, 2024 as more fully described herein.

DENOMINATIONS

The 2014 Bonds are being issued in the denomination of \$5,000 or integral multiples thereof.

REGISTRATION AND EXCHANGE FEATURES

The Trustee shall keep at its designated corporate trust office, a record for the registration of the 2014 Bonds. Each registered bond shall be transferable or exchangeable only on such record at the designated corporate trust office of the Trustee at the written request of the registered owner thereof or his attorney duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney.

BOOK-ENTRY-ONLY SYSTEM

When issued, the 2014 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 in the 2014 Bonds will be made in book-entry-only form. Purchasers of beneficial interests in the 2014 Bonds (the “Beneficial Owners”) will not receive physical delivery of certificates representing their interests in the 2014 Bonds. For so long as the 2014 Bonds are held in book-entry-only form, payments of principal of and interest on the 2014 Bonds will be paid by the Paying Agent only to DTC or its nominee. Neither the Authority nor the Trustee will have any responsibility for a Beneficial Owner’s receipt from DTC or its nominee, or from any Direct Participant (as hereinafter defined) or Indirect Participant (as hereinafter defined), of any payments of principal of or interest on any 2014 Bonds. See “Book-Entry-Only System” under this caption of this Official Statement.

PROVISIONS FOR PAYMENT

The principal on the 2014 Bonds shall be payable at the designated corporate trust office of the Registrar and Paying Agent, or by wire transfer to DTC or any successor depository. All payments of interest on the 2014 Bonds shall be paid by check, mailed one business day prior to the interest payment date to the registered owners as the names appear as of the fifteenth day of the month immediately preceding the interest payment date and at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Registrar or by wire transfer to DTC or any successor depository. Owners of \$1,000,000 or more in principal amount of the 2014 Bonds may receive interest payments by wire transfer upon written request. If payment of principal or interest is made to DTC or any successor depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time). Payments on the 2014 Bonds shall be made in lawful money of the United States of America, which, on the date of such payment, shall be legal tender.

For so long as the 2014 Bonds are held in book-entry-only form, the Trustee will send notices of redemption of the 2014 Bonds only to DTC or its nominee, as the registered owner of the 2014 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.

NOTICES

If the office location at which principal is payable changes, the Trustee will give notice of such change by first-class mail to registered owners at least 15 days prior to the first principal payment date following the date of such change in location.

If the Trustee resigns, notice shall be given to the registered owners by mail at least 20 days prior to the date when such resignation shall take effect.

Notice of redemption shall be mailed to the registered owners of all 2014 Bonds, not less than 30 nor more than 60 days prior to the date fixed for redemption.

TAX MATTERS

In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana ("Bond Counsel"), under existing laws, interest on the 2014 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 2014 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 continuing compliance therewith. In the opinion of Bond Counsel, under existing laws, interest on the 2014 Bonds is exempt from income taxation in the State for all purposes, except the State financial institutions tax. See Appendix E for the form of opinion of Bond Counsel.

The 2014 Bonds are **not** "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

MISCELLANEOUS

The information contained in this Official Statement has been compiled from City officials 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 2014 Bonds, the security for the payment of the 2014 Bonds and the rights and obligations of the owners thereof. A complete text of the Trust Indenture will be provided upon request. Additional information may be requested from Honorable James C. Brainard, Mayor, City of Carmel, One Civic Square, Third Floor, Carmel, Indiana 46032, phone (317) 571-2401.

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 2014 Bonds.

THE REFUNDING

THE REFUNDING PROGRAM

Pursuant to the terms of an escrow agreement to be dated as of May 1, 2014 entered into between the Authority and The Bank of New York Mellon Trust Company, N.A., as Trustee and Escrow Agent (the “Escrow Agent”), the advance refunding of the 2005 Refunded Bonds will be accomplished by creating an irrevocable escrow account (the “Escrow Account”) to be held by the Escrow Trustee and depositing therein cash and certain noncallable direct obligations of the United States of America (the “Government Obligations”). The Government Obligations to be purchased and deposited with the Escrow Trustee 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 monies, together with any amounts of cash on deposit with the Escrow Trustee, will be available to make full and timely payment of all principal and interest due with respect to the 2005 Refunded Bonds from and after the date of delivery of the 2014 Bonds to and including February 1, 2016 at which time the 2005 Refunded Bonds will be called for redemption. All monies and Government Obligations on deposit with the Escrow Trustee, including any earnings thereon, are pledged solely and irrevocably for the benefit of the holders of the 2005 Refunded Bonds.

The Escrow Trustee shall not sell any of the original Government Obligations unless: (a) instructed to do so by the Authority, (b) the proceeds are reinvested in Government Obligations which are sufficient to pay principal and interest on the 2005 Refunded Bonds as they become due, (c) an opinion of an independent certified public accountant that the principal and interest on such Government Obligations are sufficient to pay the principal and interest on the 2005 Refunded Bonds as it comes due is furnished, and (d) an opinion of bond counsel is furnished to the Escrow Trustee that such reinvestment will not cause the interest on either the 2014 Bonds or the 2005 Refunded Bonds to become subject to federal tax.

Mathematical calculations of the adequacy of the Escrow Account to fully provide for all payments described above will be verified by H.J. Umbaugh & Associates, Certified Public Accountants, LLP, at the time of delivery of the 2014 Bonds. See “Verification” herein.

ESTIMATED SOURCES AND USES OF FUNDS

Estimated Uses of Funds

Deposit to escrow account	\$57,112,978.85
Debt service reserve surety policy	232,845.00
Underwriter’s discount	361,952.50
Issuance costs and contingencies	342,133.12
	<hr/>
Total Estimated Uses of Funds	<u>\$58,049,909.47</u>

Estimated Sources of Funds

Lease Rental Revenue Refunding Bonds, Series 2014	\$55,685,000.00
Prior funds	17,060.22
Original Issue Premium	2,347,849.25
	<hr/>
Total Estimated Sources of Funds	<u>\$58,049,909.47</u>

SCHEDULE OF AMORTIZATION \$55,685,000 PRINCIPAL AMOUNT OF
LEASE RENTAL REVENUE REFUNDING BONDS, SERIES 2014

Payment Date	Principal Outstanding (-----In Thousands-----)	Principal	Interest Rates (%)	Interest	Total	Budget Year Total
08/01/2014	\$55,685			\$376,814.69	\$376,814.69	
02/01/2015	55,685			1,093,978.13	1,093,978.13	\$1,470,792.82
08/01/2015	55,685			1,093,978.13	1,093,978.13	
02/01/2016	55,685			1,093,978.13	1,093,978.13	2,187,956.26
08/01/2016	55,685			1,093,978.13	1,093,978.13	
02/01/2017	55,685			1,093,978.13	1,093,978.13	2,187,956.26
08/01/2017	55,685			1,093,978.13	1,093,978.13	
02/01/2018	55,685	\$305	3.000	1,093,978.13	1,398,978.13	2,492,956.26
08/01/2018	55,380			1,089,403.13	1,089,403.13	
02/01/2019	55,380	315	3.000	1,089,403.13	1,404,403.13	2,493,806.26
08/01/2019	55,065			1,084,678.13	1,084,678.13	
02/01/2020	55,065	325	3.000	1,084,678.13	1,409,678.13	2,494,356.26
08/01/2020	54,740			1,079,803.13	1,079,803.13	
02/01/2021	54,740	335	4.000	1,079,803.13	1,414,803.13	2,494,606.26
08/01/2021	54,405			1,073,103.13	1,073,103.13	
02/01/2022	54,405	345	2.250	1,073,103.13	1,418,103.13	2,491,206.26
08/01/2022	54,060			1,069,221.88	1,069,221.88	
02/01/2023	54,060	355	4.000	1,069,221.88	1,424,221.88	2,493,443.76
08/01/2023	53,705			1,062,121.88	1,062,121.88	
02/01/2024	53,705	370	2.500	1,062,121.88	1,432,121.88	2,494,243.76
08/01/2024	53,335			1,057,496.88	1,057,496.88	
02/01/2025	53,335	375	3.000	1,057,496.88	1,432,496.88	2,489,993.76
08/01/2025	52,960			1,051,871.88	1,051,871.88	
02/01/2026	52,960	6,460	3.000	1,051,871.88	7,511,871.88	8,563,743.76
08/01/2026	46,500			954,971.88	954,971.88	
02/01/2027	46,500	9,545 (1)	3.318 (4)	954,971.88	10,499,971.88	11,454,943.76
08/01/2027	36,955			796,643.75	796,643.75	
02/01/2028	36,955	9,955 (2)	3.777 (4)	796,643.75	10,751,643.75	11,548,287.50
08/01/2028	27,000			608,625.00	608,625.00	
02/01/2029	27,000	10,425	5.000	608,625.00	11,033,625.00	11,642,250.00
08/01/2029	16,575			348,000.00	348,000.00	
02/01/2030	16,575	3,850 (3)	4.084 (4)	348,000.00	4,198,000.00	4,546,000.00
08/01/2030	12,725			269,375.00	269,375.00	
02/01/2031	12,725	4,040	5.000	269,375.00	4,309,375.00	4,578,750.00
08/01/2031	8,685			168,375.00	168,375.00	
02/01/2032	8,685	4,260	3.750	168,375.00	4,428,375.00	4,596,750.00
08/01/2032	4,425			88,500.00	88,500.00	
02/01/2033	4,425	<u>4,425</u>	4.000	<u>88,500.00</u>	<u>4,513,500.00</u>	<u>4,602,000.00</u>
Totals		<u>\$55,685</u>		<u>\$31,639,042.94</u>	<u>\$87,324,042.94</u>	<u>\$87,324,042.94</u>

(1) \$7,445,000 of Serial Bonds due February 1, 2027 at 3.125% and \$2,100,000 of Serial Bonds due February 1, 2027 at 4.000%.

(2) \$6,955,000 of Serial Bonds due February 1, 2028 at 3.250% and \$3,000,000 of Serial Bonds due February 1, 2028 at 5.000%.

(3) \$2,350,000 of Serial Bonds due February 1, 2030 at 3.500% and \$1,500,000 of Serial Bonds due February 1, 2030 at 5.000%.

(4) Bifurcated Serial Bonds. Blended interest rate shown.

SECURITIES BEING OFFERED

AUTHORIZATION AND APPROVAL PROCESS

The 2014 Bonds are being issued under the authority of Indiana law, including, without limitation, Ind. Code § 5-1-5, 36-7-14 and 36-7-14.5, as in effect on the date of delivery of the 2014 Bonds (collectively, the “Act”) and pursuant to the Trust Indenture and the Lease (See Appendix C for a Summary of the Lease and Appendix D for a Summary of Certain Provisions of the Trust Indenture).

The City has created a 3-member Authority, under the provisions of the Act, for the purpose of financing, acquiring, constructing and leasing to the Commission certain local public improvements (including the Project). The City has created a 5-member Commission to undertake redevelopment and economic development efforts in the City in accordance with the Act. The Commission has established the Areas (defined herein) for purposes of capturing incremental non-residential real property tax revenues (the “Tax Increment”) from new commercial developments in the Areas.

TAX INCREMENT

Tax Increment consists of the tax proceeds attributable to all non-residential real property and (if designated) certain designated depreciable personal property assessed value within the areas, as of the assessment date, in excess of the base assessed value as defined in Ind. Code § 36-7-14-39(a). The base assessed value means the net assessed value of all the property in the allocation area as finally determined for the assessment date immediately preceding the effective date of a declaratory resolution adopted pursuant to Ind. Code § 36-7-14-39 establishing the allocation area. The Department of Local Government Finance (“DLGF”) is required to adjust the base net assessed value after a general reassessment of property and after each annual trending of property values for the purpose of neutralization the effects on Tax Increment.

The incremental assessed values are determined by subtracting the base net assessed values from the current net assessed values as of the assessment dates. The incremental assessed values are then multiplied by the current property tax rate to determine the Tax Increment. After property taxes are paid to the County Treasurer on or before each May 10 and November 10, such taxes are paid over to the County Auditor who, based on previous year’s certification, pays the portion of property tax receipts which represents Tax Increment into the Allocation Fund on or before June 30 or December 31.

In 2008, the Indiana General Assembly enacted Public Law 1-2008 (the “2008 Legislation”) which made changes to local government funding and property taxes in Indiana. The 2008 Legislation also amended Ind. Code § 6-1.1-21.2 to allow several methods of replacing lost Tax Increment caused by the new legislative or administrative changes (to the extent it causes Tax Increment to be inadequate to pay debt service and contractual obligations), including a property tax levy imposed on the District (the “TIF Replacement Levy”). It is not currently anticipated that such a shortfall will occur, and, therefore, no TIF Replacement Levy was assumed in the Tax Increment estimates provided in the Accounting Report in Appendix B.

For additional information on Tax Increment as it relates to the 2014 Bonds, please refer to the Accounting Report in Appendix B. Also refer to the “Economic Development Areas”, “Procedures for Property Assessment, Tax Levy and Collection”, “Circuit Breaker Tax Credit” and “Intercept Program” herein.

ECONOMIC DEVELOPMENT AREAS

The Commission established several economic development areas and allocation areas by adopting declaratory resolutions. Established allocation areas include but are not limited to Amended 126th Street, Amended 126th Street Expansion, City Center, City Center Expansion, Merchants Square, Parkwood Crossing, Parkwood East, Merchants Pointe, Illinois Street, Illinois Street Expansion, Old Meridian, Old Meridian Expansion, Old Town, Hazel Dell South, Hazel Dell North, Downtown EDA 1, Carmel Drive, Lauth-Walker, Old Town Shoppes, 2006 Merchants Pointe, Old Methodist, Lurie, Amended Illinois Street, Village of West Clay, Meridian & Main, 116th Street Centre, Downtown EDA 2 and CRC Parcel #12 (the “Areas”). The base assessment dates of the Areas range from March 1, 1996 to March 1, 2010.

The Commission intends to use Tax Increment revenues derived from the Areas, or other legally available revenues of the Commission, to pay the Lease Rentals on the 2014 Bonds.

LEASED PREMISES

The Leased Premises consists of the Project constructed with proceeds of the 2005 Bonds (the “Leased Premises”). The 2005 Bonds funded the design and construction of a new performing arts center complex within the City. The Lease Rentals have been made on a timely basis with respect to the 2005 Bonds.

SECURITY AND SOURCES OF PAYMENT

The 2014 Bonds do not constitute a corporate obligation of the City or the Commission. The 2014 Bonds shall constitute an obligation of the Authority payable in accordance with the terms of the Trust 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 Trust Indenture. The Trust Indenture creates a continuing pledge by the Authority to the bondholders to pay principal and interest on the 2014 Bonds, until the principal sum shall be fully paid. The 2014 Bonds will be secured by, and payable from, the trust estate created and established under the Trust Indenture (including the Lease Rentals), and on parity with the pledge thereof to the 2005 Capital Appreciation 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. Lease Rentals are payable semiannually on January 1 and July 1 of each year.

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 2014 Bonds and the 2005 Capital Appreciation Bonds. The Lease Rentals are 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 Tax Increment revenues derived from the Areas or other legally available revenues of the Commission. The Commission intends first to use Tax Increment revenues and other legally available revenues to pay Lease Rentals on the 2014 Bonds, and, if the Tax Increment revenues and other legally available revenues are not sufficient, the Commission will levy the Special Tax on the District in an amount sufficient to pay the Lease Rentals on the 2014 Bonds as they become due and payable. The boundaries of District are coterminous with the City. Additional security will be provided through the funding of a debt service reserve surety policy from 2014 Bond proceeds.

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 is unfit or unavailable for its intended use. In such a case, rental value insurance is to be available to make Lease Rentals due during this time for a period of up to two years. Any insurance proceeds will be used to repair the Leased Premises or in some cases, to redeem outstanding 2014 Bonds. (Refer to the Summary of the Lease shown in Appendix C, the Summary of Certain Provisions of the Trust Indenture shown in Appendix D, and the section titled “Risks to Bondholders” contained in this Official Statement.)

DEBT SERVICE RESERVE FUND

A debt service reserve fund will be established and held under the Trust Indenture to further secure the payment of principal and interest due on the 2014 Bonds (the “Debt Service Reserve Fund”). The Trustee is required to maintain a balance in the Debt Service Reserve Fund equal to the maximum annual principal and interest due on the outstanding 2014 Bonds (the “Reserve Requirement”).

Under the Trust 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 issued by a Credit Provider (as defined herein). 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 two highest Rating Categories by the Rating Agency or Rating Agencies then rating the 2014 Bonds (as such terms are defined in APPENDIX D).

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 2014 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 D) from such excess.

The Trust 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.

The Debt Service Reserve Fund will be initially funded by the deposit of a Debt Service Reserve Fund Credit Facility therein (the "2014 Debt Service Reserve Fund Credit Facility") provided by a Credit Facility Provider (as herein defined) and replenished (if necessary) to maintain a balance equal to the Reserve Requirement. 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 2014 Bonds for the purpose of funding the Debt Service Reserve Fund at the Reserve Requirement. 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 2014 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 Trust 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 Trust Indenture as further security for the 2014 Bonds, on a parity with the pledge thereof (except the Debt Service Reserve Fund, which is only pledged to the owners of the 2014 Bonds) to the 2005 Capital Appreciation Bonds. (For greater detail, refer to the Summary of Certain Provisions of the Trust Indenture provided in Appendix D. The complete Trust Indenture may be obtained from the Mayor or Clerk-Treasurer.)

INTERCEPT PROGRAM

In 2008, the Indiana General Assembly enacted legislation (Ind. Code § 6-1.1-20.6-10) to ensure that shortfalls in property tax receipts due to the Circuit Breaker Tax Credit would not affect the ability of a political subdivision to make payments on any existing debt service or lease rental obligations. The legislation requires that local governments fund their debt service or lease rental obligations regardless of property tax shortfalls due to the Circuit Breaker Tax Credit. If a political subdivision fails to make debt service or lease rental payments, the State Treasurer is permitted to intercept any distributions (including among others, income tax distributions and motor vehicle highway distributions) that the State owes to the political subdivision in order for the State to make the debt service or lease rental payments and avoid default.

While the above description is based upon enacted legislation, the Indiana General Assembly may make amendments to such statutes and therefore there is no assurance of future events.

RELATIONSHIP OF ANNUAL LEASE RENTAL PAYMENTS TO ANNUAL DEBT SERVICE REQUIREMENTS

The Lease Rentals to be paid by the Commission each January 1 and July 1 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 2014 Bonds and the 2005 Capital Appreciation Bonds which is due on or before the February 1 and August 1 following such January 1 and July 1, 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 Trust 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.

RISKS TO BONDHOLDERS

Prospective investors in the 2014 Bonds should be aware that there are risk factors associated with the 2014 Bonds:

- (1) The principal of and interest on the 2014 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 2014 Bonds except monies collected from Lease Rentals and funds held under the Trust Indenture. If, for any reason, the Leased Premises is damaged or destroyed and unavailable for use, the Commission would no longer be able to pay Lease Rentals. However, the Commission is required by the Lease to maintain rental value insurance in an amount equal to full rental value for a period up to two (2) years to the extent it is commercially available. In addition, the proceeds of any property and/or casualty insurance claim for the Leased Premises would be used either to reconstruct the Leased Premises or to retire obligations issued to finance the Leased Premises. 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 rental value insurance or 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 2014 Bonds.
- (2) General Risks: While the Special Benefits Tax Revenues are pledged to the payment of the Lease Rentals, the Commission intends to pay the Lease Rentals with Tax Increment revenues and other legally available revenues. The Tax Increment revenues and other legally available 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.
- (3) Risks Associated with the Special Benefits Tax Revenues: There are risk factors associated with the Special Benefits Tax Revenues.
 - (a) 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 Revenues 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 Trust Indenture helps to mitigate this timing risk, but does not eliminate it.

- (b) 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 2014 Hamilton County Abstract, the Circuit Breaker Tax Credit allocable to the City of Carmel is \$1,105,726.78 for budget year 2014.

- (4) *Risks Associated with Tax Increment Revenues and Other Legally Available Revenues*: The Commission expects that it will make the Lease Rental payments from Tax Increment revenues derived from the Areas or other legally available revenues of the Commission. There are certain risks associated with Tax Increment revenues, however, to the extent that the Tax Increment revenues and other legally available revenues are insufficient, the Commission is required to levy the Special Benefits Tax Revenues. A firm estimate of Tax Increment revenues should be available by the time of the decision to levy the Special Benefits Tax Revenues for the upcoming Lease Rental. If insufficient Tax Increment revenues are collected, the Commission may not be able to impose an additional Special Benefits Tax Revenues levy until the following budget year which may cause a timing delay as receipt of the Special Benefits Tax Revenues may occur after the Lease Rental payment is due. The Debt Service Reserve Fund established pursuant to the Trust 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.
- (5) It is possible that legislation enacted after the date of the 2014 Bonds or proposed for consideration will have an adverse effect on payment or timing of payment or other matters impacting the Bonds. Refer to the "Legislative Proposals" section herein.

INVESTMENT OF FUNDS

All funds may be invested by the Trustee in such Qualified Investments as the Authority directs in writing. 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.

THE BONDS

INTEREST CALCULATION

Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

REDEMPTION PROVISIONS

Optional Redemption:

The 2014 Bonds maturing on or after August 1, 2024 are redeemable prior to maturity at the option of the Authority in whole or in part in any order of maturity as determined by the Authority and by lot within maturities, on any date not earlier than February 1, 2024, at face value plus accrued interest to the date fixed for redemption and without any redemption premium.

Notice of Redemption:

Notice of redemption shall be mailed to the registered owners of all 2014 Bonds to be redeemed at least 30 days but not more than 60 days prior to the date fixed for such redemption. If any of the 2014 Bonds are so called for redemption, and payment therefore is made to the Trustee in accordance with the terms of the Trust Indenture, then such 2014 Bonds shall cease to bear interest from and after the date fixed for redemption in the call.

BOOK-ENTRY-ONLY SYSTEM

DTC will act as securities depository for the 2014 Bonds. The 2014 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 2014 Bond certificate will be issued for

each maturity of the 2014 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's 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 2014 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2014 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2014 Bond 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 2014 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2014 Bonds, except in the event that use of the book-entry system for the 2014 Bonds is discontinued.

To facilitate subsequent transfers, all 2014 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 2014 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 2014 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2014 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2014 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2014 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Trust Indenture. For example, Beneficial Owners of the 2014 Bonds may wish to ascertain that the nominee holding the 2014 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 Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2014 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2014 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 the 2014 Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal, premium and interest payments on the 2014 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 the 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 principal, premium and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the 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 2014 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, 2014 Bond certificates 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 successor securities depository). In that event, 2014 Bond certificates will be printed and delivered to DTC.

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

Discontinuation of Book-Entry System

In the event that the book-entry system for the 2014 Bonds is discontinued, the Trustee would provide for the registration of the 2014 Bonds in the name of the Beneficial Owners thereof. The Authority and the Trustee would treat the person in whose name any 2014 Bond is registered as the absolute owner of such 2014 Bond for the purposes of making and receiving payment of the principal thereof and interest thereon, and for all other purposes, and neither the Authority nor the Trustee would be bound by any notice or knowledge to the contrary.

Each 2014 Bond would be transferable or exchangeable only upon the presentation and surrender thereof at the corporate trust office of the Trustee, duly endorsed for transfer or exchange, or accompanied by a written assignment duly executed by the owner or its authorized representative in form satisfactory to the Trustee. Upon due presentation of any 2014 Bonds for transfer or exchange, the Trustee would authenticate and deliver in exchange therefor, within a reasonable time after such presentation, a new 2014 Bond, registered in the name of the transferee or transferees (in the case of a transfer), or the owner (in the case of an exchange), in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the 2014 Bond so presented. The Authority or the Trustee would require the owner of any 2014 Bonds to pay a sum sufficient to cover any tax, fee or other governmental charge required to be paid in connection with the transfer or exchange of such 2014 Bonds. The Trustee would not be required to transfer or exchange any 2014 Bonds: (i) during any period between the Record Date and the next Interest Payment Date; or (ii) during the thirty (30) days prior to of the date fixed for redemption.

PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION

The Lease Rentals are payable from the Special Benefits Tax Revenues (an ad valorem property tax) derived from all taxable property within the District. The electors of the State approved an amendment to the State constitution and the Indiana General Assembly 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 a certain percentage of the gross assessed value of eligible property. See "Circuit Breaker Tax Credit" herein for further details of such credits upon the levy and collection of property taxes.

Generally, real and personal property in the State of Indiana (the "State") is assessed each year as of March 1 in a year ending before January 1, 2016, and as of January 1 in a year beginning after December 31, 2015. 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 in 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, adjusted according to procedures established by the DLGF to account for reassessment under certain provisions of the Indiana Code; and (5) any other information at the disposal of the county auditor that might affect the assessed value used in the budget adoption process.

By statute, the budget, tax rate and levy of a local political subdivision (except for any school corporation which elects to have a budget year from July 1 of a year through June 30 of the following year) 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 June 30 if a delinquency of more than \$25 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 Guidelines for 2011 (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 land, 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 current reassessment was effective as of the March 1, 2012 assessment date, and affects taxes payable beginning in 2013. Before July 1, 2013, and before May 1 of every fourth year thereafter, each county assessor was and is required to prepare and submit to the DLGF a reassessment plan for its county. The DLGF must complete its review and approval of the reassessment plan before March 1, 2015, and January 1 of each subsequent year that follows a year in which the reassessment plan is submitted by the county. The reassessment plan must divide all parcels of real property in the county into four different groups of parcels. Each group of parcels must contain approximately 25% of the parcels within each class of real property in the county. All real property in each group of parcels shall be reassessed under the county's reassessment plan once during each four-year cycle. The reassessment of a group of parcels in a particular class of real property shall begin on May 1 of a year and must be completed on or before January 1 of the year after the year in which the reassessment of the group of parcels begins. For real property included in a group of parcels that is reassessed, the reassessment is the basis for taxes payable in the year following the year in which the reassessment is to be completed. The county may submit a reassessment plan that provides for reassessing more than 25% of all parcels of real property in the county in a particular year. A plan may provide that all parcels are to be reassessed in one year. However, a plan must cover a four-year period. All real property in each group of parcels shall be reassessed under the county's reassessment plan once during each reassessment cycle. The reassessment of the first group of parcels under a county's reassessment plan shall begin on July 1, 2014, and shall be completed on or before January 1, 2015.

In addition, the assessed value of real property will be 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 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 funding, refunding, judgment funding or other outstanding obligations, to pay judgments rendered against the political subdivision 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

Description of Circuit Breaker:

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.

Upon the failure of a political subdivision to pay any of the political subdivision’s Debt Service Obligations (as hereinafter defined) 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. “*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.

Under Indiana Code 6-1.1-20.6, property taxes levied to pay Debt Service Obligations are categorized as “*protected taxes*,” regardless of whether the property taxes were approved at a referendum, and all other property taxes as “*unprotected taxes*.” For property taxes due and payable in 2013, the total amount of the loss in revenue due to the application of the Circuit Breaker Tax Credit must reduce the amount of protected taxes and unprotected taxes distributed to a fund in proportion to the property tax levy imposed for that fund relative to the total of all protected and unprotected tax levies imposed by a political subdivision. The allocation of the loss in revenue due to the application of the Circuit Breaker Tax Credit shall be made after the political subdivision receives its distribution. For property taxes due and payable in 2014 and thereafter, the total amount of revenue to be distributed to a fund for which protected taxes were imposed shall be determined as if no Circuit Breaker Tax Credit was applied. The total amount of the loss in revenue due to the application of the Circuit Breaker Tax Credit must reduce only the amount of unprotected taxes distributed to a fund using the following criteria: (1) the reduction may be allocated in the amounts determined by the political subdivision using a combination of unprotected taxes of the political subdivision in those taxing districts in which the credit caused a reduction in protected taxes, and (2) the tax revenue and each fund of any other political subdivisions must not be affected by the reduction. If the allocation of property tax reductions to funds receiving only unprotected taxes is insufficient to offset the amount of the Circuit Breaker Tax Credit, the revenue for a fund receiving protected taxes will also be reduced. If a fund receiving protected taxes is reduced, the statute provides that a political subdivision may transfer money from any other available source in order to meet its Debt Service Obligations. The amount of this transfer is limited to the amount by which the protected taxes are insufficient to meet Debt Service Obligations.

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 City.

Estimated Circuit Breaker Tax Credit for the City:

According to the Department of Local Government Finance, the Circuit Breaker Tax Credits allocable to the City for budget years 2011, 2012, 2013 and 2014 were \$680,904, \$270,161, \$1,119,257 and \$1,105,727, respectively. These amounts do not include the estimated Lease Rentals on the Lease securing the 2014 Bonds and the 2005 Capital Appreciation Bonds.

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 tax 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.

CONTINUING DISCLOSURE

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission in SEC Rule 15c2-12, as amended (the “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 the closing of the 2014 Bonds. See Appendix F herein for a form of the Undertaking. Pursuant to the terms of the Undertaking, the Authority will agree to provide the following information while any of the 2014 Bonds are outstanding:

- Audited Financial Statements. To the MSRB, through its Electronic Municipal Market Access System (“EMMA”), when and if available, the audited financial statements of the City for each fiscal year 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, 2014, 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, 2014, unaudited annual financial information for the City for such calendar year including (i) unaudited financial statements of the City and (ii) operating data (excluding any demographic information or forecast) of the general type provided under the following headings in Appendix A to this Official Statement (collectively, the “Annual Information”) (which updated information may be provided in such format as the Authority deems appropriate):

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. Within ten business days, to the MSRB, notice of the following events, if material, with respect to the 2014 Bonds (which determination of materiality shall be made by the Authority):

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 2014 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 business days, to the MSRB, 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 2014 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 securities;
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, notice of the Authority failing to provide the annual financial information as described above.

The Authority may, at its sole discretion, utilize 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. Umbaugh (herein defined) serves as the dissemination agent for the Authority’s and the Commission’s bond issues. The City Utility Department serves as the dissemination agent for the City’s water and wastewater utility bond issues.

The purpose of the Undertaking is to enable the Underwriter to purchase the 2014 Bonds by providing for an undertaking by the Authority (and acknowledged and agreed to by the Commission and the City, as additional “obligated persons” within the meaning of the Rule, to provide to the Authority the information required by the Undertaking) in satisfaction of the Rule. The Undertaking is solely for the benefit of the owners of the 2014 Bonds and creates no new contractual or other rights for the SEC, underwriter, 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 2014 Bonds, the Trust Indenture, the Lease or any other agreement.

As required by the Rule, in the previous five years, the Commission has complied with all previous undertakings. However, in the previous five years, the Authority and the City have failed, as described below, to comply with previous undertakings. Regarding the Authority and the City, notices of certain material events had not been filed in a timely manner, but have subsequently been filed. In some instances, only a particular cusip number was missed.

For the Authority, the Annual Information, unaudited financial statements and audited financial statements were filed late for the Certificates of Participation, Series 2010A ("2010A COPs") and Taxable Certificates of Participation, Series 2010B ("2010B COPs"). The audited financial statements from 2009 were not filed within 60 days of receipt from the State Board of Accounts. The filing for the 2010A COPs was made on February 9, 2011, 142 days after it was posted by the State Board of Accounts. The filing for the 2010B COPs was made on June 30, 2011, 283 days after it was posted by the State Board of Accounts. The 2010A COPs and 2010B COPs were defeased in January 2013.

Upon remedying the foregoing untimely filings by the Authority (as well as the fact the 2010A COPs and the 2010B COPs have been defeased and the undertaking for those obligations has been terminated as a result of such defeasance), the Authority is now in full compliance with its undertaking agreements. In addition, the Authority's dissemination agent, Umbaugh, has established additional policies and procedures to facilitate the process of timely filings on behalf of the Authority and the Commission. The Authority's dissemination agent uploads the Annual Information on EMMA by June 30 of each fiscal year and the unaudited financial statements within 180 days of the end of each fiscal year. On a monthly basis, the Authority's dissemination agent reviews the audit reports recently released on the State Board of Accounts website (www.in.gov/sboa/) and uploads within 60 days of the filing date to ensure timely filing of the audited financial statements.

For the City, the Annual Information, operating data (in some cases complete operating data) and audited financial statements were not filed or were filed late for the years ended December 31, 2008 through 2012 for certain of the City's Waterworks Revenue Bonds issues, including those issued through the Indiana Bond Bank, and the City's Sewage Works Revenue Bonds issues, including those issued through the Indiana Bond Bank. The City's dissemination agent has made all required filings for the City's utility bond issues to bring the City into full compliance with its undertakings related to the City's water and wastewater utility bond issues.

BOND RATING

Standard & Poor's Rating Services ("Standard & Poor's") has assigned a bond rating of "AA+" to the 2014 Bonds. Such rating reflects only the view of Standard & Poor's and any explanation of the significance of such rating may only be obtained from Standard & Poor's.

The rating is not a recommendation to buy, sell or hold the 2014 Bonds, and such rating may be subject to revision or withdrawal at any time by Standard & Poor's. Any downward revision or withdrawal of the rating may have an adverse effect upon the market price of the 2014 Bonds.

The Authority did not apply to any other rating service for a rating on the 2014 Bonds.

UNDERWRITING

The 2014 Bonds are being purchased by Piper Jaffray & Co. (the "Underwriter") at a purchase price of \$57,670,896.75, which is the par amount of the 2014 Bonds of \$55,685,000.00 less the Underwriter's discount of \$361,952.50 plus the original issue premium of \$2,347,849.25. The Bond Purchase Agreement provides that all of the 2014 Bonds will be purchased by the Underwriter if any of such 2014 Bonds are purchased.

The Underwriter intends to offer the 2014 Bonds to the public at the offering prices or yields set forth on the inside cover page of this Official Statement. The Underwriter may allow concessions to certain dealers (including dealers in a selling group of the Underwriter and other dealers depositing the 2014 Bonds into investment trusts), who may

reallow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Underwriter.

SPECIAL RELATIONSHIPS

The Underwriter and Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation, entered into an agreement (the “Agreement”) which enables Pershing LLC to distribute certain new issue municipal securities underwritten by or allocated to the Underwriter, including the 2014 Bonds. Under the Agreement, the Underwriter will share with Pershing LLC a portion of the fee or commission paid to the Underwriter.

The Underwriter has entered into a distribution agreement (“Distribution Agreement”) with Charles Schwab & Co., Inc. (“CS&Co”) for the retail distribution of certain securities offerings, including the 2014 Bonds, at the original issue prices. Pursuant to the Distribution Agreement, CS&Co. will purchase 2014 Bonds from the Underwriter at the original issue price less a negotiated portion of the selling concession applicable to any 2014 Bonds that CS&Co. sells.

FINANCIAL ADVISOR

H.J. Umbaugh & Associates, Certified Public Accountants, LLP (the “Financial Advisor”) (“Umbaugh”) has been retained by the Authority, the Commission and the City to provide certain financial advisory services including, among other things, preparation of the deemed “nearly final” Preliminary Official Statement and the Final Official Statement (collectively, the “Official Statement”). The information contained in the Official Statement has been compiled from records and other materials provided by City officials and other sources deemed to be reliable. The Financial Advisor has not and will not independently verify the completeness and accuracy of the information contained in the Official Statement.

The Financial Advisor’s duties, responsibilities and fees arise solely as Financial Advisor to the Authority, the Commission and the City and they have no secondary obligations or other responsibility. However, Umbaugh is preparing the Escrow Verification Report and the Lease Sufficiency Report for the 2014 Bonds. The Financial Advisor’s fees are expected to be paid from proceeds of the 2014 Bonds.

Municipal Advisor Registration:

Umbaugh 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 2014 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 2014 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 Umbaugh. 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.

LEGISLATIVE PROPOSALS

Legislation affecting municipal bonds is considered from time to time by the United States Congress and the Executive Branch, including some proposed changes under consideration at the time of issuance of the 2014 Bonds. Bond Counsel’s opinion is based upon the law in existence on the date of issuance of the 2014 Bonds. It is possible that legislation enacted after the date of issuance of the 2014 Bonds or proposed for consideration will have an

adverse effect on the excludability of all or a part of the interest on the 2014 Bonds from gross income, the manner in which such interest is subject to federal income taxation or the market price of the 2014 Bonds.

Legislation affecting municipal bonds is considered from time to time by the Indiana legislature and Executive Branch. It is possible that legislation enacted after the date of the 2014 Bonds or proposed for consideration will have an adverse effect on payment or timing of payment or other matters impacting the 2014 Bonds.

The City cannot predict the outcome of any such federal or state proposals as to passage, ultimate content or impact if passed, or timing of consideration or passage. Purchasers of the 2014 Bonds should reach their own conclusions regarding the impact of any such federal or state proposals.

TAX MATTERS

In the opinion of Barnes & Thornburg LLP, Indianapolis, Indiana (“Bond Counsel”), under existing laws, interest on the 2014 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 2014 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 continuing compliance therewith. In the opinion of Bond Counsel, under existing laws, interest on the 2014 Bonds is exempt from income taxation in the State for all purposes, except the State financial institutions tax. See Appendix E for the form of opinion of Bond Counsel.

The Code imposes certain requirements which must be met subsequent to the issuance of the 2014 Bonds as a condition to the excludability of the interest on the 2014 Bonds from gross income for federal income tax purposes. Noncompliance with such requirements may cause interest on the 2014 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issue, regardless of the date on which noncompliance occurs. Should the 2014 Bonds bear interest that is not excludable from gross income for federal income tax purposes, the market value of the 2014 Bonds would be materially and adversely affected. It is not an event of default if interest on the 2014 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 2014 Bonds.

The interest on the 2014 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. However, interest on the 2014 Bonds is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

The 2014 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, include all corporations which are transacting the business of a financial institution in the State. The franchise tax is measured in part by interest excluded from gross income under Section 103 of the Code minus associated expenses disallowed under Section 265 of the Code.

Although Bond Counsel will render an opinion that interest on the 2014 Bonds is excludable from gross income for federal income tax purposes and exempt from State income tax, the accrual or receipt of interest on the 2014 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 2014 Bonds should consult their own tax advisors with regard to the other tax consequences of owning the 2014 Bonds.

The foregoing does not purport to be a comprehensive description of all of the tax consequences of owning the 2014 Bonds. Prospective purchasers of the 2014 Bonds should consult their own tax advisors with respect to the foregoing and other tax consequences of owning the 2014 Bonds.

ORIGINAL ISSUE DISCOUNT

The initial public offering prices of the 2014 Bonds maturing on February 1, 2022, February 1, 2024, February 1, 2026, February 1, 2027 (bearing interest at the rate of 3.125% per annum), February 1, 2028 (bearing interest at the rate of 3.250% per annum), February 1, 2030 (bearing interest at the rate of 3.500% per annum) and February 1, 2032 (collectively the “Discount Bonds”), are less than the principal amounts thereof payable at maturity. As a result, the Discount Bonds will be considered to be issued with original issue discount. The difference between the

initial public offering price of each maturity of the 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 its maturity, will be treated as “original issue discount.” The original issue discount on each of the Discount Bonds is treated as accruing daily over the term of such Discount Bond on the basis of the yield to maturity determined on the basis of compounding at the end of each six-month period (or shorter period from the date of the original issue) ending on February 1 and August 1 (with straight line interpolation between compounding dates). An owner who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity will treat the accrued amount of original issue discount as interest which is excludable from the gross income of the owner of that Discount Bond for federal income tax purposes.

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

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

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

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

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

AMORTIZABLE BOND PREMIUM

The initial public offering prices of the 2014 Bonds maturing on February 1, 2018 through and including February 1, 2021, February 1, 2023, February 1, 2025, February 1, 2027 (bearing interest at the rate of 4.000% per annum), February 1, 2028 (bearing interest at the rate of 5.000% per annum), February 1, 2029, and February 1, 2030 (bearing interest at the rate of 5.000% per annum), and February 1, 2031 (collectively, the “Premium Bonds”), are greater than the principal amounts thereof payable at maturity. 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 public offering will be required to adjust the owner’s basis in the Premium Bond downward as a result of the amortization of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. Such adjusted tax basis will be used to determine taxable gain or loss upon the disposition of the Premium Bonds (including sale, redemption or payment at maturity). The amount of amortizable Bond Premium will be computed on the basis of the taxpayer’s yield to maturity, with compounding at the end of each accrual period. Rules for determining (i) the amount of amortizable Bond Premium and (ii) the amount amortizable in a particular year are set forth in Section 171(b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a)(2) of the Code, but amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning the Premium Bonds. Owners of the Premium Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon the sale or other disposition of such Premium Bonds and with respect to the state and local tax consequences of owning and disposing of the Premium Bonds.

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

LITIGATION

There is no litigation pending, or to the knowledge of the officers and counsel for the Authority, the Commission and the City, threatened, against the Authority, the Commission or the City, which in any way questions or affects the validity of the 2014 Bonds, or any proceedings or transactions relating to the issuance, sale or delivery thereof or the collection of the Special Benefits Tax Revenues pledged to pay Lease Rentals.

The officers and counsel for the Authority, the Commission and the City will certify at the time of delivery of the 2014 Bonds that there is no litigation pending or to the knowledge of the officers and counsel for the Authority, the Commission and the City, in any way threatened questioning the validity of the 2014 Bonds, or any of the proceedings had relating to the authorization, issuance and sale of the 2014 Bonds, the Trust Indenture or the Leased Premises.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the 2014 Bonds are subject to the approving opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, Bond Counsel, whose approving opinion will be available at the time of delivery of the 2014 Bonds. Barnes & Thornburg LLP has not been asked nor has it undertaken to review the accuracy or sufficiency of this Official Statement, and will express no opinion thereon. The form of opinion of Bond Counsel is included in Appendix E of this Official Statement.

LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES

The enforceability of the rights and remedies of the Trustee or the registered owners of the 2014 Bonds under the Trust Indenture 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 Trust Indenture may be limited.

The various legal opinions to be delivered concurrently with the delivery of the 2014 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State and the United States of America and bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). Those exceptions would encompass any exercise of federal, State or local police powers (including the police powers of the City and the State), in a manner consistent with the public health and welfare. The enforceability of the Trust Indenture, in a situation where such enforcement may adversely affect the public health and welfare, may be subject to those police powers.

VERIFICATION

The mathematical calculations of the adequacy of the maturing principal of and interest income on certain noncallable direct obligations of the United States of America, together with the initial cash deposited with the Escrow Trustee, to pay when due all principal of and interest on the 2005 Refunded Bonds to and including February 1, 2016, and to redeem on that date all then outstanding 2005 Refunded Bonds, with no premium, and the mathematical calculation supporting the conclusion of Barnes & Thornburg LLP, Indianapolis, Indiana, Bond Counsel, that the 2014 Bonds are not "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986, will be verified by H.J. Umbaugh & Associates, Certified Public Accountants, LLP. Such computations will be based upon information, assumptions and calculations supplied by the Underwriter.

The Authority and 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 and its 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: Richard Bushell
President

CITY OF CARMEL
REDEVELOPMENT COMMISSION

By: William Hammer
President

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APPENDIX A

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CITY OF CARMEL

GENERAL PHYSICAL AND DEMOGRAPHIC INFORMATION

LOCATION AND GENERAL CHARACTERISTICS

The City of Carmel 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 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 in 2012. The proximity of Carmel to Indianapolis provides increased employment 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 Indians 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 the 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 1975. 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 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 City 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
Board of Zoning Appeals
Cable and Telecommunications Commission
Communications Center (911)
Community Development Corporation
Community Relations
Economic Development Commission
Engineering
Ethics Commission
Fire
Historic Preservation Commission

Human Resources
Information and Communications Systems
Law
Parks & Recreation
Plan Commission
Planning and Zoning
Police
Redevelopment Authority
Redevelopment Commission
Streets
Utilities

The City employs a total of approximately 598 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 IADD #4444	Firefighters	141	12/31/14

PLANNING AND ZONING

The Carmel Plan Commission promotes orderly growth throughout the City and other areas of Clay Township. The 11-member Plan 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 School Corporation serves 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 15,337 for the 2013/2014 school year. A certified staff of 1,042 and a non-certified staff of 1,338 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 IC 5-10.3) govern, through the Indiana Public Retirement System ("INPRS") 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.

INPRS 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:

Indiana Public Retirement System
1 North Capitol Street, Suite 001
Indianapolis, Indiana 46204
Phone (888) 526-1687

Funding Policy and Annual Pension Cost

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

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 Indiana Public Retirement System as provided under IC 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 Indiana Public Retirement System as provided under IC 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 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.

INPRS 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:

Indiana Public Retirement System
1 North Capitol Street, Suite 001
Indianapolis, Indiana 46204
Phone (888) 526-1687

Funding Policy

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

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. Forbes Magazine ranked Carmel as the 9th fastest growing area on the creation of tech jobs, up 50.4% since 2001.

Along US 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 Consecro, Inc., Monster.com, and Liberty Mutual Insurance are among the many office complexes which form the Meridian Corridor. In addition to these corporate headquarters, major medical providers are located along the Corridor including the St. Vincent Heart Center, I.U. Health North Hospital (formerly Clarian North Medical Center), St. Vincent Carmel Hospital, and numerous medical offices.

CNO Financial Group, Inc. is a life insurance holding company founded in 1979. Consecro acquired numerous insurance companies in the 1980s and 1990s. In May 2010, the company changed its name to CNO Financial Group, Inc. CNO saw 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 approximately 1,750.

Liberty Mutual Insurance, which began operations in 1912, employs 1,200 according to the Hamilton County Alliance. Midcontinent Independent System Operator, Inc. (formerly Midwest Independent Transmission System Operator, Inc.) (MISO) located its corporate headquarters in Carmel in 2002 and has constructed a second building. The company employs approximately 680 according to company personnel.

Several other established major employers in the City include Resort Condominium Intl. (RCI), a resort hotel exchange network, with 986 employees; The Capital Group, a financial services management company, with approximately 750 employees; (according to the Hamilton County Alliance), Duke Realty with 475 employees and Allegion (a spinoff of Ingersoll-Rand), the divisional headquarters for a security technology company, with 400 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, taking it over from the State, and received \$96 million for reconstruction. The unique and award-winning design with overhead teardrop intersections 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.

GEICO, the Washington, D.C.-based auto insurer and subsidiary of Berkshire Hathaway, opened a 109,000 square foot service center in Carmel in 2013. The insurance company had hired 400 employees to staff its new facility by December, 2013 and plans to have 1,600 employees by 2016.

American Specialty Health, a San Diego firm providing specialty healthcare management, population health and fitness programs for health plans, insurance carriers, employer groups and trust funds, has announced plans to move its headquarters into a 53,000 square foot office in Carmel. The move is expected to be completed by June 2014 and 300 new jobs are expected to be created initially. Employment is anticipated to increase to more than 675 by 2016.

RESIDENTIAL REAL ESTATE STATISTICS

According to statistics compiled by FC Tucker Company, 1,921 homes were sold in September 2013 in the nine-county central Indiana region, up 17.8% compared to the same time period in 2012. In Hamilton County, overall year-to-date home sales climbed to 5,336, an increase of 895 homes compared to the same time period in 2012. Specifically in Carmel, 118 homes sold in September 2013.

In addition, available homes are spending less time on the market in Carmel and sales prices are up. Carmel homes spent an average of 75 days for sale over the first nine months of 2013 compared to 93 days for sale over the same time period in 2012. The average sale price climbed to \$316,638, up 2.0% from September 2012. Of the 118 homes sold in Carmel in September 2013, one was priced in the \$1 million to \$2 million range, 17 were priced \$500,000 to \$1 million, 34 were priced \$300,000 to \$499,999, 39 were priced \$200,000 to \$299,999, 24 were priced \$100,000 to \$199,999 and three were priced at or below \$99,999.

Home sales and home prices are up while the number of available homes for sale is down overall across the nine-county central Indiana region. Due to these factors, it is anticipated that the market will further stabilize.

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 noted. Because of reporting time lags and other factors inherent in collecting and reporting such information, the 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	2,380 (1)
CNO Financial Group, Inc., formerly Conseco, Inc.	1979	Life insurance holding company	1,750 (2)
Liberty Mutual Insurance	1912	Insurance company	1,200 (2)
I.U. Health North Hospital, formerly Clarian North Medical Center	2005	Acute healthcare facility	1,080
Resort Condominium Intl. (RCI)	1974	Resort hotel	986
St. Vincent Carmel Hospital	1985	Acute healthcare facility	800 (3)
The Capital Group	2007	Financial services	750
Midcontinent Independent Transmission System Operator, Inc. (MISO)	2002	Business consulting services	680
City of Carmel	1874	City government	598 (4)
St. Vincent Heart Center	2002	Acute healthcare facility	500 (3)

(1) Consists of 1,042 certified staff and 1,338 non-certified staff.

(2) Per the Hamilton County Alliance.

(3) Reported as of September, 2013.

(4) Includes 63 employees of the Carmel Clay Parks & Recreation Department.

EMPLOYMENT

<u>Year</u>	<u>Unemployment Rate</u>		<u>Hamilton County Labor Force</u>
	<u>Hamilton County</u>	<u>Indiana</u>	
2004	3.4%	5.3%	124,838
2005	3.5%	5.4%	130,720
2006	3.2%	5.0%	137,311
2007	3.0%	4.6%	141,719
2008	3.8%	5.8%	145,825
2009	6.6%	10.3%	145,544
2010	6.9%	10.0%	140,769
2011	6.2%	8.8%	144,281
2012	5.7%	8.1%	147,984
2013	5.3%	7.5%	150,168
2014, March	4.3%	6.3%	151,983

Note: According to the Indiana Department of Workforce Development, the unemployment rate for the State of Indiana dropped to 5.9% for March 2014, lower than the unemployment rates of the United States and the surrounding states of Illinois, Kentucky, Michigan and Ohio.

Source: Indiana Business Research Center

BUILDING PERMITS

Provided below is a summary of the number of new construction building permits 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>
2009	273		31	12	2	318
2010	299	2	2	10	6	319
2011	268		25	8	2	303
2012	380	7	17	10		414
2013	437	4	12	16	6	475

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 ATTAINMENT

<u>Years of School Completed (1)</u>	<u>Persons 25 and Over</u>	
	<u>City of Carmel</u>	<u>Hamilton County</u>
Less than 9th grade	0.6%	0.9%
9th to 12th grade, no diploma	0.9%	2.5%
High school graduate	10.3%	16.4%
Some college, no degree	15.3%	18.4%
Associate's degree	5.2%	6.7%
Bachelor's degree	37.7%	35.9%
Graduate or professional degree	30.0%	19.2%
	<u>100.0%</u>	<u>100.0%</u>

(1) Represents the highest level of education achieved.

Source: U.S. Census Bureau's 2008-2012 American Community Survey 5-Year Estimates

MISCELLANEOUS ECONOMIC INFORMATION

	<u>City of Carmel</u>	<u>Hamilton County</u>	<u>Indiana</u>
Per capita income, past 12 months (1)	\$52,068	\$39,606	\$24,558
Median household income, past 12 months (1)	\$107,505	\$84,821	\$48,374
Average weekly earnings in manufacturing (3rd qtr. of 2013)	N/A	\$1,084	\$1,030
Area in square miles - 2010	48.55	402.44	36,419.55
Population per square mile - 2010	1,631.1	682.3	181.0
Retail sales in 2007:			
Total retail sales	\$786,259,000	\$3,295,421,000	\$78,745,589,000
Sales per capita (2)	\$9,929	\$12,002	\$12,145
Sales per establishment	\$3,157,667	\$4,013,911	\$3,323,721

(1) In 2012 inflation-adjusted dollars - 5-year estimates.

(2) Based on 2010 population.

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

<u>Employment and Earnings - Hamilton County 2011</u>	<u>Earnings</u> (In 1,000s)	<u>Percent of Earnings</u>	<u>Distribution of Labor Force</u>
Services	\$3,390,261	40.97%	45.07%
Finance, insurance and real estate	1,389,916	16.80%	18.79%
Wholesale and retail trade	1,247,344	15.07%	15.24%
Government	702,871	8.49%	7.61%
Construction	554,940	6.71%	5.23%
Manufacturing	421,547	5.09%	3.37%
Information	256,605	3.10%	2.21%
Utilities	154,342	1.87%	0.56%
Transportation and warehousing	80,227	0.97%	1.20%
Farming	35,060	0.43%	0.41%
Forestry, fishing, related activities	27,001	0.33%	0.10%
Mining	14,390	0.17%	0.21%
Totals	<u>\$8,274,504</u>	<u>100.00%</u>	<u>100.00%</u>

Source: Bureau of Economic Analysis and the Indiana Business Research Center

<u>Adjusted Gross Income</u>	<u>Year</u>	<u>Hamilton County Total</u>
	2008	\$9,749,707,881
	2009	9,460,223,436
	2010	10,246,821,736
	2011	11,073,245,976
	2012	12,238,309,412

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 March 21, 2014, including issuance of the 2014 Bonds and the Authority's County Option Income Tax Lease Rental Revenue Refunding Bonds, Series 2014A and Series 2014B, as reported by the respective taxing units.

<u>Direct Debt</u>	<u>Original Par Amount</u>	<u>Final Maturity</u>	<u>Outstanding Amount</u>
Tax Supported Debt			
Carmel Redevelopment Authority			
Lease Rental Revenue Refunding Bonds, Series 2014 (Performing Arts Center)	\$55,685,000	02/01/33	\$55,685,000 (1)
County Option Income Tax Lease Rental Revenue Refunding Bonds, Series 2014A	9,380,000	01/01/18	9,380,000
County Option Income Tax Lease Rental Revenue Refunding Bonds, Series 2014B	46,795,000	07/01/27	46,795,000
Lease Rental Revenue Multipurpose Bonds, Series 2012A	115,900,000	02/01/38	115,900,000 (1)
Lease Rental Revenue Multipurpose Bonds, Series 2012B (Taxable)	69,245,000	02/01/25	68,245,000 (1)
Lease Rental Revenue Refunding Bonds of 2011	25,190,000	02/01/24	22,350,000
County Option Income Tax Lease Rental Revenue Bonds of 2010	25,675,000	01/01/31	25,675,000
County Option Income Tax Lease Rental Revenue Bonds, Series 2006 (unrefunded portion)	72,000,000	07/01/27	9,865,000
Lease Rental Revenue Bonds of 2005 (Performing Arts Center) Capital Appreciation Bonds	61,385,000 (2)	02/01/26	36,727,468 (1) (3)
City of Carmel and Carmel Redevelopment District			
Redevelopment District Bonds of 2013	6,535,000	01/15/35	6,535,000 (1)
County Option Income Tax Revenue Refunding Bonds of 2011	7,180,000	12/15/22	6,165,000
Taxable County Option Income Tax Revenue Refunding Bonds, Series 2006	8,785,000	12/15/18	4,175,000 (1)
Capital Leases		08/15/20	<u>4,655,668</u>
Subtotal			<u>412,153,136</u>
Carmel Redevelopment District (Tax Increment revenues only)			
Taxable Economic Development Revenue Bonds, Series 2013 (Legacy)	4,500,000	01/15/35	2,005,535 (4) (5)
Restated Installment Purchase Agreements of 2013 (Secondary Number One)	4,500,000	07/15/34	4,500,000
Restated Installment Purchase Agreements of 2013 (Secondary Number Two)	1,000,000	07/15/34	1,000,000
Senior Economic Development Revenue Bonds, Series 2011A (Arts District Lofts & Shoppes)	9,630,000	08/01/31	9,200,000 (4)
Subordinate Economic Development Revenue Bonds, Series 2011B (Arts District Lofts & Shoppes)	3,370,000	02/01/35	3,370,000 (4) (5)
Taxable Economic Development Revenue Bonds, Series 2011 (Indiana Spine Group)	751,500	02/01/31	735,300 (4)
Taxable Economic Development Revenue Bonds, Series 2011 (116th Street Centre)	2,050,000	02/01/36	2,013,338 (4)
Certificates of Participation, Series 2010C	16,300,000	07/15/35	15,775,000
Taxable Economic Development Revenue Bonds, Series 2006 (Parkwood West)	4,800,000	02/01/26	3,830,000 (4) (6)
Taxable Economic Development Revenue Bonds, Series 2006B (Buckingham Gramercy)	20,000,000	02/01/27	148,107 (4)
Taxable Tax Increment Revenue Bonds, Series 2004A (Clarian Hospital)	9,500,000	01/15/24	6,595,000 (4)
Taxable Economic Development Revenue Bonds, Series 2002 (Parkwood East)	3,560,000	08/01/22	<u>2,505,000 (4) (7)</u>
Subtotal			<u>51,677,280</u>
Total			<u><u>\$463,830,416 (8)</u></u>

(1) The lease rental and bond payments are paid, and are anticipated to be paid, from Tax Increment.

(2) Capital Appreciation Bonds. The amount represents the value at maturity. The original issue amount was \$27,798,227.15.

(3) Amount represents the accreted value as of March 21, 2014.

(4) The bonds are payable from Tax Increment from a specific allocation area and developer or company payments to the extent that the Tax Increment is insufficient to pay the debt service.

(5) The bonds were issued as draw bonds. The amount shown represents the amount of principal drawn down and outstanding.

(6) The Commission anticipates full repayment of the bonds from funds on hand in summer 2014.

(7) The Commission anticipates full repayment of the bonds from funds on hand in spring 2014.

(8) The City of Carmel has pledged up to \$650,000 of annual County Option Income Tax ("COIT") as additional back-up security to the Hamilton County Redevelopment District Tax Increment Revenue Bonds of 2005 and 2006, which are payable from Tax Increment from the Thomson Economic Development Area. The City of Carmel has pledged up to \$465,000 of annual COIT as additional back-up security to the Hamilton County Redevelopment Authority Economic Development Lease Rental Bonds of 2011, which are payable from Tax Increment from the 96th Street - U.S. 421 Economic Development Area.

(Continued on next page)

SCHEDULE OF INDEBTEDNESS

(Cont'd)

	<u>Original Par Amount</u>	<u>Final Maturity</u>	<u>Outstanding Amount</u>
Revenue Supported Debt			
Sewage Works Revenue Bonds of 2012	\$11,040,000	05/01/32	\$11,040,000
Sewage Works Revenue Bonds of 2009 (SRF)	5,894,000	05/01/30	4,904,958
Sewage Works Revenue Bonds of 2005	11,000,000	05/01/26	8,140,000
Junior Waterworks Revenue Bonds of 2012	21,625,000	05/01/36	20,805,000
Indiana Bond Bank Special Program Bonds, Series 2008B			
Current Interest Bonds	63,770,000	06/01/28	62,400,000
Capital Appreciation Bonds	76,240,000 (1)	06/01/34	28,012,893 (2)
Capital Lease		02/19/18	<u>316,335</u>
Total			<u>135,619,186</u>
Total Direct Debt			<u><u>\$599,449,602</u></u>

(1) Capital Appreciation Bonds. The amount represents the value at maturity. The original issue amount was \$20,547,740.20.

(2) Amount represents the accreted value as of March 21, 2104.

<u>Overlapping Debt</u>	<u>Total Debt</u>	<u>Percent Allocable to City (1)</u>	<u>Amount Allocable to City</u>
Tax Supported Debt			
Hamilton County	\$186,100,000	35.29%	\$65,674,690
Hamilton County Redevelopment District (Tax Increment revenues only)	11,925,000	0.00%	0
Carmel Clay Schools	146,480,000	96.96%	142,027,008
Carmel Clay Public Library	9,925,000	96.96%	9,623,280
Clay Township	40,790,000	96.96%	<u>39,549,984</u>
Total Overlapping Debt			<u><u>\$256,874,962</u></u>

(1) Based upon the 2013 payable 2014 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 March 21, 2014, including issuance of the 2014 Bonds.

	Direct Tax Supported Debt*	Allocable Portion of All Other Overlapping Tax Supported Debt	Total Direct and Overlapping Tax Supported Debt*
	<u>\$412,153,136</u>	<u>\$256,874,962</u>	<u>\$669,028,098</u>
Per capita (1)	\$5,204.55	\$3,243.74	\$8,448.29
Percent of net assessed valuation (2)	6.58%	4.10%	10.68%
Percent of gross assessed valuation (3)	3.58%	2.23%	5.81%

*Preliminary, subject to change.

- (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 2014 is \$6,266,425,597 according to the Hamilton County Auditor's office.
- (3) The gross assessed valuation of the City of Carmel for taxes payable in 2014 is \$11,507,518,300 according to the Hamilton County 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 Taxable Value</u>
2010	\$5,124,488,495	\$30,375,950	\$358,263,374	\$5,513,127,819
2011	4,927,632,012 (1)	34,220,060	392,618,914	5,354,470,986
2012	5,952,884,868 (2)	34,827,030	395,886,159	6,383,598,057
2013	(3) 5,784,125,974	39,341,620	367,158,221	6,190,625,815
2014	5,832,715,250	40,462,700	393,247,647	6,266,425,597

- (1) According to the County Auditor's office, net assessed values decreased due to appeals and trending.
- (2) Increase due to the annexation of Clay Township beginning in 2012.
- (3) Represents results of general reassessment. Changes in assessed values of real property occur periodically as a result of general reassessments scheduled by the State legislature, as well as when changes occur in the property value due to new construction or demolition of improvements. The next reassessment is scheduled to be effective as of the March 1, 2017 assessment date and affects taxes payable beginning in 2018, and reassessments are scheduled to occur every four years thereafter.

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, as incorporated into 50 IAC 2.4, and the 2011 Real Property Assessment Guidelines, as adopted by the Department of Local Government Finance. 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 determine the acceptability of any alternative appraisal method.

DETAIL OF NET ASSESSED VALUATION
As of 2013 for taxes payable in 2014
(As provided by the Hamilton County Auditor's office)

	<u>City of Carmel</u>	<u>Carmel - County TIF</u> (1)	<u>Carmel- Washington Twp.</u>	<u>Carmel- Abated</u> (2)	<u>Total</u>
Gross Value of Land	\$2,406,892,247	\$64,105,200	\$3,708,000	\$540,961,800	\$3,015,667,247
Gross Value of Improvements	<u>6,667,834,853</u>	<u>183,020,200</u>	<u>24,457,400</u>	<u>1,115,473,700</u>	<u>7,990,786,153</u>
Total Gross Value of Real Estate	9,074,727,100	247,125,400	28,165,400	1,656,435,500	11,006,453,400
Less: Mortgage Exemptions, Veterans, Blind Age 65 & Other Exemptions	(2,900,113,912)	(2,440,330)		(469,907,265)	(3,372,461,507)
Tax Exempt Property	(135,236,891)	(35,578,680)		(19,684,924)	(190,500,495)
TIF	<u>(1,209,428,843)</u>	<u>(204,020,820)</u>		<u>(197,326,485)</u>	<u>(1,610,776,148)</u>
Net Assessed Value of Real Estate	<u>4,829,947,454</u>	<u>5,085,570</u>	<u>28,165,400</u>	<u>969,516,826</u>	<u>5,832,715,250</u>
Business Personal Property	422,907,970		186,710	37,507,520	460,602,200
Less: Deductions	<u>(65,096,933)</u>			<u>(2,257,620)</u>	<u>(67,354,553)</u>
Net Assessed Value of Personal Property	<u>357,811,037</u>	<u>0</u>	<u>186,710</u>	<u>35,249,900</u>	<u>393,247,647</u>
Net Assessed Value of Utility Property	<u>40,375,290</u>	<u>87,410</u>	<u>0</u>	<u>0</u>	<u>40,462,700</u>
Total Net Assessed Value	<u><u>\$5,228,133,781</u></u>	<u><u>\$5,172,980</u></u>	<u><u>\$28,352,110</u></u>	<u><u>\$1,004,766,726</u></u>	<u><u>\$6,266,425,597</u></u>

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

(2) Annexed portion of Clay Township beginning in 2012 at an abated amount of 75%.

COMPARATIVE SCHEDULE OF CERTIFIED TAX RATES

Per \$100 of net assessed valuation
(As provided by the Hamilton County Auditor's office)

	Year Taxes Payable				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Detail of Certified Tax Rate:					
Corporation	\$0.4578	\$0.5266	\$0.5284	\$0.5459	\$0.5381
MVH	0.1291	0.0777	0.1080	0.1268	0.1249
Cumulative Capital Dev.	0.0331	0.0332	0.0264	0.0280	0.0276
Cumulative Sewer					
Lease Rental Payment	0.0133	0.0144			
Redevelopment Bond	<u>0.0331</u>	<u>0.0145</u>	<u>0.0160</u>		<u>0.0101</u>
Totals	<u>\$0.6664</u>	<u>\$0.6664</u>	<u>\$0.6788</u>	<u>\$0.7007</u>	<u>\$0.7007</u>

Total Certified Tax Rate (1)

City of Carmel	\$1.7209	\$1.9863	\$1.8996	\$2.0251	\$2.0053
City of Carmel - TIF (2)			\$1.7396	\$1.8651	\$1.8453
Carmel County TIF (3)	\$1.7209	\$1.9863	\$1.8996	\$2.0251	\$2.0053
Carmel - Washington Twp.	\$2.4746	\$2.8281	\$2.9143	\$2.9530	\$2.9892
Carmel - Abated (4)			\$1.3905	\$1.6755	\$1.8302

- (1) Includes certified tax rates of overlapping taxing units.
- (2) 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 to exclude the Carmel Schools additional operating levy approved by referendum on May 4, 2010.
- (3) Applies to the county established TIF areas annexed by the City of Carmel.
- (4) Applies to the Clay Township area annexed by the City of Carmel.

Source: DLGF certified Budget Orders for the City

PROPERTY TAXES LEVIED AND COLLECTED

Collection Year	Certified Taxes Levied	Circuit Breaker Tax Credit (1)	Certified Taxes Levied Net of Circuit Breaker Tax Credit	Taxes Collected	Collected as Percent of Gross Levy	Collected as Percent of Net Levy
2009	\$36,092,579	(\$4,018)	\$36,088,561	\$35,971,899	99.67%	99.68%
2010	36,193,490	(235,522)	35,957,968	36,607,153	101.14%	101.81%
2011	35,993,200	(680,904)	35,312,296	34,398,702	95.57%	97.41% (2)
2012 (3)	37,550,513	(270,161)	37,280,352	37,327,961	99.41%	100.13%
2013 (3)	38,702,694	(1,119,257)	37,583,437	38,079,632	98.39%	101.32%

- (1) Circuit Breaker Tax Credits allocable to the City per the DLGF and Hamilton County Abstracts.
- (2) Low collections due to unpaid taxes, penalties and refunds per the Hamilton County Auditor's office.
- (3) Based on Abstract levy due to adjustment made for the phase-in annexation of Clay Township per the Hamilton County Auditor's office.

IC 6-1.1-20.6 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. 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 2.0% 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.

Effective July 1, 2012, property tax revenue subject to reduction by the Circuit Breaker Tax Credit under IC 6-1.1-20.6-9.8 is classified as either protected taxes or unprotected taxes. Protected taxes include taxes levied to pay debt service or lease rental on obligations payable from ad valorem property taxes. A debt service fund containing protected taxes is funded first by the taxing unit before property taxes are deposited into any other funds.

Source: The Hamilton County Auditor's office and the DLGF certified Budget Orders for the City

LARGE TAXPAYERS

The following is a list of the ten largest taxpayers located within the City of Carmel.

<u>Name</u>	<u>Type of Business</u>	<u>2012/2013 Net Assessed Valuation (1)</u>	<u>Percent of Total Net Assessed Valuation (2)</u>
Duke Weeks Realty / Duke Realty Ltd. / Duke Realty Services LP	Office complex management companies	\$175,322,490	2.83%
IU Health North, formerly Clarian North	Acute healthcare facility / medical office buildings	157,693,700	2.55%
Washington National Life Insurance Co., formerly Bankers National Life Insurance	Life Insurance holding company	87,647,570	1.42%
Clay Terrace Partners LLC	Outdoor mall	78,758,740	1.27%
HCR ManorCare Properties LLC	Assisted living, rehabilitation therapy	49,207,100	0.79%
Carmel Lofts LLC	Mixed use, retail and apartments	46,819,240	0.76%
Technology Center Assoc LTD / REI Investments / Fidelity Office Bldgs. / North Penn Associates	Office complexes	36,663,010	0.59%
MCP Partners	Commercial property	34,758,200	0.56%
Midwest Independent Transmission System Operator, Inc.	Business consulting services	33,233,950	0.54%
Zeller Carmel LLC	Office complexes	<u>29,887,800</u>	<u>0.48%</u>
Totals		<u><u>\$729,991,800</u></u>	<u><u>11.79%</u></u>

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

(2) The total net assessed valuation of the City of Carmel is \$6,190,625,815 for taxes payable in 2013, according to the Hamilton County Auditor's office.

Source: County Auditor's office and the DLGF. Individual parcel data is submitted by the County Auditor to the DLGF once a year for preparation of the county Abstract.

The following financial statements on pages A-18 - A-23 are excerpts from the City of Carmel's 2010, 2011 and 2012 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 RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS

For the Year Ended December 31, 2010

	Cash and Investments <u>01-01-10</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash and Investments <u>12-31-10</u>
General	\$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 Interpreter Fund	4,895	53		4,948
Community Relations Gift Fund	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
Sub-totals	<u>32,352,511</u>	<u>143,545,750</u>	<u>147,055,194</u>	<u>28,843,067</u>

(Continued on next page)

CITY OF CARMEL, INDIANA

(Cont'd)

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

For the Year Ended December 31, 2010

	Cash and Investments <u>01-01-10</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash and Investments <u>12-31-10</u>
Sub-totals carried forward	\$32,352,511	\$143,545,750	\$147,055,194	\$28,843,067
Cumulative Capital Development	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 Improvement	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 <u>01-01-11</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash and Investments <u>12-31-11</u>
General	\$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
Sub-totals	<u>53,074,122</u>	<u>126,859,180</u>	<u>131,897,025</u>	<u>48,036,277</u>

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CITY OF CARMEL, INDIANA

(Cont'd)

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

For the Year Ended December 31, 2011

	Cash and Investments <u>01-01-11</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash and Investments <u>12-31-11</u>
Sub-totals carried forward	\$53,074,122	\$126,859,180	\$131,897,025	\$48,036,277
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
Wastewater 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>

CITY OF CARMEL, INDIANA

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

For the Year Ended December 31, 2012

	Cash and Investments <u>01-01-12</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash and Investments <u>12-31-12</u>
General	\$2,827,699	\$69,052,706	\$69,425,473	\$2,454,932
Motor Vehicle Highway	1,058,149	12,679,959	11,032,968	2,705,140
Local Road And Street	1,962,157	1,090,634	995,442	2,057,349
Throughfare Fund	729,508	454,268	700,000	483,776
Economic Fund	53,312	10,040	25,000	38,352
Housing Authority	58,537	53		58,590
User Fee Fund	97,390	101,462	72,947	125,905
Clerk's Record Perpetuation	79,555	23,273	7,615	95,213
Deferral Fund	532,918	71,978	45,176	559,720
Rainy Day	6,457,569	2,505,752		8,963,321
Hazardous Material Response Fund	7,529	7		7,536
Cumulative Capital Development	2,260,872	1,591,680	836,908	3,015,644
Parks Capital	688,643	623		689,266
Cumulative Capital Improvement	568,363	324,736	166,006	727,093
Police Pension Fund	3,860,899	535,959	2,012,253	2,384,605
Fire Pension Fund	4,794,304	600,279	2,666,007	2,728,576
Judicial Salary Fees	38,810	51,585		90,395
Illinois St Construction Fund	0	700,178		700,178
Drug Task Force	618,521	190,817	220,922	588,416
Fire Gift Fund	16,362	17,484	28,120	5,726
Parks Gift Fund	53,588	2,590	6,462	49,716
Ambulance Fund	531,604	954,720	785,760	700,564
Grant Fund	547,199	176,874	149,577	574,496
Police Gift	35,115	18,438	14,753	38,800
Dnr/Tree City	50,178	45		50,223
Court Interpreter Fund	4,955	54	1,580	3,429
Community Relations Gift Fund	3,241	21,275	5,169	19,347
Public Defenders Fund	1,799	501	1,272	1,028
Redevelopment Commission	23,305	15	8,966	14,354
Crc Regions Account	5,724,398	26,450,853	28,567,401	3,607,850
Carmel City Court	175,114	2,202,939	1,740,792	637,261
Parks Program Fund	734,778	3,429,577	2,990,369	1,173,986
Parks Monon Fund	941,659	5,093,712	4,526,040	1,509,331
Lease Rental Fund	3,830	4		3,834
2004 Road Bond	14,852	963,336	978,187	1
Cumulative Capital Sewer	1,237,586	307,110	632,347	912,349
Park Impact Fee Fund	1,094,775	964,481	154,050	1,905,206
Barrett Law Fund	6			6
Civic Square Construction Fund	595	1		596
Old Town/126Th Street	457			457
Keystone Ave Fund	6,298,527	2,954	3,397,742	2,903,739
Health Insurance Fund	3,771,412	12,281,236	12,674,973	3,377,675
Workers Comp Fund	76,210	445,113	485,153	36,170
Sub-totals	<u>48,036,280</u>	<u>143,319,301</u>	<u>145,355,430</u>	<u>46,000,151</u>

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CITY OF CARMEL, INDIANA

(Cont'd)

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

For the Year Ended December 31, 2012

	Cash and Investments <u>01-01-12</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash and Investments <u>12-31-12</u>
Sub-totals carried forward	\$48,036,280	\$143,319,301	\$145,355,430	\$46,000,151
Support For The Arts	4,846	1,325,548	1,210,538	119,856
Payroll Fund	738,550	45,065,375	45,526,779	277,146
Barrett Law Surplus	165,457	150	162	165,445
Sewage Works Revenue Bonds	0	18,975,493	10,872,136	8,103,357
Sewer Operating	113,599	7,640,003	7,688,443	65,159
Sewer Depreciating	0	91,843	91,842	1
Sewer Connection Fund	11,408	201,081	206,754	5,735
Sewer Availability Fund	0	202,963	197,598	5,365
Sewer Loan SRF	0			0
Wastewater Bond & Interest At Bony	1,526,236	2,157,607	1,233,208	2,450,635
Water Construction	0	14,234,033	14,234,033	0
Water Operating	37,329	26,439,455	26,254,487	222,297
Water Bond & Interest	1,072,280	73,860		1,146,140
Water Depreciation	0	234,814	234,812	2
Hydrant Meter Deposit Fund	35,990	2,175	1,200	36,965
Water Connection	174,951	2,533,069	2,691,411	16,609
Water Availability	44,480	1,543,046	1,587,525	1
Water Sinking Fund	727,356	4,703,172	4,508,063	922,465
Wells Fargo Water Constr	73,801		73,801	0
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$52,762,563</u>	<u>\$268,742,988</u>	<u>\$261,968,222</u>	<u>\$59,537,329</u>

Note: The following schedule contains limited and unaudited financial information which is presented solely for the purpose of conveying a brief financial summary and a statement of cash and investment balances for the City of Carmel, Indiana. Consequently, the schedule does not include all disclosures required by generally accepted accounting principles.

CITY OF CARMEL, INDIANA

STATEMENT OF RECEIPTS AND DISBURSEMENTS - 2013

(Unaudited)

	Beginning Cash & Investment Balance <u>01-01-13</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash & Investment Balance <u>12-31-13</u>
General	\$2,454,932	\$73,229,637	\$71,979,961	\$3,704,608
Crc Regions Account	3,954,180	1,416	3,955,596	0
Carmel City Court	628,505	1,922,391	2,384,735	166,160
Payroll Fund	277,146	44,637,421	44,709,101	205,466
Ambulance Fund	700,563	1,122,659	1,034,206	789,015
Parks Capital	689,265	731	230,148	459,849
Park Impact Fee Fund	1,905,206	816,716	843,897	1,878,025
Hazardous Material Response Fund	7,536	762		8,298
Parks Program Fund	1,173,986	3,607,773	3,028,294	1,753,464
Parks Monon Fund	1,509,331	4,852,956	4,537,948	1,824,338
Motor Vehicle Highway	2,705,140	10,149,080	9,920,583	2,933,636
Local Road And Street	2,057,350	1,132,695	2,527,735	662,310
Cumulative Capital Improvement	727,093	213,279	553,971	386,401
Cumulative Capital Sewer	912,349	720	385,311	527,758
Deferral Fund	559,718	76,690	60,222	576,186
User Fee Fund	125,905	117,621	110,842	132,685
Cumulative Capital Development	3,015,644	1,725,409	3,765,896	975,156
Illinois St Construction Fund	700,178	3,183,696	61,401	3,822,473
Barrett Law Fund	6			6
Barrett Law Surplus	165,445	250		165,695
Health Insurance Fund	3,377,675	11,985,567	12,091,018	3,272,223
Workers Comp Fund	36,170	270,970	307,139	0
Civic Square Construction Fund	595	0		596
Lease Rental Fund	3,834	6		3,840
Old Town/126Th Street	458	1		458
Dnr/Tree City	50,223	307	26	50,503
Clerk's Record Perpetuation	95,213	19,510	9,570	105,153
Court Interpreter Fund	3,429	1	3,400	30
Support For The Arts	119,856	740,037	842,756	17,136
Public Defenders Fund	1,029	452		1,481
Judicial Salary Fees	90,395	44,065	14,279	120,181
Police Pension Fund	2,384,605	514,968	2,089,493	810,079
Fire Pension Fund	2,728,576	574,794	2,734,728	568,642
Fire Gift Fund	5,726	19,098	16,681	8,143
Police Gift	38,800	12,171	20,491	30,480
Parks Gift Fund	49,715	3,260	4,931	48,043
Community Relations Gift Fund	19,347	84,062	41,128	62,281
Grant Fund	574,496	50,522	153,015	472,003
Redevelopment Commission	14,353	26,948,107	19,002,872	7,959,588
Economic Fund	38,351	10,060		48,411
Housing Authority	58,590	89		58,678
Drug Task Force	588,416	143,520	169,643	562,293
Rainy Day	8,963,321	13,561		8,976,882
Throughfare Fund	483,776	417,006	639,463	261,318
Keystone Ave Fund	2,903,739	3,294	2,665,092	241,941
Sub-totals	<u>46,900,164</u>	<u>188,647,326</u>	<u>190,895,576</u>	<u>44,651,914</u>

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CITY OF CARMEL, INDIANA

(Cont'd)

STATEMENT OF RECEIPTS AND DISBURSEMENTS - 2013

(Unaudited)

	Beginning Cash & Investment Balance <u>01-01-13</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash & Investment Balance <u>12-31-13</u>
Sub-totals carried forward	\$46,900,164	\$188,647,326	\$190,895,576	\$44,651,914
Wastewater Bond & Interest At Bony	2,450,636	1,763,977	1,414,238	2,800,374
Sewage Works Revenue Bonds	8,103,357	51,082	4,339,129	3,815,311
Sewer Operating	65,159	9,242,083	9,286,854	20,388
Sewer Depreciating	2	229,454	229,456	0
Sewer Connection Fund	5,735	410,849	234,393	182,191
Sewer Availability Fund	5,365	118,682	3,156	120,891
Water Operating	222,298	25,138,840	25,341,880	19,258
Hydrant Meter Deposit Fund	36,965	2,725	500	39,190
Water Depreciation	2	225,994	225,996	0
Water Bond & Interest	1,146,140	80,574		1,226,714
Water Sinking Fund	922,466	4,265,709	4,860,419	327,756
Water Connection	16,609	2,111,162	2,127,681	90
Water Availability	<u>0</u>	<u>3,027,194</u>	<u>3,027,181</u>	<u>13</u>
Totals	<u>\$59,874,896</u>	<u>\$235,315,652</u>	<u>\$241,986,460</u>	<u>\$53,204,088</u>

CITY OF CARMEL, INDIANA

DETAIL OF 2013 GENERAL FUND RECEIPTS AND DISBURSEMENTS

(Unaudited)

Receipts:

 Taxes and Intergovernmental:

General Property Taxes	\$29,660,280
County Option Income Tax (COIT)	24,445,596
Food and Beverage Tax	1,774,377
ABC Excise Tax	37,995
Casino/Riverboat	469,121
Cigarette Tax	57,979
Financial Institution Tax	17,059
Vehicle/Aircraft Excise Tax	3,311,392
Commercial Vehicle Excise Tax (CVET)	19,063
ABC Gallonage Tax	155,705
Federal and State Grants and Distributions - Public Safety	16,652

 Licenses and Permits:

Planning, Zoning and Building Permit and Fees	1,725,592
Cable TV Licenses	654,455
Other Licenses and Permits	8,164

 Charges for Services:

Document and Copy Fees	558
Fire Protection Contracts and Service Fees	2,681,916
Park and Recreation Receipts	875,892
Rental of Property	1,900
Other Charges for Services, Sales and Fees	139,026

 Fines, Forfeitures and Fees:

Court Costs and Fees	550,668
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 Other Receipts:

Earnings on Investments and Deposits	976
Sale of Capital Assets	1,257
Refunds and Reimbursements	12,680
Payroll Fund and Clearing Accounts	1,350
Transfers In - Transferred from Another Fund	5,289,639
Miscellaneous	77,089
Management Fees From Utilities	1,218,000
Prior Year Cancelled Checks	3,600
Insurance Reimbursements	20,049
Other Reimbursements	1,603

Total Receipts	<u>\$73,229,637</u>
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CITY OF CARMEL, INDIANA

(Cont'd)

DETAIL OF 2013 GENERAL FUND RECEIPTS AND DISBURSEMENTS

Disbursements:	
Clerk Treasurer	\$863,501
Mayor	597,283
Board of Public Works & Safety	13,279,075
Administration	1,567,022
Personnel	380,626
City Court	663,341
Law Department	537,553
Community Services	2,282,204
Communications Department	1,646,788
Public Affairs	1,133,932
Fire Department	20,581,273
Police Department	17,268,764
Redevelopment	379,281
Parks	2,485,187
Golf	1,172,479
Information Technology	1,412,891
Common Council	3,352,251
Building Operations	2,086,712
Other Disbursements	<u>289,797</u>
Total Disbursements	<u>\$71,979,961</u>
Net increase	1,249,676
Beginning balance	<u>\$2,454,932</u>
Ending balance	<u><u>\$3,704,608</u></u>

The Authority and 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 and its 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: Robert Bushell
President

CITY OF CARMEL
REDEVELOPMENT COMMISSION

By: William Hemminger
President

APPENDIX B



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April 30, 2014

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

In connection with the issuance of \$55,685,000 principal amount of the City of Carmel Redevelopment Authority Lease Rental Revenue Refunding Bonds, Series 2014 (Performing Arts Center Project), we have prepared this special purpose report including the following schedules for inclusion in the Final Official Statement dated April 30, 2014.

Page(s)

B-2 - B-7	General Comments
B-8	Estimated Sources and Uses
B-9	Amortization of \$55,685,000 Principal Amount of Redevelopment Authority Lease Rental Revenue Refunding Bonds, Series 2014
B-10	Calculation of Net Savings
B-11	Combined Annual Lease Rental Payments
B-12	Illustrative Debt Service Tax Rate
B-13	Comparison of Estimated Revenues and Obligations and Coverage Analysis

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 or provide any other form of assurance thereon, nor do we have a responsibility to prepare subsequent reports.

CARMEL (INDIANA) REDEVELOPMENT AUTHORITY

GENERAL COMMENTS

The City of Carmel Redevelopment Authority (the “Authority”) is issuing \$55,685,000 of Lease Rental Revenue Refunding Bonds, Series 2014 (Performing Arts Center Project) (the “2014 Bonds”) for the advance refunding of the \$52,200,000 of currently outstanding Lease Rental Revenue Bonds of 2005 - Current Interest Bonds (the “2005 Refunded Bonds”), to pay the premium for a debt service reserve surety policy and to pay issuance expenses. The Authority originally issued its Lease Rental Revenue Bonds of 2005, dated December 21, 2005, consisting of the 2005 Refunded Bonds and capital appreciation bonds in the aggregate issued amount of \$27,798,227.15 (the “2005 Capital Appreciation Bonds”, and together with the 2005 Refunded Bonds, the “2005 Bonds”), to finance the design and construction of a new performing arts center complex (the “Project” and the “Leased Premises”) in the City Center Redevelopment Area (the “Area”) within City of Carmel, Indiana (the “City”). The Project was leased by the Authority to the City of Carmel Redevelopment Commission (the “Commission”).

The 2014 Bonds shall constitute an indebtedness of the Authority payable in accordance with and secured by terms and pledges contained in the Trust Indenture adopted on December 1, 2005, as supplemented by a First Supplemental Trust Indenture dated as of May 1, 2014 (the “Trust Indenture”) between the Authority and The Bank of New York Mellon Trust Company, N.A., Indianapolis, Indiana (the “Trustee”, “Registrar”, “Paying Agent” and the “Escrow Trustee”). Pursuant to a Lease Agreement executed on July 12, 2005, as amended by an Addendum to Lease dated as of December 6, 2005, a First Amendment to Lease Agreement dated as of January 19, 2010 and a Second Amendment to Lease Agreement dated as of May 1, 2014 (the “Lease”) between the Authority and the Commission, the 2014 Bonds are payable from semiannual lease rental payments (the “Lease Rentals”) to be paid by the Commission directly to the Trustee (on behalf of the Authority).

The 2014 Bonds will be secured by, and payable from, the trust estate created and established under the Trust Indenture (including the Lease Rentals), on a parity with the pledge thereof to the 2005 Capital Appreciation Bonds.

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 or other legally available revenues of the Commission. The boundaries of the District are coterminous with the City.

The Commission agrees to pay fixed Lease Rentals for the Leased Premises during the term of the Lease, payable in equal 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 2014 Bonds and the 2005 Capital Appreciation Bonds.

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CARMEL (INDIANA) REDEVELOPMENT AUTHORITY

(Cont'd)

GENERAL COMMENTS

The advance refunding of the 2005 Refunded Bonds will be accomplished by creating an irrevocable escrow account (the "Escrow Account") and depositing therein cash and certain noncallable direct obligations of the United States of America (the "Government Obligations"). The 2005 Refunded Bonds will be payable from the Escrow Account from and after the date of delivery of the 2014 Bonds to and including the redemption date of February 1, 2016, which is the first date on which the 2005 Refunded Bonds may be redeemed.

For additional information concerning the Special Benefits Tax Revenues, and the 2014 Bonds, refer to the Final Official Statement dated April 30, 2014 and the "Summary of the Lease" contained in Appendix C and the "Summary of Certain Provisions of the Trust Indenture" contained in Appendix D.

Risks to Bondholders

Prospective investors in the 2014 Bonds should be aware that there are risk factors associated with the 2014 Bonds:

(1) The principal of and interest on the 2014 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 2014 Bonds except monies collected from Lease Rentals and funds held under the Trust Indenture. If, for any reason, the Leased Premises is damaged or destroyed and unavailable for use, the Commission would no longer be able to pay Lease Rentals. However, the Commission is required by the Lease to maintain rental value insurance in an amount equal to full rental value for a period up to two (2) years to the extent it is commercially available. In addition, the proceeds of any property and/or casualty insurance claim for the Leased Premises would be used either to reconstruct the Leased Premises or to retire obligations issued to finance the Leased Premises. 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 rental value insurance or 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 2014 Bonds.

(2) General Risks: While the Special Benefits Tax Revenues are pledged to the payment of the Lease Rentals, the Commission intends to pay the Lease Rentals with Tax Increment revenues and other legally available revenues. The Tax Increment revenues and other legally available 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.

(Continued on next page)

GENERAL COMMENTS

Risks to Bondholders (cont'd)

(3) Risks Associated with the Special Tax: There are risk factors associated with the Special Tax.

- (a) *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 Revenues 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 Trust Indenture helps to mitigate this timing risk, but does not eliminate it.

- (b) *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.

(Continued on next page)

GENERAL COMMENTS(3) Risks Associated with the Special Tax: (cont'd)

(b) *Circuit Breaker Tax Credit. (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. According to the 2014 Hamilton County Abstract, the Circuit Breaker Tax Credit allocable to the City of Carmel is \$1,105,726.78 for budget year 2014.

(4) Risks Associated with Tax Increment Revenues and Other Legally Available Revenues: The Commission expects that it will make the Lease Rental payments from Tax Increment revenues derived from the Areas or other legally available revenues of the Commission. There are certain risks associated with Tax Increment revenues, however, to the extent that the Tax Increment revenues and other legally available revenues are insufficient, the Commission is required to levy the Special Benefits Tax Revenues. A firm estimate of Tax Increment revenues should be available by the time of the decision to levy the Special Benefits Tax Revenues for the upcoming Lease Rental. If insufficient Tax Increment revenues are collected, the Commission may not be able to impose an additional Special Benefits Tax Revenues levy until the following budget year which may cause a timing delay as receipt of the Special Benefits Tax Revenues may occur after the Lease Rental payment is due. The Debt Service Reserve Fund established pursuant to the Trust 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.

(5) It is possible that legislation enacted after the date of the 2014 Bonds or proposed for consideration will have an adverse effect on payment or timing of payment or other matters impacting the Bonds. Refer to the "Legislative Proposals" section herein.

Estimated Sources and Uses - Page B-8

This schedule presents estimated uses of the 2014 Bonds. The proceeds of the sale of the 2014 Bonds, together with prior bond funds (the "Prior Bond Funds") on hand, will be applied to the advance refunding of the 2005 Refunded Bonds and to pay issuance expenses.

(Continued on next page)

CARMEL (INDIANA) REDEVELOPMENT AUTHORITY

(Cont'd)

GENERAL COMMENTS

Estimated Sources and Uses - Page B-8 (cont'd)

Pursuant to the terms of an escrow agreement to be dated as of May 1, 2014 entered into between the Authority and The Bank of New York Mellon Trust Company, N.A., as Trustee and Escrow Agent (the "Escrow Agent"), the advance refunding of the 2005 Refunded Bonds will be accomplished by creating an irrevocable escrow account (the "Escrow Account") to be held by the Escrow Trustee and depositing therein cash and certain noncallable direct obligations of the United States of America (the "Government Obligations"). The Government Obligations to be purchased and deposited with the Escrow Trustee 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 monies, together with any amounts of cash on deposit with the Escrow Trustee, will be available to make full and timely payment of all principal and interest due with respect to the 2005 Refunded Bonds from and after the date of delivery of the 2014 Bonds to and including February 1, 2016 at which time the 2005 Refunded Bonds will be called for redemption. All monies and Government Obligations on deposit with the Escrow Trustee, including any earnings thereon, are pledged solely and irrevocably for the benefit of the holders of the 2005 Refunded Bonds.

Amortization of \$55,685,000 Principal Amount of Redevelopment Authority Lease Rental Revenue Refunding Bonds, Series 2014 - Page B-9

The amortization of the \$55,685,000 of Redevelopment Authority Lease Rental Revenue Refunding Bonds, Series 2014 is presented in this schedule. The 2014 Bonds, which will be dated as of the date of issuance (dated May 29, 2014), mature over a period of approximately 18 years 8 months, with the final bonds due February 1, 2033. The amortization schedule of the 2014 Bonds is based on actual interest rates determined through a negotiated sale with Piper Jaffray.

Calculation of Net Savings - Page B-10

This schedule compares the debt service on the 2014 Bonds with the debt service on the 2005 Refunded Bonds to show the annual and semiannual savings. This schedule also shows the estimated net present value savings.

Combined Annual Lease Rental Payments - Page B-11

This schedule shows the annual debt service and combined Lease Rental payments for the 2014 Bonds and the 2005 Capital Appreciation Bonds. The amount of each Lease Rental is reduced to an amount equal to the sum of principal and interest due in each bond year, rounded upward to the next \$1,000 plus \$5,000 for the payment of fiscal agency fees. The calculation of Lease Rental shown in this schedule is based on the debt service on the bond amortization schedule on B-9.

(Continued on next page)

CARMEL (INDIANA) REDEVELOPMENT AUTHORITY

(Cont'd)

GENERAL COMMENTS

Illustrative Debt Service Tax Rate - Page B-12

The Commission intends to pay the Lease Rentals from the revenues of the Commission, including Tax Increment 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 all taxable property in the District.

This schedule presents the calculation of the illustrative annual debt service tax rate, if the Commission were to levy the entire Special Benefits Tax for the Lease Rental payment. It is estimated that the debt service tax rate would range from \$0.0690 to \$0.1766 per \$100 of net assessed value. The City's net assessed value for 2013 pay 2014 is \$6,266,425,597.

Comparison of Estimated Revenues and Obligations and Coverage Analysis - Page B-13

This schedule provides a comparison of the estimated revenues of the Commission and the annual Lease Rental payments due on the 2014 Bonds and due on the obligations that will remain outstanding after the refunding of the 2005 Refunded Bonds.

CARMEL (INDIANA) REDEVELOPMENT AUTHORITY

ESTIMATED SOURCES AND USES

Estimated Uses of Funds:

Deposit to escrow account	\$57,112,978.85
Debt service reserve surety policy	232,845.00
Underwriter's discount	361,952.50
Costs of issuance and contingencies	<u>342,133.12</u>
Total Estimated Uses of Funds	<u><u>\$58,049,909.47</u></u>

Estimated Sources of Funds:

Redevelopment Authority Lease Rental Revenue Refunding Bonds, Series 2014	\$55,685,000.00
Prior funds	17,060.22
Original issue premium	<u>2,347,849.25</u>
Total Estimated Sources of Funds	<u><u>\$58,049,909.47</u></u>

(Subject to the comments in the attached Report
dated April 30, 2014 of Umbaugh.)

CARMEL (INDIANA) REDEVELOPMENT AUTHORITY

**AMORTIZATION OF \$55,685,000 PRINCIPAL AMOUNT OF REDEVELOPMENT
AUTHORITY LEASE RENTAL REVENUE REFUNDING BONDS, SERIES 2014**

(Performing Arts Center Project)

Bonds dated May 29, 2014

<u>Payment Dates</u>	<u>Principal Outstanding</u>	<u>Principal</u>	<u>Interest Rates (%)</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Bond Year Debt Service</u>
08/01/14	\$55,685,000			\$376,814.69	\$376,814.69	
02/01/15	55,685,000			1,093,978.13	1,093,978.13	\$1,470,792.82
08/01/15	55,685,000			1,093,978.13	1,093,978.13	
02/01/16	55,685,000			1,093,978.13	1,093,978.13	2,187,956.26
08/01/16	55,685,000			1,093,978.13	1,093,978.13	
02/01/17	55,685,000			1,093,978.13	1,093,978.13	2,187,956.26
08/01/17	55,685,000			1,093,978.13	1,093,978.13	
02/01/18	55,685,000	\$305,000	3.000	1,093,978.13	1,398,978.13	2,492,956.26
08/01/18	55,380,000			1,089,403.13	1,089,403.13	
02/01/19	55,380,000	315,000	3.000	1,089,403.13	1,404,403.13	2,493,806.26
08/01/19	55,065,000			1,084,678.13	1,084,678.13	
02/01/20	55,065,000	325,000	3.000	1,084,678.13	1,409,678.13	2,494,356.26
08/01/20	54,740,000			1,079,803.13	1,079,803.13	
02/01/21	54,740,000	335,000	4.000	1,079,803.13	1,414,803.13	2,494,606.26
08/01/21	54,405,000			1,073,103.13	1,073,103.13	
02/01/22	54,405,000	345,000	2.250	1,073,103.13	1,418,103.13	2,491,206.26
08/01/22	54,060,000			1,069,221.88	1,069,221.88	
02/01/23	54,060,000	355,000	4.000	1,069,221.88	1,424,221.88	2,493,443.76
08/01/23	53,705,000			1,062,121.88	1,062,121.88	
02/01/24	53,705,000	370,000	2.500	1,062,121.88	1,432,121.88	2,494,243.76
08/01/24	53,335,000			1,057,496.88	1,057,496.88	
02/01/25	53,335,000	375,000	3.000	1,057,496.88	1,432,496.88	2,489,993.76
08/01/25	52,960,000			1,051,871.88	1,051,871.88	
02/01/26	52,960,000	6,460,000	3.000	1,051,871.88	7,511,871.88	8,563,743.76
08/01/26	46,500,000			954,971.88	954,971.88	
02/01/27	46,500,000	9,545,000 (1)	3.318 (4)	954,971.88	10,499,971.88	11,454,943.76
08/01/27	36,955,000			796,643.75	796,643.75	
02/01/28	36,955,000	9,955,000 (2)	3.777 (4)	796,643.75	10,751,643.75	11,548,287.50
08/01/28	27,000,000			608,625.00	608,625.00	
02/01/29	27,000,000	10,425,000	5.000	608,625.00	11,033,625.00	11,642,250.00
08/01/29	16,575,000			348,000.00	348,000.00	
02/01/30	16,575,000	3,850,000 (3)	4.084 (4)	348,000.00	4,198,000.00	4,546,000.00
08/01/30	12,725,000			269,375.00	269,375.00	
02/01/31	12,725,000	4,040,000	5.000	269,375.00	4,309,375.00	4,578,750.00
08/01/31	8,685,000			168,375.00	168,375.00	
02/01/32	8,685,000	4,260,000	3.750	168,375.00	4,428,375.00	4,596,750.00
08/01/32	4,425,000			88,500.00	88,500.00	
02/01/33	4,425,000	<u>4,425,000</u>	4.000	<u>88,500.00</u>	<u>4,513,500.00</u>	<u>4,602,000.00</u>
Totals		<u>\$55,685,000</u>		<u>\$31,639,042.94</u>	<u>\$87,324,042.94</u>	<u>\$87,324,042.94</u>

(1) \$7,445,000 of Serial Bonds due February 1, 2027 at 3.125% and \$2,100,000 of Serial Bonds due February 1, 2027 at 4.000'

(2) \$6,955,000 of Serial Bonds due February 1, 2028 at 3.250% and \$3,000,000 of Serial Bonds due February 1, 2028 at 5.000'

(3) \$2,350,000 of Serial Bonds due February 1, 2030 at 3.500% and \$1,500,000 of Serial Bonds due February 1, 2030 at 5.000'

(4) Bifurcated Serial Bonds. Blended interest rate shown.

(Subject to the comments in the attached Report
dated April 30, 2014 of Umbaugh.)

CARMEL (INDIANA) REDEVELOPMENT AUTHORITY

CALCULATION OF NET SAVINGS

Payment Dates	Debt Service		Savings	
	2005 Refunded Bonds	2014 Bonds	Semiannual	Annual
		(1)		
08/01/14	\$1,295,000.00	\$376,814.69	\$918,185.31	
02/01/15	1,295,000.00	1,093,978.13	201,021.87	\$1,119,207.18
08/01/15	1,295,000.00	1,093,978.13	201,021.87	
02/01/16	1,295,000.00	1,093,978.13	201,021.87	402,043.74
08/01/16	1,295,000.00	1,093,978.13	201,021.87	
02/01/17	1,295,000.00	1,093,978.13	201,021.87	402,043.74
08/01/17	1,295,000.00	1,093,978.13	201,021.87	
02/01/18	1,295,000.00	1,398,978.13	(103,978.13)	97,043.74
08/01/18	1,295,000.00	1,089,403.13	205,596.87	
02/01/19	1,295,000.00	1,404,403.13	(109,403.13)	96,193.74
08/01/19	1,295,000.00	1,084,678.13	210,321.87	
02/01/20	1,295,000.00	1,409,678.13	(114,678.13)	95,643.74
08/01/20	1,295,000.00	1,079,803.13	215,196.87	
02/01/21	1,295,000.00	1,414,803.13	(119,803.13)	95,393.74
08/01/21	1,295,000.00	1,073,103.13	221,896.87	
02/01/22	1,295,000.00	1,418,103.13	(123,103.13)	98,793.74
08/01/22	1,295,000.00	1,069,221.88	225,778.12	
02/01/23	1,295,000.00	1,424,221.88	(129,221.88)	96,556.24
08/01/23	1,295,000.00	1,062,121.88	232,878.12	
02/01/24	1,295,000.00	1,432,121.88	(137,121.88)	95,756.24
08/01/24	1,295,000.00	1,057,496.88	237,503.12	
02/01/25	1,295,000.00	1,432,496.88	(137,496.88)	100,006.24
08/01/25	1,295,000.00	1,051,871.88	243,128.12	
02/01/26	7,365,000.00	7,511,871.88	(146,871.88)	96,256.24
08/01/26	1,143,250.00	954,971.88	188,278.12	
02/01/27	10,408,250.00	10,499,971.88	(91,721.88)	96,556.24
08/01/27	911,625.00	796,643.75	114,981.25	
02/01/28	10,736,625.00	10,751,643.75	(15,018.75)	99,962.50
08/01/28	666,000.00	608,625.00	57,375.00	
02/01/29	11,076,000.00	11,033,625.00	42,375.00	99,750.00
08/01/29	405,750.00	348,000.00	57,750.00	
02/01/30	4,235,750.00	4,198,000.00	37,750.00	95,500.00
08/01/30	312,287.50	269,375.00	42,912.50	
02/01/31	4,362,287.50	4,309,375.00	52,912.50	95,825.00
08/01/31	213,600.00	168,375.00	45,225.00	
02/01/32	4,483,600.00	4,428,375.00	55,225.00	100,450.00
08/01/32	109,687.50	88,500.00	21,187.50	
02/01/33	4,589,687.50	4,513,500.00	76,187.50	97,375.00
Totals	<u>\$90,804,400.00</u>	<u>\$87,324,042.94</u>	<u>\$3,480,357.06</u>	\$3,480,357.06
Transfer from Prior Bond Funds				<u>(17,060.22)</u>
Gross Savings				<u>\$3,463,296.84</u>
Net Present Value Savings				<u>\$2,948,548.20</u>

(1) See page B-9.

(Subject to the comments in the attached Report
dated April 30, 2014 of Umbaugh.)

CARMEL (INDIANA) REDEVELOPMENT AUTHORITY

COMBINED ANNUAL LEASE RENTAL PAYMENTS

Bond Payment Date	Lease Payment Date	Debt Service				Combined Lease Rental (3)	
		Outstanding		Budget Year Total			
		2014 Bonds	2005 Capital Appreciation Bonds		Total	Annual	Semiannual
		(1)	(2)				
8/1/2014	7/1/2014	\$376,814.69		\$376,814.69			\$2,328,000
2/1/2015	1/1/2015	1,093,978.13	\$3,180,000.00	4,273,978.13	\$4,650,792.82	\$4,656,000	2,328,000
8/1/2015	7/1/2015	1,093,978.13		1,093,978.13			2,826,500
2/1/2016	1/1/2016	1,093,978.13	3,460,000.00	4,553,978.13	5,647,956.26	5,653,000	2,826,500
8/1/2016	7/1/2016	1,093,978.13		1,093,978.13			2,961,500
2/1/2017	1/1/2017	1,093,978.13	3,730,000.00	4,823,978.13	5,917,956.26	5,923,000	2,961,500
8/1/2017	7/1/2017	1,093,978.13		1,093,978.13			3,241,500
2/1/2018	1/1/2018	1,398,978.13	3,985,000.00	5,383,978.13	6,477,956.26	6,483,000	3,241,500
8/1/2018	7/1/2018	1,089,403.13		1,089,403.13			3,369,500
2/1/2019	1/1/2019	1,404,403.13	4,240,000.00	5,644,403.13	6,733,806.26	6,739,000	3,369,500
8/1/2019	7/1/2019	1,084,678.13		1,084,678.13			3,985,000
2/1/2020	1/1/2020	1,409,678.13	5,470,000.00	6,879,678.13	7,964,356.26	7,970,000	3,985,000
8/1/2020	7/1/2020	1,079,803.13		1,079,803.13			4,107,500
2/1/2021	1/1/2021	1,414,803.13	5,715,000.00	7,129,803.13	8,209,606.26	8,215,000	4,107,500
8/1/2021	7/1/2021	1,073,103.13		1,073,103.13			4,231,000
2/1/2022	1/1/2022	1,418,103.13	5,965,000.00	7,383,103.13	8,456,206.26	8,462,000	4,231,000
8/1/2022	7/1/2022	1,069,221.88		1,069,221.88			4,379,500
2/1/2023	1/1/2023	1,424,221.88	6,260,000.00	7,684,221.88	8,753,443.76	8,759,000	4,379,500
8/1/2023	7/1/2023	1,062,121.88		1,062,121.88			5,135,000
2/1/2024	1/1/2024	1,432,121.88	7,770,000.00	9,202,121.88	10,264,243.76	10,270,000	5,135,000
8/1/2024	7/1/2024	1,057,496.88		1,057,496.88			5,652,500
2/1/2025	1/1/2025	1,432,496.88	8,810,000.00	10,242,496.88	11,299,993.76	11,305,000	5,652,500
8/1/2025	7/1/2025	1,051,871.88		1,051,871.88			5,684,500
2/1/2026	1/1/2026	7,511,871.88	2,800,000.00	10,311,871.88	11,363,743.76	11,369,000	5,684,500
8/1/2026	7/1/2026	954,971.88		954,971.88			5,730,000
2/1/2027	1/1/2027	10,499,971.88		10,499,971.88	11,454,943.76	11,460,000	5,730,000
8/1/2027	7/1/2027	796,643.75		796,643.75			5,777,000
2/1/2028	1/1/2028	10,751,643.75		10,751,643.75	11,548,287.50	11,554,000	5,777,000
8/1/2028	7/1/2028	608,625.00		608,625.00			5,824,000
2/1/2029	1/1/2029	11,033,625.00		11,033,625.00	11,642,250.00	11,648,000	5,824,000
8/1/2029	7/1/2029	348,000.00		348,000.00			2,275,500
2/1/2030	1/1/2030	4,198,000.00		4,198,000.00	4,546,000.00	4,551,000	2,275,500
8/1/2030	7/1/2030	269,375.00		269,375.00			2,292,000
2/1/2031	1/1/2031	4,309,375.00		4,309,375.00	4,578,750.00	4,584,000	2,292,000
8/1/2031	7/1/2031	168,375.00		168,375.00			2,301,000
2/1/2032	1/1/2032	4,428,375.00		4,428,375.00	4,596,750.00	4,602,000	2,301,000
8/1/2032	7/1/2032	88,500.00		88,500.00			2,303,500
2/1/2033	1/1/2033	4,513,500.00		4,513,500.00	4,602,000.00	4,607,000	2,303,500
Totals		\$87,324,042.94	\$61,385,000.00	\$148,709,042.94	\$148,709,042.94	\$148,810,000	\$148,810,000

(1) See page B-9.

(2) Payments due on the Redevelopment Authority Lease Rental Revenue Bonds of 2005 (Capital Appreciation Bonds).

(3) The amount of each Lease Rental is reduced to an amount equal to the sum of principal and interest due in each bond year, rounded upward to the next \$1,000 plus \$5,000 for the payment of fiscal agency fees.

(Subject to the comments in the attached Report
dated April 30, 2014 of Umbaugh.)

CARMEL (INDIANA) REDEVELOPMENT AUTHORITY

ILLUSTRATIVE DEBT SERVICE TAX RATE

<u>Budget Year</u>	<u>Annual Lease Rental</u>	<u>Estimated Tax Levy</u>	<u>Net Assessed Value</u>	<u>Estimated Debt Service Tax Rate</u>
	(1)	(2)	(3)	(4)
2014	\$4,656,000	\$4,423,200	\$6,266,425,597	(5)
2015	5,653,000	5,370,350	6,266,425,597	\$0.0857
2016	5,923,000	5,626,850	6,266,425,597	0.0898
2017	6,483,000	6,158,850	6,266,425,597	0.0983
2018	6,739,000	6,402,050	6,266,425,597	0.1022
2019	7,970,000	7,571,500	6,266,425,597	0.1208
2020	8,215,000	7,804,250	6,266,425,597	0.1245
2021	8,462,000	8,038,900	6,266,425,597	0.1283
2022	8,759,000	8,321,050	6,266,425,597	0.1328
2023	10,270,000	9,756,500	6,266,425,597	0.1557
2024	11,305,000	10,739,750	6,266,425,597	0.1714
2025	11,369,000	10,800,550	6,266,425,597	0.1724
2026	11,460,000	10,887,000	6,266,425,597	0.1737
2027	11,554,000	10,976,300	6,266,425,597	0.1752
2028	11,648,000	11,065,600	6,266,425,597	0.1766
2029	4,551,000	4,323,450	6,266,425,597	0.0690
2030	4,584,000	4,354,800	6,266,425,597	0.0695
2031	4,602,000	4,371,900	6,266,425,597	0.0698
2032	4,607,000	4,376,650	6,266,425,597	0.0698
Totals	<u>\$148,810,000</u>	<u>\$141,369,500</u>		

(1) See page B-11.

(2) Assumes financial institutions/license excise factor of 5%, with 95% payable from a property tax levy.

(3) Based on the certified net assessed value for 2013 pay 2014 for the City of Carmel with no growth assumed thereafter.

(4) Represents the illustrative debt service tax rate for the estimated debt per \$100 of net assessed value.

(5) Assumes the Lease Rental to be paid from Tax Increment or other legally available revenues of the Commission.

(Subject to the comments in the attached Report
dated April 30, 2014 of Umbaugh.)

CARMEL (INDIANA) REDEVELOPMENT AUTHORITY

COMPARISON OF ESTIMATED REVENUES AND OBLIGATIONS AND COVERAGE ANALYSIS

Tax Collection Year	Total Estimated CRC Revenues (1)	Estimated and Outstanding Obligations			Annual Surplus	Cumulative Surplus	Annual Coverage
		Combined (PAC) 2005 CABs and 2014 Bonds (2)	Outstanding Obligations (3)	Total			
2014	\$19,696,301	\$4,656,000	\$12,912,316	\$17,568,316	\$2,127,985	\$2,127,985	112%
2015	19,569,634	5,653,000	13,538,769	19,191,769	377,865	2,505,850	102%
2016	21,034,598	5,923,000	14,540,460	20,463,460	571,138	3,076,988	103%
2017	22,826,478	6,483,000	14,954,169	21,437,169	1,389,310	4,466,297	106%
2018	23,745,038	6,739,000	15,462,058	22,201,058	1,543,980	6,010,277	107%
2019	24,164,688	7,970,000	14,890,116	22,860,116	1,304,572	7,314,849	106%
2020	24,648,888	8,215,000	15,208,521	23,423,521	1,225,367	8,540,216	105%
2021	25,170,178	8,462,000	15,578,536	24,040,536	1,129,642	9,669,858	105%
2022	25,556,468	8,759,000	15,949,908	24,708,908	847,561	10,517,418	103%
2023	25,942,768	10,270,000	15,196,079	25,466,079	476,689	10,994,107	102%
2024	26,495,258	11,305,000	14,204,438	25,509,438	985,821	11,979,928	104%
2025	26,862,658	11,369,000	14,637,150	26,006,150	856,508	12,836,436	103%
2026	27,230,048	11,460,000	14,971,875	26,431,875	798,173	13,634,609	103%
2027	27,230,048	11,554,000	14,888,438	26,442,438	787,611	14,422,219	103%
2028	26,696,298	11,648,000	14,658,419	26,306,419	389,879	14,812,099	101%
2029	16,698,648 (4)	4,551,000	12,877,084	17,428,084	(729,436)	14,082,663	96%
2030	16,698,648	4,584,000	12,624,910	17,208,910	(510,262)	13,572,401	97%
2031	16,698,648	4,602,000	12,577,060	17,179,060	(480,412)	13,091,989	97%
2032	16,367,418	4,607,000	12,337,148	16,944,148	(576,730)	12,515,259	97%
2033	14,998,218 (4)		14,015,785	14,015,785	982,433	13,497,692	107%
2034	14,998,218		13,631,630	13,631,630	1,366,588	14,864,280	110%
2035	5,358,428 (4)		12,957,450	12,957,450	(7,599,022)	7,265,258	41%
2036	4,535,368		12,276,000	12,276,000	(7,740,632)	(475,374)	37%
2037	1,317,970 (4)		12,275,000	12,275,000	(10,957,030)	(11,432,404)	11%
Totals	<u>\$474,540,913</u>	<u>\$148,810,000</u>	<u>\$337,163,317</u>	<u>\$485,973,317</u>	<u>(\$11,432,404)</u>		

(1) Includes General Tax Increment, Village on the Green (VOG) Tenant Rent, Civic Payments, Energy Consumption Payments, Merchants Square excess bond proceeds, Civic Reserve revenue and Energy Reserve revenue.

(2) See page B-11.

(3) Includes Redevelopment District Taxable County Option Income Tax Revenue Refunding Bonds, Series 2006, Redevelopment District Certificates of Participation, Series 2010C, Lease Rental Revenue Multipurpose Bonds, Series 2012A and B, Redevelopment District Bonds of 2013, Taxable Tax Increment Revenue Bonds, Series 2004 and Secondary Village Financial Installment Contracts.

(4) Assumes 30-year lives of the TIF areas begin to expire.

(Subject to the comments in the attached Report
dated April 30, 2014 of Umbaugh.)

APPENDIX C

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE LEASE

The following is a summary of certain provisions contained in the Lease Agreement, dated as of July 12, 2005, as amended and supplemented by the Addendum to Lease dated December 6, 2005, as further amended and supplemented by the First Amendment to Lease Agreement, dated as of January 19, 2010, as further amended and supplemented by the Second Amendment to Lease Agreement, dated as of May 1, 2014, and as further amended from time to time hereafter (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. This summary does not purport to be a comprehensive description and is qualified in its entirety by reference to the Lease. During the period of this offering, a copy of the entire Lease is available without charge from H.J. Umbaugh & Associates, Certified Public Accountants, LLP, 8365 Keystone Crossing, Suite 300, P. O. Box 40458, Indianapolis, Indiana.

PREMISES, TERM AND RENTAL

Under the Lease, the Authority leases to the Commission an interest in certain real estate (the “Real Estate”) and the improvements comprising a performing arts center which the Authority has constructed, furnished and equipped thereon (the “Project”, and together with the Real Estate, 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.

The term of the Lease commenced on the date the Project was complete and ready for use and will end on the day prior to a date not more than twenty-five (25) years thereafter. The Project was completed and ready for use and occupancy by December 31, 2010. 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 on any rental payment date prior to expiration of the Lease.

The lease rental payment for the Leased Premises are payable in advance in monthly installments on January 1 and July 1 of each year, and commenced on January 1, 2011. 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 all taxes and assessments levied against or on account of the leased property, and all administrative expenses of the Authority relating to the Bonds.

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 Fund to an amount equal to the Debt Service 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 Debt Service 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 any part of the Leased Premises is partially or totally destroyed, 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 insurance 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 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.

MAINTENANCE, ALTERATION, AND REPAIR

The Commission may enter into agreements with one or more parties for the operation, maintenance, repair and alterations of all or any portion of the Leased Premises. Such other parties may assume all responsibility for operation, maintenance, repairs and alterations to the Leased Premises. At the end of the term, the Commission must 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 its own expense, maintain the following types and amounts of insurance with respect to the Leased Premises:

(a) Insurance against physical loss or damage, however caused, with such exceptions as are ordinarily required by insurers of buildings or improvements of a similar type, with good and responsible insurance companies approved by the Authority. Such insurance shall be in an amount at least equal to the greater of (i) the option to purchase price for the Leased Premises (as defined in the Lease), and (ii) one hundred percent (100%) of the full replacement cost of the Leased Premises as certified by a registered architect, registered engineer or professional appraisal engineer selected by the Lessor, on the effective date of the Lease and on or before the first day of April of each year thereafter, provided, such certification shall not be required so long as the amount of such insurance shall be at least equal to the amount specified in (i) above. Such appraisal may be based upon a recognized index of conversion factors.

(b) Rent or rental value insurance in an amount equal to the full rental value of the Leased Premises for a period of two (2) years against physical loss or damage of the type insured against pursuant to the preceding paragraph (a).

(c) 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 and with one or more good and responsible insurance companies.

Such policies must be for the benefit of persons having an insurable interest in the Leased Premises 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.

EMINENT DOMAIN

If title to or the temporary use of the Leased Premises, or any part thereof, should be taken under the exercise or the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, any net proceeds received from any award made in such eminent domain proceedings will be paid to and held by the Trustee under the Indenture. Within ninety (90) days from the date of entry of a final order in any eminent domain proceedings granting condemnation, the Commission shall direct the Authority and Trustee in writing that such proceeds shall be applied either to (i) restore the Leased Premises to substantially the same condition as it existed prior to the exercise of that power of eminent domain, or (ii) acquire, by construction or otherwise, other improvements suitable for the Lessee's operations on the Leased Premises and which are in furtherance of the purposes of the Act and the Plan (the improvements shall be deemed a part of the Leased Premises and available for use and occupancy by the Lessee without the payment of any rent other than as herein provided, to the same extent as if such other improvements were specifically described herein and demised hereby). Any balance of the net proceeds of the award in such eminent domain proceedings not required to be applied for the purposes specified in subsections (i) or (ii) above shall be deposited in the sinking fund held by the Trustee under the Indenture and applied to the repayment of the Bonds.

TAX COVENANTS

In order to preserve the exclusion of interest any series of Bonds (including the 2014 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)(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.

The foregoing covenants are based solely on current law in effect and in existence on the date of issuance of the 2014 Bonds. It shall not be an event of default under the Lease if interest on any 2014 Bonds is not excludable from gross income pursuant to any provision of the Code which is not in existence and in effect on the issue date of the 2014 Bonds.

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 sixty (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, including accrued and unpaid interest to the first date on which bonds may be redeemed and all premiums payable on 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 TO LESSEE

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 title to the Leased Premises to the Commission or to any entity (including the City) designated by the Lessee.

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 (i) 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 (ii) 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.

APPENDIX D

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE

The following is a summary of certain provisions contained in the Trust Indenture, dated as of December 1, 2005, as supplemented and amended by the First Supplemental Trust Indenture, dated as of May 1, 2014 (collectively, the “Indenture”) by and between the City of Carmel Redevelopment Authority (the “Authority”) and The Bank of New York Mellon Trust Company, N.A. (ultimate successor to J.P. Morgan Trust Company, National Association), as trustee (the “Trustee”), pursuant to which the Authority is issuing its Lease Rental Revenue Refunding Bonds, Series 2014 (Performing Arts Center Project) (the “2014 Bonds”). This summary does not purport to be a comprehensive description and is qualified in its entirety by reference to the Indenture. During the period of this offering, a copy of the Indenture is available without charge from H.J. Umbaugh & Associates, Certified Public Accountants, LLP, 8365 Keystone Crossing, Suite 300, P. O. Box 40458, Indianapolis, Indiana.

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.

“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 2005 Bonds or the 2014 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 2005 Capital Appreciation Bonds, the 2014 Bonds and any Additional Bonds as the case may be, authenticated and delivered under the Indenture.

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

“Code” means the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the 2014 Bonds.

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

“Credit Facility” means a letter of credit, surety bond, liquidity facility, insurance policy or comparable instrument furnished by a Credit Facility Provider with respect to all or a specific portion of one or more series of Bonds to satisfy in whole or in part the Authority’s obligation to maintain a reserve requirement with respect thereto, but only if the long-term debt obligations of such Credit Facility Provider are rated (at the time of issuance of such Credit Facility) in one of the two highest Rating Categories by the Rating Agency or Rating Agencies then rating the Bonds.

“Credit Facility Provider” means the bank, insurance company, financial institution or other entity providing a Credit Facility.

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

“Debt Service Reserve Fund Reimbursement Obligation” means any obligation to reimburse the Credit Facility Provider of any Reserve Fund Credit Facility for any payment made under such 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 Facility Provider.

“Debt Service Reserve Requirement” means an amount equal the maximum annual principal and interest requirements on the 2014 Bonds. At the time of issuance of the 2014 Bonds, the Debt Service Reserve Requirement means an amount equal to \$11,642,250.

“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 the 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, collectively, the Trust Indenture, dated as of December 1, 2005, as supplemented and amended by the First Supplemental Trust Indenture, dated as of May 1, 2014, each by and between the Authority and the Trustee, 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, 2014 with respect to the 2014 Bonds.

“Lease” means the Lease Agreement, by and between the Authority and the Lessee, dated as of July 12, 2005, as amended and supplemented by the Addendum to Lease dated December 6, 2005, as further amended and supplemented by the First Amendment to Lease Agreement, dated as of January 19, 2010, as further amended and supplemented by the Second Amendment to Lease Agreement, dated as of May 1, 2014, and as further amended from time to time hereafter.

“Leased Premises” means the real property and improvements described in the Lease, generally consisting of all a performing arts center 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.

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

“Project” shall mean the acquisition of land and the construction, equipping and furnishing of buildings, structures and improvements comprising the performing arts center complex located in the City.

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

“Purchase Agreement” means the Bond Purchase Agreement, dated April 30, 2014, between the Authority and the Underwriter concerning the terms of the sale and purchase of the 2014 Bonds.

“Qualified Investments” means any of the following to the extent permitted by State law: (i) Government Obligations; (ii) money market funds, which may be funds of the Trustee, the assets of which are obligations of or guaranteed by the United States of America and which funds are rated at the time of purchase “Am” or “Am-G” or higher by Standards & Poor’s Ratings Service, Inc. and/or “Aaa” by Moody’s Investors Service, Inc.; (iii) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies: Export-Import Bank, Farmers Home Administration, Federal Financing Bank, Federal Housing Administration, Government National Mortgage Association, Maritime Administration, Public Housing Authorities, Banks for Cooperatives and Farm Credit Banks, Federal Home Loan Mortgage Corp., Federal Home Loan Bank and Federal National Mortgage Association; (iv) [RESERVED]; (v) bankers’ acceptances or deposits of commercial banks or savings and loan associations, including the Trustee, which mature not more than one year after the date of purchase; provided the banks or savings and loan associations (as opposed to their holding companies) are rated for unsecured debt at the time of purchase of the investments in any of the three highest rating categories established by Moody’s Investors Service, Inc. and Standard & Poor’s Ratings Service, Inc.; (vi) commercial paper rated “A-1” or higher by Standard and Poor’s ratings group and “Prime-1” or higher by Moody’s Investors Service and which matures not more than 270 days after the date of purchase; (vii) investment agreements fully and properly secured at all times by collateral security described in (i), (iii) or (iv) above; (viii) repurchase agreements with any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Trustee) or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is secured by any one or more of the securities described in clauses (i), (iii) or (iv) above; provided, underlying securities are required by the repurchase agreement to be continuously maintained at a market value not less than the amount so invested; and (ix) shares of an investment company, organized under the Investment Company Act of 1940, as amended, which invests its assets solely in the obligations described in (i) and (viii) above, which would be regarded by prudent businessmen as a safe investment (the fact that the Trustee, any affiliate of the Trustee is providing services to and receiving remuneration from the foregoing investment company or trust as investment advisor, custodian, transfer agent, registrar or otherwise shall not preclude the Trustee from investing in the securities of such investment company or investment trust); (x) unsecured certificates of deposit, demand deposits, including interest bearing money market accounts, trust deposits, time deposits or bankers acceptances (in each case having maturities of not more than 360 days) of any domestic bank (including the Trustee and any bank affiliated with the Trustee) including a branch office of a foreign bank, which branch office is located in the United States, provided that such bank at the time of purchase, has a short-term “Bank Deposit” rating of “Prime-1” or better by Moody’s and a rating of “A-1” or better by Standard & Poor’s; (xi) deposits of any bank or savings and loan association (including the Trustee and any bank affiliated with the Trustee) that has combined capital, surplus and undivided profits of not less than \$100,000,000, provided that such deposits are continuously and fully insured by the Bank Insurance Fund or the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation (“FDIC”), or to the extent uninsured, otherwise fully secured by obligations described in (i), (ii) or (iii) above.

“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.

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

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

“Refunded Bonds” shall mean all of the 2005 Current Interest Bonds, maturing on February 1, 2026, through and including February 1, 2033.

“Registrar” means The Bank of New York Mellon Trust Company, N.A., and its successors and assigns.

“Reserve Fund Credit Facility” means a Credit Facility provided to satisfy all or any portion of the Debt Service Reserve Requirement.

“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 The Bank of New York Mellon Trust Company, N.A. (ultimate successor to J.P. Morgan Trust Company, National Association), and its successor or successors in trust.

“2005 Bonds” means, collectively, the 2005 Capital Appreciation Bonds and the 2005 Current Interest Bonds. Following the issuance of the 2014 Bonds, the only 2005 Bonds that will remain outstanding under the Indenture will be the 2005 Capital Appreciation Bonds.

“2005 Capital Appreciation Bonds” means the Authority’s Lease Rental Revenue Bonds, Series 2005 (Capital Appreciation Bonds), authorized and secured pursuant to the Indenture, issued in the original issued amount of \$27,798,227.15, for the purpose of financing a portion of the cost of the Project, and currently outstanding in the aggregate amount of \$61,385,000.

“2005 Current Interest Bonds” means the Authority’s Lease Rental Revenue Bonds, Series 2005 (Current Interest Bonds), authorized and secured pursuant to the Indenture, issued in the original aggregate principal amount of \$52,200,000 for the purpose of financing a portion of the cost of the Project, currently outstanding (prior to the issuance of the 2014 Bonds) in the principal amount of \$52,200,000.

“2005 Escrow Account” shall mean the escrow account established under the 2005 Escrow Agreement.

“2005 Escrow Agent” shall mean The Bank of New York Mellon Trust Company, N.A., as escrow agent under the 2005 Escrow Agreement.

“2005 Escrow Agreement” shall mean the Escrow Agreement, dated as of May 1, 2014, between the Authority and Escrow Agent, related to the advance refunding of the Refunded Bonds.

“2014 Bondholder” shall mean the registered owner of any 2014 Bond.

“2014 Bonds” shall mean the Authority’s Lease Rental Revenue Refunding Bonds, Series 2014 (Performing Arts Center Project), authorized to be issued pursuant to the Indenture in the original aggregate principal amount of \$55,685,000, for the purpose of advance refunding the Refunded Bonds.

“2014 Bond Issuance Expense Account” means the 2014 Bond Issuance Expense Account of the Project Fund established under the Indenture.

“2014 Reserve Fund Credit Facility” means the Reserve Fund Credit Facility provided by the Assured Guaranty for deposit into the Debt Service Reserve Fund to satisfy the Debt Service Reserve Requirement with respect thereto upon the issuance of the 2014 Bonds. The 2014 Reserve Fund Credit Facility constitutes a Reserve Fund Credit Facility at the time of issuance thereof.

“2014 Refunding Account” means the 2014 Refunding Account of the Project Fund established under the Indenture.

“Underwriter” means, collectively, Piper Jaffray & Co., as representative of itself and any other underwriters identified in the Purchase Agreement, as underwriters of the 2014 Bonds.

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) 2014 Refunding Account, and
 - (b) 2014 Bond Issuance Expense Account;
- (ii) Sinking Fund;
- (iii) Debt Service Reserve Fund;
- (iv) Rebate Fund; and
- (v) Operation Fund.

OPERATION OF FUNDS AND ACCOUNTS

2014 Refunding Account. A portion of the net proceeds from the sale of the 2014 Bonds, in an amount equal to \$57,112,978.85, will be deposited with the Trustee in trust in the 2014 Refunding Account. The Trustee will, concurrently with its receipt of such proceeds, transfer such proceeds, together with \$17,060.22 of the money currently on deposit in the Sinking Fund and/or the Operation Fund, to the Escrow Agent for deposit under the 2005 Escrow Account, which will be used to advance refund the Refunded Bonds.

2014 Bond Issuance Expense Account. A portion of the 2014 Bond proceeds, in an amount equal to \$232,845.00, will be transferred to Assured Guaranty to pay the premium for the 2014 Reserve Fund Credit Facility (to be deposited into the Debt Service Reserve Fund). The remainder of the 2014 Bond proceeds, in an amount equal to \$342,133.12, will be deposited into the 2014 Bond Issuance Expense Account and will be disbursed by the Trustee to pay expenses incurred in connection with the issuance of the 2014 Bonds all in accordance with written instructions or other satisfactory documentation provided by an Authorized Representative of the Authority. Any amounts remaining in the 2014 Bond Issuance Expense Account one-hundred twenty (120) days after the issuance of the 2014 Bonds will be transferred to the Sinking Fund and used to pay a portion of the amount due on the immediately following Interest Payment Date, at which time the 2014 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 may be used for deposits 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 Debt Service Reserve Requirement at the time of delivery of the 2014 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 2014 Bonds, and only if moneys in the Sinking Fund are insufficient to pay principal of and interest on the 2014 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 2014 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 the moneys in the Debt Service Reserve Fund exceed the Debt Service Reserve Requirement, the Trustee will move the cash or Qualified Investments, in excess of that needed for amount therein to be equal to the Debt Service Reserve Requirement, from the Debt Service Reserve Fund to the Sinking Fund or the Operation Fund, as directed by the Authority.

Notwithstanding the foregoing, the Authority may cause a Reserve Fund Credit Facility to be deposited into the Debt Service Reserve Fund for the benefit of the holders of the 2014 Bonds. Accordingly, the Authority has elected to satisfy the Debt Service Reserve Requirement on the date of issuance of the 2014 Bonds by acquiring the 2014 Reserve Fund Credit Facility for deposit into the Debt Service Reserve Fund. If such deposit causes the Debt Service Reserve Fund balance to be equal to the Debt Service Reserve Requirement, moneys in the Debt Service Reserve Fund which cause its balance to be in excess of the Debt Service 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 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 Debt Service 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 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 Reserve Fund Credit Facility. The Trustee is authorized to move the amounts to satisfy the Debt Service Reserve Fund Reimbursement Obligations to a Credit Facility Provider with respect to any Reserve Fund Credit Facility.

In the event that the amount on deposit in the Debt Service Reserve Fund is less than the Debt Service 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 the Lease) 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 Debt Service 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 Facility Provider.

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

Notwithstanding the foregoing, for so long as (i) the 2014 Reserve Fund Credit Facility remains in full force and effect, and (ii) the long-term debt obligations of the Assured Guaranty are rated in one of the two highest Rating Categories by a Rating Agency then rating the 2014 Bonds; the prior written consent of the Assured Guaranty will be a condition precedent to the deposit of any Reserve Fund Credit Facility (other than the 2014 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 the Indenture, amounts on deposit in the Debt Service Reserve Fund will be applied solely to the payment of debt service on the 2014 Bonds.**

Notwithstanding the foregoing, for so long as the 2014 Reserve Fund Credit Facility remains in full force and effect, the following provisions will apply:

(1) The Authority will repay any draws under the 2014 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 2014 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 2014 Reserve Fund Credit Facility will be increased by a like amount, subject to the terms of the 2014 Reserve Fund Credit Facility.

All cash and investments in the Debt Service Reserve Fund allocated to the 2014 Bonds will be transferred to the Sinking Fund for payment of debt service on the 2014 Bonds before any drawing may be made on the 2014 Reserve Fund Credit Facility or any other Reserve Fund 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 2014 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 Reserve Fund Credit Facilities (including the 2014 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 Facility 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 2014 Bonds; or (ii) remedies which would adversely affect owners of the 2014 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 2014 Bonds.

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

(5) The Trustee will ascertain the necessity for a claim upon the 2014 Reserve Fund Credit Facility and to provide notice to Assured Guaranty in accordance with the terms of the 2014 Reserve Fund Credit Facility at least five (5) business days prior to each date upon which interest or principal is due on the 2014 Bonds.

Rebate Fund. If, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes, 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, financial advisor'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 an Authorized Representative 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.

Investment of Funds. All funds will be invested by the Trustee (as directed in writing by the Authority) in such Qualified Investments. The Trustee will allocate 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 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

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 ("Additional Bonds") may be issued on a parity with the Bonds and any other bonds then outstanding to finance or refinance any of the Project or to refund any of the Bonds. 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 of the 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 Registrar 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 nationally recognized bond counsel to the effect that the issuance and sale of such Additional Bonds will not result in interest on the 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 Project; 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.

Further Security; Title to Trust Estate. The Authority covenants that it will promptly make, execute and deliver all indentures supplemental hereto, or otherwise, and take all such action as may reasonably be deemed by the Trustee necessary or advisable for better assuring and confirming to the Trustee the Trust Estate or any part thereof. The Authority covenants that it has good right, full power and lawful authority to issue the Bonds, execute the Indenture and subject all of the Trust Estate to the lien thereof, in the manner and form therein contained or intended.

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; No Disposition 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 sell or otherwise dispose of the Leased Premises, except as permitted by the Indenture and the Lease.

No Disposition of Leased Premises. The Authority covenants that it will not sell or otherwise dispose of the Leased Premises or any portion thereof, 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.

Lease; Acquisition or Construction of Leased Premises. The Authority covenants that the Lease is valid and binding on the Authority, and that full, true and correct copy of the Lease is on file with the Trustee. 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. The Authority shall be permitted, without the consent of the Trustee or the owners of the Bonds, to amend the Lease to release from the Leased Premises any excess land that is not required for the footprint of the Project.

Pursuit of Remedies upon Default. The Authority covenants that, upon any default in the payment of lease rental 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 Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code.

INSURANCE

Insurance After Completion of the Project. The Authority covenants that by the Lease it has required the Commission to carry (i) insurance on the Leased Premises against physical loss or damage thereto, however caused, with such exceptions as are ordinarily required by insurers of buildings or facilities of a similar type, which insurance shall be in an amount at least equal to the greater of (a) the option to purchase price set forth in the Lease, and (b) one hundred percent (100%) of the full replacement cost of the Leased Premises as certified by an architect or engineer or an insurance company representative in accord with the Lease; (ii) rent or rental value insurance in an amount equal to the full rental value of the Leased Premises for a period of two (2) years against physical loss or damage of the type insured against under clause (i) of this paragraph; and (iii) 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.

Evidence of Insurance. Such insurance policies 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 by the Indenture may be by blanket insurance policy or policies or through a self-insurance program. A copy of such policies will be deposited with the Trustee within seven (7) days after each such policy has been procured. The Trustee may rely upon such insurance policies. Upon the request of an original purchaser of the Bonds issued hereunder, the Authority will furnish to the original purchaser of the Bonds issued hereunder a copy of each policy deposited with the Trustee and, on or before the last day of April of each year, the Authority will furnish to the Trustee, 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, the character of the risk insured.

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 Trustee's prime rate of interest plus two percent (2%), 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 therefor.

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.

DAMAGE, DESTRUCTION OR CONDEMNATION OF LEASED PREMISES

In the event all or part of the Leased Premises is damaged or destroyed, or is taken by exercise of eminent domain, the proceeds of such insurance or condemnation award received by the Authority or the Trustee (other than rental value insurance proceeds received by the Trustee) shall be applied to the replacement or reconstruction of the damaged, destroyed or condemned property by the Authority. In the event the Authority does not commence to replace or reconstruct the Leased Premises so damaged, destroyed or condemned within ninety (90) days after any such event 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 insurance or condemnation proceeds available therefor, 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 damaged, destroyed or condemned Leased Premises, and such negligence, failure or refusal continues for one hundred twenty (120) days, the Trustee, upon receipt of the insurance proceeds or 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 all of 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 any such Bonds are not then subject to redemption, the Trustee will apply the proceeds to the payment of any outstanding Bonds that are then subject to optional redemption, in the manner provided by the Indenture, and shall hold the remaining proceeds in escrow and use such proceeds to redeem or retire outstanding Bonds on the first available redemption date or maturity dates.

If, at any time, the Leased Premises are totally or substantially damaged, destroyed or condemned and the amount of insurance or 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.

In the event of any reconstruction of any part of the Leased Premises after substantially total destruction or condemnation thereof, a project may be constructed by the Authority in accordance with plans and specifications which must be satisfactory to the Commission, and such project may be wholly different in design or construction or designed for a different purpose, but in no event shall any actions taken pursuant to the Indenture provision impair any of the obligations of the Authority or the Commission under the Lease.

EVENTS OF DEFAULT AND REMEDIES

Events of Default. Each of the following events is 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 ninety (90) 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 from the date of entry thereof;
- (vii) The Authority files a petition under the provisions of the United States Bankruptcy Code, or files an 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.

(i) *Acceleration.* 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 such 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.

(ii) *Other Remedies.* 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 twenty-five percent (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.

(iii) *Appointment of Receiver.* 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 the Indenture, 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, including all reasonable fees and expenses of the Trustee, and of any receiver or receivers appointed therein, together with reasonable attorneys' and agents' fees of the Trustee;
- (ii) to the payment of all other expenses of the trust created by the Indenture, including all moneys paid or advanced by the Trustee, or the registered owners of any Bonds secured thereby, for taxes, repairs, insurance, mechanic's and other liens on the property subject to the Lease, or otherwise, in connection with the management or administration of the trusts 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, from the date or dates paid or advanced
- (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; and

- (iv) 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 provide for the issuance of Additional Bonds as provided in the Indenture; or
- (iv) For any other purpose which, in the judgment of the Authority 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, the Registrar, and the Paying Agent 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 thirty (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) such Government Obligations as described in clause (ii) above, or (3) a combination of cash and such Government Obligations as described in (ii) above, 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 thirty (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

APPENDIX E

FORM OF BOND COUNSEL OPINION FOR THE 2014 BONDS

Upon the delivery of the 2014 Bonds, Barnes & Thornburg LLP, as bond counsel, proposes to deliver an opinion in substantially the following form:

May 29, 2014

City of Carmel Redevelopment Authority
City of Carmel, Indiana

Re: City of Carmel Redevelopment Authority Lease Rental Revenue Refunding
Bonds, Series 2014 (Performing Arts Center Project)

Gentlemen:

We have acted as bond counsel to the City of Carmel Redevelopment Commission (the “Commission”) in connection with the issuance by the City of Carmel Redevelopment Authority (the “Issuer”) of its Lease Rental Revenue Refunding Bonds, Series 2014 (Performing Arts Center Project), dated the date hereof (the “Bonds”), in the aggregate principal amount of \$55,685,000, 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 April 21, 2014, and (iii) the Trust Indenture, dated as of December 1, 2005 (the “Original Indenture”), as supplemented and amended by the First Supplemental Trust Indenture, dated as of May 1, 2014 (the “First Supplemental Indenture” and together with the Original Indenture, the “Indenture”), each by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee. 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, the Commission and the City of Carmel, Indiana (the “City”) contained in the Indenture and the Lease (as defined in the First Supplemental Indenture), 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 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), on a parity with the pledge thereof to the Issuer's Lease Rental Revenue Bonds of 2005 (Capital Appreciation Bonds).

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 April 30, 2014, 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 F

\$55,685,000
CITY OF CARMEL REDEVELOPMENT AUTHORITY
LEASE RENTAL REVENUE REFUNDING BONDS, SERIES 2014
(Performing Arts Center Project)

CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

This Continuing Disclosure Undertaking Agreement (this “Agreement”) is made this 29th day of May, 2014, from the City of Carmel Redevelopment Authority (the “Promisor”) to each registered owner or holder of any Bond (as hereinafter defined) (each, a “Promisee”);

WITNESSETH THAT:

WHEREAS, the Promisor is issuing its Lease Rental Revenue Refunding Bonds, Series 2014 (Performing Arts Center Project) (the “Bonds”) pursuant to a Trust Indenture dated as of December 1, 2005, as supplemented by a First Supplemental Trust Indenture dated as of May 1, 2014 (together, the “Indenture”), by and between the Promisor and The Bank of New York Mellon Trust Company, N.A., as trustee; and

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

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

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

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

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

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

- (a) “Bond” shall mean any of the Bonds.
- (b) “Bondholder” shall mean any registered or beneficial owner or holder of any Bond.
- (c) “City” shall mean the City of Carmel, Indiana.
- (d) “Commission” shall mean the City of Carmel Redevelopment Commission.
- (e) “Dissemination Agent” means the Promisor (initially), and thereafter any successor Dissemination Agent designated in writing by the Promisor and which has filed with the Promisor a written acceptance of such designation.
- (f) “EMMA” means the Electronic Municipal Market Access system operated by the MSRB, currently accessible at <http://emma.msrb.org/default.aspx>.
- (g) “Final Official Statement” shall mean the Final Official Statement dated April 30, 2014, relating to the Bonds, including any document included therein by specific reference which has been previously provided through EMMA.
- (h) “Fiscal Year” of any person shall mean any period from time to time adopted by such person as its fiscal year for accounting purposes.
- (i) “Listed Events” means any of the events, with respect to the Bonds, listed in Section 4(a)(iii)(A) through 4(a)(iii)(N) of this Agreement
- (j) “MSRB” shall mean the Municipal Securities Rulemaking Board.
- (k) “Obligated Person” shall mean any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund or account of such person committed by contract or other arrangement to support payment of all or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities). Obligated Persons with respect to the Bonds are identified herein.
- (l) “Rule” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as the same may be amended from time to time.
- (m) “State” shall mean the State of Indiana.

Section 2. Term. The term of this Agreement shall commence on the date of delivery of the Bonds by the Promisor to the Underwriter and shall expire on the earlier of (a) the date of payment in full of principal of and premium, if any, and interest on the Bonds, whether upon scheduled maturity, redemption, acceleration or otherwise, (b) the date of defeasance of the Bonds in accordance with the terms of the Indenture or (c) the date of any rescission as described in Section 11 hereof.

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

(a) Obligated Persons with respect to the Bonds include the Promisor, the City and the Commission; and

(b) In the five (5) years prior to the date of the Final Official Statement, the Obligated Persons have complied with any previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule; however, in a few instances, notice of certain material events has not been filed in a timely manner.

Section 4. Undertaking to Provide Information.

(a) The Promisor hereby undertakes to provide or to cause the Commission and/or the City to provide, either directly or indirectly through a Dissemination Agent, for the Promisor, the Commission and the City:

(i) To the MSRB through EMMA, within one hundred eighty (180) days after the close of each Fiscal Year of the City, beginning with the Fiscal Year ending on or after December 31, 2014, the following financial information and operating data for such Obligated Person: (A) unaudited financial information of the City, if audited financial statements are not available and (B) operating data of the type provided under the following headings in Appendix A to the Official Statement: “GENERAL ECONOMIC AND FINANCIAL INFORMATION – Schedule of Historical Net Assessed Valuation,” “– Detail of Net Assessed Valuation,” “– Comparative Schedule of Certified Tax Rates,” “– Property Taxes Levied and Collected,” “– Large Taxpayers,” and “– Statement of Receipts, Disbursements, and Cash and Investment Balances—Regulatory Basis” (the financial information and operating data set forth in this Section 4(a)(i), the “Annual Financial Information”);

(ii) If not submitted as part of the Annual Financial Information, then when and if available, to the MSRB through EMMA, audited financial statements for the City or the Examination Report of the City as prepared and examined by the Indiana State Board of Accounts for each Fiscal Year ending December 31, beginning with the Fiscal Year ending on December 31, 2014, together with the opinion of such accountants and all notes thereto within sixty (60) days of receipt from the Indiana State Board of Accounts; and

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

(A) Principal and interest payment delinquencies;

(B) Non-payment related defaults, if material (with such determination of materiality to be made by the Promisor in accordance with federal securities laws);

(C) Unscheduled draws on debt service reserves reflecting financial difficulties;

(D) Unscheduled draws on credit enhancements reflecting financial difficulties;

(E) Substitution of credit or liquidity providers, or their failure to perform;

(F) Adverse tax opinions, issued by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(G) Modifications to rights of owners of the Bonds, if material (with such determination of materiality to be made by the Promisor in accordance with federal securities laws);

(H) Bond calls, if material (with such determination of materiality to be made by the Promisor in accordance with federal securities laws), and tender offers;

(I) Defeasances;

(J) Release, substitution or sale of property securing repayment of the Bonds, if material (with such determination of materiality to be made by the Promisor in accordance with federal securities laws);

(K) Rating changes;

(L) Bankruptcy, insolvency, receivership or similar events of the Promisor and/or the Commission;

(M) The consummation of a merger, consolidation, or acquisition involving the Promisor and/or the Commission or the sale of all or substantially all of the assets of the Promisor and/or the Commission, other than in the course of ordinary business, the entry into a

definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material (with such determination of materiality to be made by the Promisor in accordance with federal securities laws); and

(N) Appointment of a successor or additional trustee or the change of a name of trustee, if material (with such determination of materiality to be made by the Promisor in accordance with federal securities laws).

The Promisor, the City and/or the Commission may from time to time choose to provide notice of the occurrence of any other event, in addition to those listed above, if, in the judgment of the Promisor, the City and/or the Commission, such other event is material with respect to the Bonds and should be disclosed, but the Promisor, the City and/or the Commission do not undertake to commit to provide any such notice of the occurrence of any material event except those events set forth above.

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

(c) Any Annual Financial Information or audited financial statements may be set forth in a document or set of documents, or may be included by specific reference to documents previously provided to the MSRB through EMMA. If the document is a final official statement (as defined in the Rule), it must be available from the MSRB through EMMA.

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

(e) If, for any reason, the Promisor fails to provide, or to cause the City and/or the Commission to provide, the audited financial statements of the City or the Examination Report of the City as required by subsection (a)(ii) of this Section 4 or Annual Financial Information as required by subsection (a)(i) of this Section 4, the Promisor shall, and the City and/or the Commission may, provide notice of such failure in a timely manner to the MSRB through EMMA.

Section 5. Certification.

(a) Any Annual Financial Information provided by the Promisor, the Commission or the City pursuant to Section 4(a)(i) hereof shall be accompanied by a certificate, signed by the Promisor, the Commission or the City, in substantially the form of Exhibit A hereto.

(b) Any audited financial statements provided by the Promisor, the Commission or the City pursuant to Section 4(a)(ii) hereof shall be accompanied by a certificate, signed by the Promisor, the Commission or the City, in substantially the form of Exhibit B hereto.

(c) Any notice provided by the Promisor, the Commission or the City pursuant to Section 4(a)(iii) hereof shall be accompanied by a certificate, signed by the Promisor, the Commission or the City, in substantially the form of Exhibit C hereto.

(d) Any notice provided by the Promisor, the Commission or the City pursuant to Section 4(d) hereof shall be accompanied by a certificate, signed by the Promisor, the Commission or the City, in substantially the form of Exhibit D hereto.

Section 6. Termination of Obligation. The obligation to provide Annual Financial Information, audited financial statements and notices of events under Sections 4(a) and 4(d) hereof shall terminate with respect to any Obligated Person, if and when such Obligated Person no longer remains an obligated person (as defined in the Rule) with respect to the Bonds.

Section 7. Bondholders. Each Bondholder is an intended beneficiary of the obligations of the Promisor under this Agreement, such obligations create a duty in the Promisor to each Bondholder to perform such obligations, and each Bondholder shall have the right to enforce such duty.

Section 8. Limitation of Rights. Nothing expressed or implied in this Agreement is intended to give, or shall give, to the Underwriters, the Commission or any Obligated Person, or any underwriters, brokers or dealers, or any other person, other than the Promisor, each Promisee and each Bondholder, any legal or equitable right, remedy or claim under or with respect to this Agreement or any rights or obligations hereunder. This Agreement and the rights and obligations hereunder are intended to be, and shall be, for the sole and exclusive benefit of the Promisor, each Promisee and each Bondholder.

Section 9. Remedies.

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

(b) No breach or violation by the Promisor of any obligation of the Promisor under this Agreement shall constitute a breach or violation of or default under the Bonds, the Indenture or any other agreement to which the Promisor is a party.

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

Section 10. Annual Appropriations. This Agreement and the obligations of the Promisor hereunder are subject to annual appropriation by the Promisor.

Section 11. Amendment of Obligations. The Promisor may, from time to time, amend any obligation of the Promisor under this Agreement, without notice to or consent from any Promisee or any Bondholder, if: (a)(i) such amendment 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 Promisor, or type of business conducted, (ii) this Agreement, as so amended and modified, would have complied with the requirements of the Rule on the date hereof, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (iii) such amendment does not materially impair the interests of any Bondholders, as determined either by (A) 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 this Agreement) is permitted by the Rule, as then in effect.

Section 12. Dissemination Agent. The Promisor may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Promisor shall notify the MSRB through EMMA of the appointment or discharge of a Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Promisor shall be the Dissemination Agent.

Section 13. Communications. Any information, datum, statement, notice, certificate or other communication required or permitted to be provided, delivered or otherwise given hereunder by any person to any other person shall be in writing and, if such other person is the Promisor, shall be provided, delivered or otherwise given to the Promisor at the following address:

City of Carmel Redevelopment Authority
c/o City of Carmel Clerk-Treasurer
Carmel City Hall, 3rd Floor
One Civic Square
Cannel, Indiana 46032

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

delivery on the following business day, or (d) sent by facsimile transmission, telecopy or telegram.

Section 14. Knowledge. For purposes of this Agreement, each Promisee and each Bondholder shall be deemed to have knowledge of the provision and content of any information, datum, statement or notice provided by the Promisor to the MSRB through EMMA on the date such information, datum, statement or notice is so provided, regardless of whether such Promisee or such Bondholder was a registered or beneficial owner or holder of any Bond at the time such information, datum, statement or notice was so provided.

Section 15. Performance Due on other than Business Days. If the last day for taking any action under this Agreement is a day other than a business day, such action may be taken on the next succeeding business day and, if so taken, shall have the same effect as if taken on the day required by this Agreement.

Section 16. Obligations of Dissemination Agent; Indemnity. The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement and any dissemination agreement entered into by the Promisor and the Dissemination Agent, and the Promisor agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise of performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Promisor under this Section shall survive removal of the Dissemination Agent and payment of the Bonds.

Section 17. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Promisor, the Dissemination Agent and registered or beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

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

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

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

Section 21. Successors and Assigns. All covenants and agreements in this Agreement made by the Promisor shall bind its successors, whether so expressed or not. No Promisee may, without the prior written consent of the Promisor, assign any of its rights under this Agreement to any other person. The Promisor may not assign any of its rights or delegate any of its obligations under this Agreement to any other person (other than to any Dissemination Agent

appointed hereunder to assist the Promisor), except that the Promisor may assign any of its rights or delegate any of such obligations to any entity (a) into which the Promisor merges, with which the Promisor consolidates or to which the Promisor transfers all or substantially all of its assets or (b) which is an “issuer of municipal securities” with respect to the Bonds or an Obligated Person with respect to the Bonds for whom financial or operating data is presented in the Official Statement, as those terms are defined in the Rule.

Section 22. Waiver. Any failure by any Promisee to institute any suit, action or other proceeding for any breach or violation by the Promisor of any obligation of the Promisor under this Agreement, within three hundred sixty (360) days after the date of such Promisee first has knowledge of such breach or violation, shall constitute a waiver by such Promisee of such breach or violation and, after such waiver, no remedy shall be available to such Promisee for such breach or violation.

Section 23. Immunity of Officers, Directors, Members, Employees and Agents. No recourse shall be had for any claim based upon any obligation in this Agreement against any past, present or future officer, director, member, employee or agent of the Promisor, the City or the Commission, as such, either directly or through the Promisor, under any rule of law or equity, statute or constitution.

Section 24. Rule. This Agreement is intended to be an agreement or contract in which the Promisor has undertaken to provide that which is required by paragraph (b)(5) of the Rule. If and to the extent this Agreement is not otherwise such an agreement or contract, this Agreement shall be deemed to include such terms not otherwise included herein, and to exclude such terms not otherwise excluded herefrom, as are necessary to cause this Agreement to be such an agreement or contract.

Section 25. Interpretation. The use hereinaof the singular shall be construed to include the plural, and vice versa, and the use herein of the neuter shall be construed to include the masculine and feminine. Unless otherwise indicated, the words “hereof,” “herein,” “hereby” and “hereunder,” or words of similar import, refer to this Agreement as a whole and not to any particular section, subsection, clause or other portion of this Agreement.

Section 26. Captions. The captions appearing in this Agreement are included herein for convenience of reference only, and shall not be deemed to define, limit or extend the scope or intent of any rights or obligations under this Agreement.

(Remainder of Page Intentionally Left Blank)

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

CITY OF CARMEL REDEVELOPMENT
AUTHORITY

By: _____
Bob Bush, President

ATTEST:

Jack Badger, Secretary-Treasurer

The City of Carmel, Indiana and the City of Carmel Redevelopment Commission, each as an “Obligated Person” under the foregoing Agreement, acknowledges that it is familiar with the provisions of the Agreement and agrees with the Authority to provide to the MSRB through EMMA the information required pursuant to Section 4 of the Agreement in a timely manner to enable the Authority to comply with its obligations under the Agreement.

Dated this 29th day of May, 2014.

CITY OF CARMEL, INDIANA

By: _____
James Brainard, Mayor

CITY OF CARMEL REDEVELOPMENT
COMMISSION

By: _____
William Hammer, President

EXHIBIT A

\$55,685,000

CITY OF CARMEL REDEVELOPMENT AUTHORITY
LEASE RENTAL REVENUE REFUNDING BONDS, SERIES 2014
(Performing Arts Center Project)

ANNUAL FINANCIAL INFORMATION

The undersigned, the City of Carmel [, Indiana] [Redevelopment Commission] [Redevelopment Authority] (the “Promisor”), pursuant to Section 4(a)(i) of the Continuing Disclosure Undertaking Agreement from the Promisor to each registered owner or holder of any of the above-captioned bonds, dated May 29, 2014 (the “Agreement”), hereby certifies to you that attached hereto is the Annual Financial Information (as defined in the Agreement), which Annual Financial Information is hereby provided to you in accordance with Section 4(a)(i) of the Agreement.

CITY OF CARMEL [, INDIANA]
[REDEVELOPMENT COMMISSION]
[REDEVELOPMENT AUTHORITY]

By:_____

Printed:_____

Title:_____

Date:_____

EXHIBIT B

\$55,685,000

CITY OF CARMEL REDEVELOPMENT AUTHORITY
LEASE RENTAL REVENUE REFUNDING BONDS, SERIES 2014
(Performing Arts Center Project)

AUDITED FINANCIAL STATEMENTS

The undersigned, the City of Carmel [, Indiana] [Redevelopment Commission] [Redevelopment Authority] (the “Promisor”), pursuant to Section 4(a)(ii) of the Continuing Disclosure Undertaking Agreement from the Promisor to each registered owner or holder of any of the above-captioned bonds, dated May 29, 2014 (the “Agreement”), hereby certifies to you that attached hereto are audited financial statements of the City of Carmel, Indiana, which audited financial statements are hereby provided to you in accordance with Section 4(a)(ii) of the Agreement.

CITY OF CARMEL [, INDIANA]
[REDEVELOPMENT COMMISSION]
[REDEVELOPMENT AUTHORITY]

By:_____

Printed:_____

Title:_____

Date:_____

EXHIBIT C

\$55,685,000

CITY OF CARMEL REDEVELOPMENT AUTHORITY
LEASE RENTAL REVENUE REFUNDING BONDS, SERIES 2014
(Performing Arts Center Project)

NOTICE OF MATERIAL EVENT

The undersigned, the City of Carmel [, Indiana] [Redevelopment Commission] [Redevelopment Authority] (the “Promisor”), pursuant to Section 4(a)(iii) of the Continuing Disclosure Undertaking Agreement from the Promisor to each registered owner or holder of any of the above-captioned bonds, dated May 29, 2014 (the “Agreement”), hereby certifies to you that attached hereto is a notice of the occurrence of a material event with respect to the above-captioned bonds, which notice is hereby provided to you in accordance with Section 4(a)(iii) of the Agreement.

CITY OF CARMEL [, INDIANA]
[REDEVELOPMENT COMMISSION]
[REDEVELOPMENT AUTHORITY]

By:_____

Printed:_____

Title:_____

Date:_____

EXHIBIT D

\$55,685,000

CITY OF CARMEL REDEVELOPMENT AUTHORITY
LEASE RENTAL REVENUE REFUNDING BONDS, SERIES 2014
(Performing Arts Center Project)

**NOTICE OF FAILURE TO PROVIDE ANNUAL FINANCIAL INFORMATION,
AUDITED FINANCIAL STATEMENTS OR EXAMINATION REPORT**

The undersigned, the City of Carmel [, Indiana] [Redevelopment Commission] [Redevelopment Authority] (the “Promisor”), pursuant to Section 4(d) of the Continuing Disclosure Undertaking Agreement from the Promisor to each registered owner or holder of any of the above-captioned bonds, dated May 29, 2014 (the “Agreement”), hereby certifies to you that attached hereto is a notice of a failure of the Promisor to provide required Annual Financial Information (as defined in the Agreement) on or before the date specified in the Agreement, which notice is hereby provided to you in accordance with Section 4(e) of the Agreement.

CITY OF CARMEL [, INDIANA]
[REDEVELOPMENT COMMISSION]
[REDEVELOPMENT AUTHORITY]

By: _____

Printed: _____

Title: _____

Date: _____

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