

NEW ISSUE
Book-Entry-Only

RATINGS: S&P: "A"
 Moody's: "A1"
 See "RATINGS" herein

In the opinion of Bingham McHale LLP, Indianapolis, Indiana, under existing laws, interest on the Series 2010A 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 Series 2010A Bonds (the "Code"), is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and is not taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. Interest on the Series 2010B Bonds (as hereinafter defined) is NOT excludable from gross income for federal income tax purposes under Section 103 of the Code. See "TAX MATTERS" and "BUILD AMERICA BONDS" herein for a more complete discussion. In the opinion of Bingham McHale LLP, Indianapolis, Indiana, under existing laws, interest on the Series 2010 Bonds (as hereinafter defined) is exempt from income taxation in the State of Indiana for all purposes, except for the financial institutions tax. See "TAX MATTERS" and APPENDIX C herein.

\$5,790,000
CITY OF EVANSVILLE, INDIANA
REDEVELOPMENT AUTHORITY
TAX-EXEMPT LEASE RENTAL REVENUE BONDS,
SERIES 2010A

\$116,620,000
CITY OF EVANSVILLE, INDIANA
REDEVELOPMENT AUTHORITY
TAXABLE LEASE RENTAL REVENUE BONDS,
SERIES 2010B
(Build America Bonds – Direct Pay Option)

Dated: Date of Delivery

Due: as shown on the inside cover

The City of Evansville, Indiana Redevelopment Authority Tax-Exempt Lease Rental Revenue Bonds, Series 2010A (the "Series 2010A Bonds"), and the City of Evansville, Indiana Redevelopment Authority Taxable Lease Rental Revenue Bonds, Series 2010B (Build America Bonds – Direct Pay Option) (the "Series 2010B Bonds"), and together with the Series 2010A Bonds, the "Series 2010 Bonds") will bear interest from their dated date to their respective maturities in the amounts and at the rates set forth on the inside front cover. The Series 2010 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 interest in the Series 2010 Bonds will be made in book-entry-only form in the denomination of \$5,000 or any integral multiples thereof. Purchasers of beneficial interest in the Series 2010 Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interest in the Series 2010 Bonds. Interest on the Series 2010 Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2010 (each an "Interest Payment Date"). Interest on the Series 2010 Bonds will be paid by check, mailed one business day prior to the Interest Payment Date, or, if payment is made to a depository like DTC, by wire transfer of immediately available funds on the Interest Payment Date. The principal of, redemption premium, if any, and interest on the Series 2010 Bonds will be paid directly to DTC by Old National Trust Company, Evansville, Indiana, as trustee, registrar and paying agent (the "Trustee" or "Registrar" or "Paying Agent") under the Indenture, as described and defined herein, so long as DTC or its nominee is the registered owner of the Series 2010 Bonds. The principal and premium, if any, on the Series 2010 Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent. The final disbursement of such payments to the Beneficial Owners of the Series 2010 Bonds will be the responsibility of the DTC Participants and Indirect Participants. See "THE SERIES 2010 BONDS – Book-Entry-Only System" herein.

The Series 2010 Bonds are subject to redemption prior to maturity as described herein under the caption "THE SERIES 2010 BONDS—Redemption of Series 2010 Bonds".

The Series 2010 Bonds are issued pursuant to a Trust Indenture dated as of May 1, 2010 (the "Indenture"), entered into between the City of Evansville Redevelopment Authority (the "Authority") and Old National Trust Company, as trustee, located in Evansville, Indiana (the "Trustee"), for the principal purposes of providing funds to pay the cost of all or a portion of: (A) the purchase by the Authority from the City of Evansville Redevelopment Commission (the "Commission") of the real property upon which the New Arena (as defined below) will be located (the "New Real Estate") and certain contract rights previously acquired by the Commission, which will enable the Commission to currently refund one or more bond anticipation notes of the Commission (as further described herein), and the purchase by the Authority of certain road and street easements (the "Easements") from the City of Evansville, Indiana (the "City"), (B) the construction and equipping of the new downtown Evansville arena, a multi-purpose venue located in Evansville, Indiana (the "New Arena"), (C) capitalized interest on the Series 2010 Bonds through August 1, 2012, (D) funding a deposit to a debt service reserve fund, and (E) incidental costs and expenses incurred in connection with the sale and issuance of the Series 2010 Bonds (clauses (A) through and including (E), collectively, the "Project").

The Series 2010 Bonds constitute valid and legally binding obligations of the Authority and are payable solely from and secured exclusively by the trust estate established and created under the Indenture, which includes, but is not limited to, certain sources of income of the Authority which have been specifically pledged for the payment thereof including funds in a debt service reserve fund established under the Indenture and lease rental payments (the "Lease Rental Payments") received from the City of Evansville Redevelopment Commission (the "Commission"), under the terms of a Lease dated as of March 9, 2010, as amended from time to time (collectively, the "Lease"), by and between the Authority, as lessor, and the Commission, as lessee. The Lease Rental Payments are payable solely from any or all or any combination of the following: (i) revenues derived from the Vanderburgh County, Indiana (the "County"), food and beverage tax imposed by the County that are allocable to the City under Indiana Code 6-9-20, as amended, which revenues the City has pledged to the Commission for the payment of such Lease Rental Payments (the "Food and Beverage Tax Revenues"), subject to any prior or parity claims thereto as described herein, (ii) incremental real property tax revenues, together with incremental personal property tax revenues on certain taxable property, derived from the Downtown Redevelopment Allocation Area (as defined herein), which revenues the Commission has pledged for the payment of such Lease Rental Payments (the "Tax Increment Revenues"), subject to any senior or parity claims thereto as described herein, and (iii) revenues derived from the City's distributive share of the county option income tax imposed on the adjusted gross income of taxpayers in County and received by the City under Indiana Code 6-3.5-6, as amended, which revenues the City has pledged to the Commission for the payment of such Lease Rental Payments (the "COIT Revenues"), subject to any parity claims thereto as described herein. The Commission reserves 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. The City has appropriated and made available to the Commission certain other funds available or to become available to the City ("Other Available Revenues"). While such Other Available Revenues are not pledged to the Lease Rental Payments, the Commission has directed the Controller for the City in its Obligating Action (as hereinafter defined) to utilize all Food and Beverage Tax Revenues, all Tax Increment Revenues and all Other Available Revenues prior to the use of any COIT Revenues to make Lease Rental Payments. The Lease Rental Payments will be paid directly to the Trustee at least three (3) business days in advance of the due date thereof.



HILLIARD LYONS



The Series 2010 Bonds are being offered when, as and if issued by the Authority and received by the Underwriters (as defined herein), subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Bingham McHale LLP, Indianapolis, Indiana, Bond Counsel. Certain legal matters will be passed on by Jones Wallace, LLC, as counsel to the City, and by Terrell, Baugh, Salmon & Born, LLP, as counsel to the Authority and the Commission, and for the Underwriters by their counsel, Barnes & Thornburg LLP, Indianapolis, Indiana. It is expected that the Series 2010 Bonds will be available for delivery to DTC in New York, New York, on or about May 20, 2010.

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.

Dated: April 28, 2010

\$5,790,000
CITY OF EVANSVILLE, INDIANA REDEVELOPMENT AUTHORITY
TAX-EXEMPT LEASE RENTAL REVENUE BONDS, SERIES 2010A

The Series 2010A Bonds will mature on the dates and in the amounts as follows:

| <u>Maturity Date</u> | <u>Principal Amount</u> | <u>Coupon</u> | <u>Yield</u> | <u>CUSIP</u> |
|-----------------------------|--------------------------------|----------------------|---------------------|---------------------|
| February 1, 2014 | \$2,860,000 | 2.50% | 2.35% | 299398 BA4 |
| February 1, 2015 | 2,930,000 | 3.00 | 2.70 | 299398 BB2 |

\$116,620,000
CITY OF EVANSVILLE, INDIANA REDEVELOPMENT AUTHORITY
TAXABLE LEASE RENTAL REVENUE BONDS, SERIES 2010B
(BUILD AMERICA BONDS – DIRECT PAY OPTION)

The Series 2010B Bonds will mature on the dates and in the amounts as follows:

| <u>Maturity Date</u> | <u>Principal Amount</u> | <u>Coupon</u> | <u>Yield</u> | <u>CUSIP</u> |
|-----------------------------|--------------------------------|--|---------------------|--------------------------|
| February 1, 2016 | \$2,995,000 | 4.53% | 4.53% | 299398 BC0 |
| February 1, 2017 | 3,085,000 | 4.93 | 4.93 | 299398 BD8 |
| February 1, 2018 | 3,185,000 | 5.35 | 5.35 | 299398 BE6 |
| February 1, 2019 | 3,295,000 | 5.55 | 5.55 | 299398 BF3 |
| February 1, 2020 | 3,410,000 | 5.75 | 5.75 | 299398 BG1 |
| February 1, 2021 | 3,540,000 | 5.85 | 5.85 | 299398 BH9 |
| February 1, 2022 | 3,675,000 | 5.95 | 5.95 | 299398 BJ5 |
| February 1, 2023 | 3,815,000 | 6.05 | 6.05 | 299398 BK2 |
| February 1, 2024 | 3,965,000 | 6.15 | 6.15 | 299398 BL0 |
| February 1, 2025 | 4,125,000 | 6.25 | 6.25 | 299398 BM8 |
| \$18,350,000 | 6.86% | Term Bonds due February 1, 2029 | Yield: 6.86% | CUSIP: 299398 BN6 |
| \$12,500,000 | 6.96% | Term Bonds due February 1, 2034 | Yield: 6.96% | CUSIP: 299398 BP1 |
| \$50,680,000 | 7.21% | Term Bonds due February 1, 2039 | Yield: 7.21% | CUSIP: 299398 BQ9 |

No dealer, broker, salesman or other person has been authorized by the Authority, the Commission, the City or the Underwriter to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Series 2010 Bonds, and, if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2010 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Series 2010 Bonds shall, under any circumstances, create any implication that there have been no changes in the information presented herein since the date hereof.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT: THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH AND AS PART OF THEIR RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION AND REASONABLY BELIEVE SUCH INFORMATION TO BE ACCURATE AND COMPLETE, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2010 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SERIES 2010 BONDS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

CITY OF EVANSVILLE, INDIANA

Mayor

Jonathan Weinzapfel

City Council

B.J. Watts, President
 Constance Robinson, Vice-President
 H. Dan Adams, M.D., Member
 Wendy Bredhold, Member
 John Friend, Member
 Curt John, Member
 Dan McGinn, Member
 Missy Mosby, Member
 Donald Walker, Member

Redevelopment Authority

Ted E. Ubelhor, President
 Ken G. Haynie III, Vice President
 Derrick Stewart, Secretary-Treasurer

Redevelopment Commission

Robert Goldman, President
 Sara Miller, Vice-President
 Greg Elpers, Secretary-Treasurer
 Kevin Kirkwood, Member
 Jody Phillips, Member
 Karen Ragland, Non-Voting Advisor

Controller

Jenny Collins

Corporation Counsel

Jones Wallace, LLC
 Evansville, Indiana

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Bond Counsel

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Counsel to the Commission and the Authority

Terrell, Baugh, Salmon & Born, LLP
 Evansville, Indiana

City Securities Corporation
 Indianapolis, Indiana

Fifth Third Securities, Inc.
 Indianapolis, Indiana

Financial Advisor

London Witte Group LLC
 Indianapolis, Indiana

Trustee

Old National Trust Company
 Evansville, Indiana

Underwriters' Counsel

Barnes & Thornburg LLP
 Indianapolis, Indiana

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OFFICIAL STATEMENT

\$5,790,000

**City of Evansville, Indiana Redevelopment Authority
Tax-Exempt Lease Rental Revenue Bonds, Series 2010A**

\$116,620,000

**City of Evansville, Indiana Redevelopment Authority
Taxable Lease Rental Revenue Bonds, Series 2010B
(Build America Bonds – Direct Pay Option)**

INTRODUCTION

This Official Statement, including the cover page and all appendices hereto, is provided to set forth certain information concerning the sale and delivery of the City of Evansville, Indiana Redevelopment Authority Tax-Exempt Lease Rental Revenue Bonds, Series 2010A (the “Series 2010A Bonds”) in the aggregate principal amount of \$5,790,000, and the City of Evansville, Indiana Redevelopment Authority Taxable Lease Rental Revenue Bonds, Series 2010B (Build America Bonds – Direct Pay Option) (the “Series 2010B Bonds”, and together with the Series 2010A Bonds, the “Series 2010 Bonds”) in the aggregate principal amount of \$116,620,000. The Series 2010 Bonds will be issued under the provisions of Indiana law, including, without limitation, Indiana Code 6-9-20, 36-7-14, 36-7-14.5 and 36-7-25, each as amended (collectively the “Act”), and in accordance with the terms of a Trust Indenture, dated as of May 1, 2010 (the “Indenture”), between the City of Evansville Redevelopment Authority (the “Authority”) and Old National Trust Company, Evansville, Indiana, as trustee (the “Trustee”).

The Authority was organized to finance local public improvements for lease to the City of Evansville Redevelopment Commission (the “Commission”) in accordance with certain leases from time to time, including but not limited to, a Lease dated as of March 9, 2010, to be amended and supplemented by a Lease Addendum on or about the date of issuance of the 2010 Bonds (collectively, the “Lease”).

This Official Statement speaks only as of its date, and the information contained herein is subject to change without notice.

The summaries of and references to all documents, statutes and other instruments referred to in this Official Statement do not purport to be complete and are qualified in their entirety by reference to the full text of each such document, statute or instrument. Terms not defined in this Official Statement shall have the meaning set forth in the respective documents.

Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

PURPOSE

The proceeds of the Series 2010 Bonds will be used to provide funds to pay the cost of all or a portion of: (A) the purchase by the Authority from the Commission of the real property upon which the New Arena (as defined below) will be located (the “New Real Estate”) and certain contract rights previously acquired by the Commission (the “Contract Rights”), which will enable the Commission to currently refund one or more bond anticipation notes of the Commission (as further described herein), and the purchase by the Authority of certain road and street easements (the “Easements”) from the City of Evansville, Indiana (the “City”), (B) the construction and equipping of the new downtown Evansville arena, a multi-purpose venue located in Evansville, Indiana (the “New Arena”), (C) capitalized interest on the Series 2010 Bonds through August 1, 2012, (D) funding a deposit to a debt service reserve fund, and (E) incidental costs and expenses incurred in connection with the sale and issuance of the Series 2010 Bonds (clauses (A) through and including (E), collectively, the “Project”).

THE PREMISES

The Premises subject to the Lease will consist of the New Real Estate, the Easements and, upon its completion, the New Arena along with all or a portion of the furnishings, equipment and appurtenances thereto. The construction bids on approximately ninety percent (90%) of the components of the Project were received on March 9, 2010. The construction bids on the remaining components of the Project are anticipated to be received by June of 2010. Construction of the Project began in December 2009 and is expected to be completed no later than November 1, 2011. All of the plans and specifications prepared for the components of the Project have been prepared by Populous, Inc., in Kansas City, Missouri, and the rights of the City and the Commission to such plans and specifications will be assigned by the City and the Commission to the Authority. All contractors are required to furnish surety bonds in amounts equal to 100% of the contract amounts and builders' risk insurance will be in force during the construction period.

PLAN OF FINANCE

On December 31, 2009, the Commission renewed its Bond Anticipation Notes, as originally issued on October 10, 2008, in the aggregate principal amount of \$950,000 (the "2008 BANs"), and on October 27, 2009, the Commission issued its Bond Anticipation Notes, Series 2009, in the aggregate principal amount of \$41,000,000 (the "2009 BANs," and together with the 2008 BANs, the "BANs"), to provide funds for the certain preliminary costs incurred in connection with the construction and equipping of the New Arena, including, but not limited to, the acquisition of land, design and engineering fees, utility costs, professional fees and the costs associated with the issuance of the BANs. The 2008 BANs and the 2009 BANs mature on June 30, 2010 and July 27, 2010, respectively, but may be prepaid on any date upon seven (7) days' notice to the holders thereof, without premium. A portion of the proceeds of the Series 2010 Bonds will be used by the Authority to purchase from the Commission the land and certain contract rights previously acquired by the Commission for a price that will enable the Commission to repay the outstanding BANs, to the extent not paid from other funds legally available to the Commission.

The remaining proceeds of the Series 2010 Bonds, after required deposits into the Debt Service Reserve Fund and the Construction Account of the Construction Fund pursuant to the terms of the Indenture, will be used to finance the Project, which consists of the construction and equipping of an approximately 293,000 square-foot multi-purpose arena in downtown Evansville, Indiana.

The Authority has also received, or expects to receive, funding for the Project from other sources in addition to proceeds of the Series 2010 Bonds. The City has appropriated a total of \$32,500,000 to the Project from funds legally available to the City, which represents approximately 25% of the total Project costs.

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SOURCES AND USES OF FUNDS

The estimated sources and uses of funds relating to the Series 2010 Bonds and paying costs incidental to the sale and delivery of the Series 2010 Bonds are estimated as shown below:

SOURCES OF FUNDS: *

| | |
|----------------------------------|-------------------------|
| Par Amount of Series 2010A Bonds | \$ 5,790,000.00 |
| Plus: Original Issue Premium † | 53,485.20 |
| Par Amount of Series 2010B Bonds | <u>116,620,000.00</u> |
| Total Sources of Funds | <u>\$122,463,485.20</u> |

USES OF FUNDS:

Deposit to Construction Account (less costs of issuance):

| | |
|--|-------------------------|
| (A) Acquisition of Real Property and Contract Rights from the Redevelopment Commission for Refunding of the BANs | \$ 5,019,235.25 |
| (B) Acquisition of the Real Property and Construction of the Projects | 89,982,252.79 |
| (C) Payment of Capitalized Interest on the Series 2010 Bonds through and including August 1, 2012‡ | 17,440,598.60 |
| Deposit to Debt Service Reserve Fund | 8,075,208.56 |
| Underwriters' Discount | 1,101,690.00 |
| Costs of Issuance (not including Underwriter's Discount) | <u>844,500.00</u> |
| Total Uses of Funds | <u>\$122,463,485.20</u> |

THE SERIES 2010 BONDS

General

The Series 2010 Bonds will be issued under the Indenture, and in accordance with the provisions of Indiana law, including the Act, as fully registered bonds in the denominations of \$5,000 or any integral multiple thereof. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS" herein. The Series 2010 Bonds will mature in the amounts and on the dates set forth on the inside front cover of this Official Statement and will bear interest from the date of delivery.

* In addition to the proceeds from the sale of the Series 2010 Bonds, the City has appropriated up to \$32,500,000.00 from funds legally available to the City to be made available for the construction and equipping of the New Arena. It is anticipated that all or a portion of such amount, as needed from time to time, will be deposited into the Construction Fund or otherwise applied to the costs of the Project, from the date of closing on the Series 2010 Bonds through and including August 2012.

† Attributable to the Series 2010A Bonds.

‡ However, pursuant to the terms of the Indenture, any such interest accruing after completion of the Project will be paid only from (i) proceeds of the Series 2010A Bonds or (ii) Build America Bond Subsidy Payments required to be deposited into the Indenture. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Operation of Funds and Accounts" herein.

Interest on the Series 2010 Bonds will be payable on February 1 and August 1 of each year, beginning August 1, 2010 (each date, an “Interest Payment Date”), and will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Interest on the Series 2010 Bonds will be paid on each Interest Payment Date by check or draft mailed by the Trustee to the registered owner or owners thereof as of the close of business on the fifteenth (15th) day of the month immediately preceding the next such Interest Payment Date (the “Record Date”), or by wire transfer to a registered owner of more than \$1,000,000 aggregate principal amount of the Series 2010 Bonds upon written request of such registered owner. The principal of the Series 2010 Bonds will be payable upon maturity or redemption by the Trustee upon the surrender of the Series 2010 Bonds at the designated corporate trust office of the Trustee.

When issued, the Series 2010 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 interest in the Series 2010 Bonds will be made in book-entry-only form in denominations of \$5,000. Purchasers of beneficial interests in the Series 2010 Bonds (the “Beneficial Owners”) will not receive physical delivery of certificates representing their interest in the Series 2010 Bonds. For so long as the Series 2010 Bonds are held in book-entry-only form, payments of principal of, premium, if any, and interest on the Series 2010 Bonds will be paid by the Trustee 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, premium (if any) or interest on the Series 2010 Bonds. See “Book-Entry-Only System” under this caption of the Official Statement.

Book-Entry-Only System

DTC will act as securities depository for the Series 2010 Bonds. The Series 2010 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 Series 2010 Bond certificate will be issued for each maturity and series of the Series 2010 Bonds, each in the aggregate principal amount of such maturity and series, and will be deposited with DTC.

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

Purchases of Series 2010 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2010 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2010 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2010 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 Series 2010 Bonds, except in the event that use of the book-entry system for the Series 2010 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2010 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 Series 2010 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 Series 2010 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2010 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 Series 2010 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2010 Bonds, such as redemptions, defaults and proposed amendments to the Indenture. For example, Beneficial Owners of the Series 2010 Bonds may wish to ascertain that the nominee holding the Series 2010 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 Series 2010 Bonds within a maturity and series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity and series to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2010 Bonds unless authorized by a Direct Participant in accordance with DTC's Money Market Instrument ("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 Series 2010 Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal, premium and interest payments on the Series 2010 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of 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 Series 2010 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, Series 2010 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, Series 2010 Bond certificates will be printed and delivered to DTC.

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

Discontinuation of Book-Entry System

In the event that the book-entry system for the Series 2010 Bonds is discontinued, the Trustee will provide for the registration of the Series 2010 Bonds in the name of the Beneficial Owners thereof. The Authority and the Trustee will treat the person in whose name any Series 2010 Bond is registered as the absolute owner of such Series 2010 Bond for the purposes of making and receiving payment of the principal thereof and interest thereon, and for all other purposes, except as otherwise described under the caption, "CONTINUING DISCLOSURE," and neither the Authority nor the Trustee will be bound by any notice or knowledge to the contrary.

Each Series 2010 Bond will 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 Series 2010 Bonds for transfer or exchange, the Trustee will authenticate and deliver in exchange therefor, within a reasonable time after such presentation, a new Series 2010 Bond or Series 2010 Bonds, 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, series and aggregate principal amount and bearing interest at the same rate as the Series 2010 Bond or Series 2010 Bonds so presented. The Authority or the Trustee will require the owner of any Series 2010 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 Series 2010 Bonds. The Trustee will not be required to transfer or exchange any Series 2010 Bonds: (i) during any period between the Record Date and the next Interest Payment Date; or (ii) called for redemption within thirty (30) days of the redemption date.

Redemption – Series 2010A Bonds

The Series 2010A Bonds are **not** subject to redemption prior to maturity.

Redemption – Series 2010B Bonds

Optional Redemption. The Series 2010B Bonds maturing on or after February 1, 2021 are subject to redemption prior to maturity at the option of the Authority, on thirty (30) days' notice, in whole or in part, but in integral multiples of \$5,000 in any order of maturity as designated by the Authority (less than all of such Series 2010B Bonds of a particular maturity to be selected by the Trustee as described below), on any date not earlier than August 1, 2020, at one hundred percent (100%) of the face value amount of each Series 2010B Bond to be redeemed, plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. The Series 2010B Bonds maturing February 1, 2029, February 1, 2034, and February 1, 2039 (collectively, the “2010B Term Bonds”) are subject to mandatory sinking fund redemption, on the dates and in the amounts as shown below, at a price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption.

Series 2010B Term Bonds Due February 1, 2029

| <u>Date</u> | <u>Principal Amount</u> |
|-------------------|-------------------------|
| February 1, 2026 | \$4,290,000 |
| February 1, 2027 | \$4,485,000 |
| February 1, 2028 | \$4,685,000 |
| February 1, 2029* | \$4,890,000 |

*** *Final Maturity***

Series 2010B Term Bonds Due February 1, 2034

| <u>Date</u> | <u>Principal Amount</u> |
|-------------------|-------------------------|
| February 1, 2030 | \$2,500,000 |
| February 1, 2031 | \$2,500,000 |
| February 1, 2032 | \$2,500,000 |
| February 1, 2033 | \$2,500,000 |
| February 1, 2034* | \$2,500,000 |

*** *Final Maturity***

Series 2010B Term Bonds Due February 1, 2039

| <u>Date</u> | <u>Principal Amount</u> |
|-------------------|-------------------------|
| February 1, 2030 | \$2,610,000 |
| February 1, 2031 | \$2,845,000 |
| February 1, 2032 | \$3,090,000 |
| February 1, 2033 | \$3,350,000 |
| February 1, 2034 | \$3,620,000 |
| February 1, 2035 | \$6,405,000 |
| February 1, 2036 | \$6,705,000 |
| February 1, 2037 | \$7,020,000 |
| February 1, 2038 | \$7,345,000 |
| February 1, 2039* | \$7,690,000 |

*** *Final Maturity***

Not less than forty-five (45) days prior to the date set forth above, the Trustee will select, in the manner described below, the Series 2010B Term Bonds to be redeemed and will promptly give notice of redemption as described below, which notice will state that Series 2010B Term Bonds are being redeemed by mandatory sinking fund redemption. Series 2010B Term Bonds which have been redeemed as described under “Redemption – Series 2010B Bonds, *Optional Redemption*,” may be credited (at a price equal to 100% of the principal amount thereof) against the mandatory sinking fund redemption requirements for the Series 2010B Term Bonds in the order designated by the Authority.

Extraordinary Optional Redemption. If for any reason, on or prior to August 1, 2020 (other than because of an action taken by the Authority, the City or the Commission), the Authority is held by the Internal Revenue Service to be ineligible to receive the Build America Bond Subsidy Payments (as hereinafter defined)

from the U.S. Treasury with respect to the Series 2010B Bonds, the Authority may (but is not obligated to) redeem any or all of the Series 2010B Bonds in whole or in part, at its option, on any date at a redemption price equal to the greater of: (1) 100% of the principal amount of the Series 2010B Bonds to be redeemed, or (2) the sum of the present value of the remaining scheduled payments of principal and interest to August 1, 2020 of the Series 2010B Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2010B Bonds are to be redeemed, discounted to the date on which the Series 2010B Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as hereinafter defined), plus one hundred (100) basis points, plus, in each case, accrued and unpaid interest on the Series 2010B Bonds to be redeemed to the redemption date. No premium can exceed ten percent (10%) of the principal amount of the Series 2010B Bonds being redeemed.

“Treasury Rate” means, with respect to any redemption date for a particular Series 2010B Bond, the yield to maturity as of such redemption date of the United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) that has become publicly available at least two business days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2010B Bonds to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

The redemption price of Series 2010B Bonds to be redeemed pursuant to the extraordinary optional redemption provision as described in the preceding paragraph will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the Authority at the Authority’s expense to calculate such redemption price. No premium can exceed ten percent (10%) of the principal amount being redeemed. The Trustee and the Authority may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

Redemption of Series 2010 Bonds, Generally

Selection of Series 2010B Bonds to Be Redeemed. So long as the Series 2010B Bonds are registered to DTC or its nominee, if less than all the Series 2010B 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. See “THE SERIES 2010 BONDS -- Book-Entry-Only System” herein.

If the Series 2010B Bonds are no longer registered to DTC or its nominee, the Trustee will select, within each maturity of Series 2010B Bonds to be redeemed by optional or extraordinary optional redemption, the Series 2010B Bonds or portions of Series 2010B Bonds of such maturity to be redeemed, on a *pro rata* basis, as follows: all the Series 2010B Bonds of a particular maturity will be allocated among the registered owners of the Series 2010B Bonds of such maturity as nearly as practicable in proportion to the principal amounts of the Series 2010B Bonds of such maturity owned by each registered owner, subject to the authorized denominations of \$5,000 or any integral multiple thereof. Such proportional amount will be calculated for a particular maturity based on the formula:

$$\frac{(\text{principal of maturity to be redeemed}) \times (\text{principal amount of such maturity owned by the registered owner})}{(\text{principal amount of such maturity outstanding})}$$

In the event DTC is the sole registered owner of the Series 2010B Bonds, partial redemption of a particular maturity of the Series 2010B Bonds will be done in accordance with the procedures of DTC. The Authority has directed the Trustee to request that the redemption allocations of the Series 2010B Bonds of a particular maturity made by DTC, its participants or such other intermediaries that may exist between the Authority and the Beneficial Owners, be made in accordance with the proportional provisions described in the

immediately preceding paragraph. *However, the Trustee can provide no assurance that DTC, its participants or any other intermediaries will allocate redemptions of the Series 2010B Bonds of a particular maturity among the Beneficial Owners on such a proportional basis.*

Failure to Present Redeemed Series 2010 Bonds. If the owner of any Series 2010 Bond that has been redeemed in whole or in part fails to present such Series 2010 Bond to the Trustee for payment, or for payment and exchange, such Series 2010 Bond will, nevertheless, become due and payable on the date fixed for redemption to the extent of the principal amount called for redemption. In case a Series 2010 Bond of a denomination larger than \$5,000 is to be redeemed, the principal amount not being redeemed must be in a denomination of \$5,000 or any integral multiple thereof. Upon surrender of any Series 2010 Bond for redemption in part only, the Authority will execute and the Trustee will authenticate and deliver to the registered owner thereof, at the expense of the Authority, a new Series 2010 Bond or Series 2010 Bonds of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Series 2010 Bond surrendered.

Notice of Redemption. Notice of redemption of the Series 2010 Bonds will be given by the Trustee by mailing a copy of the redemption notice by first-class mail not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Series 2010 Bond to be redeemed (such Bondholder being DTC or its nominee for so long as the Series 2010 Bonds are held in book-entry-only form) at the address shown in the registration books. However, failure to give such notice, or any defect therein, with respect to any Series 2010 Bond will not affect the validity of any proceedings for the redemption of other Series 2010 Bonds. If for any reason it is impossible or impractical to mail such notice of call for redemption in the manner described above, then such mailing in lieu thereof as is made at the direction of the Authority will constitute sufficient notice. On and after the redemption date specified in the notice of redemption, the Series 2010 Bonds or portions thereof called for redemption (provided funds for their redemption are on deposit at the place of payment) will not bear interest, will no longer be protected by the Indenture and will not be deemed to be outstanding under the provisions of the Indenture, and the holders thereof will have the right to receive only the redemption price thereof, plus accrued interest thereon to the date fixed for redemption.

So long as the Series 2010 Bonds are held in book-entry-only form, the Trustee will mail notices of redemption of Series 2010 Bonds only to DTC or its nominee, in accordance with the preceding paragraph. Neither the Authority nor the Trustee will have any responsibility for any Beneficial Owner's receipt from DTC or its nominee, or from any DTC Participant or Indirect Participant, of any notices of redemption. See "THE SERIES 2010 BONDS -- Book-Entry-Only System" herein.

Release Concerning Redeemed Series 2010 Bonds. If the amount necessary to redeem any Series 2010 Bonds called for redemption has been deposited with the Trustee for that purpose on or before the date specified for such redemption, and if the notice of redemption has been duly given and all proper charges and expenses of the Trustee in connection with such redemption have been paid or provided for, the Authority will be released from all liability on such Series 2010 Bonds, and such Series 2010 Bonds will no longer be deemed to be outstanding under the Indenture. Thereafter, such Series 2010 Bonds will not be secured by the lien of the Indenture, and the holders thereof must look only to the Trustee for payment thereof.

Registration, Transfer and Exchange

The Series 2010 Bonds will be registered at, and are transferable by the registered owners at, the corporate trust office of Paying Agent, upon surrender and cancellation and on presentation of a duly executed written instrument of transfer. A new bond or bonds of the same aggregate principal amount, series and maturity and in authorized denominations will be issued to the transferee or transferees in exchange therefor.

If any bond is mutilated, lost, stolen or destroyed, the Trustee shall certify and deliver, subject to the provisions of the Indenture, a replacement bond or bonds of like series, denomination and tenor. In the case of destruction, theft or loss, the applicant for a substituted bond shall furnish to the Authority and the Trustee

evidence of the destruction of such bond so destroyed, which evidence must be satisfactory to the Trustee, in its discretion, and such applicant shall also furnish indemnity satisfactory to the Trustee in its discretion. The Trustee shall have the right to require the payment of the expense of issuing such replacement prior to the delivery of a new bond.

REVENUES, FUNDS AND ACCOUNTS

The Indenture creates certain Funds and Accounts identified in more detail below. Pursuant to the Indenture, the Trustee will deposit the net proceeds of the Series 2010 Bonds, together with other cash contributions from the Commission and the City, into these Funds and Accounts as described below. APPENDIX D sets forth a summary of certain provisions of the Indenture.

Creation of Funds and Accounts

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

1. Project Fund – within which there is created a:
 - (a) Series 2010A Bond Construction Account; and
 - (b) Series 2010B Bond Construction Account;
2. Sinking Fund;
3. Debt Service Reserve Fund;
4. Rebate Fund; and
5. Operation Fund.

Deposit of Net Proceeds of the Series 2010 Bonds, Revenues and Other Receipts

On the date of delivery of the Series 2010 Bonds, the Trustee will deposit the proceeds from the sale of the Series 2010 Bonds as follows:

(a) Into the Series 2010A Construction Account of the Project Fund, the amount of \$5,409,417.37 in order to pay all or a portion of the costs of issuance of the Series 2010A Bonds (other than the underwriters' discount retained by the Underwriters), the cost of acquiring the New Real Estate, the Easements and the Contract Rights, capitalized interest on the Series 2010A Bonds through August 1, 2012, and the costs of constructing and equipping the Project;

(b) Into the Series 2010B Construction Account of the Project Fund, the amount of \$107,877,169.30 in order to pay all or a portion of the costs of issuance of the Series 2010B Bonds (other than the underwriters' discount retained by the Underwriters), the cost of acquiring the New Real Estate, the Easements and the Contract Rights, capitalized interest on the Series 2010B Bonds through August 1, 2012, and the costs of constructing and equipping the Project; and

(c) Into the Debt Service Reserve Fund, the amount of \$8,075,208.56 to satisfy the Debt Service Reserve Fund Requirement (as hereinafter defined).

The Trustee shall deposit into the Sinking Fund from each Lease Rental Payment (as hereinafter defined) received by the Trustee pursuant to the Lease, an amount equal to the lesser of the following: (1) all of

such rental payment; or (2) an amount which equals the sum of the principal and interest on the Series 2010 Bonds due on, before or within twenty (20) days after the date such rental payment becomes due, net of any amounts already contained in the Sinking Fund. Any portion of a Lease Rental Payment remaining after such deposit shall be deposited by the Trustee into the Debt Service Reserve Fund, if necessary to meet the Debt Service Reserve Fund Requirement, and then into the Operation Fund. The Trustee shall from time to time withdraw from the Sinking Fund and shall deposit into a special trust fund and make available to itself, as Trustee, or to any Paying Agent, sufficient moneys for paying the principal of the Series 2010 Bonds at maturity and paying the interest on the Series 2010 Bonds as the same falls due.

ADDITIONAL BONDS

The Authority may issue additional bonds under the Indenture on parity with Series 2010 Bonds (the “Additional Bonds”) (the Series 2010 Bonds and all Additional Bonds, collectively, the “Bonds”) subject to the terms and limitations of the Indenture, to finance or refinance the acquisition or construction of any portion of projects of the Authority, or to refund any of the Bonds. Any series of Additional Bonds shall have maturities, interest rates, interest payment dates, denominations and other terms as provided in the supplemental indenture entered into in connection with the issuance of such Additional Bonds, provided that such terms and provisions will not be otherwise inconsistent with the Indenture. All Series 2010 Bonds, together with any Additional Bonds as may be issued on a parity therewith under the Indenture, are all to be equally and ratably secured and entitled to the protection given under the Indenture. Any Additional Bonds shall be limited to amounts which can be repaid, along with Series 2010 Bonds and all other outstanding Additional Bonds, from the rent paid by the Commission pursuant to the Lease. The rental paid under the Lease, as currently approved and in effect, may not exceed \$12,380,000 for a term not to exceed thirty (30) years, beginning on the date all or a portion of the Improvements (as defined in the Lease) are complete and ready for occupancy.

Notwithstanding the foregoing paragraph, Additional Bonds may be issued which are subordinate to the 2010 Bonds and any other Bonds then outstanding which are on a parity with the 2010 Bonds, subject to certain terms and limitations of the Indenture. Any series of subordinate Additional Bonds may be issued to finance or refinance the acquisition or construction of any portion of the Projects or to refund any of the Bonds. The supplemental indenture securing any series of subordinate Additional Bonds shall specify any required funds and accounts and security features applicable to such subordinate Additional Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2010 BONDS

The Commission, acting in the name of the City, governs the City of Evansville Redevelopment District (the “District”), which consists of the entire City. The Commission was established by the City for the purpose of undertaking economic development and redevelopment activities in the City. Pursuant to the Act, the Commission established a redevelopment area known as the Downtown Redevelopment Area, and has designated the entire area as an allocation area known as the Downtown Redevelopment Allocation Area (the “Downtown Redevelopment Allocation Area”) pursuant to IC 36-7-14-39, as amended. The Project will be located in the Downtown Redevelopment Allocation Area.

The Authority was organized under IC 36-7-14.5 as a separate body corporate and politic and as an instrumentality of the City, for the purpose of financing local public improvements to be leased to the Commission. The Authority will acquire ownership of the real property upon which the New Arena will be located, and construct and equip the Project thereon, and will lease all of such real property and improvements (the “Premises”) to the Commission, pursuant to the Lease. See APPENDIX E -- “SUMMARY OF CERTAIN PROVISIONS OF THE LEASE.” Upon completion, the Commission will sublease the Premises to, or enter into an operating agreement regarding the Premises with, one or more entities which will operate the facility.

The Bonds, which include the Series 2010 Bonds and all Additional Bonds hereafter issued, constitute valid and legally binding obligations, and an indebtedness of, the Authority, and are payable in accordance with and secured exclusively by the trust estate (the "Trust Estate") established and created under the Indenture. The Trust Estate includes, but is not limited to, certain sources of income of the Authority which have been specifically pledged for the payment of the Bonds including (1) money in a debt service reserve fund established under the Indenture (the "Debt Service Reserve Fund"), (2) fixed, semiannual lease rental payments (the "Lease Rental Payments") to be received from the Commission under terms of the Lease, and (3) all rights, titles and interests of the Authority to the Build America Bond Subsidy Payments (as hereinafter defined) (provided that such Build America Bond Subsidy Payments are pledged solely to and shall be used solely to pay the principal or interest on the Series 2010B Bonds or deposited in the Construction Account related to the Series 2010B Bonds as hereinafter provided). THE SERIES 2010 BONDS DO NOT CONSTITUTE A CORPORATE OBLIGATION OF THE COMMISSION OR OF THE CITY. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMISSION OR THE CITY IS PLEDGED TO PAY THE PRINCIPAL OF OR INTEREST ON THE SERIES 2010 BONDS. THE INDENTURE DOES NOT CREATE, AND THE OWNERS OF THE SERIES 2010 BONDS WILL NOT RECEIVE, ANY MORTGAGE OR, LIEN ON, OR SECURITY INTEREST IN, ANY PORTION OF THE PROJECT OR THE PREMISES. THE AUTHORITY HAS NO TAXING POWER.

Pursuant to the terms of the Lease, Lease Rental Payments are due commencing on February 1, 2013 and on each August 1 and February 1 thereafter for the term of the Lease. In addition, pursuant to the terms of the Lease, funds for the Lease Rental Payments will be paid by the Commission directly to the Trustee (for the account of the Authority) at least three (3) business days in advance of the Lease Rental Payment due date. The Commission will pay the Lease Rental Payments and any other amounts due under the Lease from any or all or any combination of the following: (i) revenues derived from the Vanderburgh County, Indiana (the "County"), food and beverage tax imposed by the County that are allocable to the City under Indiana Code 6-9-20, as amended, which revenues the City has pledged to the Commission for the payment of such Lease Rental Payments (the "Food and Beverage Tax Revenues"), subject to any parity claims thereto as described herein, (ii) incremental real property tax revenues, together with incremental personal property tax revenues on certain taxable property, derived from the Downtown Redevelopment Allocation Area, which revenues the Commission has pledged for the payment of such Lease Rental Payments (the "Tax Increment Revenues"), subject to any senior or parity claims thereto as described herein, and (iii) revenues derived from the City's distributive share of the county option income tax imposed on the adjusted gross income of taxpayers in County and received by the City under Indiana Code 6-3.5-6, as amended ("Adjusted Gross Income"), which revenues the City has pledged to the Commission for the payment of such Lease Rental Payments (the "COIT Revenues"), subject to any parity claims thereto as described herein. The Commission reserves 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. The City has appropriated and made available to the Commission certain other funds available or to become available to the City ("Other Available Revenues"). While such Other Available Revenues are not pledged to the Lease Rental Payments, the Commission has directed the Controller for the City (the "City Controller") in its Obligor Action (as hereinafter defined) to utilize all Food and Beverage Tax Revenues, all Tax Increment Revenues and all Other Available Revenues prior to the use of any COIT Revenues to make Lease Rental Payments.

On November 8, 2008, the Commission adopted Resolution 08-ERC-61 (the "Master Pledge Resolution"), as supplemented by Resolution 10-ERC-55 adopted by the Commission on April 20, 2010 (the "Obligor Action"). Under the Master Pledge Resolution, as supplemented by the Obligor Action, there has been created (i) the "*Subordinate Lease Debt Service Subaccount (Downtown Arena Project)*" (the "Lease Subaccount") within the "*Bond Fund – Debt Service Account*" to pay the rentals owed by the Commission pursuant to the Lease, and (ii) the "*Subordinate Lease Debt Service Reserve Subaccount (Downtown Arena Project)*" (the "Lease Reserve Subaccount") within the "*Bond Fund – Debt Service Reserve Account*" to secure the Commission's obligation to pay the rentals owed by the Commission pursuant to the Lease. On March 8, 2010, the Common Council for the City adopted Ordinance No. F-2010-2, which pledged to the Commission the City's share of Food and Beverage Tax Revenues and the City's distributive share of COIT Revenues

(collectively, the “Other Pledged Revenue”). Pursuant to the Master Pledge Resolution, as supplemented by the Obligating Action, the City Controller, acting on behalf of the Commission, is required to (i) deposit all of the Other Pledged Revenue and the Pledged Tax Increment (as defined in the Obligating Action) into the Lease Subaccount until the balance held therein equals the Lease Rental Payments dues on the next succeeding February 1 or August 1, as applicable, and (ii) after the foregoing deposits are met, deposit all of the Other Pledged Revenue and the Pledged Tax Increment into the Lease Reserve Subaccount until the balance held therein equals the then current Lease Reserve Requirement (as defined in the Obligating Action). The foregoing deposits will be made on a monthly basis by the last day of each calendar month, unless the City Controller shall have caused Pledged Tax Increment or Other Available Revenue (as defined in the Obligating Action and as described in APPENDIX F -- “SUMMARY OF CERTAIN PROVISIONS OF THE MASTER PLEDGE RESOLUTION, OBLIGATING ACTION AND THE CITY COUNCIL ORDINANCE -- 2010 OBLIGATING ACTION AND THE CITY COUNCIL ORDINANCE -- Payment of Amounts Pursuant to Pledge Claim and Other Available Revenue”) to be so deposited therein in advance of such required monthly deposits of such Other Pledged Revenue and the Pledged Tax Increment. Notwithstanding any monthly allocation originally designated as the funding source made as described in this paragraph, the City Controller may (a) reallocate and designate a later receipt of Food and Beverage Tax Revenues, Other Available Revenues and Pledged Tax Increment to the final funding source for the amounts held and available to be applied to make a Lease Rental Payment, and (b) reimburse any use of COIT Revenue or another funding source originally allocated to either the Lease Subaccount or the Lease Reserve Subaccount. See APPENDIX F -- “SUMMARY OF CERTAIN PROVISIONS OF THE MASTER PLEDGE RESOLUTION, OBLIGATING ACTION AND THE CITY COUNCIL ORDINANCE.”

The Commission reserves the right to issue additional Subordinate Obligations (as defined in the Master Pledge Resolution) payable from the Other Pledged Revenue and the Pledged Tax Increment on a parity with the pledge thereof to the payment of the Lease Rental Payments, upon the satisfaction of certain conditions. The Commission further reserves the right to issue additional Senior Obligations (as defined in the Master Pledge Resolution) payable from the Pledged Tax Increment senior to the pledge thereof to the payment of the Lease Rental Payments upon the satisfaction of certain conditions. See APPENDIX F -- “SUMMARY OF CERTAIN PROVISIONS OF THE MASTER PLEDGE RESOLUTION, OBLIGATING ACTION AND THE CITY COUNCIL ORDINANCE.”

The Lease provides that, in the event the Premises are partially or totally destroyed, whether by fire or any other casualty, so as to render the same unfit, in whole or part, for use by the Commission: (i) it will then be the obligation of the Authority to restore and rebuild the Premises as promptly as may be done, unavoidable strikes and other causes beyond the control of the Authority excepted; provided, the Authority will not be obligated to expend on such restoration or rebuilding more than the amount of the proceeds received by the Commission from the insurance provided for in the Lease, and provided further, the Authority will not be required to rebuild or restore the Premises if the Commission instructs the Authority not to undertake such work because the Commission anticipates that either the cost of such work exceeds the amount of insurance proceeds and other amounts available for such purpose, or the work cannot be completed within the period covered by rental value insurance; and (ii) the rent will be abated, for the period during which the Premises or any part thereof is unfit for use by the Commission, in proportion to the percentage of the area of Premises which is unfit for use by the Commission.

In accordance with the Lease, the Commission, at its own expense, is required to keep the Premises insured against physical loss or damage, however caused, with such exceptions as are ordinarily required by insurers of buildings or improvements of a similar type, which insurance shall be in an amount at least equal one hundred percent (100%) of the full replacement cost of the Projects as certified by a professional cost estimator selected by the Commission (who may be an architect, engineer or other person or entity with experience in estimation of replacement costs for facilities such as the Premises) in accord with the Lease.

In accordance with the Indenture, the Debt Service Reserve Fund will be established at the time of issuance of the Series 2010 Bonds and will be funded at such time in an amount equal to the Debt Service

Reserve Fund Requirement (as hereinafter defined). The Debt Service Reserve Fund may be applied for the purpose of paying the principal of and interest on the Bonds if any deficiencies occur in the Sinking Fund established under the Indenture. The "Debt Service Reserve Fund Requirement" means an amount equal to the least of (i) the combined maximum annual debt service on the Series 2010 Bonds (net of any expected Build America Bond Subsidy Payments including as set forth in Exhibit C to the Indenture), (ii) the sum of 125% of average annual debt service on the Series 2010A Bonds, plus 125% of average annual debt service on the Series 2010B Bonds (net of any expected Build America Bond Subsidy Payments including as set forth in Exhibit C to the Indenture), plus 125% of average annual debt service on each respective series of Additional Bonds, or (iii) the sum of 10% of the proceeds of each respective Bond series (that is, the Series 2010A Bonds, the Series 2010B Bonds and each respective series of Additional Bonds), each calculated as of the date of issuance of each respective Bond series (that is, the Series 2010A Bonds, the Series 2010B Bonds and each respective series of Additional Bonds). On the date of issuance of the Series 2010 Bonds, the Debt Service Reserve Fund Requirement will equal \$8,075,208.56, and the Authority will deposit proceeds of the Series 2010 Bonds into the Debt Service Reserve Fund equal to such amount. If the Debt Service Reserve Fund contains an amount which is less than the Debt Service Reserve Fund Requirement on any February 1 or August 1, such deficiency in the Debt Service Reserve Fund is required to be restored from any Lease Rental Payments under the Lease not required to be deposited into the Sinking Fund. If money in the Debt Service Reserve Fund exceeds the Debt Service Reserve Fund Requirement, such excess will be transferred at least semiannually to the Sinking Fund.

The Indenture allows the Authority to satisfy all or any portion of the Debt Service Reserve Fund Requirement with a deposit to the Debt Service Reserve Fund of a letter of credit, surety bond, liquidity facility, insurance policy or comparable instrument furnished by a bank, insurance company, financial institution or other entity as selected by the Authority from time to time.

Descriptions of the Food and Beverage Tax Revenues, the Tax Increment Revenues, and the COIT Revenues are set forth under the headings, respectively, "SUMMARY OF THE COUNTY FOOD AND BEVERAGE TAX FOR VANDERBURGH COUNTY, INDIANA", "SUMMARY OF THE TAX INCREMENT REVENUES FOR CITY OF EVANSVILLE DOWNTOWN REDEVELOPMENT AREA", and "SUMMARY OF THE COUNTY OPTION INCOME TAX (COIT) FOR THE CITY OF EVANSVILLE, INDIANA" herein. Additionally, the Commission or the City may issue or enter into additional bonds, obligations, leases or pledges of Food and Beverage Tax Revenues, Tax Increment Revenues or COIT Revenues in the future, upon the satisfaction of certain conditions. See APPENDIX F -- "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER PLEDGE RESOLUTION, OBLIGATING ACTION AND THE CITY COUNCIL ORDINANCE -- MASTER PLEDGE RESOLUTION -- Conditions Pertaining to the Issuance of Additional Secured Obligations" and "-- 2010 OBLIGATING ACTION AND THE CITY COUNCIL ORDINANCE -- Additional Secured Obligations" herein.

SUMMARY OF THE COUNTY OPTION INCOME TAX (COIT) FOR THE CITY OF EVANSVILLE, INDIANA

Pursuant to IC 6-3.5-6, the Vanderburgh County Income Tax Council (the "Income Tax Council") is authorized to impose COIT. The Income Tax Council consists of the Vanderburgh County Council and the fiscal bodies of each city or town that lies either partially or entirely within the County. The voting power on the Income Tax Council is allocated on the basis of population. Each city or town receives the percentage of votes that its population bears to the population of the entire County. The County's percentage is based on the population in the County that is not located in a city or town. The percentages are certified each year by the County Auditor. The Income Tax Council adopted a resolution in 1984 adopting the COIT, which was first imposed in 1985. The COIT was first collected in 1986, and the County received its first COIT distribution in 1986.

The COIT is imposed on residents of the County and individuals who maintain their principal place of business or employment in the County and who do not reside in another County in which the COIT, the county adjusted gross income tax ("CAGIT") or the county economic development income tax ("EDIT") is in effect. The COIT is collected by the State of Indiana (the "State") and deposited into a special account within the State general fund. In past years, the amount of COIT that was to be distributed to each county during an ensuing calendar year was the amount of COIT that the Indiana Department of State Revenue (the "Department of Revenue") estimated would be received from that county during the twelve month period beginning on July 1 and ending on June 30 of the ensuing calendar year.

However, legislation passed by the Indiana General Assembly in 2003 (S.E.A. 166) changed the method by which COIT is distributed to counties, beginning with distributions made during the 2004 calendar year. The amount of COIT to be distributed to counties during an ensuing calendar year equals the amount of revenue the Department of Revenue, based on the State Budget Agency recommendation, determines has been reported and actually received from the county based on the actual income taxes filed and processed from July 1 of the preceding year through June 30 of the current year, adjusted for any refunds. Before August 2, the Department of Revenue, after reviewing the recommendations of the State Budget Agency, certifies to the county auditor of each adopting county the amount of COIT that was reported and processed (less refunds) from that county one year previous to the ensuing calendar year. Adjustments may be made to offset overpayments made in previous calendar year certified distributions. One-twelfth of the certified distribution will be distributed each month of the ensuing calendar year.

COIT revenues received by the County Auditor must be used to (1) replace the amount of property tax revenues lost as a result of an increased homestead credit within the County; (2) fund the operation of a public communication system and computer facilities district if provided for in an election made by the County Council; (3) fund the operation of a public transportation corporation pursuant to an election made by the County Council; (4) make payments of debt service or lease rentals to finance certain economic development projects if pledged for that purpose by the County Council, and (5) make distributions of distributive shares to the civil taxing units of the County. The items referred to in clauses (1) through (4) above herein are referred to as the "Pre-distribution COIT Uses." In 2005, the Indiana General Assembly amended the COIT statute, effective July 1, 2005, to allow COIT Revenues to be used for any lawful purpose of the unit.

The percentage of COIT revenues to be distributed as distributive shares to the civil taxing units each month is based on the ratio of the total property taxes due and payable to the civil taxing unit during the calendar year in which the month falls to the total property taxes due and payable to all civil taxing units of the County during the calendar year in which the month falls. As of January 1, 2006, the formula calculates the proportion of the eligible units' property tax collections (with an adjustment based on the amount of property taxes imposed by the County in 1999 for the County's welfare fund and welfare administration fund), less the amount of such property taxes used to pay debt (including bond and lease payments) issued after June 30, 2005, plus such units' previous year's certified distributions.

For the year ending December 31, 2010, the City is entitled to approximately 43% of COIT to be distributed to the civil taxing units in the County after the Pre-distribution COIT Uses. This percentage may decline if the City's property tax levy becomes a smaller percentage of the total property tax levies of all eligible civil taxing units in the County. The COIT Revenues received by the County may also be reduced because of a reduction in the amount of COIT collected or distributed throughout the County or an increase in the amount of COIT used for the purposes described in (1) through (4) in the preceding paragraph. See "RISKS TO BONDHOLDERS".

The Income Tax Council is prohibited by statute from reducing the COIT rate as long as bonds or leases for which rent is payable from COIT are outstanding. However, COIT Revenues available to the City could be reduced because of the factors described above, among others, without reducing the COIT rate. THE CITY AND THE INCOME TAX COUNCIL HAVE MADE NO REPRESENTATION THAT THEY WILL, ARE NOT OBLIGATED TO, AND CURRENTLY DO NOT HAVE THE ABILITY TO, TAKE ANY ACTION TO

INCREASE THE RATE AT WHICH COIT IS IMPOSED IN ORDER TO PROVIDE FUNDS TO PAY A PORTION OF THE LEASE RENTAL PAYMENTS DUE UNDER THE LEASE.

Effective with House Enrolled Act 1001, passed in 2008, the Income Tax Council may use COIT Revenues to provide property taxpayers with a credit against taxes payable on their principal place of residence (the "Local Homestead Credit"). Revenue derived from the COIT may be used to allow a Local Homestead Credit against property taxes in the County, currently in the amount of 8%. If the Income Tax Council were to increase the Local Homestead Credit, the property tax revenues lost to the taxing units as a result would have to be replaced from COIT, before calculating the distributive shares of COIT. The Income Tax Council has not acted to increase the Local Homestead Credit above the level prescribed by statute. Moreover, Indiana Code 6-3.5-6 prohibits the Income Tax Council from taking any action that would reduce the distributive share of COIT for any taxing unit below the amount to which that unit was entitled when it pledged COIT for any purpose permitted by statute. Therefore, the Income Tax Council may, in the future, increase the Local Homestead Credit only if this action would not result in the City receiving a smaller distributive share of COIT Revenues than the share to which it was entitled when the Series 2010 Bonds were issued.

The Income Tax Council adopted the COIT in 1984, which was imposed commencing in 1985 at a rate of 0.2% of the adjusted gross income of County residents. The COIT was first collected in 1986, and the County received its first COIT distribution in 1986. By law, the initial rate automatically increased by increments of 0.1% each year until it reached 0.6%. In 1989, the Income Tax Council adopted an ordinance to increase the rate automatically in increments of 0.1 % per year until it reached the statutory maximum of 1.0% in 1994, which rate remains in effect to the present. The civil taxing units may use their distributive shares of COIT for any operating purpose under State law.

The City's historical information regarding its distributive share of COIT Revenues is as follows:

Historical Information on Vanderburgh County COIT Receipts

| <u>Years Ended December 31</u> | <u>Vanderburgh Co. Distributive Share</u> | <u>City of Evansville Distributive Share</u> | <u>Evansville Percent to Total</u> | <u>Rate of Growth</u> |
|---|--|---|---|------------------------------|
| 1999 | \$27,321,397 | \$10,660,907 | 39.02% | n/a |
| 2000 | 28,264,363 | 11,098,338 | 39.27 | 3.45% |
| 2001 | 31,437,293 | 12,738,320 | 40.52 | 11.23 |
| 2002 | 42,354,237 | 17,670,107 | 41.72 | 34.73 |
| 2003 | 31,140,662 | 12,367,790 | 39.72 | (26.48) |
| 2004 | 31,205,744 | 11,884,610 | 38.08 | (0.21) |
| 2005 | 29,467,540 | 10,924,375 | 37.07 | (5.57) |
| 2006 | 34,211,339 | 13,282,995 | 38.83 | 16.10 |
| 2007 | 34,805,313 | 13,118,392 | 37.69 | 1.74 |
| 2008 | 34,750,083 | 13,117,237 | 37.75 | (0.16) |
| 2009* | 36,206,236 | 15,188,933 | 41.95 | 4.19 |

Source: Vanderburgh County Auditor, City Controller, and Department of Local Government Finance

* In 2009, one hundred percent (100%) of the Certified Distribution was made available for distribution to Eligible Units. In 2010, approximately \$3,200,000 of the Certified Distribution has been used to provide a local homestead credit.

The City's projected collections of COIT Revenues are as follows:

Forecasted Information on Vanderburgh County COIT Receipts

| <u>Years Ended December 31</u> | <u>Vanderburgh Co. Distributive Share</u> | <u>City of Evansville Distributive Share</u> | <u>Evansville Percent to Total</u> | <u>Rate of Growth</u> |
|---|--|---|---|------------------------------|
| 2010 | \$32,150,729 | \$13,778,920 | 42.86% | n/a |
| 2011 | 33,115,251 | 12,994,424 | 39.24 | 3.00% |
| 2012 | 34,108,709 | 13,384,257 | 39.24 | 3.00 |
| 2013 | 35,131,970 | 13,785,785 | 39.24 | 3.00 |
| 2014 | 36,185,929 | 14,199,358 | 39.24 | 3.00 |
| 2015 | 37,271,507 | 14,625,339 | 39.24 | 3.00 |
| 2016 | 38,389,652 | 15,064,099 | 39.24 | 3.00 |
| 2017 | 39,541,342 | 15,516,023 | 39.24 | 3.00 |
| 2018 | 40,727,582 | 15,981,503 | 39.24 | 3.00 |
| 2019 | 41,949,409 | 16,460,948 | 39.24 | 3.00 |
| 2020 | 43,207,891 | 16,954,776 | 39.24 | 3.00 |

Source: Department of Local Government Finance

Note: Future years assume rate of growth of 3% and the historical average of the City's distributive share, and has been based upon certain assumption as set forth in the Report of London Witte Group, LLC contained in APPENDIX A hereto.

**SUMMARY OF THE COUNTY FOOD AND BEVERAGE TAX FOR
VANDERBURGH COUNTY, INDIANA**

Pursuant to IC 6-9-20, the Vanderburgh County Council (the "County Council") is authorized to impose an excise tax, known as the county food and beverage tax (the "Food and Beverage Tax"). The Food and Beverage Tax may be imposed at the rate of one percent (1%) of the gross retail income received from food and beverage sales, and it is imposed, paid and collected in the same manner as the State sales tax under IC 6-2.5. Accordingly, the Food and Beverage Tax has been imposed on all transactions in Vanderburgh County, Indiana (the "County"), in which food or beverages are furnished, prepared or served by a retail merchant for consumption at a location, or on equipment, provided by a retail merchant, and it has been collected by retail merchants that serve food and beverages in the County since its effective date of July 1, 1985. Pursuant to IC 6-9-20-3(e), the Food and Beverage Tax does not terminate until January 1 of the year following the year in which the last of the Series 2010 Bonds (or the last of any bonds issued to refund the Series 2010 Bonds) have been completely paid or defeased as to both principal and interest.

Transactions in the County subject to the Food and Beverage Tax include, but are not limited to, transactions in which: (i) food or beverages are served by a retail merchant off the merchant's premises; (ii) food is sold in a heated state or heated by a retail merchant; (iii) two or more food ingredients are mixed or combined by a retail merchant for sale as a single item (other than food that is only cut, repackaged, or pasteurized by the seller, and eggs, fish, meat, poultry, and foods containing these raw animal foods requiring cooking by the consumer as recommended by the federal Food and Drug Administration so as to prevent food-borne illnesses); or (iv) food sold with eating utensils provided by a retail merchant, including plates, knives, forks, spoons, glasses, cups, napkins, or straws (for purposes of this subparagraph, a plate does not include a container or packaging used to transport the food). However, the Food and Beverage Tax does not apply to the furnishing, preparing, or serving of any food or beverage in a transaction that is exempt, or to the extent exempt, from the State gross retail tax imposed by IC 6-2.5.

In general, each retail merchant is required to make payments to the Department of Revenue no later than the last day of each month in the full amount of the Food and Beverage Tax Revenue collected in the previous month. The Department of Revenue credits the amounts received to the Vanderburgh County Food and Beverage Tax Receipts Fund (the “Vanderburgh County Fund”) held by the Treasurer of the State of Indiana (the “State Treasurer”), and transfers any amounts received each week to the Vanderburgh County Fund. On the last business day of each month, the State Treasurer then distributes a check in an amount equal to the entire amount received during that month to either the Vanderburgh County Treasurer (the “County Treasurer”) or the City Controller, as further described below.

So long as the Evansville-Vanderburgh County Building Authority Excise and Income Tax Lease Rental Refunding Bonds, Series 2003, dated September 15, 2003 and issued in the original aggregate principal amount of \$30,350,000, which are currently outstanding in the aggregate principal amount of \$21,170,000 with a maximum annual debt service payment of \$3,668,000 and a final maturity of February 1, 2018 (the “2003 Building Authority Bonds”), remain outstanding, the County Treasurer is required to deposit the monthly Food and Beverage Tax Revenues received from the State Treasurer into the Auditorium Fund established pursuant to IC 6-9-20-8.5 in order to pay lease rental payments in connection with the 2003 Building Authority Bonds or to maintain a debt service reserve for the 2003 Building Authority Bonds. Before the twentieth (20th) day of each month, the County Treasurer is required to determine whether there is any Food and Beverage Tax Revenue in excess of the amount necessary to pay lease rentals in connection with, or maintain a debt service reserve for, the 2003 Building Authority Bonds. If there is excess Food and Beverage Tax Revenue, the County Treasurer is required to transfer the excess Food and Beverage Tax Revenue to the City Controller by the last day of that month. The City Controller is required to deposit such excess Food and Beverage Tax Revenue to the Municipal Arena Fund established under IC 6-9-20-8.8, and such revenues may be used only for the payment of the Lease Rentals or other obligations incurred to pay any costs associated with the financing, acquisition, construction, or equipping of the Project.

Pursuant to IC 6-9-20-9.5, if the County Treasurer certifies to the State Treasurer that the 2003 Building Authority Bonds have been completely paid or defeased as to both principal and interest, then subsequent distributions of the Food and Beverage Tax Revenues shall be distributed by the State Treasurer to the City Controller and shall be deposited into the Municipal Arena Fund. Pursuant to IC 6-9-20, the Food and Beverage Tax Revenues may be used only (i) to pay lease rental payments in connection with the 2003 Building Authority Bonds or to maintain a debt service reserve for the 2003 Building Authority Bonds, or (ii) to pay the Lease Rentals or other obligations incurred to pay any costs associated with the financing, acquisition, construction, or equipping of the Project. The Indiana General Assembly has covenanted with the County, the City, the purchasers or holders of the 2003 Building Authority Bonds, and the purchasers or holders of the Series 2010 Bonds that IC 6-9-20 will not be repealed or amended in any manner that will adversely affect the imposition or collection of the Food and Beverage Tax imposed pursuant to IC 6-9-20 so long as the principal and interest on any bonds or the lease rental due under any lease to which the Food and Beverage Tax Revenues have been pledged, remain unpaid.

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The City's historical information regarding its receipt of Food and Beverage Tax Revenues is as follows:

Historical Information on Vanderburgh County Food & Beverage Tax Receipts

| <u>Years Ending December 31</u> | <u>Vanderburgh Co. Food & Beverage Tax Collected</u> | <u>Rate of Growth</u> |
|--|---|------------------------------|
| 1999 | \$2,630,656 | n/a |
| 2000 | 2,809,247 | 6.79% |
| 2001 | 2,891,010 | 2.91 |
| 2002 | 3,061,059 | 5.88 |
| 2003 | 3,100,147 | 1.28 |
| 2004 | 3,213,380 | 3.65 |
| 2005 | 3,410,950 | 6.15 |
| 2006 | 3,622,374 | 6.20 |
| 2007 | 3,613,825 | -0.24 |
| 2008 | 3,633,805 | 0.55 |
| 2009 | 3,665,442 | 0.10 |

Source: Vanderburgh County Auditor

The City's recent and projected collections of Food and Beverage Tax Revenues is as follows:

Recent & Projected Collections of Vanderburgh County Food & Beverage Tax

| <u>Years Ending December 31</u> | <u>Vanderburgh Co. Food & Beverage Tax Collections</u> | <u>Lease Payments on Prior Obligations</u> | <u>Funds Available for Current Debt Service or Capital Costs of the New Arena</u> |
|--|---|---|--|
| 2008 | \$3,633,805 | \$0 | \$0 |
| 2009* | 3,665,442 | 2,917,000 | 192,642 |
| 2010 | 3,775,405 | 3,000,000 | 775,405 |
| 2011 | 3,888,667 | 3,088,000 | 800,667 |
| 2012 | 4,005,327 | 3,180,000 | 825,327 |
| 2013 | 4,125,487 | 3,276,000 | 849,487 |
| 2014 | 4,249,252 | 3,370,000 | 879,252 |
| 2015 | 4,376,729 | 3,465,000 | 911,729 |
| 2016 | 4,508,031 | 3,561,000 | 947,031 |
| 2017 | 4,643,272 | 3,668,000 | 975,272 |
| 2018 | 4,782,570 | 0 | 4,782,570 |

* Represents excess revenue available for the partial year 2009

Note: Future years assume a rate of growth of 3% and has been based upon certain assumption as set forth in Report of London Witte Group, LLC contained in APPENDIX A hereto.

SUMMARY OF THE TAX INCREMENT REVENUES FOR THE CITY OF EVANSVILLE DOWNTOWN REDEVELOPMENT AREA

Pursuant to IC 36-7-14 (the “Redevelopment Act”), the City has established a department of redevelopment, which is controlled by the Commission. The Commission, acting in the name of the City, governs the District, which consists of all the territory within the corporate boundaries of the City. Pursuant to a declaratory resolution adopted by the Commission, as confirmed by a confirmatory resolution adopted on January 20, 1984 (collectively, the “Original Declaratory Resolution”), the Commission previously established a “redevelopment project area” in the downtown portion of the City (the “Original Area”), and designated the entire area as an “allocation area” (the “Original Allocation Area”), all in accordance with the Redevelopment Act.

On December 4, 2007, the Commission adopted a resolution amending the Original Declaratory Resolution to enlarge the boundaries of the Original Area to include certain additional area (the “Additional Area,” and, together with the Original Area, the “Downtown Redevelopment Area”), and to expand the boundaries of the Original Allocation Area to include all of such Additional Area (the “Additional Allocation Area,” and together with the Original Allocation Area, the “Downtown Redevelopment Allocation Area”). On November 5, 2008, the Commission further amended the Original Declaratory Resolution by designating Berry Plastics Corporation as a “designated taxpayer” under IC 36-7-14-39.3 for the purpose of capturing incremental property tax revenues on the designated taxpayer’s depreciable personal property located in the Allocation Area. The Project will be located in the Downtown Redevelopment Allocation Area.

The Downtown Redevelopment Allocation Area is located in the downtown area of the City of Evansville, Indiana, and encompasses approximately 300 acres. The Downtown Redevelopment Allocation Area is generally bounded on the west by Riverside Drive and Fulton Avenue, on the south by Chestnut Street and Cherry Street, on the east by Dr. Martin Luther King, Jr. Drive, and on the north by the Lloyd Expressway. Within the boundaries of the Downtown Redevelopment Allocation Area, there are numerous retail, commercial, light industrial, and residential properties, as well as vacant developable land.

The Tax Increment Revenues are derived from property tax proceeds attributable to the difference between (i) the assessed value of all real property (together with the assessed value of certain depreciable personal property), as of the assessment date, minus (ii) the “base assessed value” (as defined in IC 36-7-14-39(b)(1)) for property located in the Downtown Redevelopment Allocation Area. The “base assessed value” means the net assessed value of all the property in the Downtown Redevelopment Allocation Area as finally determined for the assessment date immediately preceding the effective date of a declaratory resolution establishing a “redevelopment project area.” The base assessment date of the Original Allocation Area is March 1, 1983, and the base assessment date of the Additional Allocation Area is March 1, 2007.

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The City's historical information regarding its receipt of Tax Increment Revenues is as follows:

Historical Information on Tax Increment Revenues

| <u>Year</u> | <u>Captured Assessed Value</u> | <u>Tax Increment Revenues Distributed</u> |
|--------------------|---------------------------------------|--|
| 2002 Pay 2003* | \$151,117,388 | \$ 615,578 |
| 2003 Pay 2004 | 150,070,938 | 689,821 |
| 2004 Pay 2005 | 130,263,958 | 1,500,600 |
| 2005 Pay 2006 | 151,740,848 | 3,000,000 |
| 2006 Pay 2007 | 198,818,450 | 4,468,597 |
| 2007 Pay 2008 | 233,544,484 | 5,549,602 |
| 2008 Pay 2009 | 252,868,012 | 6,955,237 |

* The Downtown Redevelopment Allocation Area was established in 1984 and for a period of time, the Commission collected tax increment revenues. However, prior to 2000, the Commission, as provided for under the Redevelopment Act, declined to collect the tax increment revenues, and released the captured assessed value back to the overlapping taxing units. In collection year 2003, after issuance of the 2002 Bonds (as defined in APPENDIX A hereto), the Commission once again started to collect tax increment revenue. Each year the amount of tax increment revenues collected was increased, such that in collection year 2007, tax increment revenues were collected on 100% of the captured assessed value in the Downtown Redevelopment Allocation Area.

The City's projected collections of Tax Increment Revenues are as follows:

Forecasted Information on Tax Increment Revenues

| <u>Year</u> | <u>Captured Assessed Value</u> | <u>Estimated Tax Increment Revenues</u> |
|--------------------|---------------------------------------|--|
| 2009 Pay 2010 | \$268,056,946 | \$6,967,068 |
| 2010 Pay 2011 | 275,225,335 | 7,153,382 |
| 2011 Pay 2012 | 282,393,724 | 7,339,695 |
| 2012 Pay 2013 | 293,992,300 | 7,641,154 |
| 2013 Pay 2014 | 305,590,877 | 7,942,612 |
| 2014 Pay 2015 | 312,068,008 | 8,110,960 |
| 2015 Pay 2016 | 316,546,828 | 8,227,369 |

RISKS TO BONDHOLDERS

Prospective purchasers of the Series 2010 Bonds should be aware that there are certain risk factors associated with the Series 2010 Bonds.

General

The principal of and interest on the Series 2010 Bonds are payable only from the Lease Rental Payments received by the Trustee on behalf of the Authority from the Commission pursuant to the Lease and amounts in the funds established under the Trust Indenture. The Authority has no taxing power. The Authority has no source of funds from which to pay debt service on the Series 2010 Bonds except moneys held in the Trust Estate. If the Commission does not pay the Lease Rental Payments, the Authority will have no source of funds from which to pay debt service on the Series 2010 Bonds except moneys held in the various funds established under the Trust Indenture.

The Commission legally is permitted to pay rentals under the Lease only with respect to portions of the Premises that are complete and available for use and occupancy. Therefore, until the Project is complete and the Premises are available for use and occupancy, the Commission will not be legally permitted to make Lease Rental Payments under the Lease. It is anticipated that the Project will be completed and the full Premises will be available for use and occupancy by no later than November 1, 2011, and it is anticipated that the first Lease Rental Payment will commence on February 1, 2013. Principal payments on the Series 2010 Bonds will not commence until February 1, 2014. Interest payments on the Series 2010 Bonds through August 1, 2012, will be made from a portion of the Series 2010 Bond proceeds deposited into the Construction Account of the Construction Fund. Starting on February 1, 2014, principal and interest payments on the Series 2010 Bonds will be funded from Lease Rental Payments. However, if completion of the Project is delayed beyond February 1, 2014, the Commission may be legally prohibited from making full Lease Rental Payments until the Project is completed, which could result in a shortfall of revenues available to the Authority to make principal and interest payments on the Series 2010 Bonds.

If for any reason, all or a portion of the Project is damaged or destroyed and unavailable for use and occupancy, the Commission would no longer be able to pay the full Lease Rental Payments. 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. In addition, the proceeds of any property and/or casualty insurance claim for the Project would be used either to reconstruct the Project or to retire obligations issued to finance the Project. To the extent that the damaged or destroyed Project is not replaced or repaired or is unavailable for use beyond the period covered by the rental value insurance, the Commission would be prohibited from paying the Lease Rental Payments, and the Authority would have insufficient funds to pay debt service on its outstanding Series 2010 Bonds.

Tax Increment Revenues

The Commission's obligation to pay Lease Rental Payments will be payable from Tax Increment Revenues derived from real property taxes on all taxable property, together with incremental personal property tax revenues on certain taxable depreciable personal property, located in the Downtown Redevelopment Allocation Area. The estimate of Tax Increment Revenues is dependent on certain assumptions as to future events, the occurrence of which cannot be guaranteed. In evaluating estimates of Tax Increment Revenues contained herein, consideration should be given to risk factors, which could result in reduction in the estimated Tax Increment Revenues. Risk factors specific to Tax Increment Revenues, include, but are not limited to, the following:

(a) *General Risks of Tax Increment Revenues.* Any of the following could adversely affect Tax Increment Revenues: (i) destruction of property in the Downtown Redevelopment Allocation Area caused by natural disaster; (ii) delinquent taxes or adjustments of or appeals on assessments by property owners in the Downtown Redevelopment Allocation Area; (iii) a decrease in the assessed value of properties in the Downtown Redevelopment Allocation Area due to increases in depreciation, obsolescence or other factors by the assessor; (iv) acquisition of property in the Downtown Redevelopment Allocation Area by a tax-exempt entity; (v) removal or demolition of real property improvements by property owners in the Downtown Redevelopment Allocation Area; (vi) delayed billing, collection, or distribution of Tax Increment Revenues by the County Auditor; (vii) a decrease in property tax rates or an increase in any local property tax replacement credits permitted under IC 6-3.5-6-32; (viii) the Indiana General Assembly, the courts, the Department of Local Government Finance ("DLGF") or other administrative agencies with jurisdiction in the matter could enact new laws or regulations or interpret, amend, alter, change or modify the laws or regulations governing the calculation, collection, definition or distribution of Tax Increment Revenues including laws or regulations relating to reassessment, local property tax replacement credits or a revision in the property tax system; or (ix) a change in any of the civil unit's funding mechanisms (i.e. no longer funding it with property taxes). Any such changes could cause the Tax Increment Revenues to fall below the levels anticipated in APPENDIX A -- "REPORT OF LONDON WITTE GROUP, LLC --Tax Increment Revenues" herein.

(b) *Reduction of Tax Rates or Tax Collection Rates.* Any substantial increase in State or federal aid or other sources of local revenues which would reduce local required fiscal support for certain public programs or any substantial increase in assessments outside the Downtown Redevelopment Allocation Area could reduce the rates of taxation by the taxing bodies levying taxes upon property within the Downtown Redevelopment Allocation Area and have an adverse effect on the amount of Tax Increment Revenues received by the Commission. Economic conditions or administrative action could reduce the collection rate achieved by the County within its jurisdiction, including the Downtown Redevelopment Allocation Area.

(c) *Circuit Breaker Tax Credits.* The Indiana General Assembly enacted legislation which provides taxpayers with a tax credit for all property taxes that exceed a specified percentage of the gross assessed value of real and personal property eligible for the credit (the "Circuit Breaker Tax Credit"). Beginning with property taxes payable in 2010 and each year thereafter, property taxes for residential homesteads (as defined in IC 6-1.1-20.9-2) will be limited to 1.0% of the gross assessed value of the homestead; property taxes for agricultural land (as defined in IC 6-1.1-20.9-0.5), other residential property (as defined in IC 6-1.1-20.9-4) and long term care facilities (as defined in IC 6-1.1-20.9-2.3) will be limited to 2.0% of the gross assessed value of such property; and property taxes for all other real and personal property will be limited to 3.0% of the gross assessed value of such property. Additional property tax credits and deductions have been made available to certain senior citizens. 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. Future events, such as the loss of a major taxpayer or reductions in assessed value, increases in property tax rates of overlapping taxing units, or the reduction in the amount of the local property tax replacement credits (if any), could increase the effective property tax rate sufficiently to limit the property taxes paid by taxpayers within the Downtown Redevelopment Allocation Area, reducing the amount of Tax Increment to be received below the level of Tax Increment projected within APPENDIX A hereto. Potential reductions in Tax Increment collected within the Downtown Redevelopment Allocation Area could be material. See "PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION -- Circuit Breaker Tax Credit" herein.

(d) *Reassessment and Trending.* The next general reassessment of property in the State is scheduled to be effective for property assessed March 1, 2012, for taxes payable in 2013. Reassessments are scheduled to occur every four years thereafter. Trending (see "PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION" herein) is scheduled to occur on an annual basis. The DLGF is required by law to make a one-time adjustment to neutralize the effect of a reassessment on property within tax increment allocation areas, including the Downtown Redevelopment Allocation Area, so that owners of obligations secured by tax increment revenues will not be adversely affected. Delays in the reassessment and trending process, the inability to neutralize the effect of reassessment, or appeals of assessments and reassessments could adversely affect the Tax Increment Revenues.

(e) *Local Property Tax Replacement Credits and Tax Rates Assumed in the Tax Increment Revenue Estimate.* The estimated Tax Increment Revenues assume that the gross property tax rates and any local property tax replacement credits, if any (permitted under IC 6-3.5-6-32), will remain at approximately the same level throughout the term of the Series 2010 Bonds. Any decrease in the gross property tax rates or increase in any local property tax replacement credits could result in a decrease in the amount of Tax Increment Revenues.

(f) *Tax Increment Replacement Levy.* Beginning with property taxes first payable year 2009 and each year thereafter, under IC 6-1.1-21.2 the Commission is authorized to levy a property tax on all taxable property located in the District (the "Replacement Levy") to replace Tax Increment Revenues lost, due to legislative changes, to a level sufficient to meet the obligations of the District. In lieu of the Replacement Levy, the District could instead (i) impose a special assessment on the owners of property located in the Downtown Redevelopment Allocation Area to generate Tax Increment Revenues sufficient to meet the District's obligations, or (ii) reduce the base assessed value of property in the Downtown Redevelopment Allocation Area to an amount that is sufficient to generate Tax Increment Revenues sufficient to meet the District's obligations.

However, no assurances can be given that the Commission would exercise any of such rights, and the availability of such remedies, if exercised, may not be sufficient to ensure the timely payment of Lease Rental Payments which are necessary to pay debt service due on the Series 2010 Bonds.

(g) *Delayed Billing, Collection or Distribution.* In the event of delayed billing, collection or distribution by the county auditor of ad valorem property taxes levied in the City and the County, sufficient funds may not be available to the Commission in time to pay a portion of the Lease Rental Payments when due. This risk is inherent in all property tax supported obligations. See “PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION” herein. In addition, economic conditions or administrative action could reduce the collection rate achieved by the City within its jurisdiction.

(h) *Prior Pledges and Future Pledges.* The Tax Increment Revenues are being pledged by the Commission to the payment of the Lease Rental Payments on a basis subordinate to the pledge thereof to prior obligations of the Commission. In addition and provided that certain conditions are met, the Commission has reserved the right to pledge the Tax Increment Revenues to the repayment of additional bonds or leases of the Commission (or other obligations of the City) senior to, on parity with, or subordinate to, the pledge of the Tax Increment Revenues by the Commission to the payment of the Lease Rental Payments. See APPENDIX F -- “SUMMARY OF CERTAIN PROVISIONS OF THE MASTER PLEDGE RESOLUTION, OBLIGATING ACTION AND THE CITY COUNCIL ORDINANCE -- MASTER PLEDGE RESOLUTION -- Conditions Pertaining to the Issuance of Additional Secured Obligations” and “-- 2010 OBLIGATING ACTION AND THE CITY COUNCIL -- Additional Secured Obligations.”

County Option Income Tax Revenues

The Commission’s Lease Rental Payment obligations will be payable from the City’s distributive share of the county option income tax imposed on the adjusted gross income of taxpayers in the County and received by the City under Indiana Code 6-3.5-6, as amended, and pledged by the City to the Commission for the payment of such Lease Rental Payments. There are certain risks associated with COIT Revenues. This Official Statement contains information regarding the historical certified distributions of COIT received by the City. The City’s distribution of COIT Revenues in the future may differ materially from the City’s historical receipts. Refer also to the “SUMMARY OF THE COUNTY OPTION INCOME TAX (COIT) FOR THE CITY OF EVANSVILLE” contained herein.

(a) Adverse economic conditions in the County, the City, the State of Indiana or the United States could result in a reduction in the Adjusted Gross Income of qualifying taxpayers in the County and, therefore, a reduction in City’s certified distribution of COIT Revenues.

(b) Local area or statewide delinquencies in state income tax collection could result in reduced COIT Revenue receipts.

(c) The COIT Revenues could be reduced if the County Income Tax Council were to increase the local homestead credit under IC 6-1.1-20.9.

(d) By law, the COIT rate may not exceed 1.00%. There currently is in force a COIT tax rate of 1.00%. The City and the Income Tax Council have made no representation, and are not obligated to take, and are prohibited by current law from taking, any action to increase the rate at which COIT is imposed to pay Lease Rental Payments under the Lease.

(e) The legislature, or an administrative agency with jurisdiction in the matter, could enact new laws or regulations or interpret, amend, alter, change or modify, or a court of competent jurisdiction could interpret, the laws or regulations governing the collection, distribution, definition or accumulation of the COIT in a fashion that would adversely affect the owners of the Series 2010 Bonds.

(f) The certified COIT Revenues amount can vary considerably from year to year depending on the relative amounts of the property tax levies of the eligible units located in the County, including the City (the “Eligible Units”). The amount of the City’s distributive share of COIT Revenues is determined by statute based on the ratio of the City’s property tax levy to the total property tax levies of the Eligible Units. The City’s distributive share for 2010 is approximately 43% of the total COIT Revenues distributed to the Eligible Units. If the City’s property tax levy declines as a percentage of the aggregate property tax levies of the Eligible Units, the City’s distributive share of the COIT revenues will be reduced. Among the factors that could cause the percentage of the COIT Revenue distribution to which the City is entitled to be less than the current percentage include a reduction by the City of the property taxes it imposes, an increase by the other Eligible Units in the amount of property taxes they impose, or excessive property tax levies obtained by the other Eligible Units, such as an increased levy due to an annexation. See “SUMMARY OF THE COUNTY OPTION INCOME TAX (COIT) FOR THE CITY OF EVANSVILLE” contained herein.

The Commission expects that the amount of COIT Revenues to be distributed in the subsequent year by the State to the County and, ultimately, to the City will not be less than the amount certified on the previous August 1. Legislation passed by the Indiana General Assembly in 2003 (S.E.A. 166), changed the method by which COIT Revenue is distributed by the State to the County, beginning with distributions made during the 2004 calendar year. When COIT Revenue is certified each August for distribution in the following year, it is based on the actual income taxes filed and processed from July 1 of the preceding year through June 30 of the current year, adjusted for any refunds.

The City’s 2010 certified distribution of COIT Revenues is \$13,778,920. As of the date hereof, the City has not pledged its distributive share of COIT Revenues to any other obligations. However, the City, the Commission and the Authority have reserved the right to incur additional obligations payable from COIT Revenues on a parity with, or subordinate to, the pledge thereof to the payment of the Lease Rental Payments, upon the satisfaction of certain conditions described in APPENDIX F -- “SUMMARY OF CERTAIN PROVISIONS OF THE MASTER PLEDGE RESOLUTION, THE OBLIGATING ACTION AND THE CITY COUNCIL ORDINANCE – 2010 Obligating Action and the City Council Ordinance” herein. Furthermore, the COIT Revenues are used annually to pay for other local governmental expenditures, including, but not limited to, contractual services, street repairs, building code enforcement, fire department training, culture and recreation grants, payments to parks departments, and transfers to the City’s general fund. The amount of planned expenditures of the City payable from COIT Revenues in the 2010 budget year is approximately \$14,758,559. For additional information on the planned expenditures of the City payable from COIT Revenues refer to “APPENDIX A -- REPORT OF LONDON WITTE GROUP, LLC -- Historic Expenditures Paid of Vanderburgh COIT Revenue (by general category) - Exhibit F” to this Official Statement.

Food and Beverage Tax Revenues

The Commission’s Lease Rental Payment obligations will be payable from the City’s distributive share of the Vanderburgh County, Indiana, food and beverage tax imposed by the County and received by the City under Indiana Code 6-9-20, as amended, and pledged by the City to the Commission for the payment of such Lease Rental Payments. There are certain risks associated with Food and Beverage Tax Revenues. This Official Statement contains information regarding the historical certified distributions of Food and Beverage Tax received by the City. The City’s distribution of Food and Beverage Tax Revenues in the future may differ materially from the City’s historical receipts. Refer also to the “SUMMARY OF THE COUNTY FOOD AND BEVERAGE TAX FOR THE CITY OF EVANSVILLE” contained herein.

(a) Adverse economic conditions in the County, the City, the State of Indiana or the United States could result in a reduction in the number of taxable transactions in the County and, therefore, a reduction in City’s certified distribution of Food and Beverage Tax Revenues.

(b) The Food and Beverage Tax is imposed, paid, and collected in the same manner that the State gross sales tax is imposed, paid, and collected under Indiana Code 6-2.5, as amended. Therefore, local area or

statewide delinquencies in State sales tax collection could result in reduced Food and Beverage Tax Revenue receipts.

(c) By law, the Food and Beverage Tax Rate is equal to 1.00% of the gross retail income received by the merchant from the transaction. The County Council has made no representation, and is not obligated to take, and is prohibited by current law from taking, any action to increase the rate at which the Food and Beverage Tax is imposed to pay a portion of the Lease Rental Payments under the Lease.

(d) The legislature, or an administrative agency with jurisdiction in the matter, could enact new laws or regulations or interpret, amend, alter, change or modify, or a court of competent jurisdiction could interpret, the laws or regulations governing the collection, distribution, definition or accumulation of the Food and Beverage Tax in a fashion that may adversely affect the owners of the Series 2010 Bonds.

The City's 2009 distribution of Food and Beverage Tax Revenues was \$3,665,442. As of the date hereof, there are no outstanding obligations of the City payable from the Food and Beverage Tax Revenues. However, the amount of outstanding obligations of the County payable from Food and Beverage Tax Revenues is approximately \$26,608,000. For additional information on the amount of outstanding obligations of the City and the County payable from Food and Beverage Tax Revenues refer to "APPENDIX A -- REPORT OF LONDON WITTE GROUP, LLC -- Forecasted Tax Revenues - Vanderburgh County Food and Beverage Tax" to this Official Statement.

PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION

The Series 2010 Bonds are payable primarily from the Lease Rental Payments, which are payable from Tax Increment Revenues attributable to real property tax revenues, together with incremental personal property tax revenues on certain taxable depreciable personal property, derived from the Downtown Redevelopment Allocation Area. Real and personal property in the State of Indiana (the "State") is assessed each year as of March 1. On or before August 1 each year, each county auditor must submit to each underlying political subdivision located within that county a statement containing: (1) information concerning the assessed valuation of the political subdivisions for the next calendar year; (2) an estimate of the taxes to be distributed to the political subdivision during the last six months of the current calendar year; (3) the current assessed valuation as shown on the abstract of charges; (4) the average growth in assessed valuation in the political subdivision over the preceding three budget years, excluding years in which a general reassessment occurs, determined according to procedures established by the DLGF; and (5) any other information at the disposal of the county auditor that might affect the assessed value as shown on the most recent abstract of property.

By statute, the budget, tax rate and levy of a local political subdivision must be established no later than September 30. The budget, tax levy and tax rate are subject to review, revision, reduction or increase by the DLGF. The DLGF must complete its actions on or before February 15 of the immediately succeeding calendar year.

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

respect to an installment due on or before May 10 of the prior year. With respect to delinquent personal property taxes, each county treasurer shall serve a demand upon each county resident who is delinquent in the payment of personal property taxes after November 10, but before August 1 of the succeeding year. Each county auditor distributes property taxes collected to the various political subdivisions on or before the June 30 or December 31 after the due date of the tax payment.

Under State law, personal property is assessed at its actual historical cost less depreciation, whereas real property is valued for assessment purposes at its “true tax value” as defined in the 2002 Real Property Assessment Manual adopted by the DLGF (the “Manual”), and as interpreted in the rules and regulations of the DLGF, including the Real Property Assessment Guidelines for 2002-Version ‘A’ (the “Guidelines”), and the Real Property Assessment Manual Rule, 50 Indiana Administrative Code 2.3. The Manual defines “true tax value” as “the market value in use of property for its current use, as reflected by the utility received by the owner or a similar user from that property.” 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 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 property. The Manual specifies the standards for accuracy and validation that the DLGF will use to determine the acceptability of any alternate appraisal method.

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 that 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, new research and development equipment, new logistical distribution equipment, and new information technology equipment may be entitled to economic revitalization area deductions. Government-owned properties and properties owned, used and occupied for charitable, educational or religious purposes may be entitled to exemptions from tax. “Assessed value” or “assessed valuation” means an amount equal to the true tax value of property, which represents the gross assessed value of such property, less any deductions, credits and exemptions applicable to such property, and is the value used for taxing purposes in the determination of tax rates.

Changes in assessed values of real property occur periodically as a result of general reassessments scheduled by the State General Assembly, as well as when changes occur in the property due to new construction or demolition of improvements. The most recent scheduled reassessment became effective as of the March 1, 2002 assessment date, and affects taxes payable beginning in 2003. The next scheduled reassessment will be effective as of the March 1, 2012 assessment date, and will affect taxes payable beginning in 2013. 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 general reassessments. This process is generally known as “Trending.”

When a change in assessed value occurs, a written notification is sent to the affected property owner. If the owner wishes to appeal this action, the owner must first request in writing a preliminary conference with the county or township official who sent the owner such written notification. That request must be filed with such official within 45 days after the written notification is given to the taxpayer. That preliminary conference is a prerequisite to a review of the assessment by the county property tax assessment board of appeals. While the

appeal is pending: (1) any taxes on real property which become due on the property in question must be paid in an amount based on the immediately preceding year's assessment, or it may be paid based on the amount that is billed; and (2) any taxes on personal property which become due on the property in question must be paid in an amount based on the assessed value reported by the taxpayer on the taxpayer's personal property tax return, or it may be paid based on the amount billed.

Prior to February 15 of each year for taxes to be collected during that year, the DLGF is required to review the proposed budgets, tax rates and tax levies of each political subdivision, including the City of Evansville, Indiana, and the proposed appropriations from those levies to pay principal of and interest on each political subdivision's outstanding general obligation bonds and to pay the political subdivision's outstanding lease rental obligations (collectively "bond and lease obligations") to be due and payable in the next calendar year. If it determines that the proposed levies and appropriations are insufficient to pay the bond and lease obligations, the DLGF may at any time increase the tax rate and tax levy of a political subdivision to pay such bond and lease obligations. THE SERIES 2010 BONDS ARE NOT A GENERAL OBLIGATION OF THE CITY OR THE COMMISSION, BUT ARE LIMITED AND SPECIAL OBLIGATIONS OF THE AUTHORITY PAYABLE FROM, AND SECURED BY, THE TRUST ESTATE (AS DEFINED AND DESCRIBED IN THE INDENTURE). NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OR THE COMMISSION IS PLEDGED TO PAY THE PRINCIPAL OF OR INTEREST ON THE SERIES 2010 BONDS. THE AUTHORITY HAS NO TAXING POWER.

Circuit Breaker Tax Credits

The State General Assembly recently enacted legislation establishing the Circuit Breaker Tax Credit, 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. A person is entitled to the Circuit Breaker Tax Credit against the person's property tax liability for property taxes first due and payable after 2009 in the amount by which the person's property tax liability attributable to the person's:

- (1) homestead would otherwise exceed 1%;
- (2) residential rental property would otherwise exceed 2%;
- (3) long term care property would otherwise exceed 2%;
- (4) agricultural land would otherwise exceed 2%;
- (5) nonresidential real property would otherwise exceed 3%; or
- (6) personal property would otherwise exceed 3%;

of the assessed value of the property in any one county, which is the basis for determination of property taxes payable with respect to property in that county for that calendar year.

The State General Assembly also increased the standard deduction for homesteads to the lesser of \$45,000 or 60% of assessed value and created a supplemental homestead deduction equal to 35% of the next \$600,000 of assessed value remaining after the standard deduction and 25% of the remaining assessed value over \$600,000.

Property taxes imposed after being approved by the voters in a referendum or local public question will not be considered for purposes of calculating a person's Circuit Breaker Tax Credit. Certain senior citizens with annual income below specified levels or their surviving spouses may be entitled to additional credits 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. 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. However, the State General Assembly recently enacted legislation that created a statewide nine-member distressed unit appeal board (the "Distressed Unit Appeal

Board”), to which “distressed political subdivisions” (as defined in Indiana Code 6-1.1-20.3-2) may appeal for relief from application of the Circuit Breaker Tax Credits for a calendar year. If certain conditions are met, the Distressed Unit Appeal Board may: (1) increase the percentage thresholds (specified as a percentage of gross assessed value), at which the Circuit Breaker Tax Credit applies to a person’s property tax liability in the political subdivision; (2) provide for percentage reductions to the Circuit Breaker Tax Credits otherwise provided in the political subdivision; or (3) provide that some or all of the property taxes (a) that are being imposed to pay bonds, leases, or other debt obligations and (b) would otherwise be included in the calculation of the Circuit Breaker Tax Credits in the political subdivision, shall not be included for purposes of calculating a person’s Circuit Breaker Tax Credit. No calculation has been performed to determine the effect of those credits on the City’s anticipated tax receipts. Furthermore, in the event the City would petition the Distressed Unit Appeal Board for relief as described herein, no assurance can be given that any such relief would be granted.

Property taxes collected by a political subdivision must first be applied to pay debt service or lease rental obligations on all outstanding bonds or lease rental revenue bonds payable from ad valorem property taxes. 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. 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. Any shortfall must also be funded through a State intercept, under which any unpaid debt service or lease rentals would be paid from money in possession of the State that would otherwise be available for distribution to the political subdivision.

The Authority, the Commission and the City cannot predict the timing, likelihood or impact on property tax collections of any future judicial actions, legislation, regulations or rulings taken, enacted, promulgated or issued to implement the regulations or statutes 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 collection of property taxes by the Commission or the City.

BONDHOLDERS’ RIGHTS

The Indenture recites that the provisions thereof will constitute a contract by and between the Authority and the owners of the Series 2010 Bonds. After the issuance of the Series 2010 Bonds, the Authority will not, except as specifically provided in the Indenture, repeal or amend the Trust Indenture in any respect which would materially adversely affect the rights of the owners of the Series 2010 Bonds. See APPENDIX D -- “SUMMARY OF THE INDENTURE.”

THE AUTHORITY AND THE COMMISSION

The Authority was created by ordinance of the Common Council of the City (the “City Council”) under the provisions of Indiana Code 36-7-14.5 as a separate body corporate and politic and as an instrumentality of the City, for the purpose of financing local public improvements to be leased to the Commission. The Authority is governed by a board of directors comprised of three members, all of whom are appointed by the Mayor of the City for three year terms. If a vacancy occurs on the board, the Mayor fills the vacancy by appointing a replacement member to serve the remainder of the term. None of the officers, directors or members of the Authority has or will receive any compensation from the Authority, the Commission or the City or has any pecuniary interest in the Series 2010 Bonds.

The Commission, the governing body of the District, was created by ordinance of the City Council and exists and operates under the provisions the Indiana Code 36-7-14. The Commission is comprised of five members, three of whom are appointed by the Mayor of the City and two of whom are appointed by the City Council. According to Indiana Code 36-7-14-7, the terms of all the originally appointed Commissioners of the

first Redevelopment Commission established are in effect from the date of appointment until the first day of January in the second year after their appointment. After that time, all Commissioners are appointed to one-year terms from January 1 through December 31 and until their successors are appointed and have qualified. Vacancies are filled in the same manner as the original appointments and the successor serves the remainder of the vacated term. Pursuant to Indiana law, the Commission may enter into lease agreements with the Authority to finance projects for redevelopment or economic development purposes. Any such lease must be approved by ordinance of the City Council.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and Standard and Poor's Rating Services ("S&P") have assigned ratings of "A1" and "A", respectively, to the Series 2010 Bonds. These ratings reflect only the views of each rating agency and an explanation of the ratings may be obtained directly from Moody's (99 Church Street, New York, New York 10007) and from S&P (25 Broadway, New York, New York 10004). Such ratings are not a recommendation to buy, sell or hold the Series 2010 Bonds. There is no assurance that such ratings will remain in effect for any given period of time or that such ratings will not be lowered or withdrawn entirely by the agencies if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of the ratings may have an adverse effect on the market price or marketability of the Series 2010 Bonds.

LITIGATION

To the knowledge of the Authority, the Commission and the City, no litigation or administrative action or proceeding is pending or threatened restraining or enjoining, or seeking to restrain or enjoin, the issuance, sale, execution or delivery of the Series 2010 Bonds or in any way contesting, questioning or affecting the validity of the Series 2010 Bonds, or any of the proceedings of the City, the Commission or Authority taken with respect to the issuance or sale thereof, or the payment of the Lease Rental Payments and the pledge thereof to the payment of the Series 2010 Bonds. Certificates to such effect will be delivered at the time of the original delivery of the Series 2010 Bonds.

TAX MATTERS

Series 2010A Bonds

In the opinion of Bingham McHale LLP, Indianapolis, Indiana ("Bond Counsel"), under existing laws, interest on the Series 2010A 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 Series 2010A Bonds (the "Code"). The opinion of Bond Counsel is based on certain certifications, covenants and representations of the Authority, the Commission and the City, and is conditioned on their continuing compliance therewith. In the opinion of Bond Counsel, under existing laws, interest on the Series 2010A Bonds is exempt from income taxation in the State for all purposes, except the State financial institutions tax. See APPENDIX C for the form of opinion of Bond Counsel.

The Code imposes certain requirements which must be met subsequent to the issuance of the Series 2010A Bonds as a condition to the excludability of the interest on the Series 2010A Bonds from gross income for federal income tax purposes. Noncompliance with such requirements may cause interest on the Series 2010A 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 Series 2010A Bonds bear interest that is not excludable from gross income for federal income tax purposes, the market value of the Series 2010A Bonds would be materially and adversely affected. It is not an event of default if interest on the Series 2010A 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 Series 2010A Bonds.

The interest on the Series 2010A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and, pursuant to the Recovery Act (as hereinafter defined), is not taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

The Series 2010A Bonds are **not** “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

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

Although Bond Counsel will render an opinion that interest on the Series 2010A 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 Series 2010A 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 Series 2010A Bonds should consult their own tax advisors with regard to the other tax consequences of owning the Series 2010A Bonds.

The foregoing does not purport to be a comprehensive description of all of the tax consequences of owning the Series 2010A Bonds. Prospective purchasers of the Series 2010A Bonds should consult their own tax advisors with respect to the foregoing and other tax consequences of owning the Series 2010A Bonds.

Series 2010B Bonds

Interest on the Series 2010B Bonds is **not** excludable from gross income for federal income tax purposes. In the opinion of Bond Counsel, under existing laws, interest on the Series 2010B Bonds is exempt from income taxation in the State for all purposes, except the State financial institutions tax. See APPENDIX C for the form of opinion of Bond Counsel.

Pursuant to the Recovery Act, the Authority intends, upon the issuance of the Series 2010B Bonds, to make an irrevocable election to treat the Series 2010B Bonds as “build America bonds” under Section 54AA(d) of the Code and “qualified bonds” under Section 54AA(g) of the Code, and, prior to each interest payment date for the Series 2010B Bonds, to apply to the Secretary of the United States Treasury to receive a credit, equal to 35% of the interest payable on the Series 2010B Bonds on such date, under Section 6431 of the Code. Holders of the Series 2010B Bonds will **not** be entitled to any tax credits as a result of their ownership of or receipt of any interest on the Series 2010B Bonds.

The foregoing does not purport to be a comprehensive description of all of the tax consequences of owning the Series 2010B Bonds. Prospective purchasers of the Series 2010B Bonds should consult their own tax advisors with respect to the foregoing and other tax consequences of owning the Series 2010B Bonds.

AMORTIZABLE BOND PREMIUM

The initial public offering price of the Series 2010A Bonds maturing on February 1, 2014, through and including February 1, 2015 (collectively, the “Premium Bonds”), is greater than the principal amount 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.

BUILD AMERICA BONDS

General Description

In February 2009, as part of the American Recovery and Reinvestment Act of 2009 (the "Recovery Act"), Congress added Sections 54AA and 6431 to the Code, which permit state or local governments to issue certain taxable obligations referred to as "Build America Bonds." A Build America Bond must satisfy the following requirements: (i) the interest on the obligation would be, but for Section 54AA of the Code, excludable from gross income under Section 103 of the Code; (ii) the obligation is issued after the date of enactment of the Recovery Act and before January 1, 2011; (iii) the issuer makes an irrevocable election to have Section 54AA of the Code apply to the obligation; (iv) the obligation is not a private activity bond; and (v) the issue price of the obligation does not have more than a *de minimis* amount of premium over the stated principal amount, as determined under rules similar to the rules of Section 1273(a)(3) of the Code governing original issue discount. Adjustments to the arbitrage rules of Section 148 of the Code and to the federal guarantee provisions of Section 149 of the Code generally applicable to tax-exempt bonds are made for Build America Bonds.

A Build America Bond is a qualified bond under Section 54AA(g) of the Code (a "Qualified Build America Bond") if it is issued as part of an issue 100 percent of the available project proceeds of which are to be used for capital expenditures or to fund a reasonably required reserve, and if the issuer has made an irrevocable election to have the special rule for qualified bonds apply. "Available project proceeds" is defined under Section 54AA of the Code as the excess of the proceeds from the sale of an issue and investment earnings thereon minus the issuance costs financed by the issue, with such issuance costs not allowed to exceed two percent of the proceeds of the sale of the issue.

Interest on Qualified Build America Bonds is **not** excluded from gross income for purposes of the federal income tax, and owners of Qualified Build America Bonds will **not** receive any tax credits as a result of ownership of such Qualified Build America Bonds.

Build America Bond Subsidy Payments

Under Section 6431 of the Code, an issuer of a Qualified Build America Bond will apply to receive payments (the "Build America Bond Subsidy Payments") directly from the Secretary of the U.S. Treasury (the "Secretary"). The amount of a Build America Bond Subsidy Payment is set in Section 6431 of the Code at thirty-five percent (35%) of the corresponding interest payable on the related Qualified Build America Bond. To receive a Build America Bond Subsidy Payment, under existing procedures, an issuer must file a tax return

(now designated as “IRS Form 8038-CP”) on a date which is not more than ninety (90) nor less than forty-five (45) days prior to the corresponding bond interest payment date. The issuer should expect to receive the Build America Bond Subsidy Payment within 45 days of filing the return. Depending on the timing of the filing, the Build America Bond Subsidy Payment may be received before or after the corresponding interest payment date.

The Series 2010B Bonds as Qualified Build America Bonds

The Authority has made, or will make, an irrevocable election to treat the Series 2010B Bonds as Qualified Build America Bonds. As a result of this election, interest on the Series 2010B Bonds will be includable in gross income of the holders thereof for federal income tax purposes and the holders of the Series 2010B Bonds will *not* be entitled to any tax credits as a result of either ownership of the Series 2010B Bonds or receipt of any interest payments on the Series 2010B Bonds. Holders of the Series 2010B Bonds should consult their tax advisors with respect to the inclusion of interest on the Series 2010B Bonds in gross income for federal income tax purposes.

Pursuant to the Indenture, an authorized officer of the Authority will be required to apply for Build America Bond Subsidy Payments from the Secretary under the “Build America Program” pursuant to Section 6431 of the Code. Such credits, if received by the Trustee on behalf of the Authority, will become part of the Trust Estate (as defined in the Indenture) and will be pledged solely to the repayment of the Series 2010B Bonds.

No assurances are provided that the Trustee, the Authority, the Commission or the City will receive Build America Bond Subsidy Payments. The amount of any Build America Bond Subsidy Payment is subject to legislative changes by Congress. Build America Bond Subsidy Payments will be paid only if the Series 2010B Bonds are Qualified Build America Bonds. For the Series 2010B Bonds to be and remain Qualified Build America Bonds, the Authority, the Commission and the City must comply with certain covenants and the Authority, the Commission and the City must establish certain facts and expectations with respect to the Series 2010B Bonds, the use and investment of proceeds thereof and the use of property financed thereby. There are currently no procedures for requesting a Build America Bond Subsidy Payment after the 45th day prior to an interest payment date. Therefore, if the Trustee, the Authority, the Commission and the City fail to file the necessary tax return in a timely fashion, it is possible the Trustee, the Authority, the Commission and the City will never receive such Build America Bond Subsidy Payment. Also, Build America Bond Subsidy Payments are subject to offset against certain amounts that may, for unrelated reasons, be owed by the Authority, the Commission or the City to an agency of the United States of America.

ENFORCEABILITY OF REMEDIES

The enforceability of the rights and remedies of the Trustee or the registered owners of the Series 2010 Bonds under the Indenture and the availability of remedies to any party seeking to enforce the lien on the Trust Estate are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the enforceability of the rights and remedies under the Indenture and the availability of remedies to any party seeking to enforce the lien on the Trust Estate may be limited.

The various legal opinions to be delivered concurrently with the delivery of the Series 2010 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State and the United States of America and bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). Those exceptions would encompass any exercise of federal, State or local police powers (including the police powers of the Authority, the Commission, the City and the State), in a manner consistent with the public health and welfare.

The enforceability of the Indenture and the availability of remedies to a party seeking to enforce the lien on the Trust Estate, in a situation where such enforcement or availability may adversely affect the public health and welfare, may be subject to those police powers.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters incident to the issuance of the Series 2010 Bonds and with regard to the tax status of the interest thereon (see “Tax Matters”) will be passed upon by Bingham McHale LLP, Indianapolis, Indiana (“Bond Counsel”). A signed copy of those opinions dated and premised on the facts and laws existing as of the date of original delivery of the Series 2010 Bonds will be delivered to the Underwriter at the time of that original delivery. Copies of the opinions proposed to be delivered by Bond Counsel are attached as APPENDIX C hereto.

The engagement of Bingham McHale LLP as Bond Counsel is limited generally to the examination of the documents contained in the transcript of proceedings, and examination of such transcript of proceedings and the law incident to rendering the approving legal opinion referred to above. Bond Counsel has not been retained to pass upon any other information in this Official Statement, or in any other reports, financial information, offering or disclosure documents or other information that may be prepared or made available by the City, the Authority, the Commission, the Underwriter or others to the prospective purchasers of the Series 2010 Bonds or to others.

Certain legal matters will be passed upon for the City by its counsel, Jones Wallace, LLC, Evansville, Indiana, for the Authority and the Commission by its counsel, Terrell, Baugh, Salmon & Born, LLP, Evansville, Indiana, and for the Underwriters by their counsel, Barnes & Thornburg LLP, Indianapolis, Indiana.

UNDERWRITING

The Series 2010 Bonds are being purchased by the Underwriters set forth on the cover page of this Official Statement. Pursuant to a Bond Purchase Agreement entered into by and among the Authority and the Underwriters (the “Purchase Contract”), the Underwriters have agreed to purchase (a) the Series 2010A Bonds at an aggregate purchase price of \$5,791,375.20, which represents the par amount of \$5,790,000.00, plus an original issue premium of \$53,485.20, less the Underwriters’ discount of \$52,110.00, and (b) the Series 2010B Bonds at an aggregate purchase price of \$115,570,420.00, which represents the par amount of \$116,620,000.00, less the Underwriters’ discount of \$1,049,580.00. The Purchase Contract provides that the Underwriters will purchase all of the Series 2010 Bonds if any are purchased. The obligations of the Authority to deliver the Series 2010 Bonds, and of the Underwriters to accept delivery of the Series 2010 Bonds, are subject to various conditions contained in the Purchase Contract.

The Underwriters have agreed to make a bona fide public offering of all the Series 2010 Bonds at prices not in excess of the initial public offering prices set forth or reflected on the inside front cover page of this Official Statement. The Underwriters may sell the Series 2010 Bonds to certain dealers (including dealers depositing Series 2010 Bonds in investment trusts) and others at prices lower than the offering prices set forth on the inside front cover page hereof.

CONTINUING DISCLOSURE

Pursuant to continuing disclosure requirements promulgated by the United States Securities and Exchange Commission in SEC Rule 15c2-12, as amended (the “Rule”), the Authority, the Commission and the City will enter into a Continuing Disclosure Contract (the “Undertaking”), to be dated the date of initial delivery of the Series 2010 Bonds. Pursuant to the terms of the Undertaking, the Authority, the Commission and the City will agree to provide the following information while any of the Series 2010 Bonds are outstanding:

(i) Audited Financial Statements. To the Municipal Securities Rulemaking Board (“MSRB”), through its electronic municipal market access (“EMMA”) system and to the Indiana state information depository then in existence, if any (“SID”), the annual financial statements of the City of Evansville, Indiana, as prepared and examined by the State Board of Accounts for each twelve (12) month period ending December 31, beginning with the fiscal year ending December 31, 2009, together with the opinion of such accountants and all notes thereto, within sixty (60) days of receipt from the State Board of Accounts; and

(ii) Annual Financial Information. To the MSRB, through its EMMA system and to the SID, within one hundred eighty (180) days after the close of each fiscal year of the City of Evansville, Indiana, beginning with the fiscal year ending December 31, 2009, financial information and operating data (other than the audited financial statements described above) of the type provided in:

(A) Appendix A of the Final Official Statement in the tables entitled “*Historical Information on Vanderburgh Co. COIT*”, “*Historical Information on Vanderburgh Co. Food & Beverage Tax*” and “*Historical Information on Tax Increment Revenues*” under the heading “Forecasted Tax Revenues” therein, and in Exhibit F thereto under the caption “*Historic Expenditures Paid Out of Vanderburgh COIT Revenue (by General Category)*”; and

(B) Appendix B of the Final Official Statement under the headings “FINANCIAL AND DEBT INFORMATION -- Property Taxes - City of Evansville,” “-- Record of Taxes Levied and Collected - City of Evansville,” “-- Assessed Valuation”, and “-- Largest Taxpayers.”

(the financial information described in paragraph (i) above and the financial and operating data described in paragraphs (ii)(A) and (ii)(B) above, collectively, the “Annual Financial Information”);

(iii) Event Notices. In a timely manner, to the MSRB, through its EMMA system and the SID, notice of the following events with respect to the Series 2010 Bonds, if material: principal and interest payment delinquencies; non-payment related defaults; unscheduled draws on debt service reserves reflecting financial difficulties; unscheduled draws on credit enhancements reflecting financial difficulties; substitution of credit or liquidity providers, or their failure to perform; adverse tax opinions or events affecting the tax status of the Series 2010 Bonds; modifications to rights of Bondholders; bond calls (other than mandatory, scheduled redemptions, not otherwise contingent upon the occurrence of an event, the terms of which redemptions, if any, are set forth in detail herein); defeasances; release, substitution or sale of property securing repayment of the Series 2010 Bonds; or rating changes.

(iv) Failure to Disclose. In a timely manner, to the MSRB, through its EMMA system and to the SID, notice of the City, the Authority or the Commission failing to provide the Annual Financial Information as described above.

The Authority, the Commission and the City may, from time to time, amend the Undertaking without notice to or consent from any owner of a Series 2010 Bond if (a) such amendment is made in connection with a change in circumstances that arise from a change in legal requirements, change in law or change in the identity, nature or status of the Authority or the Commission, or type of business conducted, (b) the Undertaking, after giving effect to such amendment, would have complied with the requirements of the Rule on the date of the Undertaking, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (c) such amendment does not materially impair the interests of any Bondholders, as determined either by any person selected by the Authority, the Commission and the City that is unaffiliated with the Authority, the Commission or the City, or by an approving vote of the Bondholders pursuant to the terms of the Indenture at the time of such amendment. The Authority, the Commission and the City also may, from time to time, amend the Undertaking without notice to or a consent from any owner of a Series 2010 Bond if such amendment is permitted by law.

The Authority, the Commission and the City may utilize an agent in connection with the dissemination of any information required to be provided by the Authority, the Commission or the City pursuant to the terms of the Undertaking.

The Undertaking is intended to be an agreement or a contract which assists any participating underwriter in complying with the Rule. The Undertaking is for the sole and exclusive benefit of the Authority and the Commission and the owners of the Series 2010 Bonds, and creates no legal or equitable right, remedy or claim for the benefit of any person other than the Authority, the Commission and the City and the owners of the Series 2010 Bonds. The sole and exclusive remedy for any breach or violation by the Authority, the Commission or the City of any obligation of the Authority, the Commission or the City in the Undertaking is the remedy of specific performance of such obligation. No owner of any Series 2010 Bonds shall have any right to monetary damages or any other remedy for any breach or violation by the Authority, the Commission or the City of any obligation in the Undertaking, except the remedy of specific performance of such obligation. No breach or violation by the Authority, the Commission or the City of any obligation in the Undertaking shall constitute a breach or violation of or default under the Series 2010 Bonds or the Indenture.

In the previous five years, there have been no instances in which the Authority, the Commission or the City have failed to comply, in all material respects, with any previous undertakings in a written contract or agreement that any of them entered into pursuant to subsection (b)(5) of the Rule.

AVAILABILITY OF DOCUMENTS AND FINANCIAL INFORMATION

Audited financial reports of the City (the "Financial Reports") are prepared annually and are presently available for the year ended December 31, 2008, and prior years. No financial reports related to the City are prepared on an interim basis and there can be no assurance that there have not been material changes in the financial position of the foregoing entities since the date of the most recent available Financial Statements. Electronic copies of the most recent Financial Reports of the City, together with Financial Reports from prior years, are available through the website for the Indiana State Board of Accounts located at the following website address: <http://www.in.gov/sboa/resources/reports/audit/Default.aspx>. In addition, electronic copies of any authorizing instruments or governing instruments defining the rights of owners of the Series 2010 Bonds and available financial and statistical information regarding the Authority, the Commission and the City, are available upon request from the Authority's financial advisor as further described herein. Alternatively, upon request and receipt of payment for reasonable copying, mailing and handling charges, the City will make available hard copies of the most recent Financial Reports, any authorizing or governing instruments defining the rights of owners of the Series 2010 Bonds and available financial and statistical information regarding the Authority, the Commission and the City. Requests for documents and payments therefor (if applicable) should be directed and payable to the City of Evansville Redevelopment Authority, in care of the Authority's financial advisor, London Witte Group, LLC, Attn: Bob Swintz, One Independence Center, 1776 North Meridian Street, Suite 500, Indianapolis, Indiana 46202, 634-4747 (telephone), (317) 632-2727.

MISCELLANEOUS

The information and descriptions of documents included in this Official Statement do not purport to be complete and are expressly made subject to the exact provisions of the complete documents for details of all terms and conditions thereof relating to the Lease, the Indenture and the Series 2010 Bonds.

Neither this Official Statement, nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of any of the Series 2010 Bonds. Any statements in this Official Statement involving matters of opinion whether or not expressly so stated, are intended as such and not as representations of fact.

During the initial offering period for the Series 2010 Bonds, copies of the Lease and Indenture may be requested from London Witte Group, LLC at 1776 North Meridian St., Suite 500, Indianapolis, Indiana 46202, Phone – (317) 634-4747 Fax – (317) 632-2727.

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 made to all such documents for full and complete statements of all matters of fact relating to the Series 2010 Bonds, the security for the payment of the Series 2010 Bonds and the rights of the owners thereof. During the period of the offering, copies of drafts of such documents may be examined at the offices of J.J.B. Hilliard, W.L. Lyons, LLC. Following delivery of the Series 2010 Bonds, copies of such documents may be examined at the offices of the City Controller, acting on behalf of the Authority, at 300 Civic Center Complex, One N.W. Martin Luther King, Jr. Blvd., Evansville, Indiana 47708-1833.

The information contained in this Official Statement has been compiled from official and other sources deemed to be reliable, and, while not guaranteed as to completeness or accuracy, is believed to be correct as of this date.

Any statements made in this Official Statement involving matters of opinions or estimates, whether or not expressly so 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. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the information presented herein since the date hereof. This Official Statement is submitted in connection with the issuance and sale of the Series 2010 Bonds and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract or agreement among the Authority, the Commission, the City, the Trustee or the Underwriters and the purchasers or owners of any Series 2010 Bonds. The delivery of this Official Statement has been duly authorized by the Board of Directors of the Authority.

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This Official Statement has been authorized and approved by the Authority.

CITY OF EVANSVILLE REDEVELOPMENT AUTHORITY

By: /s/ Ted E. Ubelhor
Ted E. Ubelhor, President

APPENDIX A - REPORT OF LONDON WITTE GROUP, LLC

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City of Evansville, Indiana Redevelopment Authority
Lease Rental Revenue Bonds, Series 2010

Evansville Arena Project

Prepared by:

London Witte Group, LLC
1776 North Meridian Street
Suite 500
Indianapolis, Indiana 46202

April 28, 2010

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Note: As of the date of this report, Exhibit D-4 is preliminary and subject to change.

City of Evansville Redevelopment Authority

Summary of Significant Forecast Assumptions and Accounting Policies

➤ **Basis of Accounting and Presentation**

The forecasted information displays estimated sources and uses of cash and is therefore a presentation of information on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. This forecast is being provided in conjunction with the issuance of the City of Evansville Redevelopment Authority (the “Authority”) Lease Rental Revenue Bonds, Series 2010A (the “2010A Bonds”) and the Authority’s Lease Rental Revenue Bonds, Series 2010B (the “2010B Bonds”) (collectively, the “Bonds”). For purposes of this report, sources of cash include only those revenues pledged to secure lease rentals from the City of Evansville Redevelopment Commission (the “Commission”) to the Authority, which are to be used to pay principal and interest on the Bonds including local taxes, accrued interest income, and bond proceeds set aside as capitalized interest.

➤ **Nature of Forecasts**

This forecast presents, to the best of the Authority’s knowledge and belief, expected cash flows that are based, in part, upon historical information, data provided by government agencies, and assumptions made thereon. Accordingly, this forecast reflects the Authority’s judgment as of April 28, 2010, the date of this forecast, the expected conditions and its expected course of action. The assumptions disclosed herein are those that the Authority believes are significant to the forecast. There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

➤ **Description of Project and Financial Plan**

In June, 2007, the Roberts Stadium Advisory Board (the “Board”) was formed by the City of Evansville, Indiana (the “City”). The Board was comprised of local community, business, labor and bi-partisan government leaders. The mission of the Board was to review the economic viability of Roberts Stadium and ultimately determine whether the City should renovate Roberts Stadium or consider the construction of a new arena. To accomplish its mission, the Board hired a group of professionals to assist the Board and the City in evaluating the feasibility of a new multi-purpose arena and to provide input on issues related to a potential new multi-purpose arena such as location, cost, timing, and other ancillary issues such as parking and traffic flow. The Board ultimately recommended that a new downtown multi-purpose arena (the “New Arena”) should be constructed.

The New Arena will encompass approximately 293,000 square feet and be located in the heart of the City’s downtown. It is estimated that the New Arena will provide a seating capacity of approximately 11,000 (including floor seating), which includes 9,300 general armchair seats, 600 club seats, 120 loge seats, and 22 suites.ⁱ The plan also includes a club lounge, hospitality room, walk-in team store, a

**City of Evansville Redevelopment Authority
Summary of Significant Forecast Assumptions
and Accounting Policies**

sponsored children's area, an approximately 17,000 square foot event floor, and offices for administration and ticketing operations.

The Authority was created by ordinance of the Common Council of the City (the "Council") under the provisions of Indiana Code 36-7-14.5 as a separate body corporate and politic and as an instrumentality of the City, for the purpose of financing, constructing, and leasing local public improvements to the Commission. The Authority is governed by a board of directors comprised of three members, all of whom are appointed by the Mayor of the City for three-year terms.

Pursuant to a Lease Agreement dated as of March 9, 2010, the Commission is leasing the New Arena from the Authority. Payments pursuant to the Lease Agreement (the "Lease Rental Payments") are payable solely from any or all or any combination of the following: (i) revenues derived from the Vanderburgh County, Indiana, food and beverage tax imposed by the County that are allocable to the City under Indiana Code 6-9-20, as amended, (the "Food and Beverage Tax Revenues") which revenues the City has pledged to the Commission for the payment of such Lease Rental Payments, subject to any parity claims thereto as described herein, (ii) incremental real and personal property tax revenues derived from the Downtown Redevelopment Allocation Area, (the "Tax Increment Revenues") which revenues the Commission has pledged for the payment of such Lease Rental Payments, subject to any senior or parity claims thereto as described herein, and (iii) revenues derived from the City's distributive share of the county option income tax (the "COIT Revenues") imposed on the adjusted gross income of taxpayers in County and received by the City under Indiana Code 6-3.5-6, as amended, which revenues the City has pledged to the Commission for the payment of such Lease Rental Payments. The Commission reserves 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; provided, however, the Commission shall be under no obligation to pay any Lease Rental Payments or any other amounts due under the Lease from any monies or properties of the Commission except from (i) the Food and Beverage Tax Revenues, (ii) the Tax Increment Revenues, and (iii) the COIT Revenues. The Lease Rental Payments will be paid directly to the Trustee at least three (3) business days in advance of the due date thereof.

➤ **General Assumptions**

- Stable and diverse southern Indiana economy and regional hubⁱⁱ including, but not limited to, normal population growth, adequate income levels, normal inflation and employment rates
- The following activities and events will, or could potentially, be hosted by the New Arenaⁱⁱⁱ:

Evansville University Purple Aces (all regular season home games)
Evansville University Lady Aces (all regular season home games)
University of Southern Indiana Screaming Eagles (may use for conference tournaments)
Hockey League franchise (under consideration)
Conventions in conjunction with the Evansville Convention Center
Indoor Concerts
Family Shows
Rodeos
Motor Sports

**City of Evansville Redevelopment Authority
Summary of Significant Forecast Assumptions
and Accounting Policies**

Miscellaneous Community Events

Revenues from any such activities are not pledged to make, and are not expected to be used to pay, the Lease Rental Payments.

➤ **Forecasted Tax Revenues**

Pursuant to Indiana state law, local fiscal bodies may use certain state and local tax revenues to make payments on bond or lease obligations incurred by the Commission under IC 36-7-14 as amended (the “Act”). The Commission has pledged the local taxes discussed below to secure Lease Rental Payments payable to the Authority.

Vanderburgh County Option Income Tax (COIT) for Individuals

| Description of Tax | Indiana Code | Current Rate |
|---|---------------------|--|
| Vanderburgh County Option Income Tax | 6-3.5-6 | 1.00% (resident)/0.25% (non-resident) |

Description and Application

The Vanderburgh COIT is imposed on the adjusted gross income of individual resident and nonresident county taxpayers of Vanderburgh County at tax rates of 1.00% and 0.25%, respectively. Under Indiana statute, the residency of an individual is determined on January 1 of the calendar year in which the individual’s taxable year commences. An individual is a resident of the county in which he or she (1) maintains a home, if the individual maintains only one in Indiana; (2) is registered to vote (if (1) does not apply); (3) registers his or her automobile (if (1) or (2) does not apply); or (4) spends the majority of his or her time spent in Indiana during the taxable year in question (if (1), (2), or (3) does not apply). The Vanderburgh COIT is not collected on nonresidents living in counties contiguous to Vanderburgh County, all of which have adopted a county income tax.

Pursuant to Indiana Code Sections 6-3.5-6-12 and 6-3.5-6-12.5, during such time in which Vanderburgh COIT has been pledged to secure bond or lease payments, the COIT may not be repealed, nor can the tax rate be reduced.

Collection and Distribution

The Vanderburgh COIT is collected by the state via payroll withholdings by employers, estimated taxes paid by individuals, and remittances that accompany annual tax filings. Vanderburgh COIT revenues are deposited and held in a special account within the state general fund. One-twelfth (1/12) of each county’s distribution for a calendar year is distributed to the County Treasurer on the first day of each month of that calendar year. The distribution is based upon estimates of COIT revenues to be received during the 12 month period beginning July 1 of the immediately preceding calendar year and ending June 30 of the ensuing calendar year. Furthermore, allocations of certified distributions among civil taxing units within a county are determined by each civil taxing unit’s share of property taxes imposed in the county.

City of Evansville Redevelopment Authority
Summary of Significant Forecast Assumptions
and Accounting Policies

Pursuant to Indiana Code Section 6-3.5-6-18, COIT revenues collected may be used to: 1) replace property tax revenue lost due to the allowance of an increased homestead credit; 2) fund the operation of a public communications system and computer facilities district; 3) fund the operation of a public transportation corporation; 4) fund certain redevelopment initiatives; 5) make payments on bond or lease obligations incurred by a Redevelopment Commission under the Act; and 6) make distributions to civil taxing units.

Tables Presenting Historical and Forecasted Information

Historical information regarding the Vanderburgh COIT, including distributive shares both to Vanderburgh County and the City of Evansville, for the ten (10) years preceding the forecast period is presented below.

| <i>Historical Information on Vanderburgh Co. COIT</i> | | | | |
|--|--|---|---|------------------------------|
| <u>Years Ended December 31</u> | <u>Vanderburgh Co. Distributive Share</u> | <u>City of Evansville Distributive Share</u> | <u>Evansville Percent to Total</u> | <u>Rate of Growth</u> |
| 1999 | \$27,321,397 | \$10,660,907 | 39.02% | n/a |
| 2000 | 28,264,363 | 11,098,338 | 39.27% | 3.45% |
| 2001 | 31,437,293 | 12,738,320 | 40.52% | 11.23% |
| 2002 | 42,354,237 | 17,670,107 | 41.72% | 34.73% |
| 2003 | 31,140,662 | 12,367,790 | 39.72% | (26.48%) |
| 2004 | 31,205,744 | 11,884,610 | 38.08% | (0.21%) |
| 2005 | 29,467,540 | 10,924,375 | 37.07% | (5.57%) |
| 2006 | 34,211,339 | 13,282,995 | 38.83% | 16.10% |
| 2007 | 34,805,313 | 13,118,392 | 37.69% | 1.74% |
| 2008 | 34,750,083 | 13,117,237 | 37.75% | (0.16%) |
| 2009* | 36,206,236 | 15,188,933 | 41.95% | 4.19% |

Source: Vanderburgh County Auditor, City Controller, and Department of Local Government Finance.

*In 2009, one hundred percent (100%) of the Certified Distribution was made available for distribution to the Eligible Units. In 2010, approximately \$3.2 million of the Certified Distribution was used to provide a local homestead credit.

**City of Evansville Redevelopment Authority
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The following table presents forecasted Vanderburgh COIT revenue for the period ending December 31, 2010 through December 31, 2020. See the “Assumptions” section below regarding this table.

| <i>Forecasted Information on Vanderburgh Co. COIT</i> | | | | |
|--|--|---|---|------------------------------|
| <u>Years Ended December 31</u> | <u>Vanderburgh Co. Distributive Share</u> | <u>City of Evansville Distributive Share</u> | <u>Evansville Percent to Total</u> | <u>Rate of Growth</u> |
| 2010 | \$32,150,729 | \$13,778,920 | 42.86%* | n/a |
| 2011 | 33,115,251 | 12,994,424 | 39.24% | 3.00% |
| 2012 | 34,108,709 | 13,384,257 | 39.24% | 3.00% |
| 2013 | 35,131,970 | 13,785,785 | 39.24% | 3.00% |
| 2014 | 36,185,929 | 14,199,358 | 39.24% | 3.00% |
| 2015 | 37,271,507 | 14,625,339 | 39.24% | 3.00% |
| 2016 | 38,389,652 | 15,064,099 | 39.24% | 3.00% |
| 2017 | 39,541,342 | 15,516,023 | 39.24% | 3.00% |
| 2018 | 40,727,582 | 15,981,503 | 39.24% | 3.00% |
| 2019 | 41,949,409 | 16,460,948 | 39.24% | 3.00% |
| 2020 | 43,207,891 | 16,954,776 | 39.24% | 3.00% |

*The distributive share in 2010 shown above has been certified by the State of Indiana.

Description of Current Obligations

- Debt Financing

As of the date of this report, the City has not pledged its distributive share of COIT revenues to any debt obligations. The City and the Commission have reserved the right to issue additional obligations payable from COIT Revenues on a parity with or subordinate to the pledge thereof to the payment of the Lease Rental Payments, upon satisfaction of certain conditions.

- Other Obligations

In addition to potential bond and lease payments, Vanderburgh COIT revenues are used to pay for other local government expenditures, including, but not limited to, contractual services; street repairs; building code enforcement; fire department training; culture and recreation grants; payments to parks departments; and transfers to the general fund. See Exhibit F for a recent history of expenditures by general category as well as the 2010 budget.

Risks Related to Revenues

Adverse economic conditions in the County, the City, the State of Indiana or the United States could result in a reduction in the adjusted gross income of qualifying taxpayers in the County and, therefore, a reduction in City’s certified distribution of COIT Revenues.

Local area or statewide delinquencies in state income tax collection could result in reduced COIT Revenue receipts.

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The COIT Revenues could be reduced if the County Income Tax Council were to increase the local homestead credit under IC 6-1.1-20.9.

By law, the COIT rate may not exceed 1.00%. There currently is in force a COIT tax rate of 1.00%. The City and the Income Tax Council have made no representation, are not obligated to, and are prohibited by current law from taking any action to increase the rate at which COIT is imposed to pay Lease Rental Payments under the Lease.

The legislature, or an administrative agency with jurisdiction in the matter, could enact new laws or regulations or interpret, amend, alter, change or modify, or a court of competent jurisdiction could interpret, the laws or regulations governing the collection, distribution, definition or accumulation of the COIT in a fashion that would adversely affect the owners of the Bonds.

The certified COIT Revenues amount can vary considerably from year to year depending on the relative amounts of the property tax levies of the eligible units (“Eligible Units”) located in the County, including the City. The amount of the City’s distributive share of COIT Revenues is determined by statute based on the ratio of the City’s property tax levy to the total property tax levies of the Eligible Units. The City’s distributive share for 2010 is approximately 42.86% of the total COIT Revenues distributed to the Eligible Units. If the City’s property tax levy declines as a percentage of the aggregate property tax levies of the Eligible Units, the City’s distributive share of the COIT revenues would be reduced. Among the factors that could cause the percentage of the COIT Revenue distribution to which the City is entitled to be less than the current percentage would be a reduction by the City of the property taxes it imposes, an increase by the other Eligible Units in the amount of property taxes they impose, or excessive property tax levies obtained by the other Eligible Units, such as an increased levy due to an annexation.

Assumptions

The forecasted revenues in the table above assume a 3% rate of growth from 2010 base year (the prior ten (10) year average growth rate was 3.94%) and an allocation percentage to the City of Evansville of 39.24%, based off an average of the prior twelve (12) years. The 2010 amounts are based on the certifications from the State, which are in the process of collection. More generally, the discussions and tables above assume that Vanderburgh County (and the broader region) will not be adversely affected by any of the risks explained previously in the section “*Risk Related to Revenues.*”

Vanderburgh County Food and Beverage Tax

| <u>Description of Tax</u> | <u>Indiana Code</u> | <u>Current Rate</u> |
|--|----------------------------|----------------------------|
| Vanderburgh County Food and Beverage Tax | 6-9-20 | 1.00% |

Description and Application

The Vanderburgh County Food and Beverage Tax is 1.00% and is imposed on the gross retail income deriving from any transaction in which food or beverage is furnished, prepared, or served within

**City of Evansville Redevelopment Authority
Summary of Significant Forecast Assumptions
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Vanderburgh County. The Vanderburgh County Food and Beverage Tax does not apply to transactions that are exempt from the Indiana Gross Retail Sales Tax imposed by IC 6-2.5. During such time in which Vanderburgh County Food and Beverage Taxes have been pledged to secure bond or lease payments, the tax may not be repealed. Rather, it continues until January 1 of the year following the year in which the last of the bonds issued have been completely retired as to both principal and interest.

Collection and Distribution

The Vanderburgh County Food and Beverage Tax is collected, reported, and remitted in the same manner as the Indiana Gross Retail Sales Tax. For merchants whose average monthly sales exceed \$1,000, payment is due within 20 days after the end of each month. For all other merchants, the payment is due within 30 days after the end of each month. All payments are made to the Indiana Department of Revenue. Amounts collected are paid monthly by the Treasurer of State to the County Treasurer.

The Vanderburgh County Food and Beverage Tax are currently pledged in connection with financing improvements to a county auditorium (the “Centre”). While originally slated to end on January 1 of the year following the year in which the last of the bonds issued to finance the Centre were paid off, the Vanderburgh Food and Beverage Tax has been continued, pursuant to IC 6-9-20-3(e), to finance the construction of the New Arena. As a result, the Vanderburgh Food and Beverage Tax will continue until January 1 of the year following the year in which the last of the bonds issued to finance or refinance the New Arena are retired. Pursuant to the adopted ordinance, the food and beverage taxes collected (a) are to be deposited into an auditorium fund, so long as the current Centre financing is outstanding, in amount sufficient to provide for the payment of the Centre financing obligations with any excess to be deposited into a municipal arena fund so long as the Bonds are outstanding and (b) when the current Centre financing is no longer outstanding, are to be deposited into solely into an arena fund so long as the Bonds are outstanding.

Pursuant to IC 6-9-20-8.8, the County Treasurer must determine whether there is any excess food and beverage tax after use for payments on the currently outstanding Centre obligations. Any such excess food and beverage tax must be transferred by the County Treasurer to the relevant fiscal officer for deposit into a municipal arena fund. Money earned from the investment in the municipal arena fund becomes a part of the municipal arena fund and shall be used in financing the acquisition and construction of the New Arena.

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Summary of Significant Forecast Assumptions
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Tables Presenting Historic and Forecasted Information

Historical information regarding the Vanderburgh County Food and Beverage Tax collections for the 10 years preceding the forecast period are detailed in the table below.

| <i>Historical Information on Vanderburgh Co. Food & Beverage Tax</i> | | |
|---|---|------------------------------|
| <u>Years Ending December 31</u> | <u>Vanderburgh Co. Food & Beverage Tax</u> | <u>Rate of Growth</u> |
| 1999 | \$2,630,656 | n/a |
| 2000 | 2,809,247 | 6.79% |
| 2001 | 2,891,010 | 2.91% |
| 2002 | 3,061,059 | 5.88% |
| 2003 | 3,100,147 | 1.28% |
| 2004 | 3,213,380 | 3.65% |
| 2005 | 3,410,950 | 6.15% |
| 2006 | 3,622,374 | 6.20% |
| 2007 | 3,613,825 | (0.24%) |
| 2008 | 3,633,805 | 0.55% |
| 2009 | 3,665,442 | 0.10% |

The following table presents forecasted Vanderburgh County Food and Beverage Tax collections for the period ending December 31, 2010 through December 31, 2020. See the “*Assumptions*” section below.

| <i>Forecasted Information on Vanderburgh Co. Food & Beverage Tax</i> | | |
|---|---|------------------------------|
| <u>Years Ending December 31</u> | <u>Vanderburgh Co. Food & Beverage Tax</u> | <u>Rate of Growth</u> |
| 2010 | \$3,775,405 | 3.00% |
| 2011 | 3,888,667 | 3.00% |
| 2012 | 4,005,327 | 3.00% |
| 2013 | 4,125,487 | 3.00% |
| 2014 | 4,249,252 | 3.00% |
| 2015 | 4,376,729 | 3.00% |
| 2016 | 4,508,031 | 3.00% |
| 2017 | 4,643,272 | 3.00% |
| 2018 | 4,782,570 | 3.00% |
| 2019 | 4,926,048 | 3.00% |
| 2020 | 5,073,829 | 3.00% |

Description of Current Obligations

The Food and Beverage Tax is currently pledged for the Centre debt that was issued prior to the Bonds. See Exhibit E for a schedule illustrating historic and forecasted Food and Beverage Tax collections, debt service on existing Centre debt obligations, and available funds for additional debt service. After payment of the Evansville-Vanderburgh County Building Authority Excise and Income Tax Lease Rental Refunding Bonds, Series 2003, which have a final maturity date of February 1, 2018, the Food and Beverage Tax may only be used for costs associated with the New Arena. The City and the Commission

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have reserved the right to issue additional obligations payable from Food and Beverage Revenues on a parity with or subordinate to the pledge thereof to the payment of the Lease Rental Payments, upon satisfaction of certain conditions.

Risks Related to Revenues

Adverse economic conditions in the County, the City, the State of Indiana or the United States could result in a reduction in the number of taxable transactions in the County and, therefore, a reduction in City's certified distribution of Food and Beverage Tax Revenues.

The Food and Beverage Tax is imposed, paid, and collected in the same manner that the State gross sales tax is imposed, paid, and collected under Indiana Code 6-2.5, as amended. Therefore, local area or statewide delinquencies in State sales tax collection could result in reduced Food and Beverage Tax Revenue receipts.

By law, the Food and Beverage Tax Rate is equal to 1.00% of the gross retail income received by the merchant from the transaction. The County Council has made no representation, is not obligated to, and is prohibited by current law from taking any action to increase the rate at which the Food and Beverage Tax is imposed to pay a portion of the Lease Rental Payments under the Lease.

The legislature, or an administrative agency with jurisdiction in the matter, could enact new laws or regulations or interpret, amend, alter, change or modify, or a court of competent jurisdiction could interpret, the laws or regulations governing the collection, distribution, definition or accumulation of the Food and Beverage Tax in a fashion that may adversely affect the owners of the Bonds.

Assumptions

The forecasted revenues assume a 3% rate of growth in Vanderburgh Food and Beverage Tax collections, which is slightly below the ten year average of 3.33%. The forecast also assumes that Vanderburgh County will not be adversely affected by the risks explained in "*Risk Related to Revenues*" above.

Tax Increment Revenues

Description and Application

Tax Increment Financing ("TIF") allows local government officials to collect property tax revenue attributable to an increase in assessed value resulting from new investments within a Tax Increment District. To implement TIF, initial steps include establishing a Redevelopment Commission and designating the proposed District as either a Redevelopment Area or Economic Development Area. A resolution establishing the allocation area must be accompanied by a plan for the area.

The Commission approved and adopted its resolution (the "Original Declaratory Resolution") establishing the City of Evansville Downtown Redevelopment Area (the "Original Development Area") on January 20, 1984 and the designation thereof as an allocation area under the Act (the "Original Allocation Area") and approving the City of Evansville Downtown Development Area Plan (the

**City of Evansville Redevelopment Authority
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“Original Development Plan”). On December 4, 2007, the Commission amended and supplemented its Original Declaratory Resolution and its related Original Development Plan, including, without limitation, to change and supplement its Original Development Plan (and the purposes thereof), to add parcels of real estate to its acquisition list in furtherance of its plan, and enlarge the boundaries of the Original Area and the Original Allocation Area respectively by not more than twenty percent (20%) of the original area (the “Amended Area” and the “Amended Allocation Area”) (the Original Area as amended, the “Area” and the “Allocation Area”). On November 5, 2008, the Commission further amended the Original Development Plan and the Area by designating Berry Plastics Corporation as a “designated taxpayer” for the purpose of collecting incremental taxes on the designated taxpayer’s depreciable personal property in the Allocation Area.

Collection and Distribution

Property taxes in the state of Indiana are paid one year in arrears. Property taxes are payable to the County Treasurer in two semi-annual installments—the first on May 10, followed by the second on November 10. As property taxes are collected by the County Treasurer on or before each June 30 and December 31, such taxes are paid to the County Auditor who, based on the previous year’s certification, pays the portion of property tax receipts attributable to the Allocation Area into a special Allocation Area fund.

Pursuant to Indiana Code Section 36-7-14-39, Tax Increment Revenues may only be used by the Commission for certain limited purposes which include 1) payment of the principal of, and interest on, bonds to which such proceeds are pledged 2) establishing, augmenting, and restoring any reserve accounts for bonds payable therefrom and 3) making payments on leases.

Tables Presenting Historical and Forecasted Information

The table below presents historical information for Tax Increment Revenues distributed within the Amended Allocation Area.

| <i>Historical Information on Tax Increment Revenues</i> | | |
|--|--------------------------------|------------------------|
| Year | Captured Assessed Value | TIF Distributed |
| 2002 Pay 2003* | \$151,117,388 | \$615,578 |
| 2003 Pay 2004 | 150,070,938 | 689,821 |
| 2004 Pay 2005 | 130,263,958 | 1,500,600 |
| 2005 Pay 2006 | 151,740,848 | 3,000,000 |
| 2006 Pay 2007 | 198,818,450 | 4,468,597 |
| 2007 Pay 2008 | 233,544,484 | 5,549,602 |
| 2008 Pay 2009 | 252,868,012 | 6,955,237 |

*The Area was established in 1984 and for a period of time, the Commission collected tax increment. However, prior to 2000, the Commission, as provided for in the Code, declined to collect the tax increment. In collection year 2003 after issuance of the 2002 Bonds, the Commission started to collect tax increment again, increasing the increment collected to 100% in collection year 2007.

Prior to 2006 Pay 2007, the Commission, as authorized under Indiana Code, chose not to collect one hundred percent (100%) of the potential tax increment and released a portion of the captured assessed value back to affected taxing units.

City of Evansville Redevelopment Authority
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The table below presents forecasted Tax Increment Revenues for the Allocation Area including projected assessed value and tax increment amounts to be distributed. See the “Assumptions” section below as well as Exhibit D through D-4 for additional information.

| <i>Forecasted Information on Tax Increment Revenues</i> | | |
|--|---------------------------------------|-----------------------------|
| <u>Year</u> | <u>Captured Assessed Value</u> | <u>Estimated TIF</u> |
| 2009 Pay 2010 | \$268,056,946 | \$6,967,068 |
| 2010 Pay 2011 | 275,225,335 | 7,153,382 |
| 2011 Pay 2012 | 282,393,724 | 7,339,695 |
| 2012 Pay 2013 | 293,992,300 | 7,641,154 |
| 2013 Pay 2014 | 305,590,877 | 7,942,612 |
| 2014 Pay 2015 | 312,068,008 | 8,110,960 |
| 2015 Pay 2016 | 316,546,828 | 8,227,369 |

Description of Prior Obligations

The City has previously issued bonds secured by a pledge of tax increment revenues. In 2002, the City issued \$5,000,000 of its Evansville, Indiana Redevelopment Commission Tax Increment Revenue Bonds of 2002 (the “2002 Bonds”). The 2002 Bonds were issued to acquire real estate located in the Area to further economic development in the City and the Area. The Commission pledged Tax Increment Revenues generated from the first \$16,372,000 of real property incremental assessed value, as adjusted, from the Original Allocation Area (“2002 TIF Revenue”) to pay the 2002 Bonds. As of March 23, 2010, \$4,205,000 of the 2002 Bonds remain outstanding. The final maturity of the 2002 Bonds is February 1, 2024. In 2008, the City issued \$4,385,000 of its City of Evansville, Indiana, Taxable Economic Development Revenue Bonds, Series 2008 (Berry Plastics Project) (the “2008 Bonds”). The 2008 Bonds were issued to provide funds to loan to Berry Plastics (the “Company”) to expand its operations within the City and specifically the Area. The Commission pledged Tax Increment Revenue generated from the Area after capture of the 2002 TIF Revenue to pay the 2008 Bonds. As of March 23, 2010, \$4,140,000 of the 2008 Bonds remain outstanding. The final maturity of the 2008 Bonds is February 1, 2024. The City anticipates issuing \$5,000,000 of its City of Evansville, Indiana, Redevelopment Tax Increment Revenues Bonds, Series 2010 (American General Project) (the “2010 Bonds”) in May 2010. The 2010 Bonds will be issued to refund a bond anticipation note that was issued in 2006 through the Evansville Local Public Improvement Bond Bank to provide funds to pay the costs of certain capital improvements and acquire land within the Area. The Commission pledged Tax Increment Revenue generated from the Area after the capture of the 2002 TIF Revenue to pay the 2010 Bonds on a parity with the 2008 Bonds. The final maturity of the 2010 Bonds is February 1, 2024. The Commission has further reserved the right to issue additional obligations payable from the Tax Increment Revenues senior to, on parity with or subordinate to the pledge thereof to the payment of the Lease Rental Payments, upon satisfaction of certain conditions.

**City of Evansville Redevelopment Authority
Summary of Significant Forecast Assumptions
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Risks Related to the Revenues

General risks to Tax Increment Revenues include: (i) destruction of property in the Area caused by natural disaster; (ii) delinquent taxes or adjustments of or appeals on assessments by property owners in the Area; (iii) a decrease in the assessed value of properties in the Area due to increases in depreciation, obsolescence or other factors by the assessor; (iv) acquisition of property in the Area by a tax-exempt entity; (v) removal or demolition of real property improvements by property owners in the Area; (vi) delayed billing, collection, or distribution of Tax Increment Revenues by the County Auditor; (vii) a decrease in property tax rates and modifications to the State of Indiana's (the "State") property tax system, including modifications that would shift funding of certain state and local governments from property taxes to other state taxes, could result in a reduction in the rates of taxation by taxing bodies levying taxes upon property within the Allocation Area; or increase in the State of Indiana's PTRC which would increase the Additional Credit applied to Tax Increment Revenues; (viii) the General Assembly, the courts, the DLGF or other administrative agencies with jurisdiction in the matter could enact new laws or regulations or interpret, amend, alter, change or modify the laws or regulations governing the calculation, collection, definition or distribution of Tax Increment Revenues including laws or regulations relating to reassessment, the Additional Credit or a revision in the property tax system; or (ix) a change in any of the civil unit's funding mechanisms could adversely affect Tax Increment Revenues.

Any substantial increase in state or federal aid or other sources of local revenues which would reduce local required fiscal support for certain public programs or any substantial increase in assessments outside the Area could reduce the rates of taxation by the taxing bodies levying taxes upon property within the Area and have an adverse effect on the amount of Tax Increment Revenues received by the Commission. Economic conditions or administrative action could reduce the collection rate achieved by the County within its jurisdiction, including the Area.

The Indiana General Assembly enacted legislation 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"). Beginning with property taxes payable in 2010 and each year thereafter, property taxes for residential homesteads (as defined in IC 6-1.1-20.9-2) will be limited to 1.0% of the gross assessed value of the homestead; property taxes for agricultural land (as defined in IC 6-1.1-20.9-0.5), other residential property (as defined in IC 6-1.1-20.9-4) and long term care facilities (as defined in IC 6-1.1-20.9-2.3) will be limited to 2.0% of the gross assessed value of such property, and property taxes for all other real and personal property will be limited to 3.0% of the gross assessed value of such property. Additional property tax credits and deductions have been made available to certain senior citizens. 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. Future events, such as the loss of a major taxpayer or reductions in assessed value, increases in property tax rates of overlapping taxing units, or the reduction in the amount of the local property tax replacement credits, could increase the effective property tax rate sufficiently to limit the property taxes paid by taxpayers within the Allocation Area, reducing the amount of Tax Increment to be received. Potential reductions in Tax Increment collected within the Allocation Area could be material.

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The next general reassessment of property in the State is scheduled to be effective for property assessed March 1, 2011, for taxes payable in 2012. Reassessments are scheduled to occur every four years thereafter. Trending is scheduled to occur on an annual basis. The DLGF is required by law to make a one-time adjustment to neutralize the effect of a reassessment on property within tax increment allocation areas, including the Area, so that owners of obligations secured by tax increment revenues will not be adversely affected. Delays in the reassessment and trending process, the inability to neutralize the effect of reassessment, or appeals of assessments and reassessments could adversely affect the Tax Increment Revenues.

The estimated Tax Increment Revenues assume that the gross property tax rates will remain at approximately the same level throughout the term of the Bonds. Any decrease in the gross property tax rates could result in a decrease in the amount of Tax Increment Revenues.

Beginning with property taxes first payable year in 2009 and each year thereafter, under IC 6-1.1-21.2 the Commission is authorized to levy a property tax on all taxable property located in the District to replace Tax Increment Revenues lost, due to legislative changes, to a level sufficient to meet the obligations of the District. In lieu of the Replacement Levy, the District could instead (i) impose a special assessment on the owners of property located in the Area to generate Tax Increment Revenues sufficient to meet the District's obligations, or (ii) reduce the base assessed value of property in the Area to an amount that is sufficient to generate Tax Increment Revenues sufficient to meet the District's obligations.

In the event of delayed billing, collection or distribution by the county auditor of ad valorem property taxes levied in the City and the County, sufficient funds may not be available to the Commission in time to pay a portion of the Lease Rental Payments when due. This risk is inherent in all property tax supported obligations. In addition, economic conditions or administrative action could reduce the collection rate achieved by the City within its jurisdiction.

The Tax Increment Revenues are being pledged by the Commission to the payment of the Lease Rental Payments subordinate to the pledge thereof to prior obligations of the Commission as described herein. In addition, the Commission has reserved the right to pledge the Tax Increment Revenues to the repayment of additional bonds or leases of the Commission provided that certain conditions are met, as described under "*Description of Prior Obligations*" above.

Assumptions

The forecasted table above assumes a tax rate of \$2.5991, the 2010 Certified Rate for City of Evansville, Pigeon Township, and assumes a 100% collection rate.

No assumption has been made for the impact of trending on tax rates.

Other than for increases due to abatement roll-off and projects under construction, assessed valuations for payable year 2010 have been held constant through payable year 2038. No assumption has been made for the impact of trending on assessed valuations.

**City of Evansville Redevelopment Authority
Summary of Significant Forecast Assumptions
and Accounting Policies**

No effect for environmental, regulatory or other unforeseen circumstances which may have an impact on the assessment of property in the Area has been reflected in this Report.

No effect for any unanticipated additions of new development outside the Area (thus, potentially reducing tax rates) has been reflected in this Report.

No effect as a result of freezing certain property tax levies subject to the Maximum Permissible Levy Control has been reflected in this Report.

It has been assumed that the officials of the County and the City charged with such responsibilities will comply with all procedures required on a timely basis so as to ensure that the Area's taxes are properly assessed, levied, collected and distributed.

ⁱ <http://www.evansvillegov.org/download/Events%20Center.pdf>

ⁱⁱ Standard & Poor's rating on the Evansville Vanderburgh School Corporation (12/18/2009)

ⁱⁱⁱ <http://www.evansvillegov.org/download/Events%20Center.pdf>

**City of Evansville, Indiana Redevelopment Authority
Lease Rental Revenue Bonds, Series 2010**

Sources and Uses of Funds*

| <u>Sources of Funds:</u> | <u>2010A</u> | <u>2010B</u> | <u>Issue Summary</u> |
|---|--------------------------------|------------------------------|--------------------------------|
| Par Amount of Bonds | \$116,620,000.00 | \$5,790,000.00 | \$122,410,000.00 |
| Reoffering Premium | - | 53,485.20 | 53,485.20 |
| Total Sources of Funds | <u>\$116,620,000.00</u> | <u>\$5,843,485.20</u> | <u>\$122,463,485.20</u> |
| <u>Uses of Funds:</u> | | | |
| Total Underwriter's Discount (0.900%) | \$1,049,580.00 | \$52,110.00 | \$1,101,690.00 |
| Costs of Issuance | 804,555.10 | 39,944.90 | 844,500.00 |
| Deposit to Debt Service Reserve Fund (DSRF) | 7,693,250.73 | 381,957.83 | 8,075,208.56 |
| Deposit to Capitalized Interest (CIF) Fund | 17,090,361.38 | 350,237.22 | 17,440,598.60 |
| Deposit to Project Construction Fund** | 89,980,843.37 | 5,019,156.63 | 95,000,000.00 |
| Rounding Amount | 1,409.42 | 78.62 | 1,488.04 |
| Total Uses of Funds | <u>\$116,620,000.00</u> | <u>\$5,843,485.20</u> | <u>\$122,463,485.20</u> |

Source: J.J.B. Hilliard, W.L. Lyons, LLC as of 04/28/10

*In addition to the funds available from the proceeds of the Bonds reflected in this table, the City has appropriated up to \$32,500,000.00 in funds to be made available for construction of the New Arena. It is anticipated that all or a portion of such amount, from time to time and as needed, will be deposited in the Construction Fund or otherwise applied to project cost between the closing of the Bonds and August, 2012.

**Includes repaying of the Commission's Bond Anticipation Notes, Series 2009A and 2009B, in the aggregate principal amount of approximately \$26,100,000.

Exhibit A

**City of Evansville, Indiana Redevelopment Authority
Lease Rental Revenue Bonds, Series 2010**

Master Cash Flows

| Date | Total Debt Service | Capitalized Interest | Excess Tax Increment | Excess Food & Beverage Tax | Debt Service Reserve Interest* | COIT | Other Revenues | Total Available | Coverage | Coverage Ratio |
|--------------|---------------------------|-----------------------------|-----------------------------|---------------------------------------|---------------------------------------|----------------------|-----------------------|------------------------|----------------------|-----------------------|
| 8/1/2010 | \$1,565,465 | \$1,565,465 | \$2,768,276 | \$387,703 | \$80,752 | \$6,889,460 | \$536,910 | \$12,228,565 | \$10,663,101 | - |
| 2/1/2011 | 3,968,784 | 3,968,784 | 2,754,270 | 444,334 | 80,752 | 6,497,212 | 1,361,179 | 15,106,531 | 11,137,748 | 4.94 |
| 8/1/2011 | 3,968,784 | 3,968,784 | 2,841,419 | 400,334 | 80,752 | 6,497,212 | 1,361,179 | 15,149,680 | 11,180,896 | - |
| 2/1/2012 | 3,968,784 | 3,968,784 | 2,845,828 | 458,664 | 80,752 | 6,692,128 | 1,361,179 | 15,407,335 | 11,438,552 | 3.85 |
| 8/1/2012 | 3,968,784 | 3,968,784 | 2,938,627 | 412,664 | 80,752 | 6,692,128 | 1,361,179 | 15,454,134 | 11,485,350 | - |
| 2/1/2013 | 3,968,784 | - | 2,938,513 | 472,744 | 80,752 | 6,892,892 | 1,361,179 | 11,746,081 | 7,777,297 | 3.43 |
| 8/1/2013 | 3,968,784 | - | 3,089,545 | 424,744 | 80,752 | 6,892,892 | 1,361,179 | 11,849,113 | 7,880,329 | - |
| 2/1/2014 | 6,828,784 | - | 3,090,095 | 486,626 | 80,752 | 7,099,679 | 1,361,179 | 12,118,331 | 5,289,548 | 2.22 |
| 8/1/2014 | 3,933,034 | - | 3,241,912 | 439,626 | 80,752 | 7,099,679 | 1,361,179 | 12,223,148 | 8,290,115 | - |
| 2/1/2015 | 6,863,034 | - | 3,243,294 | 503,364 | 80,752 | 7,312,669 | 1,361,179 | 12,501,259 | 5,638,225 | 2.29 |
| 8/1/2015 | 3,889,084 | - | 3,329,384 | 455,864 | 80,752 | 7,312,669 | 1,361,179 | 12,539,848 | 8,650,765 | - |
| 2/1/2016 | 6,884,084 | - | 3,331,553 | 521,515 | 80,752 | 7,532,049 | 1,361,179 | 12,827,049 | 5,942,965 | 2.35 |
| 8/1/2016 | 3,821,247 | - | 3,392,532 | 473,515 | 80,752 | 7,532,049 | 1,337,436 | 12,816,285 | 8,995,038 | - |
| 2/1/2017 | 6,906,247 | - | 3,390,563 | 541,136 | 80,752 | 7,758,011 | 1,337,436 | 13,107,898 | 6,201,651 | 2.42 |
| 8/1/2017 | 3,745,202 | - | 3,452,489 | 487,636 | 80,752 | 7,758,011 | 1,310,821 | 13,089,708 | 9,344,507 | - |
| 2/1/2018 | 6,930,202 | - | 3,451,531 | 557,285 | 80,752 | 7,990,751 | 1,310,821 | 13,391,140 | 6,460,939 | 2.48 |
| 8/1/2018 | 3,660,003 | - | 3,509,578 | 2,391,285 | 80,752 | 7,990,751 | 1,281,001 | 15,253,368 | 11,593,365 | - |
| 2/1/2019 | 6,955,003 | - | 3,514,888 | 2,463,024 | 80,752 | 8,230,474 | 1,281,001 | 15,570,139 | 8,615,136 | 2.90 |
| 8/1/2019 | 3,568,567 | - | 3,574,104 | 2,463,024 | 80,752 | 8,230,474 | 1,248,998 | 15,597,352 | 12,028,785 | - |
| 2/1/2020 | 6,978,567 | - | 3,575,594 | 2,536,914 | 80,752 | 8,477,388 | 1,248,998 | 15,919,647 | 8,941,081 | 2.99 |
| 8/1/2020 | 3,470,529 | - | 3,630,916 | 2,536,914 | 80,752 | 8,477,388 | 1,214,685 | 15,940,655 | 12,470,126 | - |
| 2/1/2021 | 7,010,529 | - | 3,638,641 | 2,613,022 | 80,752 | 8,731,710 | 1,214,685 | 16,278,810 | 9,268,281 | 3.07 |
| 8/1/2021 | 3,366,984 | - | 3,700,402 | 2,613,022 | 80,752 | 8,731,710 | 1,178,444 | 16,304,330 | 12,937,346 | - |
| 2/1/2022 | 7,041,984 | - | 3,699,449 | 2,691,413 | 80,752 | 8,993,661 | 1,178,444 | 16,643,719 | 9,601,735 | 3.17 |
| 8/1/2022 | 3,257,653 | - | 3,757,427 | 2,691,413 | 80,752 | 8,993,661 | 1,140,178 | 16,663,431 | 13,405,778 | - |
| 2/1/2023 | 7,072,653 | - | 3,762,916 | 2,772,155 | 80,752 | 9,263,471 | 1,140,178 | 17,019,472 | 9,946,819 | 3.26 |
| 8/1/2023 | 3,142,249 | - | 3,763,907 | 2,772,155 | 80,752 | 9,263,471 | 1,099,787 | 16,980,072 | 13,837,823 | - |
| 2/1/2024 | 7,107,249 | - | 3,770,614 | 2,855,320 | 80,752 | 9,541,375 | 1,099,787 | 17,347,848 | 10,240,599 | 3.35 |
| 8/1/2024 | 3,020,325 | - | 4,462,911 | 2,855,320 | 80,752 | 9,541,375 | 1,057,114 | 17,997,472 | 14,977,146 | - |
| 2/1/2025 | 7,145,325 | - | 4,462,911 | 2,940,979 | 80,752 | 9,827,616 | 1,057,114 | 18,369,372 | 11,224,047 | 3.58 |
| 8/1/2025 | 2,891,419 | - | 4,462,911 | 2,940,979 | 80,752 | 9,827,616 | 1,011,997 | 18,324,255 | 15,432,836 | - |
| 2/1/2026 | 7,181,419 | - | 4,462,911 | 3,029,209 | 80,752 | 10,122,445 | 1,011,997 | 18,707,313 | 11,525,894 | 3.68 |
| 8/1/2026 | 2,744,272 | - | 4,462,911 | 3,029,209 | 80,752 | 10,122,445 | 960,495 | 18,655,812 | 15,911,540 | - |
| 2/1/2027 | 7,229,272 | - | 4,462,911 | 3,120,085 | 80,752 | 10,426,118 | 960,495 | 19,050,361 | 11,821,089 | 3.78 |
| 8/1/2027 | 2,590,437 | - | 4,462,911 | 3,120,085 | 80,752 | 10,426,118 | 906,653 | 18,996,519 | 16,406,082 | - |
| 2/1/2028 | 7,275,437 | - | 4,462,911 | 3,213,687 | 80,752 | 10,738,901 | 906,653 | 19,402,905 | 12,127,468 | 3.89 |
| 8/1/2028 | 2,429,741 | - | 4,462,911 | 3,213,687 | 80,752 | 10,738,901 | 850,409 | 19,346,662 | 16,916,921 | - |
| 2/1/2029 | 7,319,741 | - | 4,462,911 | 3,310,098 | 80,752 | 11,061,069 | 850,409 | 19,765,239 | 12,445,498 | 4.01 |
| 8/1/2029 | 2,262,014 | - | 4,462,911 | 3,310,098 | 80,752 | 11,061,069 | 791,705 | 19,706,535 | 17,444,521 | - |
| 2/1/2030 | 7,372,014 | - | 4,462,911 | 3,409,401 | 80,752 | 11,392,901 | 791,705 | 20,137,670 | 12,765,656 | 4.14 |
| 8/1/2030 | 2,080,924 | - | 4,462,911 | 3,409,401 | 80,752 | 11,392,901 | 728,323 | 20,074,288 | 17,993,365 | - |
| 2/1/2031 | 7,425,924 | - | 4,462,911 | 3,511,683 | 80,752 | 11,734,688 | 728,323 | 20,518,357 | 13,092,434 | 4.27 |
| 8/1/2031 | 1,891,361 | - | 4,462,911 | 3,511,683 | 80,752 | 11,734,688 | 661,976 | 20,452,010 | 18,560,649 | - |
| 2/1/2032 | 7,481,361 | - | 4,462,911 | 3,617,033 | 80,752 | 12,086,728 | 661,976 | 20,909,401 | 13,428,040 | 4.41 |
| 8/1/2032 | 1,692,967 | - | 4,462,911 | 3,617,033 | 80,752 | 12,086,728 | 592,538 | 20,839,963 | 19,146,997 | - |
| 2/1/2033 | 7,542,967 | - | 4,462,911 | 3,725,544 | 80,752 | 12,449,330 | 592,538 | 21,311,076 | 13,768,109 | 4.56 |
| 8/1/2033 | 1,485,199 | - | 4,462,911 | 3,725,544 | 80,752 | 12,449,330 | 519,820 | 21,238,358 | 19,753,158 | - |
| 2/1/2034 | 7,605,199 | - | 4,462,911 | 3,837,311 | 80,752 | 12,822,810 | 519,820 | 21,723,604 | 14,118,405 | 4.73 |
| 8/1/2034 | 1,267,698 | - | 4,462,911 | 3,837,311 | 80,752 | 12,822,810 | 443,694 | 21,647,478 | 20,379,780 | - |
| 2/1/2035 | 7,672,698 | - | 4,462,911 | 3,952,430 | 80,752 | 13,207,494 | 443,694 | 22,147,282 | 14,474,584 | 4.90 |
| 8/1/2035 | 1,036,798 | - | 4,462,911 | 3,952,430 | 80,752 | 13,207,494 | 362,879 | 22,066,467 | 21,029,669 | - |
| 2/1/2036 | 7,741,798 | - | 4,462,911 | 4,071,003 | 80,752 | 13,603,719 | 362,879 | 22,581,265 | 14,839,467 | 5.09 |
| 8/1/2036 | 795,083 | - | 4,462,911 | 4,071,003 | 80,752 | 13,603,719 | 278,279 | 22,496,664 | 21,701,582 | - |
| 2/1/2037 | 7,815,083 | - | 4,462,911 | 4,193,133 | 80,752 | 14,011,831 | 278,279 | 23,026,906 | 15,211,823 | 5.29 |
| 8/1/2037 | 542,012 | - | 4,462,911 | 4,193,133 | 80,752 | 14,011,831 | 189,704 | 22,938,331 | 22,396,319 | - |
| 2/1/2038 | 7,887,012 | - | 4,462,911 | 4,318,927 | 80,752 | 14,432,186 | 189,704 | 23,484,480 | 15,597,468 | 5.51 |
| 8/1/2038 | 277,225 | - | 4,462,911 | 4,318,927 | 80,752 | 14,432,186 | 97,029 | 23,391,805 | 23,114,580 | - |
| 2/1/2039 | 7,967,225 | - | 4,462,911 | 4,448,495 | 80,752 | 14,865,151 | 8,172,237 | 32,029,547 | 24,062,322 | 6.72 |
| Total | \$277,480,995 | \$17,440,599 | \$227,885,609 | \$146,672,277 | \$4,683,616 | \$579,617,221 | \$62,113,024 | \$1,038,412,346 | \$760,931,350 | - |

*The interest earned on the debt service reserve is assumed to be 1%. During construction such earnings would be applied to the project costs. After completion, they would be available for debt service subject to confirmation that such application would not affect Build America Bond status.

**City of Evansville, Indiana Redevelopment Authority
Lease Rental Revenue Bonds, Series 2010**

Debt Service Schedule

| <u>Date</u> | <u>Principal</u> | <u>Coupon</u> | <u>Interest</u> | <u>Gross Debt Service</u> | <u>Gross Fiscal Total</u> | <u>Less: 35% Direct Pay</u> | <u>Total Principal & Interest</u> | <u>Net Fiscal Total</u> |
|--------------|----------------------|---------------|----------------------|---------------------------|-------------------------------|---------------------------------|---|-------------------------|
| 8/1/2010 | - | - | \$1,565,465 | \$1,565,465 | - | (\$536,910) | \$1,028,555 | - |
| 2/1/2011 | - | - | 3,968,784 | 3,968,784 | 5,534,248 | (1,361,179) | 2,607,604 | 3,636,159 |
| 8/1/2011 | - | - | 3,968,784 | 3,968,784 | - | (1,361,179) | 2,607,604 | - |
| 2/1/2012 | - | - | 3,968,784 | 3,968,784 | 7,937,567 | (1,361,179) | 2,607,604 | 5,215,209 |
| 8/1/2012 | - | - | 3,968,784 | 3,968,784 | - | (1,361,179) | 2,607,604 | - |
| 2/1/2013 | - | - | 3,968,784 | 3,968,784 | 7,937,567 | (1,361,179) | 2,607,604 | 5,215,209 |
| 8/1/2013 | - | - | 3,968,784 | 3,968,784 | - | (1,361,179) | 2,607,604 | - |
| 2/1/2014 | 2,860,000 | 2.500% | 3,968,784 | 6,828,784 | 10,797,567 | (1,361,179) | 5,467,604 | 8,075,209 |
| 8/1/2014 | - | - | 3,933,034 | 3,933,034 | - | (1,361,179) | 2,571,854 | - |
| 2/1/2015 | 2,930,000 | 3.000% | 3,933,034 | 6,863,034 | 10,796,067 | (1,361,179) | 5,501,854 | 8,073,709 |
| 8/1/2015 | - | - | 3,889,084 | 3,889,084 | - | (1,361,179) | 2,527,904 | - |
| 2/1/2016 | 2,995,000 | 4.530% | 3,889,084 | 6,884,084 | 10,773,167 | (1,361,179) | 5,522,904 | 8,050,809 |
| 8/1/2016 | - | - | 3,821,247 | 3,821,247 | - | (1,337,436) | 2,483,810 | - |
| 2/1/2017 | 3,085,000 | 4.930% | 3,821,247 | 6,906,247 | 10,727,494 | (1,337,436) | 5,568,810 | 8,052,621 |
| 8/1/2017 | - | - | 3,745,202 | 3,745,202 | - | (1,310,821) | 2,434,381 | - |
| 2/1/2018 | 3,185,000 | 5.350% | 3,745,202 | 6,930,202 | 10,675,403 | (1,310,821) | 5,619,381 | 8,053,762 |
| 8/1/2018 | - | - | 3,660,003 | 3,660,003 | - | (1,281,001) | 2,379,002 | - |
| 2/1/2019 | 3,295,000 | 5.550% | 3,660,003 | 6,955,003 | 10,615,006 | (1,281,001) | 5,674,002 | 8,053,004 |
| 8/1/2019 | - | - | 3,568,567 | 3,568,567 | - | (1,248,998) | 2,319,568 | - |
| 2/1/2020 | 3,410,000 | 5.750% | 3,568,567 | 6,978,567 | 10,547,133 | (1,248,998) | 5,729,568 | 8,049,136 |
| 8/1/2020 | - | - | 3,470,529 | 3,470,529 | - | (1,214,685) | 2,255,844 | - |
| 2/1/2021 | 3,540,000 | 5.850% | 3,470,529 | 7,010,529 | 10,481,058 | (1,214,685) | 5,795,844 | 8,051,688 |
| 8/1/2021 | - | - | 3,366,984 | 3,366,984 | - | (1,178,444) | 2,188,540 | - |
| 2/1/2022 | 3,675,000 | 5.950% | 3,366,984 | 7,041,984 | 10,408,968 | (1,178,444) | 5,863,540 | 8,052,079 |
| 8/1/2022 | - | - | 3,257,653 | 3,257,653 | - | (1,140,178) | 2,117,474 | - |
| 2/1/2023 | 3,815,000 | 6.050% | 3,257,653 | 7,072,653 | 10,330,306 | (1,140,178) | 5,932,474 | 8,049,949 |
| 8/1/2023 | - | - | 3,142,249 | 3,142,249 | - | (1,099,787) | 2,042,462 | - |
| 2/1/2024 | 3,965,000 | 6.150% | 3,142,249 | 7,107,249 | 10,249,498 | (1,099,787) | 6,007,462 | 8,049,924 |
| 8/1/2024 | - | - | 3,020,325 | 3,020,325 | - | (1,057,114) | 1,963,211 | - |
| 2/1/2025 | 4,125,000 | 6.250% | 3,020,325 | 7,145,325 | 10,165,651 | (1,057,114) | 6,088,211 | 8,051,423 |
| 8/1/2025 | - | - | 2,891,419 | 2,891,419 | - | (1,011,997) | 1,879,422 | - |
| 2/1/2026 | 4,290,000 | 6.860% | 2,891,419 | 7,181,419 | 10,072,838 | (1,011,997) | 6,169,422 | 8,048,845 |
| 8/1/2026 | - | - | 2,744,272 | 2,744,272 | - | (960,495) | 1,783,777 | - |
| 2/1/2027 | 4,485,000 | 6.860% | 2,744,272 | 7,229,272 | 9,973,544 | (960,495) | 6,268,777 | 8,052,554 |
| 8/1/2027 | - | - | 2,590,437 | 2,590,437 | - | (906,653) | 1,683,784 | - |
| 2/1/2028 | 4,685,000 | 6.860% | 2,590,437 | 7,275,437 | 9,865,873 | (906,653) | 6,368,784 | 8,052,567 |
| 8/1/2028 | - | - | 2,429,741 | 2,429,741 | - | (850,409) | 1,579,332 | - |
| 2/1/2029 | 4,890,000 | 6.860% | 2,429,741 | 7,319,741 | 9,749,482 | (850,409) | 6,469,332 | 8,048,663 |
| 8/1/2029 | - | - | 2,262,014 | 2,262,014 | - | (791,705) | 1,470,309 | - |
| 2/1/2030 | 5,110,000 | 7.088% | 2,262,014 | 7,372,014 | 9,634,028 | (791,705) | 6,580,309 | 8,050,618 |
| 8/1/2030 | - | - | 2,080,924 | 2,080,924 | - | (728,323) | 1,352,600 | - |
| 2/1/2031 | 5,345,000 | 7.093% | 2,080,924 | 7,425,924 | 9,506,847 | (728,323) | 6,697,600 | 8,050,201 |
| 8/1/2031 | - | - | 1,891,361 | 1,891,361 | - | (661,976) | 1,229,385 | - |
| 2/1/2032 | 5,590,000 | 7.098% | 1,891,361 | 7,481,361 | 9,372,723 | (661,976) | 6,819,385 | 8,048,770 |
| 8/1/2032 | - | - | 1,692,967 | 1,692,967 | - | (592,538) | 1,100,428 | - |
| 2/1/2033 | 5,850,000 | 7.103% | 1,692,967 | 7,542,967 | 9,235,934 | (592,538) | 6,950,428 | 8,050,857 |
| 8/1/2033 | - | - | 1,485,199 | 1,485,199 | - | (519,820) | 965,380 | - |
| 2/1/2034 | 6,120,000 | 7.108% | 1,485,199 | 7,605,199 | 9,090,399 | (519,820) | 7,085,380 | 8,050,759 |
| 8/1/2034 | - | - | 1,267,698 | 1,267,698 | - | (443,694) | 824,004 | - |
| 2/1/2035 | 6,405,000 | 7.210% | 1,267,698 | 7,672,698 | 8,940,397 | (443,694) | 7,229,004 | 8,053,008 |
| 8/1/2035 | - | - | 1,036,798 | 1,036,798 | - | (362,879) | 673,919 | - |
| 2/1/2036 | 6,705,000 | 7.210% | 1,036,798 | 7,741,798 | 8,778,596 | (362,879) | 7,378,919 | 8,052,837 |
| 8/1/2036 | - | - | 795,083 | 795,083 | - | (278,279) | 516,804 | - |
| 2/1/2037 | 7,020,000 | 7.210% | 795,083 | 7,815,083 | 8,610,166 | (278,279) | 7,536,804 | 8,053,608 |
| 8/1/2037 | - | - | 542,012 | 542,012 | - | (189,704) | 352,308 | - |
| 2/1/2038 | 7,345,000 | 7.210% | 542,012 | 7,887,012 | 8,429,024 | (189,704) | 7,697,308 | 8,049,615 |
| 8/1/2038 | - | - | 277,225 | 277,225 | - | (97,029) | 180,196 | - |
| 2/1/2039 | 7,690,000 | 7.210% | 277,225 | 7,967,225 | 8,244,449 | (97,029) | 7,870,196 | 8,050,392 |
| Total | \$122,410,000 | | \$155,070,995 | \$277,480,995 | \$277,480,995 | (\$54,037,815) | \$223,443,180 | \$223,443,180 |

Source: J.J.B. Hilliard, W.L. Lyons, LLC as of 04/28/2010

**City of Evansville, Indiana Redevelopment Authority
Lease Rental Revenue Bonds, Series 2010**

| Excess Tax Increment | | | |
|-----------------------------|--|---------------------------------|-------------------------------------|
| Date | Estimated Tax Increment Revenue | Total Prior Debt Service | Excess Tax Increment Revenue |
| 8/1/2010 | \$3,483,534 | \$715,258 | \$2,768,276 |
| 2/1/2011 | 3,483,534 | \$729,264 | \$2,754,270 |
| 8/1/2011 | 3,576,691 | \$735,272 | \$2,841,419 |
| 2/1/2012 | 3,576,691 | \$730,863 | \$2,845,828 |
| 8/1/2012 | 3,669,848 | \$731,221 | \$2,938,627 |
| 2/1/2013 | 3,669,848 | \$731,334 | \$2,938,513 |
| 8/1/2013 | 3,820,577 | \$731,032 | \$3,089,545 |
| 2/1/2014 | 3,820,577 | \$730,482 | \$3,090,095 |
| 8/1/2014 | 3,971,306 | \$729,394 | \$3,241,912 |
| 2/1/2015 | 3,971,306 | \$728,012 | \$3,243,294 |
| 8/1/2015 | 4,055,480 | \$726,096 | \$3,329,384 |
| 2/1/2016 | 4,055,480 | \$723,927 | \$3,331,553 |
| 8/1/2016 | 4,113,684 | \$721,152 | \$3,392,532 |
| 2/1/2017 | 4,113,684 | \$723,122 | \$3,390,563 |
| 8/1/2017 | 4,171,889 | \$719,400 | \$3,452,489 |
| 2/1/2018 | 4,171,889 | \$720,358 | \$3,451,531 |
| 8/1/2018 | 4,230,093 | \$720,515 | \$3,509,578 |
| 2/1/2019 | 4,230,093 | \$715,205 | \$3,514,888 |
| 8/1/2019 | 4,288,298 | \$714,194 | \$3,574,104 |
| 2/1/2020 | 4,288,298 | \$712,703 | \$3,575,594 |
| 8/1/2020 | 4,346,502 | \$715,587 | \$3,630,916 |
| 2/1/2021 | 4,346,502 | \$707,862 | \$3,638,641 |
| 8/1/2021 | 4,404,707 | \$704,305 | \$3,700,402 |
| 2/1/2022 | 4,404,707 | \$705,258 | \$3,699,449 |
| 8/1/2022 | 4,462,911 | \$705,485 | \$3,757,427 |
| 2/1/2023 | 4,462,911 | \$699,995 | \$3,762,916 |
| 8/1/2023 | 4,462,911 | \$699,005 | \$3,763,907 |
| 2/1/2024 | 4,462,911 | \$692,297 | \$3,770,614 |
| 8/1/2024 | 4,462,911 | - | \$4,462,911 |
| 2/1/2025 | 4,462,911 | - | \$4,462,911 |
| 8/1/2025 | 4,462,911 | - | \$4,462,911 |
| 2/1/2026 | 4,462,911 | - | \$4,462,911 |
| 8/1/2026 | 4,462,911 | - | \$4,462,911 |
| 2/1/2027 | 4,462,911 | - | \$4,462,911 |
| 8/1/2027 | 4,462,911 | - | \$4,462,911 |
| 2/1/2028 | 4,462,911 | - | \$4,462,911 |
| 8/1/2028 | 4,462,911 | - | \$4,462,911 |
| 2/1/2029 | 4,462,911 | - | \$4,462,911 |
| 8/1/2029 | 4,462,911 | - | \$4,462,911 |
| 2/1/2030 | 4,462,911 | - | \$4,462,911 |
| 8/1/2030 | 4,462,911 | - | \$4,462,911 |
| 2/1/2031 | 4,462,911 | - | \$4,462,911 |
| 8/1/2031 | 4,462,911 | - | \$4,462,911 |
| 2/1/2032 | 4,462,911 | - | \$4,462,911 |
| 8/1/2032 | 4,462,911 | - | \$4,462,911 |
| 2/1/2033 | 4,462,911 | - | \$4,462,911 |
| 8/1/2033 | 4,462,911 | - | \$4,462,911 |
| 2/1/2034 | 4,462,911 | - | \$4,462,911 |
| 8/1/2034 | 4,462,911 | - | \$4,462,911 |
| 2/1/2035 | 4,462,911 | - | \$4,462,911 |
| 8/1/2035 | 4,462,911 | - | \$4,462,911 |
| 2/1/2036 | 4,462,911 | - | \$4,462,911 |
| 8/1/2036 | 4,462,911 | - | \$4,462,911 |
| 2/1/2037 | 4,462,911 | - | \$4,462,911 |
| 8/1/2037 | 4,462,911 | - | \$4,462,911 |
| 2/1/2038 | 4,462,911 | - | \$4,462,911 |
| 8/1/2038 | 4,462,911 | - | \$4,462,911 |
| 2/1/2039 | 4,462,911 | - | \$4,462,911 |
| Total | \$248,004,203 | \$20,118,594 | \$227,885,609 |

Exhibit D

**City of Evansville, Indiana Redevelopment Authority
Lease Rental Revenue Bonds, Series 2010**

Assessed Value and Tax Increment Revenue

| Date | Total Incremental Assessed Value | Tax Rate | Estimated Tax Increment - Annual Basis | Estimated Tax Increment - Semi-Annual Basis |
|--------------|---|-----------------|---|--|
| 8/1/2010 | \$268,056,946 | \$2.5991 | \$6,967,068 | \$3,483,534 |
| 2/1/2011 | - | | - | 3,483,534 |
| 8/1/2011 | 275,225,335 | \$2.5991 | 7,153,382 | 3,576,691 |
| 2/1/2012 | - | | - | 3,576,691 |
| 8/1/2012 | 282,393,724 | \$2.5991 | 7,339,695 | 3,669,848 |
| 2/1/2013 | - | | - | 3,669,848 |
| 8/1/2013 | 293,992,300 | \$2.5991 | 7,641,154 | 3,820,577 |
| 2/1/2014 | - | | - | 3,820,577 |
| 8/1/2014 | 305,590,877 | \$2.5991 | 7,942,612 | 3,971,306 |
| 2/1/2015 | - | | - | 3,971,306 |
| 8/1/2015 | 312,068,008 | \$2.5991 | 8,110,960 | 4,055,480 |
| 2/1/2016 | - | | - | 4,055,480 |
| 8/1/2016 | 316,546,828 | \$2.5991 | 8,227,369 | 4,113,684 |
| 2/1/2017 | - | | - | 4,113,684 |
| 8/1/2017 | 321,025,648 | \$2.5991 | 8,343,778 | 4,171,889 |
| 2/1/2018 | - | | - | 4,171,889 |
| 8/1/2018 | 325,504,468 | \$2.5991 | 8,460,187 | 4,230,093 |
| 2/1/2019 | - | | - | 4,230,093 |
| 8/1/2019 | 329,983,288 | \$2.5991 | 8,576,596 | 4,288,298 |
| 2/1/2020 | - | | - | 4,288,298 |
| 8/1/2020 | 334,462,108 | \$2.5991 | 8,693,005 | 4,346,502 |
| 2/1/2021 | - | | - | 4,346,502 |
| 8/1/2021 | 338,940,928 | \$2.5991 | 8,809,414 | 4,404,707 |
| 2/1/2022 | - | | - | 4,404,707 |
| 8/1/2022 | 343,419,748 | \$2.5991 | 8,925,823 | 4,462,911 |
| 2/1/2023 | - | | - | 4,462,911 |
| 8/1/2023 | 343,419,748 | \$2.5991 | 8,925,823 | 4,462,911 |
| 2/1/2024 | - | | - | 4,462,911 |
| 8/1/2024 | 343,419,748 | \$2.5991 | 8,925,823 | 4,462,911 |
| 2/1/2025 | - | | - | 4,462,911 |
| 8/1/2025 | 343,419,748 | \$2.5991 | 8,925,823 | 4,462,911 |
| 2/1/2026 | - | | - | 4,462,911 |
| 8/1/2026 | 343,419,748 | \$2.5991 | 8,925,823 | 4,462,911 |
| 2/1/2027 | - | | - | 4,462,911 |
| 8/1/2027 | 343,419,748 | \$2.5991 | 8,925,823 | 4,462,911 |
| 2/1/2028 | - | | - | 4,462,911 |
| 8/1/2028 | 343,419,748 | \$2.5991 | 8,925,823 | 4,462,911 |
| 2/1/2029 | - | | - | 4,462,911 |
| 8/1/2029 | 343,419,748 | \$2.5991 | 8,925,823 | 4,462,911 |
| 2/1/2030 | - | | - | 4,462,911 |
| 8/1/2030 | 343,419,748 | \$2.5991 | 8,925,823 | 4,462,911 |
| 2/1/2031 | - | | - | 4,462,911 |
| 8/1/2031 | 343,419,748 | \$2.5991 | 8,925,823 | 4,462,911 |
| 2/1/2032 | - | | - | 4,462,911 |
| 8/1/2032 | 343,419,748 | \$2.5991 | 8,925,823 | 4,462,911 |
| 2/1/2033 | - | | - | 4,462,911 |
| 8/1/2033 | 343,419,748 | \$2.5991 | \$8,925,823 | 4,462,911 |
| 2/1/2034 | - | | - | 4,462,911 |
| 8/1/2034 | 343,419,748 | \$2.5991 | \$8,925,823 | 4,462,911 |
| 2/1/2035 | - | | - | 4,462,911 |
| 8/1/2035 | 343,419,748 | \$2.5991 | \$8,925,823 | 4,462,911 |
| 2/1/2036 | - | | - | 4,462,911 |
| 8/1/2036 | 343,419,748 | \$2.5991 | \$8,925,823 | 4,462,911 |
| 2/1/2037 | - | | - | 4,462,911 |
| 8/1/2037 | 343,419,748 | \$2.5991 | \$8,925,823 | 4,462,911 |
| 2/1/2038 | - | | - | 4,462,911 |
| 8/1/2038 | 343,419,748 | \$2.5991 | \$8,925,823 | 4,462,911 |
| 2/1/2039 | - | | - | 4,462,911 |
| Total | n/a | n/a | \$248,004,204 | \$248,004,204 |

**City of Evansville, Indiana Redevelopment Authority
Lease Rental Revenue Bonds, Series 2010**

2002 Bonds Debt Service Schedule [Vectren Project]

| <u>Date</u> | <u>Principal</u> | <u>Interest</u> | <u>Semi-Annual Total</u> | <u>Annual Total</u> |
|--------------|--------------------|--------------------|--------------------------|---------------------|
| 8/1/2010 | \$110,000 | \$101,690 | \$211,690 | - |
| 2/1/2011 | 110,000 | 99,451 | 209,451 | 421,141 |
| 8/1/2011 | 115,000 | 97,147 | 212,147 | - |
| 2/1/2012 | 115,000 | 94,738 | 209,738 | 421,884 |
| 8/1/2012 | 120,000 | 92,271 | 212,271 | - |
| 2/1/2013 | 120,000 | 89,697 | 209,697 | 421,968 |
| 8/1/2013 | 125,000 | 87,057 | 212,057 | - |
| 2/1/2014 | 125,000 | 84,307 | 209,307 | 421,364 |
| 8/1/2014 | 130,000 | 81,469 | 211,469 | - |
| 2/1/2015 | 130,000 | 78,518 | 208,518 | 419,988 |
| 8/1/2015 | 135,000 | 75,502 | 210,502 | - |
| 2/1/2016 | 135,000 | 72,370 | 207,370 | 417,873 |
| 8/1/2016 | 140,000 | 69,171 | 209,171 | - |
| 2/1/2017 | 145,000 | 65,853 | 210,853 | 420,024 |
| 8/1/2017 | 150,000 | 62,344 | 212,344 | - |
| 2/1/2018 | 150,000 | 58,714 | 208,714 | 421,058 |
| 8/1/2018 | 155,000 | 55,009 | 210,009 | - |
| 2/1/2019 | 160,000 | 51,180 | 211,180 | 421,189 |
| 8/1/2019 | 165,000 | 47,156 | 212,156 | - |
| 2/1/2020 | 165,000 | 43,007 | 208,007 | 420,163 |
| 8/1/2020 | 175,000 | 38,799 | 213,799 | - |
| 2/1/2021 | 175,000 | 34,337 | 209,337 | 423,136 |
| 8/1/2021 | 180,000 | 29,830 | 209,830 | - |
| 2/1/2022 | 185,000 | 25,195 | 210,195 | 420,026 |
| 8/1/2022 | 190,000 | 20,422 | 210,422 | - |
| 2/1/2023 | 195,000 | 15,520 | 210,520 | 420,943 |
| 8/1/2023 | 200,000 | 10,480 | 210,480 | - |
| 2/1/2024 | 205,000 | 5,310 | 210,310 | 420,789 |
| 8/1/2024 | - | - | - | - |
| 2/1/2025 | - | - | - | - |
| 8/1/2025 | - | - | - | - |
| 2/1/2026 | - | - | - | - |
| 8/1/2026 | - | - | - | - |
| 2/1/2027 | - | - | - | - |
| 8/1/2027 | - | - | - | - |
| 2/1/2028 | - | - | - | - |
| 8/1/2028 | - | - | - | - |
| 2/1/2029 | - | - | - | - |
| 8/1/2029 | - | - | - | - |
| 2/1/2030 | - | - | - | - |
| 8/1/2030 | - | - | - | - |
| 2/1/2031 | - | - | - | - |
| 8/1/2031 | - | - | - | - |
| 2/1/2032 | - | - | - | - |
| 8/1/2032 | - | - | - | - |
| 2/1/2033 | - | - | - | - |
| 8/1/2033 | - | - | - | - |
| 2/1/2034 | - | - | - | - |
| 8/1/2034 | - | - | - | - |
| 2/1/2035 | - | - | - | - |
| 8/1/2035 | - | - | - | - |
| 2/1/2036 | - | - | - | - |
| 8/1/2036 | - | - | - | - |
| 2/1/2037 | - | - | - | - |
| 8/1/2037 | - | - | - | - |
| 2/1/2038 | - | - | - | - |
| 8/1/2038 | - | - | - | - |
| 2/1/2039 | - | - | - | - |
| Total | \$4,205,000 | \$1,686,542 | \$5,891,542 | \$5,891,542 |

Exhibit D-2

**City of Evansville, Indiana Redevelopment Authority
Lease Rental Revenue Bonds, Series 2010**

2008 Bonds Debt Service Schedule [Berry Plastics Project]

| <u>Date</u> | <u>Principal</u> | <u>Interest</u> | <u>Semi-Annual Total</u> | <u>Annual Total</u> |
|--------------|--------------------|--------------------|--------------------------|---------------------|
| 8/1/2010 | \$85,000 | \$170,513 | \$255,513 | - |
| 2/1/2011 | 85,000 | 167,538 | 252,538 | 508,050 |
| 8/1/2011 | 90,000 | 164,563 | 254,563 | - |
| 2/1/2012 | 95,000 | 161,413 | 256,413 | 510,975 |
| 8/1/2012 | 95,000 | 158,088 | 253,088 | - |
| 2/1/2013 | 105,000 | 154,763 | 259,763 | 512,850 |
| 8/1/2013 | 105,000 | 151,088 | 256,088 | - |
| 2/1/2014 | 110,000 | 147,413 | 257,413 | 513,500 |
| 8/1/2014 | 115,000 | 143,425 | 258,425 | - |
| 2/1/2015 | 120,000 | 139,256 | 259,256 | 517,681 |
| 8/1/2015 | 120,000 | 134,756 | 254,756 | - |
| 2/1/2016 | 130,000 | 130,256 | 260,256 | 515,013 |
| 8/1/2016 | 130,000 | 125,219 | 255,219 | - |
| 2/1/2017 | 135,000 | 120,181 | 255,181 | 510,400 |
| 8/1/2017 | 140,000 | 114,781 | 254,781 | - |
| 2/1/2018 | 150,000 | 109,181 | 259,181 | 513,963 |
| 8/1/2018 | 155,000 | 102,994 | 257,994 | - |
| 2/1/2019 | 160,000 | 96,600 | 256,600 | 514,594 |
| 8/1/2019 | 165,000 | 89,700 | 254,700 | - |
| 2/1/2020 | 175,000 | 82,584 | 257,584 | 512,284 |
| 8/1/2020 | 180,000 | 75,038 | 255,038 | - |
| 2/1/2021 | 190,000 | 67,275 | 257,275 | 512,313 |
| 8/1/2021 | 195,000 | 58,725 | 253,725 | - |
| 2/1/2022 | 205,000 | 49,950 | 254,950 | 508,675 |
| 8/1/2022 | 215,000 | 40,725 | 255,725 | - |
| 2/1/2023 | 220,000 | 31,050 | 251,050 | 506,775 |
| 8/1/2023 | 230,000 | 21,150 | 251,150 | - |
| 2/1/2024 | 240,000 | 10,800 | 250,800 | 501,950 |
| 8/1/2024 | - | - | - | - |
| 2/1/2025 | - | - | - | - |
| 8/1/2025 | - | - | - | - |
| 2/1/2026 | - | - | - | - |
| 8/1/2026 | - | - | - | - |
| 2/1/2027 | - | - | - | - |
| 8/1/2027 | - | - | - | - |
| 2/1/2028 | - | - | - | - |
| 8/1/2028 | - | - | - | - |
| 2/1/2029 | - | - | - | - |
| 8/1/2029 | - | - | - | - |
| 2/1/2030 | - | - | - | - |
| 8/1/2030 | - | - | - | - |
| 2/1/2031 | - | - | - | - |
| 8/1/2031 | - | - | - | - |
| 2/1/2032 | - | - | - | - |
| 8/1/2032 | - | - | - | - |
| 2/1/2033 | - | - | - | - |
| 8/1/2033 | - | - | - | - |
| 2/1/2034 | - | - | - | - |
| 8/1/2034 | - | - | - | - |
| 2/1/2035 | - | - | - | - |
| 8/1/2035 | - | - | - | - |
| 2/1/2036 | - | - | - | - |
| 8/1/2036 | - | - | - | - |
| 2/1/2037 | - | - | - | - |
| 8/1/2037 | - | - | - | - |
| 2/1/2038 | - | - | - | - |
| 8/1/2038 | - | - | - | - |
| 2/1/2039 | - | - | - | - |
| Total | \$4,140,000 | \$3,019,022 | \$7,159,022 | \$7,159,022 |

Exhibit D-3

**City of Evansville, Indiana Redevelopment Authority
Redevelopment District Tax Increment Revenue Bonds, Series 2010**

2010 Bonds Debt Service Schedule [American General Project]

| <u>Date</u> | <u>Principal</u> | <u>Interest*</u> | <u>Semi-annual Total</u> | <u>Annual Total</u> |
|--------------|--------------------|--------------------|--------------------------|---------------------|
| 8/1/2010 | \$190,000 | \$58,056 | \$248,056 | - |
| 2/1/2011 | 135,000 | 132,275 | 267,275 | 515,331 |
| 8/1/2011 | 140,000 | 128,563 | 268,563 | - |
| 2/1/2012 | 140,000 | 124,713 | 264,713 | 533,275 |
| 8/1/2012 | 145,000 | 120,863 | 265,863 | - |
| 2/1/2013 | 145,000 | 116,875 | 261,875 | 527,738 |
| 8/1/2013 | 150,000 | 112,888 | 262,888 | - |
| 2/1/2014 | 155,000 | 108,763 | 263,763 | 526,650 |
| 8/1/2014 | 155,000 | 104,500 | 259,500 | - |
| 2/1/2015 | 160,000 | 100,238 | 260,238 | 519,738 |
| 8/1/2015 | 165,000 | 95,838 | 260,838 | - |
| 2/1/2016 | 165,000 | 91,300 | 256,300 | 517,138 |
| 8/1/2016 | 170,000 | 86,763 | 256,763 | - |
| 2/1/2017 | 175,000 | 82,088 | 257,088 | 513,850 |
| 8/1/2017 | 175,000 | 77,275 | 252,275 | - |
| 2/1/2018 | 180,000 | 72,463 | 252,463 | 504,738 |
| 8/1/2018 | 185,000 | 67,513 | 252,513 | - |
| 2/1/2019 | 185,000 | 62,425 | 247,425 | 499,938 |
| 8/1/2019 | 190,000 | 57,338 | 247,338 | - |
| 2/1/2020 | 195,000 | 52,113 | 247,113 | 494,450 |
| 8/1/2020 | 200,000 | 46,750 | 246,750 | - |
| 2/1/2021 | 200,000 | 41,250 | 241,250 | 488,000 |
| 8/1/2021 | 205,000 | 35,750 | 240,750 | - |
| 2/1/2022 | 210,000 | 30,113 | 240,113 | 480,863 |
| 8/1/2022 | 215,000 | 24,338 | 239,338 | - |
| 2/1/2023 | 220,000 | 18,425 | 238,425 | 477,763 |
| 8/1/2023 | 225,000 | 12,375 | 237,375 | - |
| 2/1/2024 | 225,000 | 6,188 | 231,188 | 468,563 |
| 8/1/2024 | - | - | - | - |
| 2/1/2025 | - | - | - | - |
| 8/1/2025 | - | - | - | - |
| 2/1/2026 | - | - | - | - |
| 8/1/2026 | - | - | - | - |
| 2/1/2027 | - | - | - | - |
| 8/1/2027 | - | - | - | - |
| 2/1/2028 | - | - | - | - |
| 8/1/2028 | - | - | - | - |
| 2/1/2029 | - | - | - | - |
| 8/1/2029 | - | - | - | - |
| 2/1/2030 | - | - | - | - |
| 8/1/2030 | - | - | - | - |
| 2/1/2031 | - | - | - | - |
| 8/1/2031 | - | - | - | - |
| 2/1/2032 | - | - | - | - |
| 8/1/2032 | - | - | - | - |
| 2/1/2033 | - | - | - | - |
| 8/1/2033 | - | - | - | - |
| 2/1/2034 | - | - | - | - |
| 8/1/2034 | - | - | - | - |
| 2/1/2035 | - | - | - | - |
| 8/1/2035 | - | - | - | - |
| 2/1/2036 | - | - | - | - |
| 8/1/2036 | - | - | - | - |
| 2/1/2037 | - | - | - | - |
| 8/1/2037 | - | - | - | - |
| 2/1/2038 | - | - | - | - |
| 8/1/2038 | - | - | - | - |
| 2/1/2039 | - | - | - | - |
| Total | \$5,000,000 | \$2,068,031 | \$7,068,031 | \$7,068,031 |

*Assumes a 5.5% tax-exempt interest rate and closing date of May 25, 2010; preliminary, subject to change

Exhibit D-4

**City of Evansville, Indiana Redevelopment Authority
Lease Rental Revenue Bonds, Series 2010**

Excess Food and Beverage Tax

| Date | Food & Beverage Tax Revenue | Debt Service* | Excess Food & Beverage Tax |
|--------------|--|----------------------|---------------------------------------|
| 8/1/2010 | \$1,887,703 | \$1,500,000 | \$387,703 |
| 2/1/2011 | 1,944,334 | 1,500,000 | 444,334 |
| 8/1/2011 | 1,944,334 | 1,544,000 | 400,334 |
| 2/1/2012 | 2,002,664 | 1,544,000 | 458,664 |
| 8/1/2012 | 2,002,664 | 1,590,000 | 412,664 |
| 2/1/2013 | 2,062,744 | 1,590,000 | 472,744 |
| 8/1/2013 | 2,062,744 | 1,638,000 | 424,744 |
| 2/1/2014 | 2,124,626 | 1,638,000 | 486,626 |
| 8/1/2014 | 2,124,626 | 1,685,000 | 439,626 |
| 2/1/2015 | 2,188,365 | 1,685,000 | 503,365 |
| 8/1/2015 | 2,188,365 | 1,732,500 | 455,865 |
| 2/1/2016 | 2,254,016 | 1,732,500 | 521,516 |
| 8/1/2016 | 2,254,016 | 1,780,500 | 473,516 |
| 2/1/2017 | 2,321,636 | 1,780,500 | 541,136 |
| 8/1/2017 | 2,321,636 | 1,834,000 | 487,636 |
| 2/1/2018 | 2,391,285 | 1,834,000 | 557,285 |
| 8/1/2018 | 2,391,285 | - | 2,391,285 |
| 2/1/2019 | 2,463,024 | - | 2,463,024 |
| 8/1/2019 | 2,463,024 | - | 2,463,024 |
| 2/1/2020 | 2,536,914 | - | 2,536,914 |
| 8/1/2020 | 2,536,914 | - | 2,536,914 |
| 2/1/2021 | 2,613,022 | - | 2,613,022 |
| 8/1/2021 | 2,613,022 | - | 2,613,022 |
| 2/1/2022 | 2,691,413 | - | 2,691,413 |
| 8/1/2022 | 2,691,413 | - | 2,691,413 |
| 2/1/2023 | 2,772,155 | - | 2,772,155 |
| 8/1/2023 | 2,772,155 | - | 2,772,155 |
| 2/1/2024 | 2,855,320 | - | 2,855,320 |
| 8/1/2024 | 2,855,320 | - | 2,855,320 |
| 2/1/2025 | 2,940,979 | - | 2,940,979 |
| 8/1/2025 | 2,940,979 | - | 2,940,979 |
| 2/1/2026 | 3,029,209 | - | 3,029,209 |
| 8/1/2026 | 3,029,209 | - | 3,029,209 |
| 2/1/2027 | 3,120,085 | - | 3,120,085 |
| 8/1/2027 | 3,120,085 | - | 3,120,085 |
| 2/1/2028 | 3,213,687 | - | 3,213,687 |
| 8/1/2028 | 3,213,687 | - | 3,213,687 |
| 2/1/2029 | 3,310,098 | - | 3,310,098 |
| 8/1/2029 | 3,310,098 | - | 3,310,098 |
| 2/1/2030 | 3,409,401 | - | 3,409,401 |
| 8/1/2030 | 3,409,401 | - | 3,409,401 |
| 2/1/2031 | 3,511,683 | - | 3,511,683 |
| 8/1/2031 | 3,511,683 | - | 3,511,683 |
| 2/1/2032 | 3,617,033 | - | 3,617,033 |
| 8/1/2032 | 3,617,033 | - | 3,617,033 |
| 2/1/2033 | 3,725,544 | - | 3,725,544 |
| 8/1/2033 | 3,725,544 | - | 3,725,544 |
| 2/1/2034 | 3,837,311 | - | 3,837,311 |
| 8/1/2034 | 3,837,311 | - | 3,837,311 |
| 2/1/2035 | 3,952,430 | - | 3,952,430 |
| 8/1/2035 | 3,952,430 | - | 3,952,430 |
| 2/1/2036 | 4,071,003 | - | 4,071,003 |
| 8/1/2036 | 4,071,003 | - | 4,071,003 |
| 2/1/2037 | 4,193,133 | - | 4,193,133 |
| 8/1/2037 | 4,193,133 | - | 4,193,133 |
| 2/1/2038 | 4,318,927 | - | 4,318,927 |
| 8/1/2038 | 4,318,927 | - | 4,318,927 |
| 2/1/2039 | 4,448,495 | - | 4,448,495 |
| Total | \$173,280,277 | \$26,608,000 | \$146,672,277 |

Note: Collections assume a 3% rate of growth, based off 2009 collections provided by the Vanderburgh County Auditor

*Evansville-Vanderburgh County Building Authority Excise and Income Tax Lease Rental Refunding Bonds, Series 2003

Exhibit E

**City of Evansville, Indiana Redevelopment Authority
Lease Rental Revenue Bonds, Series 2010**

**Historic Expenditures Paid Out of Vanderburgh COIT Revenue
(by general category)**

| <i>Expenditures Paid with Vanderburgh COIT Revenues</i> | | | | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| <u>General Expense Category</u> | <u>2010*</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
| Contractual Services | \$2,461,233 | \$2,800,226 | \$1,896,124 | \$1,778,337 |
| Transfers to General Fund | 7,600,000 | 7,600,000 | 7,609,190 | 7,609,190 |
| Street Light & Repair | 4,129,326 | 3,164,476 | 4,574,337 | 3,406,176 |
| Fire Department Training | 75,000 | 73,764 | 81,543 | 82,383 |
| Code Enforcement | 90,000 | 28,682 | 26,750 | 70,885 |
| Economic Development Loans | 48,000 | 48,000 | 48,000 | 58,250 |
| Miscellaneous | 355,000 | 343,406 | 832,961 | 814,082 |
| Totals | <u>\$14,758,559</u> | <u>\$14,058,554</u> | <u>\$15,068,905</u> | <u>\$13,819,303</u> |

*Amounts derived from 2010 budget

Exhibit F

**City of Evansville Redevelopment Authority
Lease Rental Revenue Bonds, Series 2010**

Other Revenues

| Date | Build America Bond 35% Direct Payment | Debt Service Reserve | Total Other Revenue |
|--------------|--|-----------------------------|----------------------------|
| 8/1/2010 | \$536,910 | - | \$536,910 |
| 2/1/2011 | 1,361,179 | - | 1,361,179 |
| 8/1/2011 | 1,361,179 | - | 1,361,179 |
| 2/1/2012 | 1,361,179 | - | 1,361,179 |
| 8/1/2012 | 1,361,179 | - | 1,361,179 |
| 2/1/2013 | 1,361,179 | - | 1,361,179 |
| 8/1/2013 | 1,361,179 | - | 1,361,179 |
| 2/1/2014 | 1,361,179 | - | 1,361,179 |
| 8/1/2014 | 1,361,179 | - | 1,361,179 |
| 2/1/2015 | 1,361,179 | - | 1,361,179 |
| 8/1/2015 | 1,361,179 | - | 1,361,179 |
| 2/1/2016 | 1,361,179 | - | 1,361,179 |
| 8/1/2016 | 1,337,436 | - | 1,337,436 |
| 2/1/2017 | 1,337,436 | - | 1,337,436 |
| 8/1/2017 | 1,310,821 | - | 1,310,821 |
| 2/1/2018 | 1,310,821 | - | 1,310,821 |
| 8/1/2018 | 1,281,001 | - | 1,281,001 |
| 2/1/2019 | 1,281,001 | - | 1,281,001 |
| 8/1/2019 | 1,248,998 | - | 1,248,998 |
| 2/1/2020 | 1,248,998 | - | 1,248,998 |
| 8/1/2020 | 1,214,685 | - | 1,214,685 |
| 2/1/2021 | 1,214,685 | - | 1,214,685 |
| 8/1/2021 | 1,178,444 | - | 1,178,444 |
| 2/1/2022 | 1,178,444 | - | 1,178,444 |
| 8/1/2022 | 1,140,178 | - | 1,140,178 |
| 2/1/2023 | 1,140,178 | - | 1,140,178 |
| 8/1/2023 | 1,099,787 | - | 1,099,787 |
| 2/1/2024 | 1,099,787 | - | 1,099,787 |
| 8/1/2024 | 1,057,114 | - | 1,057,114 |
| 2/1/2025 | 1,057,114 | - | 1,057,114 |
| 8/1/2025 | 1,011,997 | - | 1,011,997 |
| 2/1/2026 | 1,011,997 | - | 1,011,997 |
| 8/1/2026 | 960,495 | - | 960,495 |
| 2/1/2027 | 960,495 | - | 960,495 |
| 8/1/2027 | 906,653 | - | 906,653 |
| 2/1/2028 | 906,653 | - | 906,653 |
| 8/1/2028 | 850,409 | - | 850,409 |
| 2/1/2029 | 850,409 | - | 850,409 |
| 8/1/2029 | 791,705 | - | 791,705 |
| 2/1/2030 | 791,705 | - | 791,705 |
| 8/1/2030 | 728,323 | - | 728,323 |
| 2/1/2031 | 728,323 | - | 728,323 |
| 8/1/2031 | 661,976 | - | 661,976 |
| 2/1/2032 | 661,976 | - | 661,976 |
| 8/1/2032 | 592,538 | - | 592,538 |
| 2/1/2033 | 592,538 | - | 592,538 |
| 8/1/2033 | 519,820 | - | 519,820 |
| 2/1/2034 | 519,820 | - | 519,820 |
| 8/1/2034 | 443,694 | - | 443,694 |
| 2/1/2035 | 443,694 | - | 443,694 |
| 8/1/2035 | 362,879 | - | 362,879 |
| 2/1/2036 | 362,879 | - | 362,879 |
| 8/1/2036 | 278,279 | - | 278,279 |
| 2/1/2037 | 278,279 | - | 278,279 |
| 8/1/2037 | 189,704 | - | 189,704 |
| 2/1/2038 | 189,704 | - | 189,704 |
| 8/1/2038 | 97,029 | - | 97,029 |
| 2/1/2039 | 97,029 | 8,075,209 | 8,172,237 |
| Total | \$54,037,815 | \$8,075,209 | \$62,113,024 |

Source: J.J.B. Hilliard, W.L. Lyons, LLC as of 04/28/2010

Exhibit G

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**APPENDIX B - DESCRIPTION AND INFORMATION CONCERNING THE CITY OF
EVANSVILLE, INDIANA**

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Appendix B

City of Evansville, Indiana

GENERAL INFORMATION

Location

The City of Evansville, Indiana is located in Southwestern Indiana in Vanderburgh County along the banks of the Ohio River. The City of Evansville (the “City”) is Indiana’s third largest city and the regional hub for the Tri-State area. The City is approximately 175 miles south of Indianapolis, Indiana and 120 miles southwest of Louisville, Kentucky.

Government

The City is governed by the Mayor, who serves as the Chief Executive Officer, and the Common Council, which serves as the Fiscal Agent of the City. The Common Council approves all budgeted expenditures of the City and also considers all resolutions and ordinances of the City. Both the Mayor and the Common Council are elected to four (4) year terms. The Common Council is composed of nine (9) members, six (6) of whom are elected from districts, or wards, of the City and three (3) members who are elected at large.

Transportation

There are seven (7) major highway systems, Interstate 64, 164, U.S. 41, Indiana State Roads 57, 62, 66 and 69, providing transportation throughout the City. Access to the Ohio River provides for transportation of goods and commodities via barge. The Evansville Regional Airport provides residents with jet and commuter air service.

Police and Fire Protection

Police protection is provided for by the Evansville Municipal Police Department, the Vanderburgh County Sheriff’s Department and the Indiana State Police. Fire protection is provided by the Evansville Fire Department.

Financial Institutions

The following are financial institutions located in the City of Evansville.

| | |
|--|---|
| American Community Bancorp | First Federal Savings Bank |
| Bank of Evansville | Gas & Electric Employees Federal Credit Union |
| Banterra Bank | Heritage Federal Credit Union |
| B-MS Federal Credit Union | Integra Bank Corporation |
| CSB State Bank | Legence Bank |
| Centurion Federal Credit Union | Old National Bank |
| Diamond Valley Federal Credit Union | Regions Bank |
| Evansville Commerce Bank | Sterling United Federal Credit Union |
| Evansville Federal Credit Union | Thrift, Incorporated |
| Evansville Firefighters Federal Credit Union | United Fidelity Bank |
| Evansville Teachers Federal Credit Union | Woodforest National Bank |
| Farmers State Bank of Alto Pass | |
| Fidelity Federal Bancorp | |
| Fifth Third Bank | |
| First Bancorp of Indiana | |

Education

The City is served by the Evansville-Vanderburgh School Corporation. The School Corporation provides education for grades PK-12 with a total of thirty-nine (39) schools. The School Corporation is comprised of five (5) high schools, eleven (11) middle schools, twenty (20) elementary schools and three (3) special/technical schools. Enrollment for the 2009-2010 school year is 22,498 and is estimated to be 22,494 for the 2010-2011 school year. Higher education opportunities are available at the University of Southern Indiana, University of Evansville, Ivy Tech State College-Southwest, and Indiana Business College all located within the City. In addition, there are several colleges and universities located near the City giving the residents many options for higher education. Some of these include Vincennes University, Vincennes, Indiana, John A Logan College, Carterville, Illinois and Indiana State University, Terre Haute, Indiana.

Medical Facilities

Evansville has two (2) major hospitals that provide health care for the residents of the City. Deaconess Hospital is an acute care, teaching hospital. The hospital is licensed for 365 beds and offers a broad system of medical, surgical, pediatrics, obstetrics, and rehabilitation inpatient and outpatient services. Its centers of excellence include cardiac care, emergency/trauma medicine, pulmonary medicine, neurosensory services, and cancer care. It has a comprehensive home care, hospice, durable medical equipment services, family practice residency and a skilled nursing unit.

St. Mary's Medical Center, operated by the Daughters of Charity, is a 392-bed tertiary care center and is the foundation of St. Mary's Health System. Named one of the nation's "Top 100" hospitals for three (3) consecutive years, the facility offers a complete spectrum of inpatient services. In 1998, St. Mary's Medical Center acquired Welborn Baptist Hospital, a 407-bed comprehensive care center providing medical, surgical, and mental health services.

Communication

The Evansville Courier and Press, the City's major daily newspaper, provides residents with local, national and international news and is circulated throughout Vanderburgh County as well as the surrounding area. Several television stations, representing all major networks, serve the City. The broadcast of Evansville radio stations (16 FM Stations and 6 AM Stations) provide a variety of news and music programs to the residents of the City.

Utilities

| | |
|-------------|------------------------------------|
| Telephone | - AT&T |
| Electric | - Vectren |
| Natural Gas | - Vectren |
| Water | - Evansville Water & Sewer Utility |
| Sewage | - Evansville Water & Sewer Utility |

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FINANCIAL AND DEBT INFORMATION

Property Taxes - City of Evansville

| | <u>2010*</u> | <u>2009*</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| State | \$0.0000 | \$0.0000 | \$0.0024 | \$0.0024 | \$0.0024 |
| Vanderburgh County | 0.5692 | 0.5568 | 0.6022 | 0.6214 | 0.6848 |
| Pigeon Township | 0.0680 | 0.0970 | 0.0866 | 0.0762 | 0.0839 |
| Evansville-Vanderburgh Schools | 0.5475 | 0.5572 | 1.1690 | 1.1886 | 1.3080 |
| Miscellaneous | <u>0.2425</u> | <u>0.2422</u> | <u>0.1927</u> | <u>0.1945</u> | <u>0.2050</u> |
| Subtotal | <u>1.4272</u> | <u>1.4532</u> | <u>2.0529</u> | <u>2.0831</u> | <u>2.2841</u> |
| City: | | | | | |
| Park & Recreation | 0.0979 | 0.0858 | 0.0683 | 0.0723 | 0.0582 |
| Park Bonds | 0.0147 | 0.0149 | 0.0124 | 0.0140 | 0.0168 |
| City General | 1.0448 | 1.0561 | 0.8840 | 0.8568 | 0.9340 |
| Debt Service | 0.0006 | 0.0126 | 0.0092 | 0.0122 | 0.0149 |
| Police Pension | 0.0058 | 0.0058 | 0.0731 | 0.0832 | 0.0662 |
| Fire Pension | 0.0058 | 0.0058 | 0.0573 | 0.0665 | 0.0630 |
| Redevelopment Bonds | <u>0.0023</u> | <u>0.0128</u> | <u>0.0198</u> | <u>0.0224</u> | <u>0.0259</u> |
| Subtotal | <u>1.1719</u> | <u>1.1938</u> | <u>1.1241</u> | <u>1.1274</u> | <u>1.1790</u> |
| Total Rate | <u>\$2.5991</u> | <u>\$2.6470</u> | <u>\$3.1770</u> | <u>\$3.2105</u> | <u>\$3.4631</u> |

Source: Vanderburgh County Auditor's Office

**Note: House Enrolled Act 1001 of 2008 eliminated certain property tax levies in 2008 pay 2009 and thereafter. State levies for Forestry and Fair, County levies for Welfare, and City levies for Pensions were eliminated. In addition, the State of Indiana has taken over the levies for the General Fund and Pre-School Education Funds of School Corporations.*

Record of Taxes Levied and Collected - City of Evansville

Collection

| <u>Year</u> | <u>Levied</u> | <u>Collected</u> | <u>% Collected</u> |
|-------------|---------------|------------------|--------------------|
| 2010 * | \$57,565,622 | N/A | N/A |
| 2009 | 53,900,854 | 51,737,331 | 95.99% |
| 2008 | 57,444,952 | 58,580,845 | 101.98% |
| 2007 | 57,059,298 | 55,669,256 | 97.56% |
| 2006 | 54,033,389 | 53,359,549 | 98.75% |
| 2005 | 51,811,931 | 49,133,948 | 94.83% |

**Note: Collections for 2010 have not commenced and therefore are not available at this time.*

Source: Vanderburgh County Auditor's Office

Assessed Valuation

Collection

| <u>Year</u> | <u>Evansville</u> |
|-------------|-------------------|
| 2010* | \$4,688,387,631 |
| 2009 | 4,286,586,664 |
| 2008 | 4,870,590,400 |
| 2007 | 4,805,113,850 |
| 2006 | 4,394,523,100 |

Source: Vanderburgh County Auditor's Office

Note: Per HEA 1001 of 2008 the Net Assessed Valuation in 2009 and thereafter is subject to a Supplemental Homestead Deduction for Homesteads only. The Supplemental Homestead deduction is 35% for homeowners with a home assessed up to \$600,000 and a 25% deduction for excess remaining above the \$600,000 assessed valuation. This resulted in a reduction in the Assessed Valuation for the City of Evansville in 2009.

**The increase in Assessed Valuation from 2009 to 2010 was due to the annexation by the City of areas from the County.*

Largest Taxpayers

The following is a list of the ten (10) largest taxpayers in the City and their assessed valuation.

| <u>Taxpayer</u> | <u>Type of Business</u> | <u>2008/2009 Assessed Value</u> |
|-----------------------------------|---------------------------------------|-------------------------------------|
| Vectren (formerly SIGECO) | Gas & Electric Utility | \$210,191,460 |
| Aztar Gaming Corp. | Riverboat Casino | 90,680,830 |
| Eastland Mall | Retail | 86,541,930 |
| Bristol-Myers Squibb Company | Nutrition/Pharmaceutical Manufacturer | 79,037,340 |
| Whirlpool Corporation* | Refrigerator Manufacturer | 64,106,400 |
| Old National Bank | Financial Institution | 56,516,331 |
| Fifth Third Bank | Financial Institution | 55,380,095 |
| Interprop Fund | Real Estate | 55,368,800 |
| General Auto Outlet of Evansville | Automobile | 54,247,300 |
| PPG | Manufacturing | 48,232,260 |

Source: Vanderburgh County Auditor's Office

Note: 2009 pay 2010 Assessed Valuation by largest taxpayers was not available at the time of this report.

**Note that Whirlpool Corporation is closing the plant located in Evansville in 2010 for manufacturing positions. However, approximately 300 engineering positions will remain.*

ECONOMIC INFORMATION

Population

| <u>Year</u> | <u>City of Evansville</u> | <u>Vanderburgh County</u> |
|-------------|-------------------------------|-------------------------------|
| 2008 | 116,309 | 174,729 |
| 2007 | 116,452 | 174,769 |
| 2006 | 116,349 | 174,274 |
| 2005 | 116,109 | 173,623 |
| 2004 | 117,183 | 173,438 |

Source: U.S. Census Bureau and Stats Indiana

Note – 2009 and 2010 estimates were not available at the time of this report

Employment

The following employment statistics for Vanderburgh County, the State of Indiana and the United States for prior years are annual averages. Estimates for 2009 are stated as of December. Estimates for 2010 are as of January.

| <u>Year</u> | <u>Vanderburgh County</u> | | | <u>% Unemployed</u> | | |
|-------------|---------------------------|-----------------|-------------------|---------------------------|----------------|----------------------|
| | <u>Labor Force</u> | <u>Employed</u> | <u>Unemployed</u> | <u>Vanderburgh County</u> | <u>Indiana</u> | <u>United States</u> |
| 2010 | 87,577 | 79,905 | 7,672 | 8.8% | 9.7% | 10.6% |
| 2009 | 85,990 | 79,212 | 6,778 | 7.9% | 9.8% | 9.7% |
| 2008 | 90,699 | 85,950 | 4,749 | 5.2% | 5.9% | 5.8% |
| 2007 | 91,194 | 86,923 | 4,271 | 4.7% | 4.6% | 4.6% |
| 2006 | 91,461 | 87,131 | 4,330 | 4.7% | 5.0% | 4.6% |

Source: Indiana Department of Workforce Development and Stats Indiana

Largest Area Employers-City of Evansville – as of December 31, 2009

| <u>Employer</u> | <u>Product/Service</u> | <u>Employees</u> |
|---|------------------------|------------------|
| Deaconess Health Systems | Hospital | 4,200 |
| St. Mary's Medical Center | Hospital | 3,317 |
| Evansville-Vanderburgh School Corporation | Education | 3,166 |
| Industrial Contractors, Inc. | Manufacturing | 2,500 |
| Whirlpool Corporation | Manufacturing | 2,083 |
| Bristol Myers Squibb/Mead Johnson | Manufacturing | 2,000 |
| University of Southern Indiana | Education | 1,929 |
| Black Beauty Coal Company | Coal Mining | 1,753 |
| Vectren | Electric Utility | 1,750 |
| T.J. Maxx | Distribution Center | 1,540 |

Source: The Chamber of Commerce of Southwest Indiana

**Note that Whirlpool Corporation is closing the plant located in Evansville in 2010 for manufacturing positions. However, approximately 300 engineering positions will remain.*

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Employment and Wage Data- Second Quarter of 2009- Vanderburgh County

| <u>Industry</u> | <u>Establishments</u> | <u>Jobs</u> | <u>Average Weekly Wage</u> |
|---|-----------------------|-------------|--------------------------------|
| Total | 4,425 | 103,562 | \$708 |
| Agriculture, Forestry, Fishing | 16 * | D | D |
| Mining | 22 * | D | D |
| Utilities | 8 | 953 | 937 |
| Construction | 424 | 6,489 | 972 |
| Manufacturing | 244 | 12,287 | 992 |
| Wholesale Trade | 307 | 4,534 | 823 |
| Retail Trade | 714 | 12,299 | 435 |
| Transportation & Warehousing | 120 | 4,128 | 764 |
| Information | 75 | 2,224 | 763 |
| Finance & Insurance | 274 | 2,469 | 873 |
| Real Estate, Rental & Leasing | 164 | 1,497 | 558 |
| Professional, Scientific & Technical Services | 406 | 3,595 | 918 |
| Management of Companies | 48 | 3,552 | 1,176 |
| Admin., Support & Waste Management | 222 | 5,315 | 426 |
| Educational Services | 60 | 6,634 | 739 |
| Health Care & Social Services | 417 | 18,189 | 789 |
| Arts, Entertainment & Recreation | 56 | 2,099 | 378 |
| Accommodation & Food Services | 395 | 9,175 | 242 |
| Other Services | 397 | 3,664 | 467 |
| Public Administration | 56 | 3,271 | 736 |
| Unallocated | 0 * | D | D |

*- These totals exclude county data that are not available due to non-disclosure requirements.

D- These items are not available due to non-disclosure requirements.

*Note: Third and Fourth Quarter 2009 as well as 2010 information was not available at the time of this report.

Source: Indiana Business Research Center and Stats Indiana

Per Capita Income

The table below sets forth estimated per capita income figures for Vanderburgh County and the State of Indiana:

| <u>Year</u> | <u>Vanderburgh County</u> | <u>State of Indiana</u> |
|-------------|-------------------------------|-----------------------------|
| 2008 | N/A | \$34,605 |
| 2007 | 36,543 | 33,215 |
| 2006 | 35,510 | 32,006 |
| 2005 | 33,708 | 30,593 |
| 2004 | 32,635 | 29,982 |
| 2003 | 31,526 | 28,917 |

Source: Bureau of Economic Analysis and Stats Indiana

Note: Per Capita estimates for 2008 and 2009 were not yet available at the time of this report.

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APPENDIX C - FORM OF BOND COUNSEL OPINION

**Upon delivery of the Series 2010 Bonds, Bingham McHale LLP,
Indianapolis, Indiana, Bond Counsel, proposes to deliver an opinion
in substantially the following form:**

May 20, 2010

Evansville Redevelopment Authority
Evansville, Indiana

J.J.B. Hilliard, W.L. Lyons, LLC
(as Representative of the Underwriters)
Evansville, Indiana

Re: City of Evansville, Indiana, Redevelopment Authority
Tax-Exempt Lease Rental Revenue Bonds, Series 2010A
City of Evansville, Indiana, Redevelopment Authority Taxable Lease Rental
Revenue Bonds, Series 2010B (Build American Bonds – Direct Pay Option)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of Evansville, Indiana, Redevelopment Authority (the “Authority”), of (i) Five Million Seven Hundred Ninety Thousand Dollars (\$5,790,000) aggregate principal amount of City of Evansville Redevelopment Authority Tax-Exempt Lease Rental Revenue Bonds, Series 2010A, originally dated May 20, 2010 (the “Series 2010A Bonds”) and (ii) One Hundred Sixteen Million Six Hundred Twenty Thousand Dollars (\$116,620,000) aggregate principal amount of City of Evansville Redevelopment Authority Taxable Lease Rental Revenue Bonds, Series 2010B (Build America Bonds – Direct Pay Option), originally dated May 20, 2010 (the “Series 2010B Bonds”) and together with the Series 2010A Bonds the “Series 2010 Bonds”), pursuant to a Trust Indenture dated as of May 1, 2010 (the “Indenture”), entered into between the Authority and Old National Trust Company, as trustee, located in Evansville, Indiana. The Series 2010 Bonds are being issued pursuant to Indiana Code 36-7-14.5, as amended, and Resolution 10-ERA-02, adopted by the Authority on April 20, 2010.

We have examined the law and such certified proceedings and other certificates, instruments and documents as we have deemed necessary or appropriate for purposes of rendering this opinion.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of any offering materials relating to the Series 2010 Bonds, and we express no opinion relating thereto.

As to questions of fact material to our opinion, we have relied upon representations and certifications of the Authority, the City of Evansville, Indiana, Redevelopment Commission (the “Commission”), the City of Evansville, Indiana (the “City”), and public officials and others contained in the certified proceedings and other certificates, instruments and documents furnished to us.

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

1. The Lease dated as of March 9, 2010, between the Authority and the Commission, as supplemented by the Addendum to Lease dated as of May 20, 2010 (collectively, the "Lease"), has been duly entered into in accordance with the provisions of the Act (as defined and described in the Lease) and is a valid and binding lease enforceable in accordance with its terms.

2. The Indenture has been duly authorized, executed and delivered, is a valid and binding agreement of the Authority enforceable in accordance with its terms and creates the valid pledge that it purports to create of certain funds and accounts held under the Indenture, and of the rentals to be paid by the Commission under the Lease.

3. The Series 2010 Bonds are valid and binding limited and special obligations of the Authority enforceable in accordance with their terms. The principal of and interest on the 2010 Bonds are payable solely from, secured only by, the Trust Estate (as defined and described in the Indenture).

4. The interest on the Series 2010A Bonds is excludable, pursuant to Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date hereof (the "Code"), from gross income for federal income tax purposes. The opinion set forth in the preceding sentence is subject to the condition that the Authority, the Commission and the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2010A Bonds in order that the interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Authority, the Commission and the City have covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the interest on the Series 2010A Bonds to cease to be excludable from gross income for federal income tax purposes retroactive to the date of issuance of the Series 2010A Bonds.

5. The interest on the Series 2010A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is not taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

6. The interest on the Series 2010 Bonds is exempt from income taxation in the State of Indiana for all purposes, except the Indiana financial institutions tax.

We express no opinion regarding any other federal or state tax consequences arising with respect to the Series 2010 Bonds. It is to be understood that the rights of the holders of the Series 2010 Bonds and the enforceability of the Series 2010 Bonds, the Indenture and the Lease may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,

APPENDIX D - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

THE FOLLOWING IS A SUMMARY OF CERTAIN PROVISIONS CONTAINED IN THE INDENTURE. THIS SUMMARY DOES NOT PURPORT TO BE A COMPREHENSIVE DESCRIPTION AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE INDENTURE. CAPITALIZED TERMS NOT DEFINED IN THIS SUMMARY WILL HAVE THE MEANINGS SET FORTH ELSEWHERE IN THIS OFFICIAL STATEMENT.

Creation of Funds and Accounts

The Indenture establishes the following funds and accounts to be held by the Trustee:

- (i) Project Fund;
- (ii) Sinking Fund;
- (iii) Debt Service Reserve Fund;
- (iv) Rebate Fund; and
- (v) Operation Fund.

Operation of Funds and Accounts

Project Fund. The Project Fund will consist of a Series 2010A Bond Construction Account, to which the proceeds of the Series 2010A Bonds will be deposited (the “Series A Construction Account”) and a Series 2010B Bond Construction Account, to which the proceeds of the Series 2010B Bonds will be deposited (the “Series B Construction Account” and collectively and individually with such Series A Construction Account, the “Construction Account(s)”). All net proceeds of the 2010 Bonds will be deposited in the Construction Accounts of the Project Fund. The Trustee will apply the Construction Account to the costs of the acquisition and construction of the Projects, including, but not limited to, the following items: (i) obligations incurred for labor and to contractors, builders and materialmen in connection with and part of the Projects; (ii) the payment of the purchase price and the cost of acquiring the real estate and other property subject to the Lease; (iii) interest accruing on the Bonds through, and including, August 1, 2012 to the extent that funds in the Sinking Fund are insufficient; *provided, however*, that any such interest accruing after completion of the Project (as evidenced by delivery of an Affidavit of Completion) will be paid only from amounts held in either (a) the Series A Construction Account or (b) the subaccount of the Series B Construction Account into which a Build America Bond Subsidy Payment was required to be and has been deposited; (iv) the cost of equipment and furnishings in connection with and part of the Projects; (v) the cost of all indemnity and surety bonds required by the Indenture, the fees and expenses of the Trustee and any Registrar and Paying Agent during construction, and premiums on insurance during construction; (vi) expenses and fees of architects, engineers and construction managers; (vii) all costs and expenses incurred in connection with the issuance and sale of the Bonds; (viii) all other incidental costs incurred in connection with the cost of the Projects; and (ix) any amount required to be deposited in the Rebate Fund during the period of acquisition and construction. Notwithstanding anything in the Indenture to the contrary, the Authority will cause proceeds of the Series 2010B Bonds (including in the Series B Construction Account) (a) to be used to pay costs that are capital expenditures under the Code or costs of issuance of the Series 2010B Bonds and (b) no more than 2% of the proceeds of the Series 2010B Bonds will be

spent on the costs of issuance of the Series 2010B Bonds. Prior to the delivery of an Affidavit of Completion and upon receipt, the Trustee will deposit each Build America Bond Subsidy Payment into a subaccount of the Series B Construction Account, which shall be held and applied to only to the payment of interest accruing on the Series 2010B Bonds after completion of the Project (as evidenced by delivery of an Affidavit of Completion), unless the Trustee determines that there are otherwise sufficient funds available (consistent with the restrictions set forth in above clause (iii)) to pay such interest has or will accrue after completion of the Project through, and including, August 1, 2012.

The Authority will furnish to the Trustee at the time the Projects are substantially complete and ready for occupancy, and the Lease is endorsed to that effect, an affidavit (the "Affidavit of Completion") of the Authority, executed by any officer of the Authority, the architect or engineer, and an officer of the Commission, to the effect that the Projects have been substantially completed and are ready for occupancy.

After the filing of the Affidavit of Completion, the Trustee will hold in the Construction Account 150% of the amount of any disputed claims of contractors and work to be repaired, or if less will hold the entire balance of the Project Fund, and transfer the unobligated balance of the Project Fund, if any, to such fund or account as directed in writing by an any officer of the Authority. Any balance remaining in the Project Fund after payment of all disputed claims, claims for repair work and obligations for additional improvements or equipment will be transferred to such fund or account as directed in writing by any officer of the Authority within ten days after the last payment of such obligations.

Sinking Fund. Any amounts contained in the Sinking Fund on a Lease rental payment date will be credited against the rental amount then due from the Commission under the Lease. The Trustee will deposit in 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 2010 Bonds due on, before or within twenty (20) days after the date such rental payment becomes due, net of any amounts contained in the Sinking Fund. Any portion of a rental payment remaining after such deposit will be deposited by the Trustee in the Debt Service Reserve Fund if necessary to meet the Debt Service Reserve Fund Requirement, and then to the Operation Fund. The Trustee will from time to time withdraw from the Sinking Fund and will deposit in a special trust fund and make available to itself, as Trustee, or to any Paying Agent, sufficient moneys for paying the principal of the Bonds at maturity and to pay the interest on the Bonds as the same falls due. Investment earnings, if any, in the Sinking Fund may be deposited in the Debt Service Reserve Fund or the Rebate Fund at the written direction of the Authority.

Debt Service Reserve Fund. The Trustee will maintain the Debt Service Reserve Fund and will disburse the funds held in the Debt Service Reserve Fund solely for the payment of interest on and principal of the Bonds, and only if moneys in the Sinking Fund are insufficient to pay principal of and interest on the Bonds after making all the transfers thereto required to be made from the Operation Fund. If moneys in the Debt Service Reserve Fund are less than the Debt Service Reserve Fund Requirement on any Interest Payment Date, such deficiency in the Debt Service Reserve Fund will be restored from rental payments under the Lease not needed to the meet the requirements the Sinking Fund. If moneys in the Debt Service Reserve Fund will exceed the Debt Service Reserve Fund Requirement, such excess will be transferred at least semiannually as follows: (a) as to 4.7716% of such excess (which the Authority has determined to be allocable to the Series 2010A Bonds), (i) prior the filing of the Affidavit of Completion of 100% of the Projects, to the Series A Construction Account and (ii) thereafter to the Sinking Fund; and (b) as to 95.2284% of such excess (which the Authority has determined to be allocable to the Series 2010B Bonds), (i) prior the filing of the Affidavit of Completion of 100% of the Projects, to the Series B Construction Account and (ii) thereafter to such other fund or account as directed, in writing, by any officer of the Authority which the Authority shall cause to be applied to capital expenditures that will maintain the treatment of the Series 2010B Bonds as "qualified bonds" for purposes of

Section 54AA(g) of the Code unless the Authority has received written advice of counsel that such earnings are not required to be applied to capital expenditures to maintain the treatment of the Series 2010B Bonds as “qualified bonds” for purposes of Section 54AA(g) of the Code, and then to the Sinking Fund. Notwithstanding the foregoing, the Authority may satisfy all or any part of its obligation to maintain an amount in the Debt Service Reserve Fund at least equal to the Debt Service Reserve Fund Requirement by depositing a Reserve Fund Credit Facility in the Debt Service Reserve Fund.

Rebate Fund. If, in order to (i) maintain the exclusion of interest on the Series 2010A Bonds from gross income for federal income tax purposes or (ii) maintain the treatment of the Series 2010B Bonds as “qualified bonds” for purposes of Section 54AA(g) of the Code, the Authority is required to rebate portions of investment earnings to the United States government, the Authority will annually compute or cause to be computed the amount required to be so rebated. At the written direction of the Authority, the Trustee will deposit such amount annually in 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 incidental expenses of the Authority, such as Trustee’s fees, expenses incurred in connection with any continuing disclosure obligations, the payment of any rebate or penalties to the United States government, the payment of principal of and premium, if any, and interest on the Bonds upon redemption or the purchase price of Bonds purchased as provided in the Indenture, 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 and the Debt Service Reserve Fund in an amount sufficient to raise the amount in the Sinking Fund and the Debt Service Reserve Fund to the required amount. Incidental expenses will be paid by the Trustee upon the presentation of an affidavit (except in the case of amounts owing to the Trustee, which may be withdrawn from the Fund when due without presentation of an affidavit) stating the character of the expenditure, the amount thereof and to whom due.

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

Investment of Funds. All funds will be invested by the Trustee in Qualified Investments, defined in the Indenture as: (i) obligations that are (a) 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 (b) 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 (1) are unconditionally guaranteed or insured by the United States of America, or (2) are provided for by an irrevocable deposit of securities described in clause (1) 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 (“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; (iv) certificates of deposit, savings accounts, deposit accounts or depository receipts of a bank, savings and loan associations and mutual savings banks, including the Trustee, each fully insured by the Federal Deposit Insurance Corporation; (v) bankers’ acceptances or certificates of deposit 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 the single highest full classification established by Moody’s Investors Service, Inc. and Standard & Poor’s Ratings Service, Inc.; (vi) commercial paper rated at the time of purchase in the single highest full classification by Moody’s Investors Service, Inc. and Standard & Poor’s Ratings Service, Inc. 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 will not preclude the Trustee from investing in the securities of such investment company or investment trust).

All funds will be invested by the Trustee, without further direction from the Authority, in a fund of the Trustee which would qualify under clause (ii) of the definition of Qualified Investments, or as the Authority otherwise directs in writing. During construction, all investment earnings on all funds will be deposited in the Construction Account of the Project Fund. After the filing of the Affidavit of Completion of 100% of the Projects, 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 will 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 will not be liable for any losses occurring as a result of any such sale.

Redemption of Bonds. Whenever the amounts contained in the Sinking Fund, Debt Service Reserve 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 outstanding under the Indenture, the Trustee will apply the amounts in such Funds to the redemption of such Bonds.

Purchase of Bonds. At the request of the Authority, expressed by a resolution, or a copy thereof certified by the Secretary-Treasurer and delivered to the Trustee, 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 may be issued under the Indenture on parity with the 2010 Bonds and all other Bonds issued on parity therewith under the Indenture. Among other requirements under the Indenture, such Additional Bonds will be limited to amounts which can be repaid, along with all outstanding Bonds, from lease rentals paid by the Lessee pursuant to the Lease and a certificate of the Commission that the amended Lease (or the new lease agreement) will be a Subordinate Obligation under the Commission Pledge Resolution; notwithstanding the foregoing, Additional Bonds may also be issued subordinate to the 2010 Bonds.

Covenants of the Authority

In the Indenture, the Authority makes certain covenants to the Trustee for the benefit of Bondholders, including but not limited to the following.

Title to Trust Estate. 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 of the Indenture.

Build America Bond Subsidy Payments. The Series 2010B Bonds will be irrevocably designated and issued as Build America Bonds. The Authority and the Commission will elect, pursuant to Section 54AA(g) of the Code, to receive Build America Bond Subsidy Payments. The Authority will complete and file a form requesting each Build America Bond Subsidy Payment ("IRS Form 8038-CP") on a date which is not more than 90 nor less than 45 days preceding each Interest Payment Date applicable to the Series 2010B Bonds, with the United States Department of the Treasury. The IRS Form 8038-CP will specify that the Trustee is the entity entitled to receive each Build America Bond Subsidy Payment. After delivery of an Affidavit of Completion (as hereinafter defined and provided) and upon receipt, the Trustee will deposit each Build America Bond Subsidy Payment in the Sinking Fund solely to provide for the payment of the principal and interest next due on any Bonds designated and issued as Build America Bonds. The Trustee will bear no responsibility for any failure to receive a Build America Bond Subsidy Payment, timely payment of the Build America Bond Subsidy Payment nor for any penalties imposed or other ramifications of failure to receive the Build America Bond Subsidy Payment in a timely manner, regardless of cause. Prior to the delivery of an Affidavit of Completion and upon receipt, the Trustee will deposit each Build America Bond Subsidy Payment in the Series B Construction Account.

Payment of Taxes on Premises. The Authority covenants that by the Lease it has required the Commission to pay the amount of all taxes and assessments levied against the Premises or the receipt of rental payments under the Lease.

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 undertake or hold the Premises might in any way be questioned; and that it will 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 Premises.

Maintenance of Premises; No Disposition of Premises. The Authority covenants that it will maintain the Premises, or cause the Premises to be maintained, in good working condition for the uses for which the Premises are intended. The Authority also covenants that it will not sell or otherwise dispose of the Premises or any portion thereof, except as permitted by the Indenture and the Lease.

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, upon request of one or more of the holders of the Bonds, from time to time furnish the Trustee such information as to the property of the Authority as the Trustee reasonably requests and such other information and reports as the Indenture requires.

Incurring Indebtedness. The Authority covenants that it will not incur any indebtedness other than the 2010 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.

Use of Proceeds of 2010 Bonds. The Authority covenants that the proceeds of the Bonds held in the Construction Account will be used for the following purposes:

(i) the payment of the costs of issuing the 2010 Bonds and the cost of acquisition or construction of the Premises;

(ii) any balance in excess of 150% of the amount of any disputed claims of contractors and work to be repaired remaining after the completion of 100% of the Projects may be obligated within a period of one (1) year thereafter for any one or more of the following purposes upon written request of the Commission: (a) for the purchase of equipment and furnishings for the Projects, if any; (b) for the improvement of the Projects or for the improvement of any real estate which is subject to the Lease; or (c) for additional local public improvements and economic development projects to the extent permitted by Indiana law;

(iii) any balance in excess of 150% of the amount of any disputed claims of construction and work to be repaired remaining unobligated after one (1) year from the filing of the Affidavit of Completion of 100% of the Projects will be transferred to the Debt Service Reserve Fund to cure any deficiency therein, and if no deficiency exists, to such other fund or account as directed, in writing, by any officer of the Authority or the Commission;

(iv) any balance remaining after payment of all obligations authorized by clause (iii) above, will be transferred to the Debt Service Reserve Fund to cure any deficiency therein, and if no deficiency exists, to such other fund or account as directed, in writing, by any officer of the Authority or the Commission within ten (10) days after the last payment of such obligations.

Lease; Construction, Acquisition or Construction of the Premises. The Authority covenants that, upon the receipt by the Trustee of the proceeds of the 2010 Bonds, it will forthwith proceed to acquire or construct the Projects in accordance with the plans and specifications therefor, and will complete such construction of the Projects with all expedition practicable in accordance with such plans and specifications, together with such changes therein as may be authorized by the Authority pursuant to the Indenture.

Tax Covenants. In order to preserve (i) the exclusion of interest on the Series 2010A Bonds from gross income for federal income tax purposes and (ii) the treatment of the Series 2010B Bonds as “qualified bonds”

for purposes of Section 54AA(g) of the Code, and as an inducement to purchasers of the 2010 Bonds, the Authority will represent, covenant and agree that, among other things, it will not take any action or fail to take any action with respect to the 2010 Bonds that would result in (i) the loss of the exclusion from gross income for federal income tax purposes of interest on the Series 2010A Bonds pursuant to Section 103 of the Code and any regulations thereunder as applicable to such Bonds or (ii) the treatment of the Series 2010B Bonds as “qualified bonds” for purposes of Section 54AA(g) of the Code and any regulations thereunder as applicable to such Bonds. The Authority is not required to comply with one or more of these tax covenants to the extent the Authority receives an opinion of nationally recognized bond counsel to the effect that any tax covenant is unnecessary to preserve (i) any exclusion of interest on the Series 2010A Bonds from gross income for federal income tax purposes or (ii) any treatment of the Series 2010B Bonds as “qualified bonds” for purposes of Section 54AA(g) of the Code.

Insurance

Insurance Required During Construction. The Authority covenants that during the construction of the Projects, it will carry or will cause other persons to carry for its benefit bodily injury and property damage insurance naming the Authority, the Commission, and the Trustee as insured against claims for damages for bodily injury, including accidental death, as well as claims for property damages which may arise from such construction. The Authority further covenants that all contracts for the Projects will or do require the contractor to carry such insurance as will protect the contractor from liability under Indiana Worker’s Compensation and Worker’s Occupations Diseases Acts.

Insurance Required After Completion of the Projects. The Authority covenants that it will carry or caused to be carried: (i) insurance on the Premises against physical loss or damage, however caused, with such exceptions as are ordinarily required by insurers of buildings or facilities of a similar type, which insurance will be in an amount at least equal to 100% of the full replacement cost of the Projects as certified in accord with the Lease; (ii) rent or rental value insurance in an amount equal to the full rental value of the Projects for a period of 2 years against physical loss or damage of the type described in the Indenture; and (iii) combined bodily injury insurance, including accidental death and property damage with references to the Premises in an amount not less than \$1,000,000 CSL on account of each occurrence.

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 such policies of insurance and to prosecute all necessary actions in the courts to recover any such insurance moneys.

Evidence of Insurance. Such insurance policies will be maintained in good and responsible insurance companies, and will be countersigned by an agent of the insurer who is a resident of the State of Indiana. The public liability insurance required in the Indenture may be by blanket insurance policy or policies or through a self-insurance program. If requested Bond holder, a copy of such policies will be deposited with the Trustee.

Insurance by Trustee. If the Authority and the Commission at any time refuse, 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 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 the 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.

Condemnation of Premises

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

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

Events of Default and Remedies

Events of Default. The following are each an "event of default" under the Indenture:

- (i) Default in the payment on the due date of the interest on any Bond outstanding under the Indenture;
- (ii) Default in the payment on the due date of the principal of or premium on any such 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 in the Bonds, and the continuance thereof for a period of 60 days after written notice thereof to the Authority by the Trustee;
- (iv) The Authority: (a) admits in writing its inability to pay its debts generally as they become due, (b) files a petition in bankruptcy, (c) makes an assignment for the benefit of its creditors, or (d) consents to or fails to contest the appointment of a receiver or trustee for itself or of the whole or any substantial part of the 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 Premises or the lease rentals due under the Lease, and any of the aforesaid adjudications, orders, judgments or decrees is not vacated, set aside or stayed within 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 60 days;

(vii) The Authority files a petition under the provisions of the United States Bankruptcy Code, or files an answer seeking the relief provided in such 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 such Bankruptcy Code, and such judgment, order or decree is not vacated, set aside or stayed within 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 Premises or the lease rentals due under the Lease, and such custody or control is not terminated within 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 due under the Lease from the sources provided therein, or such other action to enforce the Lease as is reasonably requested by the Trustee, if such rental is more than 60 days in default; or

(xi) Any default occurs under the Lease.

Remedies. In the case of the happening and continuance of any of the events of default, the Trustee, by notice in writing mailed to the Authority, may, and upon written request of the registered owners of 25% in principal amount of the Bonds then outstanding under the Indenture must, declare the principal of all such Bonds, and the interest accrued thereon, immediately due and payable. However, the registered owners of a majority in principal amount of all outstanding Bonds, by written notice to the Authority and to the Trustee, may annul each declaration and destroy its effect at any time if 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. Interest will be payable on overdue principal at the rate of interest set forth in each Bond.

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

In the case of the happening of an event of default and the filing of judicial proceedings to enforce the rights of the Trustee or the registered owners of the Bonds, the Trustee will be entitled to the appointment of a receiver for the lease rentals under the Lease pending the completion of such proceedings, with such powers as the court making such appointment may confer.

Application of Moneys. Any moneys received by the Trustee or any receiver or holder of Bonds, together with any other amounts of cash which may then be held by the Trustee as a part of the Trust Estate, will be applied as follows:

- (i) to the payment of all costs and expenses of any suit or suits to enforce the rights of the Trustee or the registered owners of the Bonds;
- (ii) to the payment of all other expenses of the trust created by the Indenture, with interest thereon at the highest rate of interest on any of the Bonds when sold, whether or not then outstanding;
- (iii) to the payment of all the principal and accumulated and unpaid interest on the Bonds then outstanding in full, if such 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, provided that the Trustee will cause any Build America Bond Subsidy Payment held in the Sinking Fund or a Construction Account related to Bonds designated and issued as Build America Bonds to be applied solely to the payment of the principal of and interest on such Bonds, and any other amounts of cash which may be then held by the Trustee as a part of the Trust Estate will be applied to Bonds other than Bonds designated and issued as Build America Bonds until the aggregate amount of all such amounts (inclusive of any Build America Bond Subsidy Payment amounts) have on a cumulative basis been ratably applied 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 on Rights of Bondholders. No owner of any Bond outstanding under the Indenture has the right to institute any proceeding at law or in 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, 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 costs, expenses and liabilities to be incurred by the Trustee; 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. No one or more registered owners of the Bonds outstanding under the Indenture has any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture by such owner's or owners' 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 outstanding under the Indenture 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, enter into 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 of the Bonds, 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 change which, in the judgment of the Authority, does not materially and adversely affect the interests of the registered of the owners of the Bonds.

In addition, the registered owners of not less than a majority in aggregate principal amount of the Bonds then outstanding under the Indenture may consent to and approve supplemental indentures as are deemed necessary or desirable by the Authority, the Registrar, the Paying Agent and the Trustee for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in the Indenture or in any supplemental indenture; provided, that such supplemental indenture does not effect:

- (i) an extension of the maturity of the principal of or interest or premium, if any, on any Bond, or an advancement of the earliest redemption date on any Bond, without the consent of the holder of each Bond so affected; or
- (ii) a reduction in the principal amount of any Bond or the rate of interest thereon or the premium payable upon redemption thereof, or a change in the monetary medium in which such amounts are payable, without the consent of the holder of each Bond so affected; or
- (iii) the creation of a lien upon the Trust Estate ranking prior to the lien created by the Indenture, without the consent of the holders of all Bonds then outstanding; or
- (iv) a preference or priority of any Bond over any other Bond, without the consent of the holders of all Bonds then outstanding; or
- (v) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture, without the consent of the holders of all Bonds then outstanding.

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

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 will 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, the Debt Service Reserve Fund and in the Operation Fund created by the Indenture and all balances remaining in any other fund or accounts other than moneys and obligations held for the redemption or payment of Bonds. In the event money and/or Government Obligations are deposited with and held by the Trustee (or any Paying Agent) as provided above, in addition to the requirements set forth in the Indenture, the Trustee will, within 30 days, after such obligations have been deposited with it, cause a notice signed by the Trustee to be mailed to the owners of such Bonds, setting forth (i) the date designated for the redemption of the Bonds, (ii) a description of the obligations so held by it (iii) that the registered owners of such Bonds are entitled to be paid principal and interest from such funds and income of such securities held by the Trustee and not from the Sinking Fund, the Debt Service Reserve 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 obligations as described in (ii) above, or (3) a combination of cash and such 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 will not be deemed outstanding under the Indenture and the registered owners of such Bonds will be entitled to payment of any principal or interest from such funds and income of such obligations held by the Trustee and not from the Sinking Fund or the Authority. The Trustee will, within 30 days after such money and/or obligations have been deposited with it, cause a notice signed by the Trustee to be mailed to the owners of such bonds, setting forth a description of the obligations so held by it, a description of the Bonds payable from such deposited obligations and that the registered owners are entitled to be paid principal and interest from such funds and income of such securities held by the Trustee and not from the Sinking Fund or the Authority.

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

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APPENDIX E - SUMMARY OF CERTAIN PROVISIONS OF THE LEASE

THE FOLLOWING IS A SUMMARY OF CERTAIN PROVISIONS CONTAINED IN THE LEASE. THIS SUMMARY DOES NOT PURPORT TO BE A COMPREHENSIVE DESCRIPTION AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE LEASE. CAPITALIZED TERMS NOT DEFINED IN THIS SUMMARY WILL HAVE THE MEANINGS SET FORTH ELSEWHERE IN THIS OFFICIAL STATEMENT.

General, Term and Rent

Under the Lease, the Authority leases to the Commission an interest in certain real estate (the “Real Estate”) and the improvements (the “Improvements”) which the Authority has acquired and constructed or will acquire and construct thereon and any furnishings, equipment and appurtenances to such buildings as so acquired and leased by the Authority (such being, together with the Real Estate and the Improvements, collectively, the “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.

The term of the Lease will be for a term not exceeding thirty (30) years, beginning on the date all or a portion of the Projects are complete and ready for occupancy and ending on the day prior to such date that is the later of thirty (30) years thereafter or the first February 1 and August 1 next following the final rental payment. However, the term of the Lease will terminate at the earlier of (x) the exercise by the Commission of the option to purchase the Premises and the payment of the option price or (y) the payment or defeasance of all obligations issued by the Authority and secured by the Lease or any portion thereof. 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 first lease rental payment for the Premises is expected to be February 1, 2013. Thereafter, rentals on the Premises are payable in advance in semi-annual installments on February 1 and August 1 of each year. 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 additional rental all administrative expenses of the Authority, including ongoing trustee fees, continuing disclosure expenses and fees and any other ordinary or extraordinary expenses relating to the Bonds, and amounts required to be paid, after taking into account other available money, to the United States government to prevent the Bonds from becoming arbitrage bonds under Section 148 of the Code. The Commission may take as a credit against the next succeeding lease rental payments required under the Lease any balance held in the Sinking Fund under the Indenture that is available to pay the Bonds on their next payment date other than when the balance in the Debt Service Reserve Fund established and created under the Indenture is less than the Debt Service Reserve Fund Requirement hereunder. Unless otherwise consented to by the Commission and provided for in the Indenture, when a proper irrevocable election as required under Section 54AA of the Code is made for any Bonds issued as Build America Bonds by the Authority having elected to receive direct payments from the federal government equal to 35% of the interest payable on each interest payment date on such Build America Bonds (“Federal Cash Payment”), the Authority agrees to cause such actions to be taken as are necessary for a Federal Cash Payment to be paid to the Authority and any such Federal Cash Payment will be deposited in the Sinking Fund when received.

The Lease provided that after the sale of the 2010 Bonds, the annual rental will be reduced to an amount sufficient to pay principal and interest due in each 12 month period commencing each year on February 1,

together with incidental costs not to exceed \$12,380,000 per year, payable in semi-annual installments. Such annual rental amounts, as adjusted, will be endorsed in an addendum to the Lease as soon as the same can be done after the sale of the 2010 Bonds.

All rentals payable under the terms of the Lease (i) are secured by a pledge of Pledged Tax Increment and Other Pledged Revenue and (ii) shall be payable solely and exclusive from such Pledged Tax Increment and Other Pledged Revenue, such rental obligations being limited recourse in nature. Notwithstanding the foregoing, the Commission may, but is not obligated to pay, its rental obligations from other available revenues.

Abatement of Rent

The Lease provides that, in the event the Premises are partially or totally destroyed, whether by fire or any other casualty, so as to render the same unfit, in whole or part, for use by the Commission, (x) it will then be the obligation of the Authority to restore and rebuild the Premises as promptly as may be done, unavoidable strikes and other causes beyond the control of the Authority excepted; provided, that the Authority will not be obligated to expend on such restoration or rebuilding more than the amount of the proceeds received by the Authority from the insurance provided for under the Lease, and provided further, the Authority will not be required to rebuild or restore the Premises if the Commission instructs the Authority not to undertake such work because the Commission anticipates that either (i) the cost of such work exceeds the amount of insurance proceeds and other amounts available for such purpose, or (ii) the same cannot be completed within the period covered by rental value insurance, and (y) the rent will be abated for the period during which the Premises or any part thereof is unfit for use by the Commission, in proportion to the percentage of the area of the Premises which is unfit for use by the Commission. If the Commission so instructs the Authority not to undertake such work, the Commission will use the insurance proceeds and other amounts available to exercise its option to purchase under the Lease.

Maintenance, Alteration, and Repair

The Commission will operate, maintain and repair the Premises during the term of the Lease in good repair, working order and condition at its expense. The Commission will have the right, without the consent of the Authority, to make all alterations, modifications and additions and to do all improvements it deems necessary or desirable to the Premises which do not reduce the rental value thereof. At the end of the term of the Lease, the Commission will deliver the building to the Authority in as good condition as at the beginning of the term of the Lease, reasonable wear and tear excepted. Equipment or other personal property which becomes worn out or obsolete may be discarded or sold by the Commission. The Commission need not replace such personal property, but may replace such property at its own expense, which replacement property will belong to the Commission. The proceeds of the sale of any personal property covered by the Lease will be paid to the Trustee.

Insurance

The Commission, at its own expense, will, during the term of the Lease, keep the Premises insured 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. Such insurance will be in an amount at least equal to 100% of the full replacement cost of the Premises as estimated by a professional cost estimator selected by the Commission (who may be an architect, engineer or other person or entity with experience in estimation of replacement costs for facilities such as the Premises), (i) as the date the Improvements are complete and ready for occupancy and (ii) thereafter annually as of the last day of December of each year (commencing with the second December following such date) provided that in lieu of annual

estimations, such may be based upon a recognized index of annual changes in cost factors for a period not exceeding five years if such is deemed by such estimator to be consistent with their professional experience. During the term of the Lease, the Commission will also, at its own expense, maintain rent or rental value insurance in an amount equal to the full rental value of the Premises for a period of the ensuing 2 years against physical loss or damage of the type insured against pursuant to the preceding requirements. During the full term of the Lease, the Commission will also, at its own expense, carry combined bodily injury insurance, including accidental death, and property damage with reference to the Premises in an amount not less than \$1,000,000 CSL on account of each occurrence with one or more good and responsible insurance companies.

Option to Purchase

The Commission has the right and option, on any date prior to the expiration of the Lease, upon written notice to the Authority, to purchase the Premises at a price equal to the amount required to enable the Authority to pay or defease all indebtedness related to the Premises, including the Bonds, with accrued and unpaid interest to the date on which such indebtedness will be redeemed and all premiums payable on the redemption thereof, and to enable the Authority to liquidate, if the Authority is to be liquidated, by paying the expenses and charges of liquidation and to pay the cost of transferring the Premises.

Transfer of Ownership

In the event the Commission has not exercised its option to purchase the Premises and has not exercised its option to renew the Lease, then, upon expiration of the Lease and upon full performance by the Commission of its obligations under the Lease, the Premises will become the absolute property of the Commission, and, upon the Commission's request, the Authority will execute proper instruments conveying to the Commission all of the Authority's title thereto.

Defaults

The Lease provides that, if the Commission defaults in the (i) payment of any rentals or other sums payable to the Authority under the Lease, or (ii) observance of any other covenant, agreement or condition under the Lease and such default will continue for 90 days after written notice to correct the same, then, in any of such events, the Authority may proceed to protect and enforce its rights by suit or suits in equity or at law in any court of competent jurisdiction, whether for specific performance of any covenant or agreement contained under the Lease or for the enforcement of any other appropriate legal or equitable remedy, or may authorize or delegate the authority to file a suit or make appropriate claims, or the Authority, at its option, without further notice, may terminate the estate and interest of the Commission under the Lease, and it will be lawful for the Authority forthwith to resume possession of the Premises and the Commission covenants to surrender the same forthwith upon demand.

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APPENDIX F - SUMMARY OF CERTAIN PROVISIONS OF THE MASTER PLEDGE RESOLUTION, THE OBLIGATING ACTION AND THE CITY COUNCIL ORDINANCE

THE FOLLOWING IS A SUMMARY OF CERTAIN PROVISIONS CONTAINED IN THE MASTER PLEDGE RESOLUTION, THE OBLIGATING ACTION (WHICH IN THIS APPENDIX IS REFERRED TO AS “2010 OBLIGATING ACTION”) AND THE CITY COUNCIL ORDINANCE (COLLECTIVELY, THE “PLEDGE RELATED PROCEEDINGS”). THIS SUMMARY DOES NOT PURPORT TO BE A COMPREHENSIVE DESCRIPTION AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLEDGE RELATED PROCEEDINGS. CAPITALIZED TERMS NOT DEFINED IN THIS SUMMARY WILL HAVE THE MEANINGS SET FORTH ELSEWHERE IN THIS OFFICIAL STATEMENT.

MASTER PLEDGE RESOLUTION

General

On November 8, 2008, the Commission adopted Resolution 08-ERC-61 (the “Master Pledge Resolution”) which when supplemented by any Obligor Action (as hereinafter defined) would be the means by which it would secure payment obligations under bonds, leases or other obligations (“Secured Obligations”) on a senior first priority basis (as described and defined below, “Senior Obligations”), a subordinate *second* priority basis (as described and defined below, “Subordinate Obligations”) or a junior subordinate *third* priority basis (as described and defined below, “Junior Subordinate Obligations”), as applicable, with respect to any Pledge Claim (as hereinafter defined) securing any such Secured Obligations. In this Appendix F, unless a different meaning clearly appears from the context, the following terms will have the following meanings:

“Act” means IC 5-1-14, IC 36-7-14 and IC 36-7-25 and all related and supplemental acts in effect on the date any Secured Obligations are issued or incurred.

“Allocation Area” means the “allocation area” within the meaning of the Act created and existing pursuant to the Downtown Redevelopment Resolution and Plan, and identified therein as the Downtown Redevelopment Area, which entire the Downtown Redevelopment Area has been designated as such an allocation area.

“Allocation Fund” means the Redevelopment District Allocation Fund established under the Act, established as a special fund under the Act for the Real Property Tax Increment and any Personal Property Tax Increment collected in the Allocation Area.

“Amount Attributable to Junior Subordinate Obligations” means (a) for Junior Subordinate Obligations that are Bonds, the principal amount of such Bonds outstanding, (b) for Junior Subordinate Obligations that are Leases, the principal amount of outstanding bonds by the lessor in respect to the property described in such Lease, and (c) Junior Subordinate Obligations owned by (i) the City or the Commission will be disregarded and (ii) the Bond Bank will be disregarded unless purchased with the proceeds of bonds of the Bond Bank.

“Amount Attributable to Secured Obligations” means, collectively, the Amount Attributable to Senior Obligations, the Amount Attributable to Subordinate Obligations, Amount Attributable to Junior Subordinate Obligations.

“Amount Attributable to Senior Obligations” means (a) for Senior Obligations that are Bonds, the principal amount of such Bonds outstanding, (b) for Senior Obligations that are Leases, the principal amount of outstanding bonds by the lessor in respect to the property described in such Lease, and (c) Senior Obligations owned by (i) the City or the Commission will be disregarded and (ii) the Bond Bank will be disregarded unless purchased with the proceeds of bonds of the Bond Bank

“Amount Attributable to Subordinate Obligations” means (a) for Subordinate Obligations that are Bonds, the principal amount of such Bonds outstanding, (b) for Subordinate Obligations that are Leases, the principal amount of outstanding bonds by the lessor in respect to the property described in such Lease, and (c) Subordinate Obligations owned by (i) the City or the Commission will be disregarded and (ii) the Bond Bank will be disregarded unless purchased with the proceeds of bonds of the Bond Bank

“Anticipation Obligations” means any bonds, notes or other obligations issued in anticipation of a later issuance of any Secured Obligations, which pursuant to an Obligor Action, the proceeds of such Secured Obligation are anticipated to be used for, or are pledged to, the payment of the principal of such obligations.

“Authorizing Proceeding” means the resolution, ordinance, trust indenture or other proceeding, agreement or instrument which establishes the definitive payment obligation and other related terms applicable to any Secured Obligation.

“Bond Bank” means The Evansville Local Public Improvement Bond Bank created and existing pursuant to IC 5-1.4, as amended.

“Bond Fund” means the Redevelopment District Bond Fund established under the Act, containing a Debt Service Account, a Debt Service Reserve Account and a Credit Account (and therein subaccounts as determined under an Obligor Action) created and provided for in the Master Pledge Resolution.

“Bond Fund – Credit Account” or “Credit Account” means the Credit Account created in the Bond Fund, containing one or more separate subaccounts (which are established and identified by an Obligor Action) into which the Pledged Tax Increment (and if required by an Obligor Action, any Other Pledged Revenue) will be deposited on each Funding Date and held until applied to the payment of the Reimbursement Requirement to which such subaccount(s) relate(s).

“Bond Fund – Debt Service Account” or “Debt Service Account” means the Debt Service Account created in the Bond Fund, containing one or more separate subaccounts (which are established and identified under an Obligor Action) into which the Pledged Tax Increment (and if required by an Obligor Action, any Other Pledged Revenue) will be deposited on each Funding Date and held until applied to the payment of the Secured Obligations to which such subaccount(s) relate(s).

“Bond Fund – Debt Service Reserve Account” or “Debt Service Reserve Account” means the Debt Service Reserve Account created under the Master Pledge Resolution, containing one or more separate subaccounts (which may be, but are not required to be, established and identified by an Obligor Action) into which the Pledged Tax Increment (and if required by an Obligor Action, any Other Pledged Revenue) will be deposited on each Funding Date and held as security to provide for the payment of the Secured Obligations to which such subaccount(s) relate(s).

“Bond Fund – Revenue Account” or “Revenue Account” means the Revenue Account created under the Master Pledge Resolution, into which the Pledged Tax Increment will be deposited and held until applied on each Funding Date to meet the requirements set forth in the Master Pledge Resolution as supplemented by any Obligor Action.

“Bond Project Account – Capitalized Interest Subaccount” or “Capitalized Interest Subaccount” means the Capitalized Interest Subaccount established in the Master Pledge Resolution as supplemented by any Obligor Action, which is a subaccount of the Capital Fund – Bond Project Account and are available to be applied to the payment of Costs of a Project or the Debt Service on the Secured Obligations to which it relates.

“Bond Year” means the annual period commencing on February 2 of each year and ending on the following February 1, each date being included in such period.

“Bonds” means any bonds, notes or other obligations expressed as a principal sum (together with any related interest) payable in whole or in part from the Pledged Tax Increment (and if required by the related Obligor Action, any Other Pledged Revenue), whether issued by the Commission or another Unit, whereby such Debt Service obligations may be payable therefrom pursuant to the Act, the Master Pledge Resolution and an Obligor Action.

“Capital Fund” means the Redevelopment District Capital Fund established under the Act, initially containing a General Account and a Bond Project Account (and therein subaccounts as determined under an Obligor Action).

“Capital Fund – Bond Project Account” or “Bond Project Account” means the account within the Capital Fund containing subaccounts into which the proceeds of bonds issued by the Commission will be deposited and held until applied to the payment of Costs of a Project or Secured Obligations to which it relates.

“Capital Fund – General Account” means the account within the Capital Fund established which is not pledged under the Master Pledge Resolution to the Secured Obligations.

“Certifier” means an independent certified public accountant or an independent financial consultant with professional experience in the business of estimating the levels of and increases in (a) assessed valuation in the State and the expected changes in property tax rates caused by such changes and (b) any Other Pledged Revenue.

“Controller” means the City Controller of the City of Evansville.

“Costs of a Project” means all costs of the Designated Project, which include the repayment the principal of and accrued and unpaid interest on any Anticipation Obligations related thereto.

“Credit Agreement” means any reimbursement agreement or similar instrument with a Credit Provider with respect to a Credit Facility.

“Credit Facility” means a letter of credit, surety bond, liquidity facility, insurance policy or comparable instrument furnished by a Credit Provider with respect to a Secured Obligation to satisfy in whole or in part the obligation to maintain a Debt Service Reserve Requirement with respect thereto or to secure (a) the payment of Debt Service (which may include the premium due on payment of Secured Obligations) on Secured Obligations of a specified series, or a specific portion thereof, (b) the payment of the purchase price (which may include

accrued interest to the date of purchase) of Secured Obligations of a specified series, or a specific portion thereof, on the applicable purchase dates or tender dates, or (c) both the payment of Debt Service on a specified Secured Obligations, or a specific portion thereof, and the payment of the purchase price of specified Secured Obligations, or a specific portion thereof.

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

“Debt Service” means the principal of and interest on any Bonds (including the maturity amount of any Bonds issued as capital appreciation bonds at their stated maturity date or redemption date) and lease rentals on any Leases (or if less, an amount not to exceed the Restricted Amount pledged to any such Bond or Lease), together with any fiscal agency charges associated with such Secured Obligations and the collection, segregation and application of the Pledged Tax Increment and any Other Pledged Revenue to provide for the payment thereof; provided that Debt Service will not include the principal of any Anticipation Obligations but may include the interest on Anticipation Obligations when so designated as payable from Pledged Tax Increment by an Obligor Action.

“Debt Service Reserve Requirement” means the amount, if any, as determined by reference to the Obligor Action and Authorizing Proceedings applicable to any respective Secured Obligation, to be held in a subaccount of the Debt Service Reserve Account to secure, and be available solely for, the payment of Debt Service on such Secured Obligations.

“Designated Project” means the project as designated by an Obligor Action.

“Funding Date” means (a) with respect to Pledged Tax Increment, each date on which amounts held in the Revenue Account are required to be transferred from the Revenue Account to the other funds, accounts and subaccounts created or referenced as set forth in the Master Pledge Resolution as supplemented by any Obligor Action and (b) with respect to Other Pledged Revenue, each date on which any Other Pledged Revenue are required to be transferred to the funds, accounts and subaccounts created or referenced as set forth in the related Obligor Action.

“General Account – Restricted” means the subaccount of the General Account created under 2002 Resolution, in which only 2002 Pledged Tax Increment will be deposited and held until applied as provided in the 2002 Resolution.

“General Account – Unrestricted” means the subaccount of the General Account created under in the Master Pledge Resolution.

“Junior Subordinate Obligations” means to the extent of any Pledge Claim made in respect of any Bonds and Leases payable from the Pledged Tax Increment (and if applicable, any Other Pledged Revenue when pledged thereto), which obligations thereunder satisfy the conditions to be issued or entered into on a parity basis under in the Master Pledge Resolution as supplemented by any Obligor Action and which obligations are junior and subordinate to any prior and superior Pledge Claim made in respect of any Senior Obligation and Subordinate Obligation.

“Leases” means any lease which requires the payment of rent (in whole or in part) from the Pledged Tax Increment (and if required by the related Obligor Action, any Other Pledged Revenue), whether as an obligation of the Commission or another Unit, whereby such rental obligations may be payable therefrom pursuant to the Act, the Master Pledge Resolution and an Obligor Action.

“Obligating Action” means a resolution or ordinance of the Commission (and if consented to by the Commission, a resolution or ordinance of the City or any other Unit) pursuant to which (a) a Pledge Claim is made in favor of any Secured Obligation and (b) Pledged Accounts are created and designated. The Obligating Action may be the same as the Authorizing Proceeding.

“Other Pledged Revenue” mean, as and when designated and pledged as such by an Obligating Action, the proceeds derived or amounts received by the Commission or another Unit from the levy and/or collection of any tax or Other Pledged Revenue source (including any Special Tax Levy Proceeds), provided that (1) such designation and pledge is permitted by applicable law, (2) such revenue is permitted by applicable law to be applied to the payment of the Debt Service on the Secured Obligations to which it is pledged, and (3) when such revenue is so designated and pledged by an Obligating Action, in the judgment of the Controller (which judgment may be based upon the written ratings report or other written evidence provided by each such rating agency), any rating (defined by reference only to the major letter category and any plus (+) or minus (–) designation or numerical notation) then in effect from each rating agency on outstanding Subordinate Obligations and Junior Subordinate Obligations (and related to any Leases, the related bonds of the lessor thereunder) immediately preceding the time such Obligating Action becomes effective will be maintained or improved when such Obligating Action becomes effective.

“Owner” means a registered owner of the Bonds or the lessor under any Leases (and with respect to any Leases, when the context so requires, the registered owner of related bonds of such lessor).

“Paying Agent” means the Controller of the City or the paying agent as and when so designated under an Authorizing Proceeding or any successor paying agent appointed pursuant thereto.

“Payment Date” means each date as of which Debt Service payments are required to be made, which will only be on February 1 or August 1 (or if such date is not a Business Day, then on the next succeeding Business Day), provided that with respect to any Lease rental obligation, such rent may be paid and transferred to an account of the issuer of the related bonds of lessor thereunder up to 10 days in advance of such a February 1 or August 1 bond payment date.

“Personal Property Tax Increment” means all personal property tax proceeds from taxes imposed under IC 6-1.1 on the depreciable personal property of a designated taxpayer described in any Obligating Action and all other depreciable property located and taxable on the designated taxpayer’s site of operations in the Allocation Area, as such statutory provisions of the Act exist on the date any Secured Obligations are issued or incurred.

“Pledge Claim” means the Unrestricted Amount or Restricted Amount, as applicable, pledged pursuant to the Obligating Action to secure (a) a Secured Obligation and provide a source of payment for Debt Service related thereto or (b) a Reimbursement Requirement under any Credit Agreement and provide a source of payment for such obligation.

“Pledged Accounts” means those subaccounts of (a) the Capital Fund – Bond Project Account (including any Capitalized Interest Subaccount), (b) the Debt Service Account and (c) the Debt Service Reserve Account, which are hereafter created by an Obligating Action and are pledged under the Master Pledge Resolution solely to secure and provide a source of payment for the Secured Obligations to which they relate as identified in the Obligating Action.

“Pledged Tax Increment” means until deposited and applied in accordance with the Master Pledge

Resolution (as supplemented by any Obligor Action) in the Pledged Accounts, all of (a) the Real Property Tax Increment remaining after the application of the 2002 Pledged Tax Increment pursuant to the 2002 Resolution and (b) any Personal Property Tax Increment, including as held in the Revenue Account; provided that when the 2002 Bonds are no longer outstanding or entitled to the 2002 Pledged Tax Increment pursuant to the 2002 Resolution, such clause (a) will mean and include all of the Real Property Tax Increment.

“Qualified Investments” means any direct obligation of the United States of America or other investment in which the Commission is permitted by Indiana law to invest at the time of investment.

“Real Property Tax Increment” means all real property tax proceeds from assessed valuation of real property in the Allocation Area in excess of the assessed valuation described in IC 36-7-14-39(b)(1) minus the additional credit under IC 36-7-14-39.5, as such statutory provisions exist on the date any Secured Obligations are issued or incurred.

“Registrar” means the Controller of the City or the registrar as and when so designated under an Authorizing Proceeding or any successor registrar appointed pursuant thereto.

“Reimbursement Requirement” means the obligations owed to any Credit Provider under the Credit Agreement related to Credit Facility securing or providing a source of liquidity or payment for a Secured Obligation.

“Restricted Amount” means a pledge of the Pledged Tax Increment or Other Pledged Revenue, as applicable, made pursuant to the Obligor Action to secure and provide a source of payment for a Secured Obligation or a Reimbursement Requirement that is expressed as one of the following:

(a) a fixed annual dollar amount as set forth in the Obligor Action available in each Bond Year to provide for the payment of Debt Service related to such designated Secured Obligation or the payment of a Reimbursement Requirement related to a designated Credit Agreement; or

(b) a fixed annual dollar amount as set forth in a schedule (which amount may vary by Bond Year) in the Obligor Action available in each such Bond Year to provide for the payment of Debt Service related to such designated Secured Obligation or the payment of a Reimbursement Requirement related to a designated Credit Agreement; or

(c) a fixed percentage of the annual Debt Service related such designated Secured Obligation as set forth in the Obligor Action available in each Bond Year to provide for the payment of Debt Service related to such designated Secured Obligation or the payment of a Reimbursement Requirement related to a designated Credit Agreement; or

(d) any other restricted amount as set forth in an Obligor Action (including without limitation restrictions linked to the receipt by the Commission or another Unit of specific tax payments under a project or taxpayer agreement related to such designated Secured Obligations).

“Senior Obligations” means to the extent of any Pledge Claim made in respect of any Bonds and Leases payable from the Pledged Tax Increment, which obligations thereunder satisfy the conditions to be issued or entered into on a parity basis under the Master Pledge Resolution (as supplemented by any Obligor Action) and which obligations are first and superior to any junior and subordinate Pledge Claim made in respect of any Subordinate Obligation and Junior Subordinate Obligation. Nothing under the Master Pledge Resolution precludes the use or pledge of available amounts for payment thereof.

“Special Tax Levy Proceeds” means the special tax levied pursuant the Act, available for the payment of a Secured Obligation pursuant to the Master Pledge Resolution and the related Obligor Action.

“State” means the state of Indiana.

“Subordinate Obligations” means to the extent of any Pledge Claim made in respect of any Bonds and Leases payable from the Pledged Tax Increment (and if applicable, any Other Pledged Revenue when pledged thereto), which obligations thereunder satisfy the conditions to be issued or entered into on a parity basis under the Master Pledge Resolution (as supplemented by any Obligor Action) and which obligations are subordinate to any first and superior Pledge Claim made in respect of any Senior Obligation and prior to (and senior) to any Pledge Claim made in respect of any Junior Subordinate Obligation.

“Trust Instrument” means a trust indenture, revenue deposit agreement or instrument pursuant to which the Pledged Accounts and any subaccount of the Credit Account related to particular Secured Obligations are held in trust by a Trustee, in lieu of the Controller, for the benefit of the Owners of such Secured Obligations.

“Trustee” means the trustee under any Trust Instrument, who will be approved by the Controller and will be a trust company or a commercial bank with trust powers and having a reported capital and surplus of not less than \$50,000,000, willing, qualified and able to accept the trust upon reasonable and customary terms.

“2002 Bonds” means the City’s Commission Tax Increment Revenue Bonds of 2002, dated November 26, 2002, and any bonds hereafter issued refund all or portion of such bonds, payable solely from the 2002 Pledged Tax Increment.

“2002 Pledged Tax Increment” means all real property tax proceeds generated from the first \$16,372,000 of assessed valuation of real property in the Allocation Area in excess of the assessed valuation described in IC 36-7-14-39(b)(1) minus the additional credit under IC 36-7-14-39.5, as such statutory provisions existed on November 26, 2002, the date of the original issuance of the 2002 Bonds, and as such assessed value is adjusted by the Commission for reassessments and changes in the method of calculating the assessed value prescribed in Indiana law in order to neutralize the effect of reassessment on the incremental real property tax revenue; subject however to the following: (a) no adjustments will be made to compensate for changes in the property tax rate except as described in the preceding sentence; and (b) the foregoing is meant to have, and will have, the same meaning as the term “Pledged Tax Increment” within the 2002 Resolution.

“2002 Resolution” means Resolution No. 02-ERC-32 of the Commission, adopted August 20, 2002.

“Unit” means any political subdivision of the State including, without limitation, the City.

“Unrestricted Amount” means a pledged of the Pledged Tax Increment or Other Pledged Revenue, as applicable, made pursuant to the Obligor Action to secure and provide a source of payment for a Secured Obligation or a Reimbursement Requirement that is not limited by reference to a Restricted Amount.

Pledge Claim Securing Secured Obligations

(A) Under the Master Pledge Resolution (when supplemented by an Obligor Action), the Commission, in order to secure the payment of the Debt Service on Secured Obligations, according to their tenor and effect and to secure the performance and observance by the Commission of all covenants expressed or implied in the Master Pledge Resolution and in the Secured Obligations, pledges the rights, interests, properties, money and other assets described below for the benefit of the respective Owners of the Secured Obligations for the securing of the performance of the obligations of the Commission set forth in the Master Pledge Resolution and in any Obligor Action:

(1) All Pledged Tax Increment, which is pledged for the respective benefit of the Secured Obligations on a senior basis to the Senior Obligations (and a parity basis as between the respective Senior Obligations), on a subordinate basis to the Subordinate Obligations (and a parity basis as between the respective Subordinate Obligations) and on a junior and subordinate basis to the Junior Subordinate Obligations (and a parity basis as between the respective Junior Subordinate Obligations), as are from time to time outstanding under their respective Authorizing Proceedings, and which Pledged Tax Increment will continuously be subject to such pledge (including while held in the Revenue Account) until it has been deposited (as required and provided by the Master Pledge Resolution as supplemented by any Obligor Action) in the Pledged Accounts (provided that when therein deposited will continue to be pledged pursuant to clause (3) below but only to the extent of any such deposit therein); and

(2) Any Special Tax Levy Proceeds, which is exclusively pledged on a separate basis solely for the benefit of the respective Secured Obligations to which such relates; and

(3) All cash and securities now or hereafter held in the Pledged Accounts (and the investment earnings thereon and any proceeds thereof except to the extent transferred or disbursed from such funds and accounts from time to time in accordance with the Master Pledge Resolution), which is exclusively pledged on a separate basis solely for the benefit of the respective Secured Obligations to which they relate; and

(4) Any Other Pledged Revenue pledged under an Obligor Action or otherwise to all or portion of the Owners of the Secured Obligations as security to the extent of that pledge and solely to such Secured Obligations to which such relates;

provided, that if the Commission pays or cause to be paid, or there will otherwise be paid or made provision for the payment of Debt Service on the Secured Obligations due, or to become due thereon, at the times and in the manner mentioned in the Secured Obligations, and pays or cause to be paid or there will otherwise be paid or made provision for payment to the Owners of the outstanding Secured Obligations of all sums of money due or to become due according to the provisions thereof, then the Master Pledge Resolution and the rights granted therein will cease, terminate and be void; otherwise the Master Pledge Resolution will be and remain in full force and effect; and provided further, that such Pledged Tax Increment as pledged under the Master Pledge Resolution will solely relate to and be applied after application of 2002 Pledged Tax Increment as provided by the 2002 Resolution so long as the 2002 Bonds are outstanding and entitled to the benefit of the 2002 Pledged Tax Increment pursuant to the 2002 Resolution.

(B) The Commission, in order to secure the payment of any Reimbursement Requirements to each Credit Provider, according to their tenor and effect and to secure the performance and observance by the Commission of all covenants expressed or implied in the Master Pledge Resolution and in each respective Credit

Facility, may pledge the rights, interests, properties, money and other assets as described the foregoing paragraph (A) related to Owners of the Secured Obligation for the additional benefit of the respective Credit Provider for the securing of the performance of the obligations of the Commission under any such respective Credit Agreement as set forth in the Master Pledge Resolution and in any Obligor Action.

(C) The Master Pledge Resolution further provides that all Secured Obligations secured under the Master Pledge Resolution are to be issued or entered into, and all these properties, rights and interests (including, without limitation, the amounts thereby pledged) are to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes expressed in the Master Pledge Resolution, and the Commission has agreed and covenanted, and has agreed and covenanted, with the respective Owners, from time to time, of the Secured Obligations (and with the respective Credit Providers, from time to time, of any Credit Facility securing Secured Obligations), or any part thereof, as provided in the Master Pledge Resolution.

(D) The Commission, acting in the name of the City, has represented and warranted that, there were no prior liens, encumbrances or other restrictions on (1) the Pledged Tax Increment, or on the City's ability to pledge the Pledged Tax Increment for the benefit of the Owners of the Secured Obligations or (2) the Other Pledged Revenue, or on the City's ability to pledge the Other Pledged Revenue for the benefit of the respective Owners of the Secured Obligations when and as of any such Other Pledged Revenue is designated and pledge pursuant to Obligor Action for any Secured Obligations. The Commission, acting in the name of the City, has covenanted not to impair the pledge of Pledged Tax Increment to the payment of Debt Service, so long as any of the Secured Obligations are outstanding, or to impair any other pledge or covenant under the Master Pledge Resolution during that period. The Commission has further covenanted not (a) to change, alter or diminish the Allocation Area in any way that would adversely affect the Owners of the Secured Obligations so long as any of the Secured Obligations remain outstanding or (b) to grant any tax abatements on any property in the Allocation Area used in the projections of Pledged Tax Increment as part of a coverage requirement in the Master Pledge Resolution (as supplemented by any Obligor Action), which covenant will not restrict the granting of tax abatements on parcels redeveloped after the issuance or incurrence of any Secured Obligations. The adoption of each Obligor Action remake and affirm with respect to the Secured Obligations, the representations and warranties contained in the Master Pledge Resolution.

Authorization of Secured Obligations, Credit Agreements and Related Matters

For any Bonds issued or Leases entered into to finance a Designated Project (and in connection with any related Credit Facility), the Obligor Action or the Authorizing Proceedings (as applicable and appropriate) will:

(A) Specify whether the Pledge Claim has been made as to an Unrestricted Amount or Restricted Amount (and if a Restricted Amount, the applicable amount, percentage or other restriction related thereto) with respect to (i) any Secured Obligations and (ii) any related Credit Agreement;

(B) Set forth or provide a basis for determining the nature, amount and applicable payment terms related to such Pledge Claim;

(C) Set forth the Designated Project and the related Secured Obligations and any related Credit Facility and Credit Agreement;

(D) Set forth, when applicable, any designated taxpayer and related findings in respect of a Pledge Claim made related any Personal Property Tax Increment;

(E) Set forth, when applicable, the nature of the pledge of any Other Pledged Revenue including any Special Tax Levy Proceeds, and the Funding Date applicable thereto;

(F) Set forth the Pledged Accounts created and related to such Pledge Claim;

(G) Set forth whether the Pledged Accounts are to be held under a Trust Instrument;

(H) Set forth whether the interest on any Anticipation Obligations is secured by a Pledge Claim; and

(I) Be provided to the Commission in the form of a certified copy of a transcript of proceedings related to the applicable Secured Obligations.

Flow of Funds; Funds and Accounts; Deposit Requirements; Use of Funds

Maintenance of Funds and Accounts. There does exist an Allocation Fund and Capital Fund, and therein accounts and subaccounts into which the 2002 Pledged Tax Increment have been and will continue to be deposited.

Creation of Additional Funds and Accounts. Pursuant to the Master Pledge Resolution, there was created (i) a Bond Fund (and therein the Revenue Account, the Debt Service Account, the Debt Service Reserve Account and the Credit Account) and (ii) in the Capital Fund the General Account – Unrestricted. Subject to the further supplements made in the 2010 Obligating Action with respect to the 2010 Lease (see the hereafter “2010 OBLIGATING ACTION AND THE CITY COUNCIL ORDINANCE – General -- Payment of Amounts Pursuant to Pledge Claim and Other Available Revenue” caption), the Master Pledge Resolution provided that the Pledged Tax Increment would be deposited in the Revenue Account when received and on the twentieth day of the month preceding each Payment Date will be applied as follows:

First, into each respective subaccount of the Debt Service Account related to a Senior Obligation, an amount of Pledged Tax Increment sufficient to pay the Debt Service on such Senior Obligations on the next succeeding Payment Date following the receipt of such Pledged Tax Increment, provided that (1) with respect to each such deposit made in anticipation of the August 1 obligations, if such Debt Service is not approximately equal in amount to the Debt Service due on the next succeeding February 1, then such required deposit amount will be at least equal to one-half the combined Debt Service due on such next succeeding August 1 and February 1, (2) in determining such amount the Controller will take into account available moneys, if any, in such subaccount as of the Funding Date, (3) in determining such amount the Controller will take into account available moneys, if any, in any related Capitalized Interest Subaccount established for such purpose, and (4) if the foregoing is insufficient in amount to meet such Debt Service requirement applicable to each such subaccount, then in a prorata amount on a parity basis;

Second, and after the foregoing deposit requirements are met, into each respective subaccount of the Debt Service Reserve Account related to a Senior Obligation on each Funding Date, an amount of Pledged Tax Increment sufficient to meet the Debt Service Reserve Requirement applicable to such Senior Obligations, provided that (1) in determining such amount the Controller will take into account

provisions in the Authorizing Proceeding, if any, allowing such the Debt Service Reserve Account to be met with the deposit of the Pledged Tax Increment made over a specified period time at a specified amount applicable to intervals of time, (2) in determining such amount the Controller will take into account available moneys, if any, in such subaccount as of the Funding Date, and (3) if the foregoing is insufficient in amount to meet such Debt Service Reserve Requirement applicable to each such subaccount, then in a prorata amount on a parity basis;

Third, and after the foregoing deposit requirements are met, into each respective subaccount of the Credit Account related to a Senior Obligation on each Funding Date, an amount of Pledged Tax Increment sufficient to meet the Reimbursement Requirement applicable to any Credit Facility related to such Senior Obligations, provided that (1) in determining such amount the Controller will take into account available moneys, if any, in such subaccount as of the Funding Date, (2) in determining such amount the Controller will take into account the application of any cash in the Debt Service Reserve Account used for the payment of any Reimbursement Requirement to the Credit Provider to reinstate the Credit Facility when such reinstatement meets all or portion of the Debt Service Reserve Requirement, and (3) if the foregoing is insufficient in amount to meet such Reimbursement Requirement applicable to each such subaccount, then in a prorata amount on a parity basis;

Fourth, and after the foregoing deposit requirements are met, (1) into the Debt Service Account related to the Subordinate Obligations by applying the First clause above as if such created the same requirements for each respective subaccount of the Subordinate Obligations, and then next (after meeting the requirement of such subaccounts of the Debt Service Account), (2) into the Debt Service Reserve Account related to the Subordinate Obligations by applying the Second clause above as if such created the same requirements for each respective subaccount of the Subordinate Obligations, and then next (after meeting the requirement of such subaccounts of the Debt Service Reserve Account), and (3) into the Credit Account related to the Subordinate Obligations by applying the *Third* clause above as if such created the same requirements for each respective subaccount of the Subordinate Obligations; provided that in determining such deposit amounts under this *Fourth* clause the Controller will also take into account available moneys, if any, in any subaccount containing Other Pledged Revenue established for such purpose;

Fifth, and after the foregoing deposit requirements are met, into respective subaccounts for the Junior Subordinate Obligations by applying the *Fourth* clause above as if such created the same requirements for each respective subaccount of the Junior Subordinate Obligations; and

Sixth, after the foregoing deposit requirements are met, into General Account – Unrestricted.

Actions of the Controller. In furtherance of the purposes and intents of the foregoing deposit requirements, the Controller will take the following additional actions:

(1) Notwithstanding the foregoing deposit requirements of such clauses *First* through *Fifth*, the Controller may release Pledged Tax Increment or Other Pledged Revenue, or both or any portion thereof, on deposit in any subaccount of the Debt Service Account, the Debt Service Reserve Account or the Credit Account established for a Secured Obligation so long as the amounts remaining on deposit in the Pledged Accounts and the Credit Account from and after any Funding Date until the applicable Payment Date are then sufficient in amount to meet all of the foregoing requirements thereof.

(2) Notwithstanding the foregoing, Pledged Tax Increment will not be required to be deposited on a Funding Date in any subaccount of the Debt Service Account established for any

Anticipation Obligation if on such Funding Date the Controller determines that the interest payments, if any, thereon due in advance of its maturity or anticipated redemption date have been provided for from another source (which may include the proceeds of the bonds in anticipation of which such Anticipation Obligation was issued).

(3) The Controller will cause any Other Pledged Revenue pledged to any Secured Obligations to be segregated and on deposited from and after any Funding Date until the applicable Payment Date and applied to payment of Debt Service on the Secured Obligations to which such Other Pledged Revenue has been pledged in the manner provided by any Obligor Action. Pledged Tax Increment, any Other Pledged Revenue, the Pledged Accounts and the Credit Account will be held in trust and pledged as provided in the Master Pledge Resolution and will be applied, used and withdrawn only for the purposes authorized except with respect to any Pledged Accounts and any subaccount of the Credit Account that are held under a Trust Instrument, which will be held by the Trustee and are subject to such Trust Instrument. With respect to any Pledged Accounts and any subaccount of the Credit Account that are held under a Trust Instrument, the Controller will cause the applicable Pledged Tax Increment and any Other Pledged Revenue, as so described, to be transferred to the Trustee. Each Trustee will be approved by the Controller, which approval, among other ways, will be deemed given when the Controller executes the Trust Instrument (or delivers any other writing relating to it which occurs contemporaneously with entering into the Trust Instrument).

(4) The Allocation Fund, Bond Fund and Capital Fund, and each of the Pledged Accounts, will be held by and are at the direction of the Controller except with respect to any Pledged Accounts and any subaccount of the Credit Account that are held under a Trust Instrument, which will be held by the Trustee and are subject to such Trust Instrument. Interest earned in each fund or account will be credited to such fund or account. The Allocation Fund, Bond Fund and Capital Fund, and each of the Pledged Accounts, will be invested in Qualified Investments at the direction of the Controller or, with respect to any Pledged Accounts and any subaccount of the Credit Account held under a Trust Instrument, as set forth in such Trust Instrument. The Controller will designate as, and will serve as, the Paying Agent and Registrar of all Secured Obligations unless otherwise provided by any Obligor Action or Authorizing Proceedings, including causing payment of Debt Service to be made from each applicable subaccount of the Debt Service Account.

Pledged Accounts. Amounts held in the Pledged Accounts (including any investment earnings thereon) will be used only to pay Debt Service on the Secured Obligations to which Pledged Accounts relate and in the case of the subaccount of the Bond Project Account, to provide for the Costs of a Project. Except when held and applied as provided in any Trust Instrument, and without further authorization or direction, the City Controller will apply such amounts in the respective subaccounts, if any, of:

(1) the Capitalized Interest Subaccount to the timely payment of such Debt Service on the Secured Obligations to which subaccount relates,

(2) the Debt Service Account to the timely payment of such Debt Service on the Secured Obligations to which subaccount relates;

(3) the Debt Service Reserve Account and the Bond Project Account to the timely payment of such Debt Service on the Secured Obligations to which subaccount relate to the extent the amounts held in the related subaccount of the Debt Service Account and Capitalized Interest Subaccount are insufficient to meet such purpose;

(4) the Credit Account to the timely payment of any Reimbursement Requirement related to the Credit Facility to which subaccount relates,

(5) the Bond Project Account to provide for the Costs of a Project.

So long as no default exists under the Master Pledge Resolution, any amount in any subaccount of the Debt Service Reserve Account in excess of the related Debt Service Reserve Requirement may be withdrawn from such subaccount and transferred to and deposited in any subaccount in the Bond Fund. Amounts in any respective subaccount of the Debt Service Reserve Account may also be available to make the Debt Service payments on the latest maturities of Debt Service on outstanding Secured Obligations to which they relate. Any balance of the proceeds of Bonds remaining in the related subaccount of the Bond Project Account after the completion of the Designated Project, which are not required to meet any unpaid portion of the Costs of a Project, will be deposited into the related Debt Service Account and used solely for the purposes of that subaccount.

General Account. Any Real Property Tax Increment and Personal Property Tax Increment deposited in the General Account – Unrestricted may, at the option of the Commission, be made available and used for any of the following purposes as and to the extent permitted by the Act:

- (1) to pay Debt Service due on the Secured Obligations or the meet the deposit requirements of any Pledged Accounts or subaccount of the Credit Account; or
- (2) to pay, or reimburse the City for, the costs of acquiring or constructing additional local public improvements that are physically located in or physically connected to the Allocation Area; or
- (3) to redeem or purchase Secured Obligations that are Bonds prior to maturity; or
- (4) to exercise optional purchase rights for the Secured Obligations that are Leases; or
- (5) to pay the principal of or interest on any Anticipation Obligations; or
- (6) for any other purposes permitted by the Act, including distributions to the taxing units as provided under the Act.

Conditions Pertaining to the Issuance of Additional Secured Obligations

The Commission has reserved the right to issue or incur (or to pledge to secure the issuance or incurrence by another Unit of) additional Secured Obligations, payable out of (1) the Pledged Tax Increment for the purpose of raising money for paying costs of local public improvements that are physically located in or physically connected to the Allocation Area and (2) any Other Pledged Revenue for any purpose permitted by law, as hereinafter described.

Additional Senior Obligations. The following conditions precedent will be met for the issuance or incurrence (or to pledge to secure the issuance or incurrence by another Unit) of any additional Senior Obligations, which additional Senior Obligations will be in all respects senior to any outstanding Subordinate Obligations and Junior Subordinate Obligations and on parity with any outstanding Senior Obligations:

(1) All Debt Service with respect to all Secured Obligations are to be current to date in accordance with the terms thereof with no payment in arrears, provided, this condition will be satisfied if any required amount is to be provided from the proceeds of such Senior Obligations.

(2) The balance with respect to the Secured Obligations in the Debt Service Account, the Debt Service Reserve Account and the Credit Account will be equal to the respective requirements thereof, provided, this condition will be satisfied if any required amount is to be provided from the proceeds of such Senior Obligations.

(3) The Commission will have received a certificate prepared by a Certifier certifying that the Pledged Tax Increment estimated to be received in each succeeding Bond Year is at least equal to 125% of the Debt Service requirements on all outstanding Senior Obligations and the proposed issue of Senior Obligations, for each respective Bond Year during the remaining term of all outstanding Senior Obligations. In estimating the Pledged Tax Increment to be received in any future Bond Year, the Certifier will base its calculation on estimates, believed by the Certifier to be reasonable, including without limitation estimates of investment earnings; provided, that in estimating the Pledged Tax Increment to be received in any future Bond Year, the Certifier will (1) base its calculations on property actually assessed or to be assessed as of the assessment date immediately preceding the issuance of the proposed Senior Obligations (provided, the Certifier will adjust such assessed values for the current and future reductions of real property tax abatements granted to property owners in the Allocation Area) and (2) not increase Pledged Tax Increment estimated to be received in any future Bond Year for any projected inflation in assessed values or increases in property tax rates.

(4) The Debt Service on the proposed Senior Obligations will be payable on a Payment Date; provided that for any Anticipation Obligations with a maturity of two (2) years or less, interest thereon may be payable at their maturity in lieu of (or in addition to a Payment Date), which maturity date may be on any date.

Additional Subordinate Obligations. The following conditions precedent will be met for the issuance or incurrence (or to pledge to secure the issuance or incurrence by another Unit) of any additional Subordinate Obligations, which additional Subordinate Obligations will be in all respects subordinate to any outstanding Senior Obligations, on parity with any outstanding Subordinate Obligations, and prior to (and senior) to any outstanding Junior Subordinate Obligations:

(1) All Debt Service with respect to all Secured Obligations will be current to date in accordance with the terms thereof with no payment in arrears, provided, this condition will be satisfied if any required amount is to be provided from the proceeds of such Subordinate Obligations.

(2) The balance with respect to the Secured Obligations in the Debt Service Account, the Debt Service Reserve Account and the Credit Account will be equal to the respective requirements thereof, provided, this condition will be satisfied if any required amount is to be provided from the proceeds of such Subordinate Obligations.

(3) The Debt Service on the proposed Subordinate Obligations will be payable on a Payment Date; provided that for any Anticipation Obligations with a maturity of two (2) years or less, interest thereon may be payable at their maturity in lieu of (or in addition to a Payment Date), which maturity date may be on any date.

See the hereafter “2010 OBLIGATING ACTION AND THE CITY COUNCIL ORDINANCE -- Additional Secured Obligations” for additional provisions permitting the issuance of Additional Senior Obligation and Additional Subordinate Obligation as established by the 2010 Obligor Action.

Additional Junior Subordinate Obligations. The following conditions precedent will be met for the issuance or incurrence (or to pledge to secure the issuance or incurrence by another Unit) of any additional Junior Subordinate Obligations, which additional Junior Subordinate Obligations will be in all respects junior and subordinate to any outstanding Senior Obligations and Subordinate Obligations, and on parity with any outstanding Junior Subordinate Obligations:

(1) All Debt Service with respect to all Secured Obligations will be current to date in accordance with the terms thereof with no payment in arrears, provided, this condition will be satisfied if any required amount is to be provided from the proceeds of such Junior Subordinate Obligations.

(2) The balance with respect to the Secured Obligations in the Debt Service Account, the Debt Service Reserve Account and the Credit Account will be equal to the respective requirements thereof, provided, this condition will be satisfied if any required amount is to be provided from the proceeds of such Junior Subordinate Obligations.

(3) The Debt Service on the proposed Junior Subordinate Obligations will be payable on a Payment Date; provided that for any Anticipation Obligations with a maturity of two (2) years or less, interest thereon may be payable at their maturity in lieu of (or in addition to a Payment Date), which maturity date may be on any date.

Refunding Obligations: Secured Obligations may also be issued or enter into to refund all or a portion of any Secured Obligations outstanding pursuant to the Master Pledge Resolution (and its related Obligor Action and Authorizing Proceeding), if (1) the Secured Obligations being refunded mature within three (3) months of the date of such refunding and no other funds are expected to be available to pay such maturing Secured Obligations or (2) the additional refunding Secured Obligations will produce savings in each Bond Year compared to the Debt Service of the Secured Obligations being refunded, in which case such additional Secured Obligations are not required to meet the coverage condition, if any, as described under the foregoing “Additional Senior Obligations,” “Additional Subordinate Obligations” or “Additional Junior Subordinate Obligations” captions (such being the “coverage conditions”) and may be issued on same basis (Senior Obligations, Subordinate Obligations or Junior Subordinate Obligations, as applicable) as the outstanding Secured Obligations being refunded. For avoidance of doubt, clause (1) of this paragraph will not apply to the payment of the principal of any Anticipation Obligation.

General. For purposes of meeting the foregoing coverage conditions, to the extent such amounts have been set aside and designated for such purpose, amounts held in any subaccount of (1) the Debt Service Reserve Account for any outstanding Secured Obligations (other than the proposed additional Secured Obligations) will be included as estimated revenue (the same as if such were includible Pledged Tax Increment or Other Pledged Revenue) available to be applied as revenues to offset the latest maturities of Debt Service on outstanding Secured Obligations secured by such amounts and (2) the Debt Service Account for any outstanding Secured Obligations will be included as estimated revenue (the same as if such were includible Pledged Tax Increment or Other Pledged Revenue) available to be applied as revenues to offset the next following maturities of Debt Service on outstanding Secured Obligations secured by such amounts. The principal of any Anticipation Obligation is not Debt Service thereunder. In computing the Debt Service requirements pursuant to the requirements described under this “Conditions Pertaining to the Issuance of Additional Secured Obligations”

caption, the Debt Service of the refunding Secured Obligations will be substituted for the Debt Service of the Secured Obligations being refunded.

Under the Master Pledge Resolution, the Commission or the City may pledge Other Pledged Revenue to bonds, lease or other obligations of the Commission or another Unit, which pledge may be senior to any pledge or application of such Other Pledged Revenue to the Secured Obligations pursuant to the Master Pledge Resolution, unless otherwise provided in Obligor Action pledging such Other Pledged Revenue to secured a Secured Obligation.

Amendments

The provisions of the Master Pledge Resolution and any each Obligor Action will constitute a contract by and among the City, District and the Owners of the Secured Obligations from time to time outstanding, all the terms of which will be enforceable by any such Owners by any and all appropriate proceedings in law or in equity. After the issuance of any Secured Obligations, and so long as such are outstanding pursuant to the Master Pledge Resolution, the Master Pledge Resolution will not be (and so only as a Secured Obligation is outstanding, any Obligor Action related to it will not be) repealed, amended or modified in any respect which will materially adversely affect the rights or interests of the Owners of the Secured Obligations except as permitted by this Section and not otherwise.

Amendment with a Majority Consent. With the consent of both (i) the Owners of a majority of the aggregate principal Amount Attributable to Senior Obligations for so long as any Senior Obligations remain outstanding and, if no Senior Obligations are then outstanding, the aggregate principal Amount Attributable to Subordinate Obligations for so long as any Subordinate Obligations remain outstanding and (ii) the Owners of a majority of the aggregate principal Amount Attributable to Secured Obligations, the Commission will have the right, from time to time, to consent to and approve the adoption of such resolution or resolutions supplemental hereto as will be deemed necessary or desirable by the Commission for the purpose of amending in any particular any of the terms or provisions contained in the Master Pledge Resolution, or in any supplemental resolution (including any Obligor Action); provided, that nothing in the Master Pledge Resolution contained will permit or be construed as permitting:

- (1) An extension of the maturity of the principal of or interest or premium, if any, or any other Debt Service obligation on any Secured Obligations or an advancement of any redemption date applicable to any Secured Obligations, without the consent of the Owner of each Secured Obligations so affected; or
- (2) A reduction in the Debt Service (including any related principal amount or redemption premium or rate of interest, or a change in the monetary medium in which such amounts are payable), without the consent of the Owner of each Secured Obligations so affected; or
- (3) A preference or priority of any Senior Obligations, Subordinate Obligations or Junior Subordinate Obligations, as applicable, over any other Senior Obligations, Subordinate Obligations or Junior Subordinate Obligations, as applicable, without the consent of the Owners of all such Senior Obligations, Subordinate Obligations or Junior Subordinate Obligations, as applicable, then outstanding; or

(4) A reduction in the aggregate principal amount of the Secured Obligations required for consent to such supplemental resolution, without the consent of the Owners of all Secured Obligations then outstanding; or

(5) The creation of any pledge of or lien and charge on, or create a pledge of or lien and charge on, the Pledged Tax Increment or Other Pledged Revenue pledged by the Master Pledge Resolution or any Obligor Action that is prior, superior or equal to the pledge of or lien and charge on such (a) Pledged Tax Increment other than as permitted by the Master Pledge Resolution or (b) Other Pledged Revenue other than as permitted by the Master Pledge Resolution or any Obligor Action pledging such Other Pledged Revenue; or

(6) Depriving in a material way the Owner of any Secured Obligation or any Credit Provider of the realization of the practical benefits of the security afforded by the Master Pledge Resolution and any Obligor Action.

If the Commission will desire to obtain any such consent, it will cause the Registrar to mail a notice, postage prepaid, to the addresses appearing on the Registration Record. Such notice will briefly set forth the nature of the proposed supplemental resolution and will state that a copy thereof is on file at the office of the Registrar for inspection by all Owners. The Registrar will not, however, be subject to any liability to any Owners by reason of its failure to mail such notice, and any such failure will not affect the validity of such supplemental resolution when consented to and approved as provided in the Master Pledge Resolution.

Whenever at any time within one year after the date of the mailing of such notice, the Commission will receive any instrument or instruments purporting to be executed by the Owners of not less than a majority as described in the Master Pledge Resolution, which instrument or instruments will refer to the proposed supplemental resolution described in such notice, and will specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice as on file with the Registrar, thereupon, but not otherwise, the Commission may adopt such supplemental resolution in substantially such form, without liability or responsibility to any Owners, whether or not such owners will have consented thereto.

No Owner of any Secured Obligations will have any right to object to the adoption of such supplemental resolution or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Commission or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental resolution pursuant to the provisions of this Section, the Master Pledge Resolution will be, and will be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under the Master Pledge Resolution of the Commission and the City and all Owners of Secured Obligations then outstanding will thereafter be determined, exercised and enforced in accordance with the Master Pledge Resolution, subject in all respects to such modifications and amendments.

Amendment with Unanimous Consent. Notwithstanding anything contained in the foregoing provisions of the Master Pledge Resolution, the rights, duties and obligations of the Commission and the City and of the Owners, and the terms and provisions of the Secured Obligations, the Master Pledge Resolution and any Obligor Action, or any supplemental resolution, may be modified or amended in any respect with the consent of the Commission, the consent of each Credit Provider, and the consent of the Owners of all the Secured Obligations then outstanding.

Amendment Without Consent. Without notice to or consent of the Owners (or any Credit Provider), the Commission may, from time to time and at any time, adopt such resolutions supplemental hereto (which may be

an Obligor Action) as will not be inconsistent with the terms and provisions hereof (which supplemental resolutions will thereafter form a part hereof),

- (1) To cure any ambiguity or formal defect or omission in the Master Pledge Resolution or in any supplemental resolution including any Obligor Action; or
- (2) To add for the benefit of, grant to or confer upon the Owners of any outstanding Secured Obligations any additional rights, remedies, powers, authority or security, or impose any additional restriction or obligation on the Commission (including without limitation, adding additional restrictions on the issuance or incurrence of any additional Secured Obligations), that may lawfully be granted to, for the benefit of or conferred upon the Owners of any outstanding Secured Obligations; or
- (3) To procure a rating on any Secured Obligation from a nationally recognized securities rating agency designated in such supplemental resolution, if such supplemental resolution is not, in the determination of the Commission in its sole discretion, to the material prejudice of the Owners of any outstanding Secured Obligations; or
- (4) To obtain or maintain Credit Facility with respect to any Secured Obligations; or
- (5) To provide for the refunding or advance refunding of any Secured Obligations; or
- (6) To provide for issuance or incurrence of any additional Secured Obligations including, without limitation, to meet the requirement any Obligor Action; or
- (7) To make any other change which, in the determination of the Commission in its sole discretion, is not to the material prejudice of the Owners of any outstanding Secured Obligations or any Credit Provider under any Credit Agreement.

Defeasance

If, when the Secured Obligations or a portion thereof will have become due and payable in accordance with their terms or will have been duly called for redemption or irrevocable instructions to call the Secured Obligations (or for any Leases, the bonds by the lessor in respect to the property described in such Lease) or a portion thereof for redemption will have been given, and the whole amount of the Debt Service (together with any applicable redemption premium) so due and payable upon the Secured Obligations or a portion thereof then outstanding will be paid or (i) sufficient moneys, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which when due will provide sufficient moneys for such purpose, or (iii) obligations of any state of the United States of America or any political subdivision thereof, the full payment of principal of, 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 (ii) 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, will be held in trust for such purpose, and provision will also have been made for paying all fees and expenses in connection with the redemption, then and in that case the Secured Obligations or such portion thereof will no longer be deemed outstanding or an indebtedness of the Commission, acting in the name of the City. No deposit pursuant to this Section will be made or accepted for purposes of this Section (and no use made of any such deposit) unless the Commission will have received a verification from an accountant or firm of accountants appointed by the City Controller verifying the sufficiency of the deposit to pay the Debt Service (together with any applicable

redemption premium) of the Secured Obligations (or for any Leases, the bonds by the lessor in respect to the property described in such Lease) to the due date, whether such due date be by reason of maturity or upon redemption.

2010 OBLIGATING ACTION AND THE CITY COUNCIL ORDINANCE

On April 20, 2010 and March 8, 2010, the Commission adopted Resolution 10-ERC-55 (the “2010 Obligating Action”) and the Common Council of the City adopted City Council Ordinance No. F-2010-2 (the “City Council Ordinance”), respectively, which are described as follows in addition to other description contained in this Official Statement.

General

General. Pursuant to the 2010 Obligating Action, the Commission has irrevocably pledged the Pledged Tax Increment and Other Pledged Revenue to the payment of the 2010 Lease Rental Payments (as hereinafter defined) for a term of years not less than the term of the Lease, which Lease was identified as a Secured Obligation under the 2010 Obligating Action and which pledge was identified a Pledge Claim made in an Unrestricted Amount under the 2010 Obligating Action.

Other Pledged Revenue. Pursuant to City Council Ordinance, the City pledged to the Commission for its use to pay 2010 Lease Rental Payments the City’s share of Food and Beverage Taxes received pursuant to I.C. 6-9-20 (the “Food and Beverage Tax Revenues”) and the City’s distributive share of County Option Income Tax received pursuant to I.C. 6-3.5-6 (the “COIT Revenues” and collectively along with Food and Beverage Tax Revenues, the “Other Pledged Revenue”), which Other Pledged Revenue has been pledged, pursuant to the 2010 Obligating Action to the payments to be made under the Lease between the Commission and the Authority related to the New Arena Project (“2010 Lease Rental Payments,” with such lease referred to in this section of Appendix F as the “2010 Lease”). The Commission is obligated under the 2010 Obligating Action to undertake any and all appropriate proceedings in law or in equity to enforce the pledge of Other Pledged Revenue made pursuant to the City Council Ordinance.

Payment of Amounts Pursuant to Pledge Claim and Other Available Revenue. Subject to the Master Pledge Resolution and the City Council Ordinance, pursuant to the 2010 Obligating Action the Commission directed the City Controller to fund the Pledged Accounts related to the 2010 Lease as follows:

- (A) *First*, to the Subordinate Lease Debt Service Subaccount (Downtown Arena Project), all of the Other Pledged Revenue and Pledged Tax Increment until the balance held therein equals the 2010 Lease Rental Payments due on the next succeeding February 1 or August 1, as applicable; and
- (B) *Second*, and after the foregoing deposit requirements are met, to the Subordinate Lease Debt Service Reserve Subaccount (Downtown Arena Project), all of the Other Pledged Revenue and Pledged Tax Increment until the balance held therein equals the then current Lease Reserve Requirement.

Such deposits in the Pledged Accounts are to be made on a monthly basis by the last day of each calendar month unless the City Controller has caused Other Available Revenue to be so deposited therein in advance of such required monthly deposits of such Other Pledged Revenue and Pledged Tax Increment. Notwithstanding any monthly allocation originally designated as the funding source made as so provided, the City Controller may (a) reallocate and designate a later receipt of Food and Beverage Tax Revenues, Other Available Revenue and Pledged Tax Increment to be the final funding source for the amounts held and available to be applied to make a Lease Payment and (b) reimburse any use of COIT Revenues or another funding source originally allocated to a Pledge Account.

Pursuant to the City Council Ordinance, the City has made available to the Commission, the following revenues of the City and unobligated amounts thereof accumulated from time to time in dedicated accounts of the City as determined by the City Controller ("Other Available Revenue"):

- (A) The City's share of Wagering Taxes received pursuant to I.C. 4-33-13;
- (B) The City share of Gaming Admission Taxes received pursuant to I.C. 4-33-12;
- (C) The lease payments received by the City from the operator of the riverboat gaming facility located within the City; and
- (D) Any prior receipts of Food and Beverage Tax Revenues and Pledged Tax Increment held in any account (other than in a Pledged Account) by the City Controller.

Other Available Revenue has not been pledged pursuant to the 2010 Obligating Action but will be available for use by the City Controller, on behalf of the Commission, to meet the requirements of the Subordinate Lease Debt Service Subaccount (Downtown Arena Project) and the Subordinate Lease Debt Service Reserve Subaccount (Downtown Arena Project) to provide for the payment of all or a portion of the 2010 Lease Rental Payments as provided for in the 2010 Obligating Action and in the City Council Ordinance.

Payment of Amounts Pursuant to Pledge Claim and Other Available Revenue. Pursuant to the 2010 Obligating Action and the City Council Ordinance, COIT Revenues will only be used to make 2010 Lease Rental Payments if and only if the City Controller shall have first used and applied all available Pledged Tax Increment, Other Available Revenue, and Food and Beverage Tax Revenues prior to the use of any COIT Revenues. Pursuant to the 2010 Obligating Action, the Commission has directed the City Controller to use all available Food and Beverage Revenue, Pledged Tax Increment and Other Available Revenue to make any deposits required thereunder prior to using any COIT Revenue; however the Commission has further directed the City Controller to use all available COIT Revenue (as therein provided and pledged) if such is necessary to make the required deposits in the Pledged Accounts as provided therein in the event available Food and Beverage Revenue, Pledged Tax Increment and Other Available Revenue are otherwise insufficient for such purposes. The City Council, on behalf of the City, reserved the right to make additional pledges of Other Pledged Revenue, on parity with the pledge made pursuant to the City Council Ordinance securing 2010 Lease Rental Payments, only upon the City meeting the same conditions contained in the 2010 Obligating Action securing 2010 Lease Rental Payments that would be required to be met by the Commission for it to cause Additional Subordinate Obligations to be entered into or issued under the Master Pledge Resolution as supplemented by the 2010 Obligating Action ("Parity Pledges"). Other than Parity Pledges and obligations of the City that are subordinate to the pledge made the City Council Ordinance securing 2010 Lease Rental Payments, the City will not make additional pledges of Other Pledged Revenue.

Any amount received from COIT Revenues in any month prior to a month when a deposit from COIT Revenues is required to be made in the Subordinate Lease Debt Service Subaccount (Downtown Arena Project) or the Subordinate Lease Debt Service Reserve Subaccount (Downtown Arena Project) by the 2010 Obligor Action has not been pledged by the City Council Ordinance or the 2010 Obligor Action nor is it required to be so deposited in such subaccounts. Further, in the event any Additional Subordinate Obligations are entered into or issued on a parity with the 2010 Lease (whether by the City or the Commission), and such obligations are secured by some, but not all, of the Other Pledged Revenue and Pledged Tax Increment securing the 2010 Lease (such being the "Limited Sources"), the City Controller will cause such Limited Sources to be applied to each subaccount in the Bond Fund related to all Subordinate Obligations (and if any Subordinate Obligation is not payable from the Bond Fund, then its comparable debt service account) in a manner (i) that results in all Secured Obligations being timely paid if consistent with such restrictions (and the relative status of the Pledge Claim as Senior Obligations, Subordinate Obligations or Junior Subordinate Obligations), and (ii) if all Secured Obligations will not be timely paid, that causes the amount available in each such subaccount (and comparable debt service account) for the Bond Year to be in proportion to the total Debt Service due during such Bond Year, to the fullest extent possible, consistent with such restrictions (and the relative status of the Pledge Claim as Senior Obligations, Subordinate Obligations or Junior Subordinate Obligations).

Additional Secured Obligations

The 2010 Obligor Action has supplemented the previously described conditions set forth in "MASTER PLEDGE RESOLUTION -- Conditions Pertaining to the Issuance of Additional Secured Obligations" pertaining to the issuance of Additional Secured Obligations as follows:

Additional Subordinate Obligations. Additional Subordinate Obligations on parity with the 2010 Lease may be issued pursuant to a supplemental resolution upon satisfaction of the following conditions precedent:

(A) Compliance with provisions the Master Pledge Resolution pertaining to issuance of the Additional Subordinate Obligations; and

(B) The Commission will have received a certificate prepared by a Certifier certifying that either:

(i) The Pledged Tax Increment and Other Pledged Revenue estimated to be received in each succeeding Bond Year is at least equal to 125% of the Debt Service requirements on all outstanding Senior Obligations and Subordinate Obligations and the proposed issue of additional Subordinate Obligations, for each respective Bond Year during the remaining term of all outstanding Senior Obligations and Subordinate Obligations. In determining the Debt Service requirements on all outstanding Senior Obligations and Subordinate Obligations and the proposed issue of additional Subordinate Obligations for each such respective Bond Year, the Certifier will reduce such Debt Service requirements by any direct payments to be made as a result of any election under Section 54AA of the Internal Revenue Code from the federal government related to the Obligations that are either pledged to payment of such Obligations or may be taken as a credit against the related Debt Service obligation. In estimating the Pledged Tax Increment and Other Pledged Revenue to be received in any future Bond Year, the Certifier will base its calculation on estimates, believed by the Certifier to be reasonable, including without limitation estimates of investment earnings; provided, that in estimating the Pledged Tax Increment and Other Pledged Revenue to be received in any future Bond Year, the Certifier will (1) base its calculations on property actually assessed or to be assessed as of the assessment date immediately preceding the issuance of the proposed additional Subordinate Obligations (provided, the Certifier will adjust such assessed values for the current and future reductions of real property tax

abatements granted to property owners in the Allocation Area), (2) not increase Pledged Tax Increment estimated to be received in any future Bond Year for any projected inflation in assessed values or increases in property tax rates, and (3) not increase Food and Beverage Tax Revenues or COIT Revenues estimated to be received above the level that existed for a twelve (12) consecutive month period ending within six (6) month prior to the date of the proposed issuance of such additional Subordinate Obligations (the “Test Period”); or

(ii) The Pledged Tax Increment and Other Pledged Revenue estimated to be received in each succeeding Bond Year is at least equal to 135% of the Debt Service requirements on all outstanding Senior Obligations and Subordinate Obligations and the proposed issue of additional Subordinate Obligations, for each respective Bond Year during the remaining term of all outstanding Senior Obligations and Subordinate Obligations. In determining the Debt Service requirements on all outstanding Senior Obligations and Subordinate Obligations and the proposed issue of additional Subordinate Obligations for each such respective Bond Year, the Certifier will reduce such Debt Service requirements by any direct payments to be made as a result of any election under Section 54AA of the Internal Revenue Code from the federal government related to the Obligations that are either pledged to payment of such Obligations or may be taken as a credit against the related Debt Service obligation. In estimating the Pledged Tax Increment and Other Pledged Revenue to be received in any future Bond Year, the Certifier will base its calculation on estimates, believed by the Certifier to be reasonable, including without limitation estimates of investment earnings; provided, that in estimating the Pledged Tax Increment and Other Pledged Revenue to be received in any future Bond Year, the Certifier will (1) base its calculations on property actually assessed or to be assessed as of the assessment date immediately preceding the issuance of the proposed additional Subordinate Obligations (provided, the Certifier will adjust such assessed values for the current and future reductions of real property tax abatements granted to property owners in the Allocation Area), (2) not increase Pledged Tax Increment estimated to be received in any future Bond Year for any projected inflation in assessed values or increases in property tax rates, and (3) increase Food and Beverage Tax Revenues and COIT Revenues estimated to be received by an amount equal to 3% above the level that existed for the Test Period for the first year after such period and further increased by 3% per annum thereafter.

(C) If an Additional Subordinate Obligation qualifies as Completion Obligations (as hereinafter defined), then in lieu of complying with the foregoing paragraph (B), the Commission may deliver a certificate stating that (1) the funds provided from such Additional Subordinate Obligation are necessary and sufficient to complete the project theretofore financed with the related outstanding Obligations and (2) at the time when the related outstanding Obligations were issued or delivered to finance such project, the Commission had reason to believe that the proceeds of such Obligations would be sufficient to complete the Project, based on the estimates then provided. “Completion Obligations” means any Additional Subordinate Obligations (whether such constitute a lease of the Commission or bonds), the related proceeds of which are to be used for provide for the completion of a project related to outstanding Obligations; provided that the annual Debt Service related to any such Completion Obligations in any Bond Year will not exceed Ten Percent (10%) of the Debt Service of the related outstanding Obligations in each of its corresponding Bond Years; provided further that such Additional Subordinate Obligations are issued or entered into no later than 48 months after issuing or entering in the Obligations that were related to the same project.

Additional Senior Obligations. No additional Senior Obligations may be issued pursuant to a supplemental resolution pursuant to the Master Pledge Resolution except upon satisfaction of the following conditions precedent (in addition to the conditions precedent in the Master Pledge Resolution heretofore described):

(A) The Debt Service requirements on all outstanding Senior Obligations and the proposed issue of additional Senior Obligations will not, in the aggregate, exceed Six Million Dollars (\$6,000,000) (or if greater ninety (90%) of the then current Pledged Tax Increment), in any Bond Year during the remaining term of all outstanding Senior Obligations and Subordinate Obligations and the proposed issue of additional Senior Obligations; and

(B) The additional Senior Obligations are payable only from Pledged Tax Increment and any additional Other Pledged Revenue not pledged to any other Obligations; and

(C) The Commission will have received a certificate prepared by a Certifier satisfying of the conditions precedent that would have had to have been met had such proposed issue of additional Senior Obligations been issued as an additional Subordinate Obligation instead of as an additional Senior Obligation.

Amendment. The provisions of the 2010 Obligating Action and the Master Pledge Resolution constitute a contract by and among the City and the District and the Owners of the Bonds, all the terms of which shall be enforceable by any such Owners by any and all appropriate proceedings in law or in equity. After the issuance of the 2010 Bonds and so long as such are outstanding pursuant to their Authorizing Proceeding, the 2010 Obligating Action may not be repealed, amended or modified in any respect which will materially adversely affect the rights or interests of the Owners of the Bonds except as permitted by the Master Pledge Resolution.

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APPENDIX G - DEBT SERVICE REQUIREMENTS AND LEASE RENTAL PAYMENT SCHEDULE

| <u>Date</u> | <u>Lease Rental</u> | <u>Capitalized Interest</u> | <u>Bond Principal & Interest</u> | <u>Annual</u> | <u>Balance</u> |
|--------------|----------------------|-----------------------------|--------------------------------------|------------------|-----------------|
| 8/1/2010 | \$0 | \$1,565,465 | \$1,565,465 | \$0 | \$0 |
| 2/1/2011 | 0 | 3,968,784 | 3,968,784 | 0 | 0 |
| 8/1/2011 | 0 | 3,968,784 | 3,968,784 | 0 | 0 |
| 2/1/2012 | 0 | 3,968,784 | 3,968,784 | 0 | 0 |
| 8/1/2012 | 0 | 3,968,784 | 3,968,784 | 0 | 0 |
| 2/1/2013 | 3,972,000 | - | 3,968,784 | 2,500 | 717 |
| 8/1/2013 | 5,402,000 | - | 3,968,784 | 2,500 | 1,431,433 |
| 2/1/2014 | 5,402,000 | - | 6,828,784 | 2,500 | 2,150 |
| 8/1/2014 | 5,401,000 | - | 3,933,034 | 2,500 | 1,467,616 |
| 2/1/2015 | 5,401,000 | - | 6,863,034 | 2,500 | 3,083 |
| 8/1/2015 | 5,389,000 | - | 3,889,084 | 2,500 | 1,500,499 |
| 2/1/2016 | 5,389,000 | - | 6,884,084 | 2,500 | 2,916 |
| 8/1/2016 | 5,367,000 | - | 3,821,247 | 2,500 | 1,546,169 |
| 2/1/2017 | 5,367,000 | - | 6,906,247 | 2,500 | 4,422 |
| 8/1/2017 | 5,341,000 | - | 3,745,202 | 2,500 | 1,597,721 |
| 2/1/2018 | 5,341,000 | - | 6,930,202 | 2,500 | 6,019 |
| 8/1/2018 | 5,310,000 | - | 3,660,003 | 2,500 | 1,653,516 |
| 2/1/2019 | 5,310,000 | - | 6,955,003 | 2,500 | 6,014 |
| 8/1/2019 | 5,276,000 | - | 3,568,567 | 2,500 | 1,710,947 |
| 2/1/2020 | 5,276,000 | - | 6,978,567 | 2,500 | 5,881 |
| 8/1/2020 | 5,243,000 | - | 3,470,529 | 2,500 | 1,775,852 |
| 2/1/2021 | 5,243,000 | - | 7,010,529 | 2,500 | 5,823 |
| 8/1/2021 | 5,207,000 | - | 3,366,984 | 2,500 | 1,843,339 |
| 2/1/2022 | 5,207,000 | - | 7,041,984 | 2,500 | 5,855 |
| 8/1/2022 | 5,168,000 | - | 3,257,653 | 2,500 | 1,913,702 |
| 2/1/2023 | 5,168,000 | - | 7,072,653 | 2,500 | 6,549 |
| 8/1/2023 | 5,128,000 | - | 3,142,249 | 2,500 | 1,989,800 |
| 2/1/2024 | 5,128,000 | - | 7,107,249 | 2,500 | 8,051 |
| 8/1/2024 | 5,086,000 | - | 3,020,325 | 2,500 | 2,071,226 |
| 2/1/2025 | 5,086,000 | - | 7,145,325 | 2,500 | 9,401 |
| 8/1/2025 | 5,039,000 | - | 2,891,419 | 2,500 | 2,154,482 |
| 2/1/2026 | 5,039,000 | - | 7,181,419 | 2,500 | 9,563 |
| 8/1/2026 | 4,990,000 | - | 2,744,272 | 2,500 | 2,252,791 |
| 2/1/2027 | 4,990,000 | - | 7,229,272 | 2,500 | 11,019 |
| 8/1/2027 | 4,935,000 | - | 2,590,437 | 2,500 | 2,353,082 |
| 2/1/2028 | 4,935,000 | - | 7,275,437 | 2,500 | 10,146 |
| 8/1/2028 | 4,877,000 | - | 2,429,741 | 2,500 | 2,454,905 |
| 2/1/2029 | 4,877,000 | - | 7,319,741 | 2,500 | 9,664 |
| 8/1/2029 | 4,820,000 | - | 2,262,014 | 2,500 | 2,565,150 |
| 2/1/2030 | 4,820,000 | - | 7,372,014 | 2,500 | 10,636 |
| 8/1/2030 | 4,756,000 | - | 2,080,924 | 2,500 | 2,683,212 |
| 2/1/2031 | 4,756,000 | - | 7,425,924 | 2,500 | 10,789 |
| 8/1/2031 | 4,689,000 | - | 1,891,361 | 2,500 | 2,805,927 |
| 2/1/2032 | 4,689,000 | - | 7,481,361 | 2,500 | 11,066 |
| 8/1/2032 | 4,620,000 | - | 1,692,967 | 2,500 | 2,935,599 |
| 2/1/2033 | 4,620,000 | - | 7,542,967 | 2,500 | 10,133 |
| 8/1/2033 | 4,548,000 | - | 1,485,199 | 2,500 | 3,070,433 |
| 2/1/2034 | 4,548,000 | - | 7,605,199 | 2,500 | 10,734 |
| 8/1/2034 | 4,473,000 | - | 1,267,698 | 2,500 | 3,213,536 |
| 2/1/2035 | 4,473,000 | - | 7,672,698 | 2,500 | 11,338 |
| 8/1/2035 | 4,392,000 | - | 1,036,798 | 2,500 | 3,364,040 |
| 2/1/2036 | 4,392,000 | - | 7,741,798 | 2,500 | 11,742 |
| 8/1/2036 | 4,308,000 | - | 795,083 | 2,500 | 3,522,159 |
| 2/1/2037 | 4,308,000 | - | 7,815,083 | 2,500 | 12,576 |
| 8/1/2037 | 4,217,000 | - | 542,012 | 2,500 | 3,685,064 |
| 2/1/2038 | 4,217,000 | - | 7,887,012 | 2,500 | 12,553 |
| 8/1/2038 | 4,125,000 | - | 277,225 | 2,500 | 3,857,828 |
| 2/1/2039 | 4,125,000 | - | 7,967,225 | 2,500 | 13,104 |
| Total | \$260,186,000 | \$17,440,599 | \$277,480,995 | \$132,500 | \$13,104 |

Note: Any Build America Bond Subsidy Payment, if received by the Trustee on behalf of the Authority and deposited in the Sinking Fund under the Indenture, will become part of the Trust Estate and when so deposited will be taken as a credit against the next scheduled Lease Rental Payment. See APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE LEASE – Covenants of the Authority” herein.

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