

Ordinance No. 5-2014

**AN ORDINANCE OF THE CITY OF BATESVILLE,
INDIANA COMMON COUNCIL CONCERNING
THE REFUNDING BY THE CITY OF BATESVILLE,
INDIANA OF ITS TAXABLE ECONOMIC
DEVELOPMENT INCOME TAX BONDS OF 2008;
AUTHORIZING THE ISSUANCE OF TAXABLE
ECONOMIC DEVELOPMENT INCOME TAX
REFUNDING REVENUE BONDS, SERIES 2014, FOR
SUCH PURPOSE; OTHER MATTERS CONNECTED
THEREWITH, INCLUDING THE PAYMENT OF
INCIDENTAL EXPENSES ON ACCOUNT OF THE
ISSUANCE OF THE BONDS; AND REPEALING
ORDINANCES INCONSISTENT HEREWITH**

WHEREAS, Batesville, Indiana (the “City”), is a governmental unit and political subdivision of the State of Indiana (the “State”), whose legislative and fiscal body is the Common Council (the “Council”); and,

WHEREAS, on July 30, 2008, the City issued its Taxable Economic Development Income Tax Bonds of 2008 pursuant to Ordinance No. 7-2007 adopted on April 25, 2007, and amended on July 14, 2008, in the original principal amount of \$2,175,000 (the “2008 Bonds”), now outstanding in the amount of \$1,895,000, and maturing annually over a period ending December 1, 2032; and,

WHEREAS, the Council finds that the outstanding 2008 Bonds should be refunded pursuant to the provisions of Indiana Code 5-1-5 and Indiana Code 6-3.5-7 (together, the “Act”) to enable the City to obtain a reduction in interest payments to effect a savings to the City; and,

WHEREAS, the Council finds that it is advisable to issue its refunding revenue bonds in an amount not to exceed \$2, 100,000, and to use the proceeds, together with funds on hand, to refund the 2008 Bonds, and to pay for all costs related to the refunding and the issuance of the bonds hereunder; and,

WHEREAS, the City reasonably expects to pay debt service on the refunding revenue bonds from economic development income tax revenue, and, if economic development income tax is not sufficient, from other sources of funds legally available to the City for such purpose; and,

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

NOW, THEREFORE, BE IT ORDAINED by the Common Council of the City of Batesville, Indiana, as follows:

SECTION 1. Authorization for Bonds. In order to provide for the refunding of the 2008 Bonds as described above and the costs of selling and issuing the 2014 Bonds, the City shall issue its Taxable Economic Development Income Tax Refunding Revenue Bonds, Series 2014 as herein authorized and pursuant to the Act, as amended.

SECTION 2. General Terms of Bonds.

(a) Issuance of 2014 Bonds. The City shall issue its Taxable Economic Development Income Tax Refunding Revenue Bonds, Series 2014 (the “2014 Bonds”) in the aggregate principal amount not to exceed

Two Million One Hundred Thousand Dollars (\$2,100,000) (the “Authorized Amount for the purpose of providing funds to apply on (i) the current refunding of the 2008 Bonds, (ii) the funding of a debt service reserve fund and (iii) issuance costs. The Clerk-Treasurer of the City (the “Fiscal Officer”) is hereby authorized and directed to have prepared and to issue and sell the 2014 Bonds as negotiable, fully registered bonds of the City in an amount not to exceed the Authorized Amount.

The 2014 Bonds shall be signed in the name of the City by the manual or facsimile signature of the Mayor (the “Executive”) and attested by the manual or facsimile signature of the Fiscal Officer, who shall affix the seal of the City to each of the 2014 Bonds manually or shall have the seal imprinted or impressed thereon by facsimile or other means. In case any officer whose signature or facsimile signature appears on the 2014 Bonds shall cease to be such officer before the delivery of 2014 Bonds, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until delivery thereof. The 2014 Bonds also shall be, and will not be valid or become obligatory for any purpose or entitled to any benefit under this Ordinance unless and until, authenticated by the manual signature of the Registrar (as defined in Section 4 hereof).

The 2014 Bonds shall be numbered consecutively from R-1 upward, shall be issued in denominations of (i) Five Thousand Dollars (\$5,000) or any integral multiple thereof or (ii) One Hundred Thousand Dollars (\$100,000) and any One Thousand Dollars (\$1,000) integral multiple in excess thereof, as determined by the Fiscal Officer with the advice of the City’s financial advisor. The 2014 Bonds shall be originally dated as of the date of delivery of the 2014 Bonds, and shall bear interest payable semi-annually each December 1 and June 1, commencing not earlier than December 1, 2014, at a rate not exceeding six percent (6%) per annum (the exact rate or rates on each series to be determined by negotiation). Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months. The 2014 Bonds shall be sold at a discount not exceeding two percent (2%) of the principal amount thereof. The 2014 Bonds shall mature serially on December 1 of each year, as determined by the Fiscal Officer.

All or a portion of the 2014 Bonds may be aggregated into and issued as one or more term bonds. The term bonds will be subject to mandatory sinking fund redemption with sinking fund payments and final maturities corresponding to the serial maturities described above. Sinking fund payments shall be applied to retire a portion of the term bonds as though it were redemption of serial bonds, and, if more than one term bond of any maturity is outstanding, the Registrar, by lot, shall make redemption of such maturity. Sinking fund redemption payments shall be made in a principal amount equal to such serial maturities, plus accrued interest to the redemption date, but without premium or penalty. For all purposes of this Ordinance, such mandatory sinking fund redemption payments shall be deemed to be required payments of principal, which mature on the date of such sinking fund payments. Appropriate changes shall be made in the definitive form of 2014 Bonds, relative to the form of the 2014 Bonds contained in this Ordinance, to reflect any mandatory sinking fund redemption terms.

(b) Source of Payment. The 2014 Bonds are, as to all the principal thereof and interest due thereon, payable from economic development income taxes ("EDIT") and to the extent EDIT is not sufficient, any other sources of funds legally available to the City for such purposes.

(c) Payments. All payments of interest on the 2014 Bonds shall be paid by check mailed one business day prior to the interest payment date to the registered owners thereof as of the fifteenth (15th) day of the month preceding the interest payment date (the "Record Date") at the addresses as they appear on the registration and transfer books of the City kept for that purpose by the Registrar (the "Registration Record") or at such other address as is provided to the Paying Agent (as defined in Section 4 hereof) in writing by such registered owner. Each registered owner of \$1,000,000 or more in principal amount of 2014 Bonds shall be entitled to receive interest payments by wire transfer by providing written wire instructions to the Paying Agent before the Record Date for any payment. All principal payments and premium payments, if any, on the 2014 Bonds shall be made upon surrender thereof at the principal office of the Paying Agent, in any U.S. coin or currency which on the date of such payment shall be legal tender for the payment of public and private debts, or in the case of a registered owner of \$1,000,000 or more in principal amount of 2014 Bonds, by wire transfer on the due date upon written direction of such owner provided at least fifteen (15) days prior to the maturity date or redemption date.

Interest on the 2014 Bonds shall be payable from the interest payment date to which interest has been paid next preceding the authentication date thereof unless such 2014 Bonds are authenticated after the Record Date for an interest payment and on or before such interest payment date in which case they shall bear interest from such interest payment date, or unless authenticated on or before the Record Date for the first interest payment date, in which case they shall bear interest from the original date, until the principal shall be fully paid.

(d) Transfer and Exchange. Each 2014 Bond shall be transferable or exchangeable only upon the Registration Record, by the registered owner thereof in writing, or by the registered owner's attorney duly authorized in writing, upon surrender of such 2014 Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or such attorney, and thereupon a new fully registered 2014 Bond or Bonds in the same aggregate principal amount, and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. The costs of such transfer or exchange shall be borne by the City, except for any tax or governmental charges required to be paid in connection therewith, which shall be payable by the person requesting such transfer or exchange. The City, the Registrar and the Paying Agent may treat and consider the persons in whose names such 2014 Bonds are registered as the absolute owners thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest and premium, if any, due thereon.

(e) Mutilated, Lost, Stolen or Destroyed Bonds. In the event any 2014 Bond is mutilated, lost, stolen or destroyed, the City may execute and the Registrar may authenticate a new bond of like date, maturity and denomination as that mutilated, lost, stolen or destroyed,

which new bond shall be marked in a manner to distinguish it from the bond for which it was issued, provided that, in the case of any mutilated bond, such mutilated bond shall first be surrendered to the Registrar, and in the case of any lost, stolen or destroyed bond there shall be first furnished to the Registrar evidence of such loss, theft or destruction satisfactory to the Fiscal Officer and the Registrar, together with indemnity satisfactory to them. In the event any such bond shall have matured, instead of issuing a duplicate bond, the City and the Registrar may, upon receiving indemnity satisfactory to them, pay the same without surrender thereof. The City and the Registrar may charge the owner of such 2014 Bond with their reasonable fees and expenses in this connection. Any 2014 Bond issued pursuant to this paragraph shall be deemed an original, substitute contractual obligation of the City, whether or not the lost, stolen or destroyed 2014 Bond shall be found at any time, and shall be entitled to all the benefits of this Ordinance, equally and proportionately with any and all other 2014 Bonds issued hereunder.

SECTION 3. Terms of Redemption. The 2014 Bonds are subject to redemption prior to maturity, at the option of the City on thirty (30) days' notice, in whole or in part, in any order of maturities selected by the City and by lot within a maturity, on dates and with premiums, if any, and other terms as determined by the Mayor with the advice of the City's financial advisor, as evidenced by delivery of the form of the 2014 Bonds to the Fiscal Officer.

Notice of redemption shall be mailed by first-class mail to the address of each registered owner of a 2014 Bond to be redeemed as shown on the Registration Record not more than sixty (60) days and not less than thirty (30) days prior to the date fixed for redemption except to the extent such redemption notice is waived by owners of 2014 Bonds redeemed; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any 2014 Bond shall not affect the validity of any proceedings for the redemption of any other 2014 Bonds. The notice shall specify the date and place of redemption, the redemption price and the CUSIP numbers, if applicable, of the 2014 Bonds called for redemption. The place of redemption may be determined by the City. Interest on the 2014 Bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named, and thereafter, such 2014 Bonds shall no longer be protected by this Ordinance and shall not be deemed to be outstanding hereunder, and the holders thereof shall have the right only to receive the redemption price.

All 2014 Bonds which have been redeemed shall be canceled and shall not be reissued; provided, however, that one or more new registered bonds shall be issued for the unredeemed portion of any 2014 Bond without charge to the holder thereof.

No later than the date fixed for redemption, funds shall be deposited with the Paying Agent or another paying agent to pay, and such agent is hereby authorized and directed to apply such funds to the payment of, the 2014 Bonds or portions thereof called for redemption, including accrued interest thereon to the redemption date. No payment shall be made upon any 2014 Bond or portion thereof called for redemption until such bond shall have been delivered for payment or cancellation or the Registrar shall have received the items required by this Ordinance with respect to any mutilated, lost, stolen or destroyed bond.

SECTION 4. Appointment of Registrar and Paying Agent. The Fiscal Officer is hereby appointed to serve as registrar and paying agent or authorized to appoint a registrar and paying agent for the 2014 Bonds (together with any successor, the "Registrar" or "Paying Agent"). The Registrar is hereby charged with the responsibility of authenticating the 2014 Bonds, and shall keep and maintain the Registration Record at

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent by giving thirty (30) days written notice to the City and to each registered owner of the 2014 Bonds then outstanding, and such resignation will take effect at the end of such thirty (30) days or upon the earlier appointment of a successor Registrar and Paying Agent by the City. Such notice to the City may be served personally or be sent by first-class or registered mail. The Registrar and Paying Agent may be removed at any time as Registrar and Paying Agent by the City, in which event the City may appoint a successor Registrar and Paying Agent. The City shall notify each registered owner of the 2014 Bonds then outstanding of the removal of the Registrar and Paying Agent. Notices to registered owners of the 2014 Bonds shall be deemed to be given when mailed by first-class mail to the addresses of such registered owners as they appear on the Registration Record. Any predecessor Registrar and Paying Agent shall deliver all the 2014 Bonds, cash and investments related thereto in its possession and the Registration Record to the successor Registrar and Paying Agent. At all times, the same entity shall serve as Registrar and as Paying Agent.

R-_____

UNITED STATES OF AMERICA

CITY OF BATESVILLE, INDIANA
TAXABLE ECONOMIC DEVELOPMENT
INCOME TAX REFUNDING REVENUE BOND, SERIES 2014

REGISTERED OWNER:

15275536

The City of Batesville, Indiana (the "City"), for value received, hereby promises to pay to the Registered Owner set forth above, the Principal Sum set forth above on the Maturity Date set forth above (unless this bond is subject to and is called for redemption prior to maturity as hereafter provided), and to pay interest thereon until the Principal Sum shall be fully paid at the Interest Rate per annum specified above from the interest payment date to which interest has been paid next preceding the Authentication Date of this bond unless this bond is authenticated after the fifteenth day of the month preceding the interest payment date (the "Record Date") and on or before such interest payment date in which case it shall bear interest from such interest payment date, or unless this bond is authenticated on or before November 15, 2014 in which case it shall bear interest from the Original Date, which interest is payable semi-annually on December 1 and June 1 of each year, beginning on December 1, 2014. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

The principal of and premium, if any, on this bond are payable at the principal office of _____ (the "Registrar" or "Paying Agent"), in _____, Indiana. All payments of interest on this bond shall be paid by check mailed one business day prior to the interest payment date to the Registered Owner as of the Record Date at the address as it appears on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by the Registered Owner. Each Registered Owner of \$1,000,000 or more in principal amount of bonds shall be entitled to receive interest payments by wire transfer by providing written wire instructions to the Paying Agent before the Record Date for any payment. All payments of principal of and premium, if any, on this bond shall be made upon surrender thereof at the principal office of the Paying Agent in any U. S. coin or currency which on the date of such payment shall be legal tender for the payment of public and private debts, or in the case of a Registered Owner of \$1,000,000 or more in principal amount of 2014 Bonds, by wire transfer on the due date upon written direction of such owner provided at least fifteen (15) days prior to the maturity date or redemption date.

This bond is one of an authorized issue of bonds of the City of like original date, tenor and effect, except as to denomination, numbering, interest rates, redemption terms and dates of maturity, in the total amount of _____ (\$_____), numbered consecutively from R-1 upward, issued for the purpose of providing funds for an economic development project, and for the purpose of paying incidental expenses to be incurred in connection therewith and on account of the sale and issuance of bonds therefor, as authorized by Ordinance No. _____ (the "Ordinance") adopted by the Common Council of the City of Batesville, Indiana (the "Council") on the _____ day of _____, 2014, entitled "An Ordinance of the City of Batesville, Indiana Common Council Concerning the Refunding by the City of Batesville, Indiana of its Taxable Economic Development Income Tax Bonds of 2008; Authorizing the Issuance of Taxable Economic Development Income Tax Refunding Revenue Bonds, Series 2014, for Such Purpose; Other Matters Connected Therewith, Including the Payment of Incidental Expenses on Account of the Issuance of the Bonds; and Repealing Ordinances Inconsistent Herewith" (the "Ordinance"), and in accordance with the provisions of Indiana law, including without limitation Indiana Code 6-3.5-7, 5-1-5 and other applicable laws, as amended (collectively, the "Act"), all as more particularly described in the Ordinance. The owner of this bond, by the acceptance hereof, agrees to all the terms and provisions contained in the Ordinance and the Act.

Pursuant to the provisions of the Act and said Ordinance, the principal of and interest on this bond and all other bonds of said issue are payable from economic development income taxes, and to the extent it is insufficient, any other sources of funds legally available to the Council for such purpose.

THIS BOND DOES NOT CONSTITUTE A GENERAL OBLIGATION OR INDEBTEDNESS OF THE CITY OF BATESVILLE, INDIANA. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OF BATESVILLE, INDIANA IS PLEDGED TO PAY THE INTEREST OR PREMIUM ON OR THE PRINCIPAL OF THIS BOND.

The bonds of this issue maturing after _____, are redeemable at the option of the City on thirty (30) days' notice, in whole or in part, in any order of maturities selected by the City and by lot within a maturity, at 100% of face value, plus accrued interest to the date fixed for redemption. Each minimum authorized denomination in principal amount shall be considered a separate bond for purposes of partial redemption.

Notice of such redemption shall be mailed by first-class mail not more than sixty (60) days and not less than thirty (30) days prior to the date fixed for redemption to the address of the registered owner of each bond to be redeemed as shown on the registration record of the City except to the extent such redemption notice is waived by owners of the bond or bonds redeemed; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any bond shall not affect the validity of any proceedings for the redemption of any other bonds. The notice shall specify the date and place of redemption, the redemption price and the CUSIP numbers, if applicable, of the bonds called for redemption. The place of redemption may be determined by the City. Interest on the bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named, and thereafter, such bonds shall no longer be protected by the Ordinance and shall not be deemed to be outstanding thereunder.

This bond is subject to defeasance prior to payment or redemption as provided in the Ordinance.

If this bond shall not be presented for payment or redemption on the date fixed therefor, the City may deposit in trust with the Paying Agent or another paying agent, an amount sufficient to pay such bond or the redemption price, as the case may be, and thereafter the Registered Owner shall look only to the funds so deposited in trust for payment and the City shall have no further obligation or liability in respect thereto.

This bond is transferable or exchangeable only upon the registration record kept for that purpose at the office of the Registrar by the Registered Owner in person, or by the Registered Owner's attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the Registered Owner or such attorney, and thereupon a new fully registered bond or bonds in the same aggregate principal amount, and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or the Registered Owner, as the case may be, in exchange therefor. The City, any registrar and any paying agent for this bond may treat and consider the person in whose name this bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest and premium, if any, due hereon.

The bonds maturing on any maturity date are issuable only in the denomination of \$5,000 or any integral multiple or \$100,000 and any \$1,000 integral multiple in excess thereof.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the execution, issuance and delivery of this bond have been done and performed in regular and due form as provided by law.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been executed by an authorized representative of the Registrar.

IN WITNESS WHEREOF, the City of Batesville, State of Indiana, has caused this bond to be executed in the name of such City, by the manual or facsimile signature of the Mayor, and attested by manual or facsimile signature by the Clerk-Treasurer of said City, and the seal of said City or a facsimile thereof to be affixed, engraved, imprinted or otherwise reproduced hereon.

CITY OF BATESVILLE, INDIANA

By: _____
Richard Fledderman, Mayor

(SEAL)

ATTEST:

Ronald C. Weigel, Clerk-Treasurer

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

As Registrar _____

By _____
Authorized Representative

The following abbreviations, when used in the inscription on the face of this bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN. COM. as tenants in common

TEN. ENT. as tenants by the entireties

JT. TEN. as joint tenants with right of survivorship and not as tenants in common

UNIF. TRANS.

MIN. ACT _____
(Minor)

Custodian (Cust.)

under Uniform Transfers to Minors Act of

(State)

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

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ (Please Print or Typewrite Name and Address and Social Security or Other Identifying Number) \$ _____ principal amount (must be a multiple of \$ _____) of the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the within bond on the books kept for the registration thereof with full power of substitution in the premises.

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

(b) Authorization of Book-Entry Bonds. The City may, upon the advice of its financial advisor, have the 2014 Bonds held by a central depository system pursuant to an agreement between the City and The Depository Trust Company, New York, New York (“DTC”) and have transfers of the 2014 Bonds effected by book-entry on the books of the central depository system. In such case, the 2014 Bonds shall be issued in the name of Cede & Co., as nominee for DTC, as registered owner of the 2014 Bonds, and held in the custody of DTC and the terms and conditions of this provision shall apply.

If the 2014 Bonds are held by DTC, a single certificate will be issued and delivered to DTC for each maturity of the 2014 Bonds. The actual purchasers of the 2014 Bonds (the “Beneficial Owners”) will not receive physical delivery of the 2014 Bond certificates except as provided herein. Beneficial Owners are expected to receive a written confirmation of their purchase providing details of each 2014 Bond acquired. For so long as DTC shall continue to serve as securities depository for the 2014 Bonds as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no investor or other party purchasing, selling, or otherwise transferring beneficial ownership of the 2014 Bonds is to receive, hold, or deliver any Bond certificate.

For every transfer and exchange of the 2014 Bonds, the Beneficial Owner may be charged a sum sufficient to cover such Beneficial Owner’s allocable share of any tax, fee, or other governmental charge that may be imposed in relation thereto. 2014 Bond certificates are required to be delivered to and registered in the name of the Beneficial Owner, under the following circumstances:

- (i) DTC determines to discontinue providing its service with respect to the 2014 Bonds (such a determination may be made at any time by giving thirty (30) days’ notice to the City and the Registrar and discharging the responsibilities with respect thereto under applicable law), or

(ii) the City determines that continuation of the system of book-entry transfers through DTC (or a successor securities depository) is not in the best interests of the Beneficial Owners.

The City and the Registrar will recognize DTC or its nominee as the holder of the Bonds for all purpose, including notices and voting. The City and the Registrar covenant and agree, so long as DTC shall continue to serve as securities depository for the Bonds, to meet the requirements of DTC with respect to required notices and other provisions of a Letter of Representations between the City and DTC. If necessary to comply with the terms and provisions of the Letter of Representations, a supplemental ordinance shall be adopted to amend this ordinance as necessary.

The Registrar is authorized to rely conclusively upon a certificate furnished by DTC and corresponding certificates from DTC participants and indirect participants as to the identity of, and the respective principal amount of Bonds beneficially owned by, the Beneficial Owner or Beneficial Owners.

SECTION 6. Preparation and Sale of Bonds.

(a) The Fiscal Officer is hereby authorized and directed to have the 2014 Bonds prepared, and the Executive and Fiscal Officers are hereby authorized and directed to execute the 2014 Bonds in the form and manner herein provided. The Fiscal Officer is hereby authorized and directed to deliver the 2014 Bonds to the purchaser of the 2014 Bonds as selected by Piper Jaffray & Co., the placement agent (the "Placement Agent"), and approved by the Fiscal Officer, in accordance with a bond placement agreement between the City and the Placement Agent (the "Bond Placement Agreement"). The substantially final form of Bond Placement Agreement between the City and the Placement Agent is attached hereto as Exhibit A and is hereby approved by the City. The Executive and Fiscal Officers are hereby authorized to execute the Bond Placement Agreement and deliver the Bonds to the purchaser thereof in accordance with the terms of the Bond Placement Agreement so long as their terms are consistent with this ordinance. The Bond Placement Agreement shall establish a final principal amount, purchase price, interest rates, maturity schedule, denominations and mandatory redemption features, if any. The Fiscal Officer may also deliver the 2014 Bonds to the Placement Agent as underwriter if, based upon the advice of the City's financial advisor, doing so would provide the most financially advantageous terms to the City.

(b) The proceeds derived from the sale of the 2014 Bonds shall be and are hereby set aside for application on the cost of the current refunding of the 2008 Bonds and the expenses necessarily incurred in connection with the 2014 Bonds. The proper officers of the City are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary to carry out the provisions of this Ordinance.

(c) The preparation and distribution of an official statement or private placement memorandum for the 2014 Bonds is hereby authorized. The Executive and Fiscal Officers are hereby authorized and directed to execute such official statement or private placement memorandum on behalf of the City in a form consistent with this Ordinance and are further authorized to designate the preliminary official statement or private placement memorandum as "nearly final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "SEC Rule"), if applicable.

(d) As an alternative to the preparation and distribution of an official statement or private placement memorandum for the 2014 Bonds, the City may receive from the purchaser of the 2014 Bonds a sophisticated investment letter which satisfies applicable state and federal securities laws.

(e) The Fiscal Officer, with the advice of the City's financial advisor, is hereby authorized to obtain one or more ratings for the 2014 Bonds if such rating or ratings will facilitate the sale of the 2014 Bonds.

(f) The Fiscal Officer is hereby authorized and directed to obtain a legal opinion as to the validity of the 2014 Bonds from Bingham Greenebaum Doll LLP, and to furnish such opinion to the purchaser of the 2014 Bonds. The costs of such opinion shall be paid out of the proceeds of the 2014 Bonds.

SECTION 7. Funds and Accounts.

(a) Use of Proceeds.

- (i) First, any accrued interest and capitalized interest and any premium received at the time of delivery of the 2014 Bonds will be deposited to the Bond Principal and Interest Account as defined below and applied to payments on the 2014 Bonds on the first interest payment date.
- (ii) Second, concurrently with the delivery of the 2014 Bonds, the Fiscal Officer shall deposit cash and deliver payment on the redemption date to the holder of the 2008 Bonds, from proceeds of the 2014 Bonds and cash on hand, in an amount sufficient to provide for the redemption in full of the then outstanding principal of and interest on the 2008 Bonds. The Fiscal Officer shall obtain a verification of an accountant as to the required dollar amount necessary to be delivered to the holder of the 2008 Bonds to accomplish said refunding of the 2008 Bonds as of the date of delivery of the 2014 Bonds. The Fiscal Officer is hereby authorized to contact the holder of the 2008 Bonds, deliver any necessary notices of redemption and take any such further actions as are necessary to permit the redemption of the 2008 Bonds on the date of delivery of the 2014 Bonds.
- (iii) Third, if proceeds of the 2014 Bonds will be used to fund all or a portion of the reserve for the 2014 Bonds, the Fiscal Officer shall transfer such proceeds to the Reserve Account, as hereinafter described.
- (iv) Fourth, the remaining proceeds from the sale of the 2014 Bonds shall be applied by the Fiscal Officer to cost of issuance of the 2014 Bonds not otherwise paid. Prior to the delivery of the 2014 Bonds, the Fiscal Officer shall obtain the legal opinion of Bingham Greenebaum Doll LLP, bond counsel, of Indianapolis, Indiana, and shall furnish such opinion to the Placement Agent and the purchaser of the 2014 Bonds. The cost of the opinion shall be considered as part of the costs incidental to the issuance of the 2014 Bonds and shall be paid out of the proceeds thereof. When all costs of issuance of the 2014 Bonds have been paid, the Fiscal Officer shall then transfer any amount then remaining from the proceeds of the 2014 Bonds to the hereinafter described End Principal and Interest Account.

(b) Funds. The EDIT will be deposited into a fund, and within such fund, into an EDIT Revenue Account. On or before November 15,

2014, and on or before each November 15 and May 15 thereafter, all moneys in the EDIT Revenue Account will be set aside in the following accounts in the following order of priority within the fund.

- (i) Bond Principal and Interest Account. There will be set aside within the fund and deposited into the Bond Principal and Interest Account from the EDIT Revenue Account, to the extent available, amounts of money which, together with any money contained therein, are equal to the aggregate amounts of principal and interest due during that “bond year” which will be deemed to be a year beginning on December 1, 2014, up to and including the next succeeding December 1, with respect to the 2014 Bonds.
- (ii) Reserve Account. After making the required deposit to the Bond Principal and Interest Account, there will be set aside from the fund and deposited in the Reserve Account from the EDIT Revenue Account, to the extent available, amounts of money required to maintain the Reserve Account in the amount required, as negotiated by the Clerk-Treasurer, for the 2014 Bonds.
- (iii) General Account. After making the required deposit to the Bond Principal and Interest Account and the Reserve Account, if any, all amounts from the EDIT Revenue Account will be transferred to the General Account. All moneys in the General Account will be used and withdrawn for any of the purposes set forth in the Act, including, without limitation, payment of additional costs of the Project (as defined in Ordinance No. 7-2007).

SECTION 8. Defeasance. If, when the 2014 Bonds or any portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the 2014 Bonds or any portion thereof for redemption have been given, and the whole amount of the principal, premium, if any, and the interest so due and payable upon such bonds or any portion thereof then outstanding shall be paid, or (i) cash, or (ii) direct noncallable obligations of or unconditionally guaranteed by the U.S. Department of the Treasury, or (iii) any combination of the foregoing, shall be held irrevocably in trust for such purpose, and provision shall also be made for paying all fees and expenses for the payment, then and in that case the 2014 Bonds or such designated portion thereof shall no longer be deemed outstanding or secured by this Ordinance.

SECTION 9. Additional Bonds. The City reserves the right to issue additional bonds and to incur lease obligations (which for all purposes of this Ordinance shall be deemed to be required bond payments which mature on the date such lease-rental payment obligations are due) after the issuance of the 2014 Bonds, payable out of the EDIT and earnings thereon, (such bonds and lease obligations are herein referred to as “Additional Bonds”) or which are junior and subordinate in right of payment to the 2014 Bonds (such bonds and lease obligations are herein referred to as “Junior Bonds”) (the 2014 Bonds, the Additional Bonds, and the Junior Bonds collectively, the “EDIT Bonds”) for the purpose of raising money for future economic development or to provide for a complete or partial refunding of obligations. The issuance or incurrence of obligations pursuant to Additional Bonds and Junior Bonds shall be subject to the following conditions precedent:

- (a) All interest and principal payments with respect to all EDIT Bonds shall be current to date in accordance with the terms thereof with

no payment in arrears, provided, this condition shall be satisfied if any required amount is to be provided from the proceeds of such Additional Bonds or Junior Bonds or other funds available to the City.

(b) The balance in the Reserve Account shall be equal to the amounts required with respect to the 2014 Bonds, provided, this condition shall be satisfied if any required amount is to be provided from the proceeds of such Additional Bonds or Junior Bonds or other funds available to the City.

(c) In the case of a proposed issue of Additional Bonds, the City shall have received a certificate prepared by an independent certified public accountant or an independent financial consultant with professional experience in the business of estimating the levels of and increases in assessed valuation in the State of Indiana and the expected changes in property tax rates caused by such changes (the "Certifier"), certifying that the EDIT estimated to be received in each succeeding year, together with estimated Other Available Revenues, is at least equal to 125% of the principal and interest requirements on all outstanding 2014 Bonds, any outstanding Additional Bonds, and the proposed issue of Additional Bonds, for each respective year during the term of such outstanding 2014 Bonds, and outstanding Additional Bonds and the proposed Additional Bonds. In estimating the EDIT and Other Available Revenues to be received in any future year, the Certifier shall base his calculation on estimates, believed by the Certifier to be reasonable, including without limitation estimates of investment earnings. For purposes of this paragraph, "Other Available Revenues" shall mean, to the extent such amounts have been set aside and designated for such purpose, amounts held in any debt service reserve accounts for outstanding 2014 Bonds, and Additional Bonds other than the proposed Additional Bonds.

(d) The principal of the proposed Additional Bonds or Junior Bonds shall be payable on the same dates as the principal of the 2014 Bonds and the interest thereon shall be payable on December 1 and June 1, during the periods such principal and interest are payable.

The City shall approve and confirm the findings and estimates set forth in the above-described certificate of a Certifier in any ordinance authorizing the issuance of the Additional Bonds or Junior Bonds, and such certificate shall be updated by the Certifier as of the date of issuance of the Additional Bonds or Junior Bonds.

SECTION 10. Amendments. Subject to the terms and provisions contained in this section, and not otherwise, the owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the 2014 Bonds then outstanding shall have the right, from time to time, to consent to and approve the adoption by the Council of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the City for the purpose of amending in any particular any of the terms or provisions contained in this Ordinance, or in any supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest or premium, if any, on any 2014 Bond or an advancement of the earliest redemption date on any 2014 Bond, without the consent of the holder of each 2014 Bond so affected; or

(b) a reduction in the principal amount of any 2014 Bond or the redemption premium or rate of interest thereon, or a change in the monetary medium in which such amounts are payable, without the consent of the holder of each 2014 Bond so affected; or

(c) a preference or priority of any 2014 Bond over any other 2014 Bond, without the consent of the holders of all 2014 Bonds then outstanding; or

(d) a reduction in the aggregate principal amount of the 2014 Bonds required for consent to such supplemental ordinance, without the consent of the holders of all 2014 Bonds then outstanding.

If the City shall desire to obtain any such consent, it shall cause the Registrar to mail a notice, postage prepaid, to the addresses appearing on the Registration Record. Such notice shall briefly set forth the nature of the proposed supplemental ordinance and shall state that a copy thereof is on file at the office of the Registrar for inspection by all owners of the 2014 Bonds. The Registrar shall not, however, be subject to any liability to any owners of the 2014 Bonds by reason of its failure to mail such notice, and any such failure shall not affect the validity of such supplemental ordinance when consented to and approved as herein provided.

Whenever at any time within one year after the date of the mailing of such notice, the City shall receive any instrument or instruments purporting to be executed by the owners of the 2014 Bonds of not less than sixty-six and two-thirds per cent (66-2/3%) in aggregate principal amount of the 2014 Bonds then outstanding, which instrument or instruments shall refer to the proposed supplemental ordinance described in such notice, and shall 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 Council may adopt such supplemental ordinance in substantially such form, without liability or responsibility to any owners of the 2014 Bonds, whether or not such owners shall have consented thereto.

No owner of any 2014 Bond shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the City or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the City and all owners of 2014 Bonds then outstanding shall thereafter be determined, exercised and enforced in accordance with this Ordinance, subject in all respects to such modifications and amendments.

Notwithstanding anything contained in the foregoing provisions of this Ordinance, the rights, duties and obligations of the City and of the owners of the 2014 Bonds, and the terms and provisions of the 2014 Bonds and this Ordinance, or any supplemental ordinance, may be modified or amended in any respect with the consent of the City and the consent of the owners of all the 2014 Bonds then outstanding.

Without notice to or consent of the owners of the 2014 Bonds, the City may, from time to time and at any time, adopt such ordinances supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental ordinances shall thereafter form a part hereof),

(a) To cure any ambiguity or formal defect or omission in this Ordinance or in any supplemental ordinance; or

(b) To grant to or confer upon the owners of the 2014 Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners of the 2014 Bonds; or

(c) To procure a rating on the 2014 Bonds from a nationally recognized securities rating agency designated in such supplemental ordinance, if such supplemental ordinance will not adversely affect the owners of the 2014 Bonds; or

(d) To obtain or maintain bond insurance with respect to the 2014 Bonds; or

(e) To provide for the refunding or advance refunding of the 2014 Bonds; or

(f) To make any other change which, in the determination of the City in its sole discretion, is not to the prejudice of the owners of the 2014 Bonds.

SECTION 11. Investment of Funds. The Fiscal Officer is hereby authorized to invest moneys pursuant to Indiana Code 5-1-14-3 and the provisions of this Ordinance. The Fiscal Officer shall keep full and accurate records of investment earnings and income from moneys held in the funds and accounts created or referenced herein. In order to comply with the provisions of this Ordinance, the Fiscal Officer is hereby authorized and directed to employ consultants or attorneys from time to time to advise the City as to requirements of federal law.

SECTION 12. Continuing Disclosure. In order for the Placement Agent of the 2014 Bonds to comply with the SEC Rule, if applicable, the Executive and Fiscal Officers of the City are hereby authorized to execute and deliver an agreement by the City to comply with the requirements of a continuing disclosure undertaking by the City pursuant to subsection (b)(5) of the SEC Rule, and any amendments thereto from time to time (the "Continuing Disclosure Agreement"). The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. The substantially final form of Continuing Disclosure Agreement attached hereto as Exhibit B and incorporated herein by reference is hereby approved and the Executive and Fiscal Officers of the City are authorized to execute the same and to approve such changes in form or substance thereto which are consistent with the terms of this Ordinance, such changes to be conclusively evidenced by the execution thereof.

SECTION 13. Other Action. The Executive and/or the Fiscal Officer may take such other actions or deliver such other certificates and documents needed to accomplish the transaction contemplated hereby as they deem necessary or desirable in connection therewith.

SECTION 14. No Conflict. All ordinances and orders or parts thereof in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed. After the issuance of the 2014 Bonds and so long as any of the 2014 Bonds or interest or premium, if any, thereon remains unpaid, except as expressly provided herein, this Ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the holders of the 2014 Bonds, nor shall the City adopt any law or ordinance which in any way adversely affects the rights of such holders.

SECTION 15. Severability. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 16. Non-Business Days. If the date of making any payment or the last date for performance of any act or the exercising of any right, as provided in this Ordinance, shall be a legal holiday or a day on which banking institutions in the City or the jurisdiction in which the Registrar or Paying Agent is located are typically closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are typically closed, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal date.

SECTION 17. Interpretation. Unless the context or law clearly requires otherwise, references herein to statutes or other laws include the same as modified, supplemented or superseded from time to time.

SECTION 18. Effectiveness. This Ordinance shall be in full force and effect from and after its passage.

PASSED by the Common Council of the City of Batesville, Indiana, this _____ day of _____, 2014, by a vote of ____ ayes and ____ nays.

Officer

Richard Fledderman, Presiding

Gene Lambert, Council President

Kevin Chaffee

Darrick Cox

James Fritsch

Beth Meyers

ATTEST:

Ronald C. Weigel, Clerk-Treasurer

Presented by me to the Mayor of the City of Batesville, Indiana this this _____
day of _____, 2014, at ____ __.M.

Ronald C. Weigel, Clerk-Treasurer

Approved by me, Mayor of the City of Batesville, Indiana, this this _____ day of
_____, 2014, at ____ __.M.

Richard Fledderman, Mayor

ATTEST:

Ronald C. Weigel, Clerk-Treasurer

EXHIBIT A

Form of Bond Placement Agreement

CITY OF BATESVILLE, INDIANA

\$ _____

TAXABLE ECONOMIC DEVELOPMENT INCOME TAX
REFUNDING REVENUE BONDS, SERIES 2014

BOND PLACEMENT AGREEMENT

_____, 2014

The Members of the Common Council
132 South Main Street
Batesville, IN 47006

Dear Members of the Common Council:

The undersigned, Piper Jaffray & Co. (the “Placement Agent”), hereby offers to enter into the following bond placement agreement with the City of Batesville, Indiana (the “City”), which, upon acceptance of this offer, will be binding upon the City and the Placement Agent. This offer is made subject to acceptance on or before 5:00 P.M. Eastern Standard Time, _____, 2014.

1. Upon the terms and conditions and upon the basis of the respective representations and covenants hereafter set forth, the Placement Agent hereby agrees to place _____ on behalf of the City with _____, (the “Purchaser”), and the City hereby agrees to sell and deliver to the Purchaser at the direction of the Placement Agent, all but not less than all, of the \$ _____ in aggregate issued amount of the City of Batesville, Indiana Taxable Economic Development Income Tax Refunding Revenue Bonds, Series 2014 (the “Bonds”). The Bonds shall be dated as of the date of delivery, shall mature in such amounts, bear interest at such rates to their stated maturities, be in such denominations and be subject to redemption as set forth in Schedule A attached hereto and made a part hereof.

2. The initial purchase price of the Bonds shall be \$ _____, which is the original par amount of the Bonds, \$ _____, less payment of the Placement Agent’s fee of \$ _____.

3. The Bonds shall be authorized and secured by, and issued under, a Bond Ordinance, adopted by the Common Council of the City on _____, 2014 (the “Bond Ordinance”), drafted by Bingham Greenebaum Doll LLP, Indianapolis, Indiana, Bond Counsel, and approved by the Placement Agent.

4. The Private Placement Memorandum dated the date hereof, and relating to the Bonds, together with the cover page and all appendices thereto, is designated herein as the “Private Placement Memorandum”, and is incorporated herein.

5. The Placement Agent agrees to place all of the Bonds with the Purchaser at prices not in excess of the initial public offering prices set forth on the cover page of the Private Placement Memorandum. The City hereby ratifies and consents to the use and distribution of the Preliminary Private Placement Memorandum dated _____, 2014, relating to the Bonds (the “Preliminary Placement Memorandum”), and authorizes the Private Placement Memorandum and other documents to be used in connection with the placement and sale of the Bonds, including qualifications under securities or “blue sky” laws. The Placement Agent agrees, in connection with the sale of Bonds, that it will not confirm the sale of any Bonds unless

the confirmation of the sale is accompanied or preceded by delivery of a copy of the Private Placement Memorandum.

6. As soon as the Private Placement Memorandum becomes available after your acceptance of this offer, the City shall deliver to the Placement Agent, or to the individuals designated by the Placement Agent, executed copies of the Private Placement Memorandum, including a cover page, table of contents page and appendices. The City authorizes the Private Placement Memorandum and the information therein contained to be used by the Placement Agent in connection with the public offering and sale of the Bonds. As soon as reasonably possible after the date hereof, and in any event within seven (7) business days after the date hereof and in sufficient time to accompany any confirmation that requests payment from any customer, the City shall deliver to the Placement Agent a sufficient number of copies of the Private Placement Memorandum to enable the Placement Agent to comply with paragraph (b)(4) of Rule 15c2-12 under the Securities Exchange Act of 1934 ("Rule 15c2-12") and the rules of the Municipal Securities Rulemaking Board. Conformed copies may include such additions and corrections as may be agreed upon by the Placement Agent and the City and as shall be consistent with the terms and conditions of the sale of the Bonds as set forth herein.

7. The City hereby represents and warrants to the Placement Agent that:

(a) It is authorized by law to enter into this Bond Placement Agreement and the documents herein referred to and to perform all of its obligations to consummate the transactions contemplated hereby and thereby; and

(b) The information contained in the Private Placement Memorandum as of the Closing will be complete and correct in all material respects and does not and will not contain any untrue statement of a material fact and does not and will not omit a material fact required or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The City agrees that it shall take all necessary action to authorize the execution and delivery of, and shall execute and deliver the Bonds, the Bond Ordinance and any and all other agreements, certificates, and documents as may be required to consummate the transactions contemplated hereby and by the Private Placement Memorandum.

Any certificate signed by an authorized officer of the City and delivered to the Placement Agent shall be deemed a representation and warranty by the City to the Placement Agent as to statements made, therein.

8. The Placement Agent hereby represents and warrants to the City as follows:

(a) The Placement Agent has been duly authorized to execute this Bond Placement Agreement, and to carry out the terms of this Bond Placement Agreement.

(b) In the event that, from and after the date of execution of this Bond Placement Agreement, the Placement Agent places any Bond for a price in excess of the face amount thereof, the full amount of any such excess shall be paid to the City as part of the purchase price, as set forth in paragraph 2 hereof.

9. The obligations of the Placement Agent hereunder shall be subject to:

(a) The performance by the City of its obligations to be performed hereunder at and prior to the Closing,

(b) The accuracy of the warranties and representations of the City, and

(c) Delivery to the Placement Agent of executed counterparts of the following documents in such number as shall be reasonably required and in form and substance satisfactory to the Placement Agent:

(1) The Bond Ordinance.

(2) The unqualified approving opinion of Bond Counsel in customary market form, dated the date of Closing, relating to the due authorizations, execution, and delivery of the Bond Ordinance, the Bonds (and any documents relating to the issuance and security therefore), and such other matters as are customarily provided in such opinions.

(3) The Continuing Disclosure Undertaking Agreement executed by the City, dated as of the date hereof.

(4) Such additional legal opinions, bonds, proceedings, and such other documents, including references to the provisions of the Internal Revenue Code of 1986, as amended, as Bond Counsel or the Placement Agent may reasonably request to evidence compliance by the City with legal requirements, the truth and accuracy of their representations herein, the accuracy and completeness of the Private Placement Memorandum as of the Closing and the due performance or satisfaction by the City at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the City.

10. Incident to the issuance of the Bonds, and whether the Bonds are delivered to the Placement Agent or not, the Placement Agent agrees to pay the expenses of forming and managing a national selling group, the fees of any counsel retained by the Placement Agent, any advertising in connection with selling the Bonds, the costs of registering the Bonds or confirming exceptions from registration in any jurisdiction, and the costs of preparing Blue Sky and Legal Investment Memoranda, MSRB fees and other out-of-pocket expenses, the City shall pay, or cause to be paid, from the proceeds of the sale of the Bonds the fees and disbursements of Bond Counsel, counsel to the City, financial advisor/verification agent to the City, the cost of preparing, printing and distribution of the Preliminary Placement Memorandum and the Final Placement Memorandum, the fees of the rating agencies, the cost of printing and delivery of definitive Bonds, the cost of CUSIP numbers, DTC/Midwest charges and the costs and expenses of the issuance and delivery of the Bonds.

11. All representations, warranties, and agreements of the City shall remain in full force and effect regardless of any investigations made by or on behalf of the Placement Agent and shall survive the Closing.

12. No recourse under or upon any obligatory covenant or agreement contained in this Bond Placement Agreement or to be implied therefore shall be had against any officer, trustee, employees, agents or representative of the City; and no personal liability whatsoever shall attach to or be incurred by the present or any future officers, trustees, employees, agents or representatives of the City by reason of any of the obligations, covenants or agreements contained or this Bond Placement Agreement, or to be implied therefrom.

Any notice or other communication to be given to the City shall be given by delivering the same in writing at the address set forth above and any notice or other communication to be given to the Placement Agent shall be given in writing to

This Bond Placement Agreement is made solely for the benefit of the parties hereto, and no other person, including any holders of the Bonds, shall acquire or have any right hereunder or by virtue hereof.

The approval and acceptance of this offer by the City, as evidenced by the execution of the acceptance clause below, shall cause this document to constitute a contract for the placement by the Placement Agent with the Purchaser, and a sale by the City to the Purchaser through the Placement Agent, of the herein-described Bonds, subject to and in accordance with the terms and conditions herein outlined and established.

Respectfully submitted,

PIPER JAFFRAY & CO.,
as Placement Agent

By: _____

(Signature Page to Bond Placement Agreement)

Accepted by the City of Batesville, Indiana, this ____day of _____, 2014.

CITY OF BATESVILLE, INDIANA

By: _____

Richard Fledderman, Mayor

By: _____

Ronald C. Weigel ,Clerk-Treasurer

SCHEDULE A

Designation: City of Batesville, Indiana Taxable Economic
Development Income Tax Refunding Revenue
Bonds, Series 2014

Principal Amount: \$ _____

Dated: _____, 2014

Maturities and Interest Rates: Maturing annually on December 1, with interest payable semiannually on June 1 and December 1 of each year, commencing December 1, 2014, in the years and amounts and with interest rates, as shown below

<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
_____	\$ _____	_____ %

EXHIBIT B

Form of Continuing Disclosure Agreement

CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

This CONTINUING DISCLOSURE UNDERTAKING AGREEMENT (the “Agreement”) is executed and delivered by CITY OF BATESVILLE, INDIANA (the “Obligor” or “Issuer”), in connection with the issuance by the Obligor of its Taxable Economic Development Income Tax Refunding Revenue Bonds, Series 2014 in the aggregate principal amount of \$ _____ (the “Bonds”). The Bonds are being issued pursuant to Indiana Code 5-1-5 and 6-3.5-7, each as amended, and Ordinance No. _____, adopted _____, 2014 by the Common Council of the Issuer (the “Ordinance”) (collectively, the “Bond Proceedings”). Pursuant to the Ordinance, the Bonds will be secured by the Economic Development Income Tax of the Issuer. The Obligor covenants and agrees as follows:

Section 1. Purpose of the Disclosure Agreement.

a. This Disclosure Agreement is being executed and delivered by the Obligor for the benefit of the Bondholders and the Beneficial Owners and in order to assist the Participating Underwriter in complying with subsection (b)(5) of the Rule.

b. In consideration of the purchase and acceptance of any and all of the Bonds by those who shall hold the same or shall own beneficial ownership interests therein from time to time, this Disclosure Agreement shall be deemed to be and shall constitute a contract between the Obligor and the Bondholders and Beneficial Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Obligor shall be for the benefit of the Bondholders and Beneficial Owners of any and all of the Bonds.

c. The Obligor hereby determines that it will be an obligated person with respect to more than \$10,000,000 in aggregate amount of outstanding municipal securities, including the Bonds and excluding municipal securities that were offered in a transaction exempt pursuant to subsection (d)(1) of the Rule.

Section 2. Definitions. In addition to the definitions set forth in the Bond Proceedings, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings.

“Annual Report” shall mean any annual report provided by the Obligor pursuant to, and as described in, Section 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including any person holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean the Obligor, or any successor Dissemination Agent appointed in writing by the Obligor and which has filed with the Obligor a written acceptance of such appointment.

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

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

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

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the 1934 Act.

“National Repository” shall mean any nationally recognized municipal securities information repository for purposes of the Rule. Commencing July 1, 2009, the sole National Repository approved by the SEC shall be the MSRB through the EMMA.

“1934 Act” shall mean, the Securities Exchange Act of 1934, as amended.

“Official Statement” shall mean the Official Statement for the Bonds dated _____, 2014.

“Participating Underwriter” shall mean Piper Jaffray & Co.

“Repository” shall mean the National Repository and the State Repository.

“Rule” shall mean Rule 15c2-12 (17 CFR Part 240, §240.15c2-12) promulgated by the SEC pursuant to the 1934 Act, as the same may be amended from time to time, together with all interpretive guidances or other official interpretations or explanations thereof that are promulgated by the SEC.

“SEC” shall mean the United States Securities and Exchange Commission.

“Securities Counsel” shall mean legal counsel expert in federal securities law.

“State” shall mean the State of Indiana.

“State Repository” shall mean any public or private repository or entity designated by the State as a state information depository for the purpose of the Rule and recognized as such by the SEC. As of the date of this Disclosure Agreement, there is no State Repository.

Section 3. Provision of Annual Reports.

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

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

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

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

e. The Dissemination Agent shall, if the Dissemination Agent is other than the Obligor, file a report with the Obligor certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided.

f. In connection with providing the Annual Report, the Dissemination Agent (if other than the Obligor) is not obligated or responsible under this Disclosure Agreement to determine the sufficiency of the content of the Annual Report for purposes of the Rule or any other state or federal securities law, rule, regulation or administrative order.

Section 4. Content of Annual Reports. The Obligor's Annual Report shall contain or include by reference the following:

a. the audited financial statements of the Obligor for its fiscal year or two fiscal years, as may be required by State law, immediately preceding the due date of the Annual Report and shall include (i) the Audit or Examination Report of the Obligor as prepared and examined by the Indiana State Board of Accounts for such period, together with the opinion of such accountants and all notes thereto and (ii) unaudited financial information of the Obligor, if information in (i) is not available. Such financial statements, however, shall not be included if State law does not require the Obligor to prepare such statements for its immediately preceding fiscal year by the due date of the Annual Report for such fiscal year. The Obligor's financial statements shall be audited and prepared in accordance with GAAP with such changes as may be required from time to time in accordance with State law or shall be audited (only if required by State law) and, prepared in accordance with State law.

b. An update of the financial information and operating data relating to the Obligor of the same nature as that contained in Appendix A of the Official Statement under the heading “_____”.

Any or all of the items listed above may be included by specific reference to other documents that previously have been provided to each of the depositories or filed with the SEC. Notwithstanding the foregoing, if the document included by reference is a final official statement, it need only be available from this MSRB. The Obligor shall clearly identify each such other document so included by reference.

Section 5. Reporting of Events.

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

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

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

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

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

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

c. If the Obligor determines that the occurrence of a Listed Event must be filed as set forth above, (the Obligor shall promptly cause a notice of such occurrence to be filed with the MSRB through EMMA, together with a cover sheet in substantially the form attached as Exhibit C. In connection with providing a notice of the occurrence of a Listed Event described above in subsection (b)(5), the Obligor shall include in the notice explicit disclosure as to whether the Bonds have been escrowed to maturity or escrowed to call, as well as appropriate disclosure of the timing of maturity or call.

d. In connection with providing a notice of the occurrence of a Listed Event, the Dissemination Agent (if other than the Obligor), solely in its capacity as such, is not obligated or responsible under this Disclosure Agreement to determine the sufficiency of the content of the notice for purposes of the Rule or any other state or federal securities law, rule, regulation or administrative order.

e. The Obligor acknowledges that the “rating changes” referred to above in subsection (b)(6) may include, without limitation, any change in any rating on the Bonds or other indebtedness for which the Obligor is liable.

f. The Obligor acknowledges that it is not required to provide a notice of a Listed Event with respect to credit enhancement when the credit enhancement is added after the primary offering of the Bonds, the Obligor or the Issuer does not apply for or participate in obtaining such credit enhancement, and such credit enhancement is not described in the Official Statement.

Section 6. Termination of Reporting Obligation.

a. The Obligor's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, the prior redemption or the payment in full of all of the Bonds. If the Obligor's obligation to pay the principal of and interest on the Bonds is assumed in full by some other entity, such entity shall be responsible for compliance with this

Disclosure Agreement in the same manner as if it were the Obligor, and the Obligor shall have no further responsibility hereunder.

b. This Disclosure Agreement, or any provision hereof, shall be null and void in the event that the Obligor (i) receives an opinion of Securities Counsel, addressed to the Obligor, to the effect that those portions of the Rule, which require such provisions of this Disclosure Agreement, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, amended or modified, or are otherwise deemed to be inapplicable to the Bonds, as shall be specified in such opinion, and (ii) delivers notice to such effect to the MSRB through EMMA.

Section 7. Dissemination Agent. The Obligor, from time to time, may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Agent, with or without appointing a successor Dissemination Agent. Except as otherwise provided in this Disclosure Agreement, the Dissemination Agent (if other than Obligor) shall not be responsible in any manner for the content of any notice or report prepared by the Obligor pursuant to this Disclosure Agreement.

Section 8. Amendment; Waiver.

a. Notwithstanding any other provisions of this Disclosure Agreement, this Disclosure Agreement may be amended, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(1) if (the amendment or waiver relates to the provisions of Section 3(a), (b), (c), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the Obligor, or type of business conducted by the Obligor or in connection with the refunding referred to in the Official Statement;

(2) this Disclosure Agreement, as so amended or taking into account such waiver, would, in the opinion of Securities Counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(3) the amendment, or waiver either (A) is approved by the Bondholders in the same manner as provided in the Ordinance for amendments to the Ordinance with the consent of the Bondholders, or (B) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders.

b. In the event of any amendment to, or waiver of a provision of, this Disclosure Agreement, the Obligor shall describe such amendment or waiver in the next Annual Report and shall include an explanation of the reason for such amendment or waiver. In particular, if the amendment results in a change to the annual financial information required to be included in the Annual Report pursuant to Section 4 of this Disclosure Agreement, the first Annual Report that contains the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of such change in the type of operating data or financial information being provided. Further, if the annual financial information required to be provided in the Annual Report can no longer be generated because the operations to which it related has been materially changed or discontinued, a statement to that effect shall be included in the first Annual Report that does not include such information.

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

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Obligor from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Obligor chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Obligor shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Failure to Comply. In the event of a failure of the Obligor or the Dissemination Agent (if other than the Obligor) to comply with any provision of this Disclosure Agreement, any Bondholder or Beneficial Owner may bring an action to obtain specific performance of the obligations of the Obligor or the Dissemination Agent (if other than the Obligor) under this Disclosure Agreement, but no person or entity shall be entitled to recover monetary damages hereunder under any circumstances, and any failure to comply with the obligations under this Disclosure Agreement shall not constitute a default with respect to the Bonds or under the Ordinance. Notwithstanding the foregoing, if the alleged failure of the Obligor to comply with this Disclosure Agreement is the inadequacy of the information disclosed pursuant hereto, then the Bondholders and the Beneficial Owners (on whose behalf a Bondholder has not acted with respect to this alleged failure) of not less than twenty percent (20%) of the aggregate principal amount of the then outstanding Bonds must take the actions described above before the Obligor shall be compelled to perform with respect to the adequacy of such information disclosed pursuant to this Disclosure Agreement.

Section 11. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Obligor, the Dissemination Agent, the Participating Underwriter, the Bondholders and the Beneficial Owners, and shall create no rights in any other person or entity.

Section 13. Transmission of Information and Notices. Unless otherwise required by law or this Disclosure Agreement, and, in the sole determination of the Obligor or the Dissemination Agent, as applicable, subject to technical and economic feasibility, the Obligor or the Dissemination Agent, as applicable, shall employ such methods of information and notice transmission as shall be requested or recommended by the herein-designated recipients of such information and notices.

Section 14. Additional Disclosure Obligations. The Obligor acknowledges and understands that other State and federal laws, including, without limitation, the Securities Act of 1933, as amended, and Rule 10b-5 promulgated by the SEC pursuant to the 1934 Act, may apply to the Obligor, and that under some circumstances, compliance with this

Disclosure Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the Obligor under such laws.

Section 15. Governing Law. This Disclosure Agreement shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Disclosure Agreement shall be instituted in a court of competent jurisdiction in the State. Notwithstanding the foregoing, to the extent this Disclosure Agreement addresses matters of federal securities laws, including the Rule, this Disclosure Agreement shall be construed and interpreted in accordance with such federal securities laws and official interpretations thereof.

Section 16. Severability. If any portion of this Disclosure Agreement is held or deemed to be, or is, invalid, illegal, inoperable or unenforceable, the validity, legality, operability or enforceability of the remaining portions of this Disclosure Agreement shall not be affected, and this Disclosure Agreement shall be construed as if it did not contain such invalid, illegal, inoperable or unenforceable portion.

Signature Page to Continuing Disclosure Agreement

**CITY OF BATESVILLE,
INDIANA**

By: _____
Richard Fledderman, Mayor

ATTEST:

Ronald C. Weigel, Clerk-Treasurer
Dated: _____, 2014.

EXHIBIT A

NOTICE TO THE NATIONAL REPOSITORY AND

TO THE STATE REPOSITORY, OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer/Obligor: City of Batesville, Indiana

Name of Bond Issue: Taxable Economic Development Income Tax
Refunding Revenue Bonds, Series 2014

Date of Bonds: _____, 2014

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

CITY OF BATESVILLE, INDIANA

By. _____

Its: _____

Dated: _____

EXHIBIT B

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

Name of Issuer/Obligor: City of Batesville, Indiana

Name of Bond Issue: Taxable Economic Development Income Tax
Refunding Revenue Bonds, Series 2014

Date of Bonds: _____, 2014

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

CITY OF BATESVILLE, INDIANA

By. _____

Its: _____

Dated: _____

EXHIBIT C

MUNICIPAL SECONDARY MARKET DISCLOSURE INFORMATION COVER SHEET

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board, Nationally Recognized Municipal Securities Information Repositories, and any applicable State Information Depository pursuant to Securities and Exchange Commission rule 15c2-1 2 or any analogous state statute.

Issuer's and/or Other Obligated Person's Name: City of Batesville, Indiana

CUSIP Numbers (attach additional sheet if necessary):

☐ Nine-digit number(s) to which the information relates:

☐ Information relates to **all securities** issued by the issuer having the following six-digit numbers(s):

Number of pages of attached information: _____

Description of Material Event Notice / Financial Information (Check One):

- 1. ____ Principal and interest payment delinquencies
- 2. ____ Non-payment related defaults
- 3. ____ Unscheduled draws on debt service reserves reflecting financial difficulties
- 4. ____ Unscheduled draws on credit enhancements reflecting financial difficulties
- 5. ____ Substitution of credit or liquidity providers, or their failure to perform.
- 6. ____ Adverse tax opinions or events affecting the tax-exempt status of the security
- 7. ____ Modifications to rights of security holders
- 8. ____ Bond calls
- 9. ____ Defeasances
- 10. ____ Release, substitution, or sale of property securing repayment of the securities
- H. ____ Rating changes
- 12. ____ Failure to provide annual financial information as required
- 13. ____ Other material event notice (specify)
- *14. ____ Financial information: Please check all appropriate boxes:

☐ CAFR: (a) includes ☐ does not include ☐ Annual Financial Information

(b) Audited? Yes ☐ No ☐

☐ Annual Financial Information: Audited? Yes ☐ No ☐

☐ Operating Data

Fiscal Period Covered: _____

*Financial information **should not** be filed with the MSRB.

I hereby represent that I am authorized by the Issuer or the Obligated Person, or its agent to distribute this information publicly:

Signature: _____

Name: _____ Title: _____

Employer: _____

Address: _____

City, State, Zip Code: _____

Voice Telephone Number: _____

EXHIBIT D

CERTIFICATE RE: EVENT DISCLOSURE

The undersigned, on behalf of the City of Batesville, Indiana as Obligor under the Continuing Disclosure Agreement, dated _____, 2014 (the “Agreement”), hereby certifies that the information enclosed herewith constitutes notice of the occurrence of an event which is required to be provided pursuant to Section 5 of the Agreement.

Dated: _____

CITY OF BATESVILLE, INDIANA

By: _____

Name: _____

Title: _____