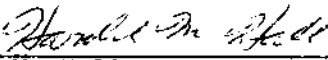


SPECIAL MEETING OF THE GREENVILLE TOWN COUNCIL, AUGUST 22, 1994.

Since the Council was in session for the Budget Approval, President Hall opened the meeting at 10:35 a.m. for the purpose of meeting with the Utility Project Contractor. Attending was Virgil Bolly, Bob Gibson and Councilmembers.

Mr. Bolly advised the Council that due to the restrictions placed on the Utility by the Indiana Bond Bank, Bond Council as advertised for the sale of Bonds in the amount of \$770,000 on the open market. This sale should be finalized on September 1, 1994. Due to the 120 day bid date the Town needs to meet with the Contractor, Caldwell Tanks, Inc. to extend the time limit in order for the utility to proceed with construction.

As there are numerous details to be worked out, President Hall stated this meeting should be extended. On motion of Bob Williams, seconded by Pat Sappenfield, President Hall voted in the affirmative for continuance to next regular meeting in September, 1994.

  
\_\_\_\_\_  
H. M. Hall, Council President

ATTEST:

  
\_\_\_\_\_  
Jack Sprigler, Clerk of the Council

# INDIANA BOND BANK

115 WEST WASHINGTON STREET  
SUITE 1175 SOUTH  
INDIANAPOLIS, INDIANA 46204  
317-233-0888  
800-535-6974  
FAX 317-233-0894

August 15, 1994

Mr. Harold Hall  
Town Council President  
Town of Greenville  
P.O. Box 188  
Greenville, IN 47124

Dear Mr. Hall:

By now, I am confident that you are aware that the Indiana Bond Bank is moving forward with the next issuance of its Pool Program debt without the participation of your community. I would like to take this opportunity to explain the events of the past few days.

Since its inception, the Bond Bank's primary mission has been to provide Indiana communities with an efficient and effective financing alternative. As a part of that mission, the Bond Bank has developed several different financing programs to meet the needs of individual communities.

In every Bond Bank financing, the community and the Bond Bank sign a purchase agreement, a legal document which specifies the various terms associated with the purchase of your debt. It is the lack of an executed purchase agreement which prevented your participation in the Pool Program and has resulted in the downsizing of the Bond Bank issue.

It is the policy of the Bond Bank that a Preliminary Official Statement will not be authorized for circulation in the market until executed purchase agreements have been received from all participating communities. This policy exists for the protection of the Bond Bank, its advisors, and the ultimate investor. While some communities had timely filed their executed purchase agreements, the Bond Bank granted an extension of time to accommodate the needs of others. However, to be fair to those who had already filed, a further extension of this deadline could not be granted.

I understand that your objection to the purchase agreement, as expressed by your advisors, is with Section 15. This section of the agreement requests that the Bond Bank give its written approval before a refunding or advance refunding of your debt occurs. This provision is necessary to allow the Bond Bank to adequately plan for repayment to our investors within the parameters of our arrangements with them. The Bond Bank has specifically stated that such approval would not be unreasonably withheld so that pool participants do not fear that their ability to exercise control over the management of their debt would be hampered or diminished.

Your advisors' reaction to Section 15 of the purchase agreement was unanticipated. The Bond Bank requested input from those firms serving as local bond

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Chairman, Marjorie H. O'Laughlin - Treasurer of State, Vice-Chairman - Ann E. Kolata  
Directors - Clark H. Byrum, Joseph T. Morrow, Charles W. Phillips, Cosette R. Simon  
Executive Director - Lisa B. Cottingham

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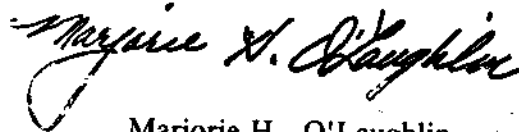
counsel to the Program participants. Several changes were suggested and made to the document as a result of those discussions. The language used in Section 15 is identical to the language used in the Bond Bank's last pool program. In that program, your advisors allowed their clients to execute the agreement as presented.

The Bond Bank staff specifically refrained from direct contact with you regarding this matter. It was assumed that you and all of your advisors had been fully briefed concerning this issue and the possibility of not being included in the Pool Program issuance. To debate the positions taken on your behalf by your advisors was not in the best interest of any of the parties involved.

Because of my background as a local official, I understand the decisions that you must make when trying to determine the best use of limited financial resources for your community. The methods of financing are important business decisions which may impact your community for years to come.

In my capacity as Chairman of the Board, it is important to me that the Bond Bank stands ready to assist Hoosier communities in any way that may be requested. If you should decide that the services of the Bond Bank will best fit your financing needs, please do not hesitate to call our offices at (317) 233-0888 or 1-800-535-6974.

Sincerely,



Marjorie H. O'Laughlin  
Chairman of the Board  
Treasurer of State

MHO/mh

c: Mr. Jack Sprigler  
Mr. Virgil Bolly  
Mr. Otto Krohn  
Ms. Patricia Zelmer