OFFICIAL STATEMENT DATED APRIL 14, 2014

NEW ISSUE **RATING: Non-Rated**
BOOK-ENTRY-ONLY

In the opinion of Shanahan & Shanahan LLP, Greenwood, Indiana ("Bond Counsel"), under existing laws, regulations, rulings and judicial decisions, interest on the 2014A Bonds (herein defined) is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended and in effect on the date of the issuance of the 2014A Bonds (the "Code"), for federal income tax purposes. Interest on the 2014 Bonds (herein defined) will be treated as an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and must be taken into account for purposes of computing certain other federal taxes. Interest on the 2014B Bonds (herein defined) is not excludable from gross income under Section 103 of the Code, for federal income tax purposes. In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the 2014 Bonds is exempt from taxation in the State of Indiana (the "State") for all purposes except for State inheritance taxes and the franchise tax imposed upon financial institutions. See "TAX MATTERS" and "APPENDIX B" herein..

INDIANA BOND BANK
$2,430,000 Sewage Works Revenue Refunding and Improvement Bonds, Series 2014A
$1,045,000 Taxable Sewage Works Revenue Refunding Bonds, Series 2014B
(Shorewood Forest Utilities, Inc.)

Dated: Date of Delivery **Due: As shown on inside front cover**

The Sewage Works Revenue Refunding and Improvement Bonds, Series 2014A (Shorewood Forest Utilities, Inc.) in the aggregate principal amount of $2,430,000 (the "2014A Bonds") and the Taxable Sewage Works Revenue Refunding Bonds, Series 2014B (Shorewood Forest Utilities, Inc.) in the aggregate principal amount of $1,045,000 (the "2014B Bonds") (collectively, the "Bonds") are being issued by the Indiana Bond Bank (the "Bond Bank") pursuant to Indiana Code 5-1.5, as amended (the "Act"), for the purpose of providing funds to be used to purchase the Series 2014A Refunding and Improvement Note (the "2014A Note") and the Taxable Series 2014B Refunding Note (the "2014B Note") (collectively, the "2014 Notes") from the Shorewood Forest Utilities, Inc. (the "Qualified Entity" or "Company") and in accordance with the Trust Indenture, dated as of April 1, 2014 (the "Indenture"), by and between the Bond Bank and Regions Bank, Indianapolis, Indiana (the "Trustee"). The 2014 Notes will be issued pursuant to a Trust Indenture, Mortgage, Security Agreement and Financing Statement dated as of April 1, 2014, by and between the Qualified Entity and the Trustee (the "Qualified Entity Indenture"). Pursuant to the terms of the Indenture and the Qualified Entity Indenture, the Bond Bank is acting solely as a passive conduit issuer in connection with the Bonds, and the Trustee will (i) assume all responsibilities and obligations, if any, required of the Bond Bank by the covenants in the Indenture and the Bonds, and (ii) agree to enforce all rights of the Bond Bank and all obligations of the Qualified Entity under the Indenture, the Qualified Entity Indenture, the Bonds and the 2014 Notes, regardless of whether any event of default shall have occurred under either the Indenture or the Qualified Entity Indenture.

The proceeds of the 2014A Bonds are being issued to (i) currently refund all of the Bond Bank's outstanding Utility Refunding Revenue Bonds, Series 2002A (Shorewood Forest Utilities, Inc.) outstanding in the amount of $675,000 (the "2002A Bonds"), (ii) purchase the 2014A Note from the Company pursuant to a Note Purchase Agreement dated as of April 14, 2014 between the Company and the Bond Bank (the "Purchase Agreement") and (iii) pay certain costs of issuance of the 2014A Bonds. The proceeds of the 2014B Bonds are being issued to (i) advance refund all of the Bond Bank's outstanding Sewage Works Revenue Bonds, Series 2005A (Shorewood Forest Utilities, Inc.) outstanding in the amount of $990,000 (the "2005A Bonds") (collectively, the 2002A Bonds and the 2005A Bonds, the "Refunded Bonds"), (ii) purchase the 2014B Note from the Company pursuant to the Purchase Agreement and (iii) pay certain costs of issuance of the 2014B Bonds. The proceeds of the 2014A Bonds loaned to the Company will be used in part to provide funds for certain capital projects.

The Bonds will be issued only as fully registered bonds in the denomination of $5,000 or any integral multiple thereof and will bear interest from the date of delivery of the Bonds at the rates per annum and mature semiannually on January 1 and July 1 in the years and in the principal amounts set forth herein. Interest on each Bond will be payable on January 1 and July 1 of each year, commencing July 1, 2014 (each an "Interest Payment Date").

When issued, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Bonds will be made in book-entry-only form. Purchasers of beneficial interests in the Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interest in the Bonds. Interest on the Bonds, together with the principal of and redemption premium, if any, thereon, will be paid directly to DTC, so long as the Bonds are held in book-entry-only form. The final disbursements of such payments to the Beneficial Owners will be the responsibility of DTC, the Direct Participants and the Indirect Participants, all as defined and more fully described herein. See "BOOK-ENTRY-ONLY SYSTEM".

The Bonds are offered when, as and if issued by the Bond Bank and received by J.J.B. Hilliard, W.L. Lyons, LLC (the "Underwriter"), subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Shanahan & Shanahan LLP, Greenwood, Indiana, Bond Counsel to the Qualified Entity and to the Bond Bank. Certain legal matters will be passed on for the Bond Bank by its General Counsel, Barnes & Thornburg LLP, Indianapolis, Indiana, and for the Company by its counsel, Harris Welsh & Lukmann, Chesterton, Indiana. It is expected that the Bonds in definitive form will be available for delivery to DTC in New York, New York, on or about April 23, 2014.

The Bonds are subject to optional redemption prior to maturity. See "REDEMPTION PROVISIONS FOR THE BONDS." The Bonds issued as Term Bonds are subject to mandatory sinking fund redemption as more fully described herein.

J.J.B. HILLIARD, W.L. LYONS, LLC

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

THE BONDS ARE LIMITED OBLIGATIONS OF THE BOND BANK AND ARE PAYABLE SOLELY FROM PAYMENTS MADE TO THE BOND BANK BY THE COMPANY PURSUANT TO THE 2014 NOTES, PLEDGED TO THE PAYMENT OF THE BONDS PURSUANT TO THE TRUST INDENTURE. THE BONDS DO NOT CONSTITUTE A GENERAL OR MORAL OBLIGATION OF THE BOND BANK, AND THE BOND BANK WILL NOT ESTABLISH OR MAINTAIN A RESERVE FUND UNDER INDIANA CODE 5-1.5-5, AS AMENDED. CONSEQUENTLY, THE BOND BANK WILL NOT SEEK AN APPROPRIATION FROM THE INDIANA GENERAL ASSEMBLY TO PAY DEBT SERVICE ON THE BONDS IN THE EVENT THE COMPANY FAILS TO MAKE TIMELY PAYMENTS ON THE 2014 NOTES. THE BONDS DO NOT CONSTITUTE A DEBT, LIABILITY, OR LOAN OF THE CREDIT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF UNDER THE CONSTITUTION AND LAWS OF THE STATE OR A PLEDGE OF THE FAITH, CREDIT, AND TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE SOURCES OF PAYMENT OF, AND SECURITY FOR, THE BONDS ARE MORE FULLY DESCRIBED IN THIS OFFICIAL STATEMENT UNDER THE CAPTION "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS." THE BOND BANK AND THE COMPANY HAVE NO TAXING POWER.

The information set forth under the captions "THE INDIANA BOND BANK" and "LITIGATION" has been obtained from the Bond Bank. All other information has been obtained from the Company, DTC and other sources (other than the Bond Bank).

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

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

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

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

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

$2,430,000
INDIANA BOND BANK
Sewage Works Revenue Refunding and Improvement Bonds, Series 2014A
(Shorewood Forest Utilities, Inc.)

The 2014A Bonds shall mature on January 1 and/or July 1 in accordance with the following schedule:

Base CUSIP*: 454625

Date	Amount	Rate	Yield	CUSIP*
7/1/2014	$20,000	1.000%	0.800%	AR5

$140,000 1.000% Term Bond due July 1, 2015 Yield to Maturity1.050% CUSIP AS3
$140,000 1.500% Term Bond due July 1, 2016 Yield to Maturity 1.350% CUSIP AT1
$140,000 2.000% Term Bond due July 1, 2017 Yield to Maturity 1.850% CUSIP AU8
$145,000 2.300% Term Bond due July 1, 2018 Yield to Maturity 2.350% CUSIP AV6
$150,000 3.000% Term Bond due July 1, 2019 Yield to Maturity 2.750% CUSIP AW4
$150,000 3.000% Term Bond due July 1, 2020 Yield to Maturity 3.100% CUSIP AX2
$150,000 3.300% Term Bond due July 1, 2021 Yield to Maturity 3.450% CUSIP AY0
$165,000 3.500% Term Bond due July 1, 2022 Yield to Maturity 3.650% CUSIP AZ7
$170,000 3.375% Term Bond due July 1, 2023 Yield to Maturity 3.900% CUSIP BA1
$180,000 4.000% Term Bond due July 1, 2024 Yield to Maturity 4.150% CUSIP BB9
$180,000 4.250% Term Bond due July 1, 2025 Yield to Maturity 4.400% CUSIP BC7
$190,000 4.375% Term Bond due July 1, 2026 Yield to Maturity 4.500% CUSIP BD5
$510,000 4.600% Term Bond due January 1, 2029 Yield to Maturity 4.750% CUSIP BE3

$1,045,000
INDIANA BOND BANK
Taxable Sewage Works Revenue Refunding Bonds, Series 2014B
(Shorewood Forest Utilities, Inc.)

The 2014B Bonds shall mature on January 1 and/or July 1 in accordance with the following schedule:

Base CUSIP*: 454625

$125,000 2.000% Term Bond due July 1, 2016 Yield to Maturity 2.000% CUSIP BF0
$180,000 3.500% Term Bond due July 1, 2019 Yield to Maturity 3.500% CUSIP BG8
$195,000 4.500% Term Bond due July 1, 2022 Yield to Maturity 4.500% CUSIP BH6
$230,000 5.000% Term Bond due July 1, 2025 Yield to Maturity 5.1250% CUSIP BJ2
$315,000 5.250% Term Bond due January 1, 2029 Yield to Maturity 5.350% CUSIP BK9

**CUSIP numbers have been provided by an organization not affiliated with the Company. The Company is not responsible for the selection of CUSIP numbers, nor does it make any representation as to such numbers*

SHOREWOOD FOREST UTILITIES, INC.

Terry Atherton, President
Gerald Hanas, Treasurer

Indiana Bond Bank
Lisa Cottingham
Ronald Mangus

Indiana Bond Bank – Board of Directors
The Honorable Richard Mourdock, Chairman
William S. Konyha, Vice-Chairman
Philip C. Belt
Patrick F. Carr
J. Scott Davison
Marni McKinney
Kendra W. York

Indiana Bond Bank – General Counsel
Barnes & Thornburg LLP
Indianapolis, Indiana

Local Attorney - Company
Harris Welsh & Lukmann
Chesterton, Indiana

Bond Counsel
Shanahan & Shanahan LLP
Greenwood, Indiana

Financial Consultant
London Witte Group, LLC
Indianapolis, Indiana

Underwriter
J.J.B. Hilliard, W.L. Lyons, LLC
Carmel, Indiana

Trustee, Registrar & Paying Agent
Regions Bank
Indianapolis, Indiana

Escrow Trustee
U.S. Bank National Association
Indianapolis, Indiana

TABLE OF CONTENTS

This page intentionally left blank.

OFFICIAL STATEMENT

INDIANA BOND BANK
$2,430,000 Sewage Works Revenue Refunding and Improvement Bonds, Series 2014A
$1,045,000 Taxable Sewage Works Revenue Refunding Bonds, Series 2014B
(Shorewood Forest Utilities, Inc.)

INTRODUCTION

This Official Statement, including the cover page and appendices, contains certain information pertaining to the sale by the Indiana Bond Bank (the "Bond Bank") of its Sewage Works Revenue Refunding and Improvement Bonds, Series 2014A (Shorewood Forest Utilities, Inc.) in the aggregate principal amount of $2,430,000 (the "2014A Bonds") and the Taxable Sewage Works Revenue Refunding Bonds, Series 2014B (Shorewood Forest Utilities, Inc.) in the aggregate principal amount of $1,045,000 (the "2014B Bonds") (collectively, the "Bonds") . The Bonds are being issued pursuant to the provisions of Indiana Code 5-1.5, as amended (the "Act") and the Indenture (as defined herein). Capitalized terms as used herein are defined in either the Indenture or the Trust Indenture, Mortgage, Security Agreement and Financing Statement dated as of April 1, 2014, between Shorewood Forest Utilities Inc., an Indiana not-for-profit corporation (the "Qualified Entity" or "Company") and Regions Bank, as trustee (the "Qualified Entity Indenture"), summaries of which documents are set forth herein.

The Bonds are to be issued under and secured by a Trust Indenture dated as of April 1, 2014 (the "Indenture"), between the Bond Bank and Regions Bank, Indianapolis, Indiana, as trustee (the "Trustee", the "Registrar" and the "Paying Agent"). The principal of, premium, if any, and interest on the Bonds are payable solely from Qualified Obligation Payments (as defined in the Indenture) by the Company. Pursuant to the terms of the Indenture and the Qualified Entity Indenture, the Bond Bank is acting solely as a passive conduit issuer in connection with the Bonds, and the Trustee will (i) assume all responsibilities and obligations, if any, required of the Bond Bank by the covenants in the Indenture and the Bonds, and (ii) agree to enforce all rights of the Bond Bank and all obligations of the Qualified Entity under the Indenture, the Qualified Entity Indenture, the Bonds and the 2014 Notes, regardless of whether any event of default shall have occurred under either the Indenture or the Qualified Entity Indenture.

The proceeds of the 2014A Bonds are being issued to (i) currently refund all of the Bond Bank's outstanding Utility Refunding Revenue Bonds, Series 2002A (Shorewood Forest Utilities, Inc.) outstanding in the amount of $675,000 (the "2002A Bonds"), (ii) purchase the Series 2014A Refunding and Improvement Note (the "2014A Note") from the Company pursuant to a Note Purchase Agreement dated as of April 14, 2014 between the Company and the Bond Bank (the "Purchase Agreement") and (iii) pay certain costs of issuance of the 2014A Bonds. The proceeds of the 2014B Bonds are being issued to (i) advance refund all of the Bond Bank's outstanding Sewage Works Revenue Bonds, Series 2005A (Shorewood Forest Utilities, Inc.) outstanding in the amount of $990,000 (the "2005A Bonds") (collectively, the 2002A Bonds and the 2005A Bonds, the "Refunded Bonds"), (ii) purchase the Taxable Series 2014B Refunding Note (the "2014B Note") (collectively, the 2014A Note and the 2014B Note, the "2014 Notes") from the Company pursuant to the Purchase Agreement and (iii) pay certain costs of issuance of the 2014B Bonds. The proceeds of the 2014A Bonds loaned to the Company will be used in part to provide funds for certain capital projects. The Company is unconditionally obligated, under the Purchase Agreement, to make payments at times and in amounts sufficient to enable the Bond Bank to meet its obligations on the Bonds.

THE BONDS AND THE INTEREST THEREON DO NOT AND SHALL NEVER CONSTITUTE A GENERAL OBLIGATION OF THE STATE OF INDIANA OR ANY POLITICAL SUBDIVISION THEREOF INCLUDING THE BOND BANK WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT, FUNDS OR ASSETS OF THE STATE OF INDIANA, OR ANY POLITICAL SUBDIVISION THEREOF INCLUDING THE BOND BANK OR THE TAXING POWERS OF THE STATE OF INDIANA OR ANY POLITICAL SUBDIVISION THEREOF, AND NO HOLDER OF ANY BOND MAY COMPEL THE EXERCISE OF THE TAXING POWER OF THE STATE OF INDIANA OR ANY POLITICAL SUBDIVISION THEREOF TO PAY PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. NEITHER THE BOND BANK NOR THE COMPANY HAVE THE POWER TO LEVY OR COLLECT TAXES. THE BONDS DO NOT CONSTITUTE A GENERAL OR MORAL OBLIGATION OF THE BOND BANK, AND, ALTHOUGH A DEBT SERVICE RESERVE ACCOUNT WILL BE ESTABLISHED BY THE COMPANY WITH RESPECT TO THE 2014 NOTES, IT WILL NOT CONSTITUTE A RESERVE FUND UNDER INDIANA CODE 5-1.5-5, AS AMENDED. CONSEQUENTLY, THE BOND BANK WILL NOT SEEK AN APPROPRIATION FROM THE INDIANA GENERAL ASSEMBLY TO PAY DEBT SERVICE ON THE BONDS IN THE EVENT THE COMPANY FAILS TO MAKE TIMELY PAYMENTS ON THE BONDS.

The Bonds are limited obligations of the Bond Bank payable solely from the Qualified Obligation Payments. Pursuant to the Indenture, the Bond Bank has pledged and assigned to the Trustee (for the benefit of the holders of the Bonds) all of the Bond Bank's rights, title and interest in and to the 2014 Notes and the Qualified Entity Indenture, and the Trustee has agreed to: (i) assume all responsibilities and obligations, if any, required of the Bond Bank by the covenants in the Indenture and the Bonds, and (ii) enforce all rights of the Bond Bank and all obligations of the Qualified Entity under the Indenture, the Qualified Entity Indenture, the Bonds and the 2014 Notes, regardless of whether any event of default shall have occurred under either the Indenture or the Qualified Entity Indenture. The Qualified Entity Indenture creates a security interest in and to all of the Company's Revenues (as hereinafter defined). The security interest is for the benefit of all the holders of the Bonds.

The 2014 Notes are special obligations of the Company and, except to the extent payable from proceeds thereof or moneys derived from the investment thereof and insurance and condemnation proceeds, will be payable solely and only from and secured by the principal and interest payments to be made by the Company under the Qualified Entity Indenture. The semi-annual payment on the 2014 Notes are payable from net revenues (the "Net Revenues") of the Company (Net Revenues are defined as total operating revenues of the Company plus investment income, less total operating expenses, net of depreciation and amortization expenses) which have been pledged to the repayment of the 2014 Notes. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" and Appendix D hereto.

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

London Witte Group, LLC, Indianapolis, Indiana has prepared analysis with respect to the Net Revenues of the Company, which is appended to this Official Statement included in Appendix A. Reference to the analysis should be made for an estimate of the Net Revenues to be available to pay the

principal of and interest on the Bonds and the assumptions made by London Witte Group, LLC in the preparation of the analysis.

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

THE INDIANA BOND BANK

The Indiana Bond Bank was created in 1984, and is organized, existing under and by virtue of the Act as a separate body corporate, and politic, constituting an instrumentality of the State for the public purposes set forth in the Act. The Bond Bank is not an agency of the State, but is separate from the State in its corporate and sovereign capacity and has no taxing power.

The Act

Pursuant to the Act, the purpose of the Bond Bank is to assist "qualified entities", defined in the Act to include, in part, political subdivisions, as defined in Indiana Code 36-1-2-13, state educational institutions, as defined in Indiana Code 20-12-0.5-1(b), leasing bodies, as defined in Indiana Code 5-1-1-1(a), any commissions, authorities or authorized bodies of any qualified entity, and any organizations, associations or trusts with members, participants or beneficiaries that are all individually qualified entities. The Bond Bank provides such assistance through programs, such as purchasing the bonds, notes or evidences of indebtedness of such qualified entities. Under the Act, qualified entities include entities such as cities, towns, counties, school corporations, library corporations, special taxing districts, state educational institutions, charter schools and nonprofit corporations and associations that lease facilities or equipment to such entities. The Company is a "qualified entity" within the meaning of the Act.

Powers Under the Act

Under the Act, the Bond Bank has a perpetual existence and is granted all powers necessary, convenient or appropriate to carry out its public and corporate purposes including, without limitation, the power to do the following:

1. Make, enter into and enforce all contracts necessary, convenient or desirable for the purposes of the Bond Bank or pertaining to: (i) a loan to or a lease or an agreement with a qualified entity; (ii) a purchase, acquisition or a sale of qualified obligations or other investments; or (iii) the performance of its duties and execution of its powers under the Act;

2. Purchase, acquire or hold qualified obligations or other investments for the Bond Bank's own account or for a qualified entity at such prices and in a manner as the Bond Bank considers advisable, and sell or otherwise dispose of the qualified obligations or investments at prices without relation to cost and in a manner the Bond Bank considers advisable;

3. Fix and establish terms and provisions upon which a purchase or loan will be made by the Bond Bank;

4. Prescribe the form of application or procedure required of a qualified entity for a purchase or loan and enter into agreements with qualified entities with respect to each purchase or loan;

5. Render and charge for services to a qualified entity in connection with a public or private sale of any qualified obligation, including advisory and other services;

6. Charge a qualified entity for costs and services in review or consideration of a proposed purchase, regardless of whether a qualified obligation is purchased, and fix, revise from time to time, charge and collect other Program Expenses properly attributable to qualified entities;

7. To the extent permitted by the indenture or other agreements with the owners of bonds or notes of the Bond Bank, consent to modification of the rate of interest, time and payment of installments of principal or interest, security or any other term of a bond, note, contract or agreement of any kind to which the Bond Bank is a party;

8. Appoint and employ general or special counsel, accountants, financial advisors or experts, and all such other or different officers, agents and employees as it requires;

9. In connection with the purchase of any qualified obligations, consider the need, desirability or eligibility of the qualified obligation to be purchased, the ability of the qualified entity to secure financing from other sources, the costs of such financing and the particular public improvement or purpose to be financed or refinanced with the proceeds of the qualified obligation to be purchased by the Bond Bank;

10. Temporarily invest moneys available until used for making purchases, in accordance with the indenture or any other instrument authorizing the issuance of bonds or notes; and

11. Issue bonds or notes of the Bond Bank in accordance with the Act bearing fixed or variable rates of interest in aggregate principal amounts considered necessary by the Bond Bank to provide funds for any purposes under the Act; provided, that the total amount of bonds or notes of the Bond Bank outstanding at any one time may not exceed any aggregate limit imposed by the Act, currently fixed at $1,000,000,000. Such aggregate limit of $1,000,000,000 does not apply to: (i) bonds or notes issued to fund or refund bonds or notes of the Bond Bank; (ii) bonds or notes issued for the purpose of purchasing an agreement executed by a qualified entity under Indiana Code 20-49-4; (iii) bonds, notes or other obligations not secured by a reserve fund under Indiana Code 5-1.5-5; (iv) bonds, notes, or other obligations if funds and investments, and the anticipated earned interest on those funds and investments, are irrevocably set aside in amounts sufficient to pay the principal, interest, and premium on the bonds, notes, or obligations at their respective maturities or on the date or dates fixed for redemption; and (v) obligations of certain types of qualified entities that have separate limits.

Under the Act, the Bond Bank may not do any of the following:

1. Lend money other than to a qualified entity;

2. Purchase a security other than a qualified obligation to which a qualified entity is a party as issuer, borrower or lessee, or make investments other than as permitted by the Act;

3. Deal in securities within the meaning of or subject to any securities law, securities exchange law or securities dealers law of the United States, the State or any other state or jurisdiction, domestic or foreign, except as authorized by the Act;

4. Emit bills of credit or accept deposits of money for time or demand deposit, administer trusts or engage in any form or manner, or in the conduct of, any private or commercial banking business or act as a savings bank, savings association or any other kind of financial institution; or

5. Engage in any form of private or commercial banking business

Organization and Membership of the Bond Bank

The membership of the Board of Directors of the Bond Bank (the "Board") consists of seven members: the Treasurer of State, serving as Chairman Ex Officio, the Public Finance Director of the State of Indiana, appointed by the Governor and serving as Director Ex Officio, and five Directors appointed by the Governor of the State. Each of the five Directors appointed by the Governor must be a resident of the State and must have substantial expertise in the buying, selling and trading of municipal securities or in municipal administration or public facilities management. Each such Director will serve for a three-year term as set forth below and until a successor is appointed and qualified. Each such Director is also eligible for reappointment and may be removed for cause by the Governor. Any vacancy on the Board is filled by appointment of the Governor for the unexpired term only.

The Board elects one Director to serve as Vice Chairman. The powers of the Bond Bank are vested in the Board, any four members of which constitute a quorum. Action may be taken at any meeting of the Board by the affirmative vote of at least four Directors. A vacancy on the Board does not impair the right of a quorum to exercise the powers and perform the duties of the Board.

Directors

The following persons, including those persons with the particular types of experience required by the Act, comprise the present Directors of the Board:

Richard E. Mourdock, Treasurer of the State of Indiana, February 10, 2007-present, and Chairman Ex Officio. Residence: Evansville, Indiana. President, R.E. Mourdock and Associates, LLC, 2001 to present; Vanderburgh County Commissioner, 1995 to 2002; Executive, Koester Companies, 1984 to 2000; Senior Geologist, Standard Oil Company, 1979 to 1984; Geologist, Amax Coal Company, 1974 to 1979.

Kendra York, Public Finance Director of the State of Indiana, January 17, 2011 to present. Residence: Bargersville, Indiana, Indiana Finance Authority, Chief Operating Officer and General Counsel, 2007 to 2011; previously, attorney, of counsel, with Ice Miller LLP, municipal finance section; licensed to practice law in the states of Indiana and California.

William S. Konyha, Vice Chairman; term expired July 1, 2012. Residence: Wabash, Indiana. President & CEO, Economic Development Group of Wabash County, Inc., 2006 to present; Chairman, Indiana Main Street Council; Advisory Counsel, Office of Community and Rural Affairs; Governance Committee Member, Indiana Economic Development Association; Advisory Board, Ivy Tech State Community College.

Patrick F. Carr, Director, term expired July 1, 2011. Residence: Indianapolis, Indiana. President and Chief Financial Officer, Golden Rule Insurance Company, United Healthcare, 2010 to present; Golden Rule, Senior Vice President, Chief Financial Officer, 2005 to 2010; Mayflower Transit, Inc., President and CEO, 1995-2005; President of the Board, American Medical Insurance Company, 2006

to present; Treasurer of the Board, Center for Leadership, 2006 to present; Chairman of the Investment Committee, Catholic Community Foundation, 2009 to present; Board of Advisors, Langham Logistics, 2008 to present; Treasurer of Board of Directors, Legatus of Indiana, 1995 to present; Member of the Indiana CPA Society, American Institute of CPAs, and Financial Executive Institute.

Philip C. Belt, Director; term expired June 30, 2013. Residence: Indianapolis, Indiana. Senior Vice President and Chief Operating Officer, VMS BioMarketing, 2011 to present; Vice President, Private Equity, Credit Suisse, 2009 to 2011; Eli Lilly and Company, 1997 to 2009, Senior Director, Global Product Communications, 2008 to 2009; Senior Director, Corporate Communications, 2004 to 2008; Senior Director, Mergers and Acquisitions, 2000 to 2004; Director, Investor Relations, 1998 to 2000; Financial Manager/Financial Analyst, various roles, 1993 to 1997; Member of the Board of Elders, Church at the Crossing, 2004 to 2007.

Marni McKinney, Director; term expired July 1, 2004. Residence: Indianapolis, Indiana. Chairman, 2008 to present, Indiana Community Bank Advisory Board, M&I Marshall & Isley Bank; Vice President, 1984 to 1989, and Chairman of the Board, 1999 to 2008, First Indiana Bank; Vice Chairman and Chief Executive Officer, 1999 to 2005, and Chairman of the Board, 2005 to 2008, First Indiana Corporation; President and CEO, 1995 to 2000, The Somerset Group, Board of Directors, Fairbanks Hospital, Inc.; Board of Directors, Indiana State Symphony Society; Member, Advisory Panel of the Butler Business Accelerator; Member, Central Indiana Community Foundation Investment Committee; Member, Housing Trust Fund Advisory Committee of the City of Indianapolis.

J. Scott Davison, Director, term expired July 1, 2012. Residence: Zionsville, Indiana. President and Chief Executive Officer of American United Mutual Insurance Holding Company, OneAmerica, President 2013 to present and Chief Executive Officer effective April 1, 2014 to present; Chief Financial Officer, One America Financial Partners, Inc., June 1, 2004 to April 1, 2014; Senior Vice President, Corporate Planning, July 1, 2002 to June 1, 2004; Vice President, Corporate Planning, December 1, 2000 to July 1, 2002; Senior Vice President and Chief Financial Officer, AUL Reinsurance Management Services, January 15, 2000 to December 1, 2000; Senior Vice President and Chief Financial Officer, Duncanson & Holt, Inc., October 1997 to January 15, 2000. Vice Chair, Indiana Sports Corporation, January 1, 2008 to present; Member of the Clarian Health Subcommittee on Investments, April 1, 2009 to present; Chairman of the Board for Camptown Inc., January 1, 2008 to present.

Although the expiration date of the term of the Directors has passed, the Act provides that a Director's term will not expire until the Director's successor is appointed and qualified. No such successors have been appointed and qualified.

The Board is authorized to appoint and fix the duties and compensation of an Executive Director, who serves as both secretary and treasurer of the Board. Lisa Cottingham was appointed Executive Director of the Indiana Bond Bank effective July 28, 2010. Ms. Cottingham previously served as Controller for the Indiana Department of Correction and was Executive Director of the Bond Bank from January, 1992 to July, 1995.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

THE COMPANY

General Business Matters

The Company is an Indiana not-for-profit corporation incorporated on July 15, 1974, under the Indiana General Not-For-Profit Corporation Act. The Company owns and operates a treatment and collection system for wastewater to its members, primarily for residential uses. The Company's service area primarily consists of Shorewood Forest residential development in Porter County, Indiana. It currently serves approximately 918 sewer customers.

The Company is exempt from federal income tax under Section 501(c)(12) of the Internal Revenue Service Code of 1986, as amended, and is exempt from the Indiana corporate gross income tax.

Regulatory Matters

At present, the Company is subject to the jurisdiction of various state and federal agencies. Among the agencies, which regulate various activities of the Company, are the United States Environmental Protection Agency ("EPA"), and the Indiana Department of Environmental Management ("IDEM"). On January 19, 2005, the Company elected to opt out of the jurisdiction of the Indiana Utility Regulatory Commission ("IURC"). That election became effective February 19, 2005.

The Company has previously received authority from the IURC to operate as a public wastewater utility in the State. The regulatory authority of the IURC no longer extends to the Company's rates and charges, service, acquisition of properties, accounting practices, engineering practices and issuance of long-term indebtedness.

Loans Outstanding

The Company has outstanding $675,000 of notes securing the 2002 Bonds with a final maturity of January 1, 2021 and $990,000 of notes securing the 2005 Bonds with a final maturity of January 1, 2030. These obligations were each purchased with the proceeds of the Refunded Bonds issued through the Bond Bank. Upon the issuance of the 2014 Notes and the refunding of the Refunded Bonds, the 2014 Notes will be the only outstanding obligation of the Company.

Competition

The permit granted to the Company by the IURC entitles the Company to lay, maintain and operate its mains and conduits in public streets and throughout the area it serves. These rights are not exclusive, but the Company is aware of no other competitors operating within its area of service, and the Company does not anticipate that any significant competition will develop.

Employees

As of February 1, 2014, the Company has two (2) full-time employees and one (1) contracted bookkeeper none of whom are represented by a labor union and six (6) volunteers.

User Connections

Based upon information provided by management, the number of Waste Water customers (each of whom is a member of the Company) for the past five (5) year-ends are set forth below:

	Number of Users	Total Consumption
2013	981	63,077,842
2012	924	57,130,758
2011	913	60,964,245
2010	914	62,367,564
2009	883	65,333,550

Rates and Charges

The Company's current residential users are charged a flat rate of $65 per month for each residential user and the rate charged to the commercial user is $65 per equivalent residential user based upon the monthly usage. These rates became effective May 1, 2005. In addition, the following charges have been adopted by the Company.

Connection Fees

Each user is charged at the time he is connected with the sewage disposal service system a non-refundable fee of $1,000. This fee is to cover the costs of physically connecting the customer to the system.

Collection and Deferred Payment Charges

All bills for sewage disposal services not paid within 15 days from the due date thereof, as stated in such bills, shall be subject to the collection or deferred payment charge of 10% on the first $3.00 and 3% on the excess over $3.00.

Bad Check Charge

Charge for bad check will be thirty-five dollars ($35.00).

Capacity Fee

Each new user is charged a capacity fee of $2,000 for each new connection. Funds collected are not to be used for operational purposes but only for capital improvement needs of the Company.

Large Users

The largest utility customer (in terms on revenues generated) is the Shellbourne Conference Center. For the year ending December 31, 2013 the customer paid utility user fees totaling $35,006. This represents approximately 3.66% of the Company's revenue.

Area Served

The Company provides for the collection and treatment of wastewater to its members who are residents of Shorewood Forest subdivision in Porter County, Indiana. According to information provided by management, the major employers that are within the immediate surrounding area, but not necessarily within the Company's service area include:

Name	Type of Business	Number Of Employees
Porter Health Systems	Health	1,950
Valparaiso University	Education	1,053
Valparaiso Community Schools	Education	770
Porter County Government	Government	755
Family Express	Convenience Store	500
Porter County Education Servies	Education	450
Wal-Mart	Retail	427
Opportunity Enterprises	Disability Learning Center	400
Pratt Industries USA	Metal Foil & Leafe Industry	320
Urschel Laboratories, Inc.	Food Cutting Machinery	315

Directors and Executive Officers and Significant Employees

The name and position of each director and executive officer of the Company are set forth below. Each director is elected by the members of the Company to serve a term of three (3) years and until a successor is duly elected and qualified. The executive officers of the Company are elected annually by the Board of Directors for a term of one (1) year and until their successors are elected and qualified, provided, however, that an executive officer may be removed by the Board of Directors at any time.

Terry Atherton, President
Randy Becker, Vice-President
Mike Kennedy, Director
Gerald Hanas, Treasurer
Greg Colton, Secretary
Donna Atherton, Asst. Treasurer

Remuneration of Directors and Officers

The Directors of the Company receive $0 per meeting for their services as a director of the Company. In 2013 there were 12 meetings.

Security Ownership of Management

As a not-for-profit company, the Company is owned by its members, of which there are two classes of members. A Class A Member is an owner of a platted, residential lot in Shorewood Forest, which is connected to the Company's sanitary sewer system. Class A Members shall have one (1) vote for each residential, platted, connected lot in Shorewood Forest. A Class B Member is an owner of a platted, residential lot connected to the Company's sanitary sewer system, in a portion of the Company's authorized service area, which is not a part of Shorewood Forest. Class B Members shall

have one-half (1/2) vote for each residential, platted, connected lot outside Shorewood Forest. A person who has less than an ownership interest in the real estate within Shorewood Forest or the Company's service area (i.e. the interest of a mortgagee, renter or a land contract vendor) shall not, by that interest, be entitled to membership in the Company. Membership in the Company shall terminate when any member shall cease to be the owner of a platted lot within Shorewood Forest or service area. Each director and officer of the Company is also a member of the Company. As of December 31, 2013, the Company had 981 members.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Limited Obligations

The Bonds are limited obligations of the Bond Bank, payable as to principal, premium, if any, and interest solely from the 2014 Notes. The Bonds and the interest thereon shall never constitute a general or moral obligation of the State of Indiana, any political subdivision thereof or the Bond Bank within the meaning of any constitutional or statutory provision or limitation and shall never constitute or give rise to a charge against the general credit, funds or assets of the State of Indiana, any political subdivision thereof or the Bond Bank or the taxing powers of the State of Indiana or any political subdivision thereof and no holder of any Bond may compel the exercise of the taxing power of the State of Indiana or any political subdivision thereof to pay principal of, premium, if any, or interest on the Bonds.

THE BOND BANK WILL NOT ESTABLISH OR MAINTAIN A DEBT SERVICE RESERVE FUND UNDER INDIANA CODE 5-1.5-5, AS AMENDED. CONSEQUENTLY, THE BOND BANK WILL NOT SEEK AN APPROPRIATION FROM THE INDIANA GENERAL ASSEMBLY TO PAY DEBT SERVICE ON THE BONDS IN THE EVENT THAT THE COMPANY FAILS TO MAKE TIMELY PAYMENTS ON THE 2014 NOTES. THE BOND BANK HAS NO TAXING AUTHORITY.

2014 Notes and the Qualified Entity Indenture. Pursuant to the Qualified Entity Indenture, the Company has granted to the holder of the 2014 Notes a security interest in and to all of the Company's real and personal and tangible and intangible property, including, without limitation, the Company's real estate and revenues (the "Mortgaged Property"). Pursuant to the Indenture, the security interest and the mortgage have been assigned by the Bond Bank to the Trustee for the benefit of the Bondholders. The mortgage and security interest, which have been assigned for the benefit of the Bondholders, create a lien on the Mortgaged Property.

The Qualified Entity Indenture creates a Debt Service Reserve Account for the 2014 Notes and requires that the Company make monthly payments into the Debt Service Reserve Account until the amount therein equals the maximum annual principal and interest payable in any calendar year while the 2014 Notes remain outstanding (the "Debt Service Reserve Requirement"). A portion of the Debt Service Reserve Requirement will be funded upon closing of the financing with the remaining requirement funded from a five (5) year build-up from Net Revenues. The Debt Service Reserve Account is not a debt service reserve maintained by the Bond Bank, and consequently, no appropriation from the Indiana General Assembly will be sought to replenish the Debt Service Reserve Account if the Company fails to make timely payments on the 2014 Notes. See "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE QUALIFIED ENTITY INDENTURE".

Funds and Accounts Under the Indenture

General Fund. The Trustee will create within the General Fund, a General Account, a Redemption Account and a Bond Issuance Expense Account. The Trustee will deposit (1) the proceeds necessary to purchase the 2014 Notes into the General Account upon delivery of the Bonds, (2) amounts necessary to pay the principal and interest payments due on the Bonds on the business day preceding each interest payment date, and (3) amounts necessary to pay program expenses. The Redemption Account shall receive all moneys upon the sale or optional redemption prior to maturity of the 2014 Notes. And the Trustee shall pay the issuance costs from the Bond Issuance Expense Account upon presentation of an affidavit executed by any one (1) authorized representative of the Company, stating the character of the cost, the amount thereof and to whom due, together with the statement of the creditor as to the amount owing. Any amount remaining in the Bond Issuance Expense Account after ninety (90) days shall be transferred to the General Fund.

Rebate Fund. Pursuant to the Indenture, the Trustee will establish and maintain so long as any 2014A Bonds are outstanding, a separate Fund to be known as the "Rebate Fund".

The Rebate Fund will not be pledged as security for the payment of the principal of, premium, if any, and interest on any series of Bonds and shall remain in the Rebate Fund until either (a) the money is disbursed to the United States of America or (b) a determination is made by the Trustee that such funds are not owed to the United States of America under the rebate requirements of Section 148 of the Code.

Not later than sixty (60) days after five (5) years following the date of delivery of the bonds, and at intervals of every five years thereafter, the Trustee will pay to the United States of America 90% of the amount required to be on deposit in the Rebate Fund as of such payment date. Not later than sixty (60) days following the retirement of all of the 2014A Bonds, the Trustee will pay to the United States of America the amount equal to 100% of the balance remaining in the Rebate Fund. Each payment to the United States of America will be accompanied by a statement of the Company summarizing the determination of the amount of such payment, together with copies of any reports originally filed with the Internal Revenue Service with respect to the 2014A Bonds.

Investment of Funds. Funds on deposit in the various Funds may be invested in Investment Securities, as defined under the Indenture.

See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE".

DESCRIPTION OF THE BONDS

General Description

The Bonds are issuable as fully registered bonds in denominations of $5,000 or any integral multiple thereof. The Bonds will be originally dated as of the date of their delivery.

Interest on the Bonds will be payable semi-annually on January 1 and July 1 of each year, commencing July 1, 2014 (each an "Interest Payment Date"). The Bonds will bear interest (calculated based on a 30-day month and a 360-day year) at the rates and will mature on the dates and in the principal amounts set forth on the inside cover pages of this Official Statement.

The interest on the Bonds shall be payable by check or draft mailed one business day prior to the interest payment date, or if payment is made to a depository, by wire transfer of immediately available funds on the interest payment date, to the person in whose name each Bond is registered on the fifteenth day of the month immediately preceding such interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America, at the corporate trust office of the Paying Agent in Indianapolis, Indiana.

So long as the Depository Trust Company ("DTC") or its nominee is the registered owner of the Bonds, principal of and interest on the Bonds will be paid directly to DTC by the Paying Agent. (The final disbursement of such payments to the Beneficial Owners of the Bonds will be the responsibility of the Direct Participants and Indirect Participants, all as defined and more fully described herein.) See "BOOK-ENTRY-ONLY SYSTEM".

REDEMPTION PROVISIONS FOR THE BONDS

Optional Redemption

The Bonds maturing on or after July 1, 2024 are redeemable at the option of the Bond Bank (upon the direction of the Company) on January 1, 2024, or any date thereafter, on thirty (30) days' notice, in whole or in part, in the order of maturity as determined by the Bond Bank (upon the direction of the Company) and by lot within a maturity, at face value, plus in each case accrued interest to the date of redemption, without premium.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Mandatory Sinking Fund Redemption

The 2014A Bonds maturing on July 1, 2015 through and including January 1, 2029 (the "Term Bonds") are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption on the dates and in the amounts as follows:

Term Bond Due July 1, 2015		
Date	Amount	
January 1, 2015	$ 70,000	
July 1, 2015	70,000	*

Term Bond Due July 1, 2016		
Date	Amount	
January 1, 2016	$ 70,000	
July 1, 2016	70,000	*

Term Bond Due July 1, 2017		
Date	Amount	
January 1, 2017	$ 70,000	
July 1, 2017	70,000	*

Term Bond Due July 1, 2018		
Date	Amount	
January 1, 2018	$ 70,000	
July 1, 2018	75,000	*

Term Bond Due July 1, 2019		
Date	Amount	
January 1, 2019	$ 75,000	
July 1, 2019	75,000	*

Term Bond Due July 1, 2020		
Date	Amount	
January 1, 2020	$ 75,000	
July 1, 2020	75,000	*

Term Bond Due July 1, 2021		
Date	Amount	
January 1, 2021	$ 75,000	
July 1, 2021	75,000	*

Term Bond Due July 1, 2022		
Date	Amount	
January 1, 2022	$ 80,000	
July 1, 2022	85,000	*

Term Bond Due July 1, 2023		
Date	Amount	
January 1, 2023	$ 85,000	
July 1, 2023	85,000	*

Term Bond Due July 1, 2024		
Date	Amount	
January 1, 2024	$ 90,000	
July 1, 2024	90,000	*

Term Bond Due July 1, 2025		
Date	Amount	
January 1, 2025	$ 90,000	
July 1, 2025	90,000	*

Term Bond Due July 1, 2026		
Date	Amount	
January 1, 2026	$ 95,000	
July 1, 2026	95,000	*

Term Bond Due January 1, 2029		
Date	Amount	
January 1, 2027	$ 95,000	
July 1, 2027	100,000	
January 1, 2028	105,000	
July 1, 2028	105,000	
January 1, 2029	105,000	*

**Final Maturity*

The 2014B Bonds maturing on July 1, 2016 through and including January 1, 2029 (the "Term Bonds") are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption on the dates and in the amounts as follows:

Term Bond Due July 1, 2016

Date	Amount	
July 1, 2014	$ 5,000	
January 1, 2015	30,000	
July 1, 2015	30,000	
January 1, 2016	30,000	
July 1, 2016	30,000	*

Term Bond Due July 1, 2019

Date	Amount	
January 1, 2017	$ 30,000	
July 1, 2017	30,000	
January 1, 2018	30,000	
July 1, 2018	30,000	
January 1, 2019	30,000	
July 1, 2019	30,000	*

Term Bond Due July 1, 2022

Date	Amount	
January 1, 2020	$ 30,000	
July 1, 2020	30,000	
January 1, 2021	35,000	
July 1, 2021	30,000	
January 1, 2022	35,000	
July 1, 2022	35,000	*

Term Bond Due July 1, 2025

Date	Amount	
January 1, 2023	$ 35,000	
July 1, 2023	35,000	
January 1, 2024	40,000	
July 1, 2024	40,000	
January 1, 2025	40,000	
July 1, 2025	40,000	*

Term Bond Due January 1, 2029

Date	Amount	
January 1, 2026	$ 40,000	
July 1, 2026	45,000	
January 1, 2027	45,000	
July 1, 2027	45,000	
January 1, 2028	45,000	
July 1, 2028	45,000	
January 1, 2029	50,000	*

**Final Maturity*

In the event that the Underwriter opts to aggregate certain Bonds into Term Bonds, such Term Bonds shall be subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to one hundred percent (100%) of the principal amount thereof, plus accrued interest to the redemption date, but without premium, on January 1 and July 1 of each year and in the principal amounts selected by the Underwriter. The Registrar and Paying Agent shall credit against the current mandatory sinking fund redemption requirement for a Term Bond of a particular maturity, any Bonds of such maturity delivered to the Registrar and Paying Agent for cancellation or purchased for cancellation by the Registrar and Paying Agent and canceled by the Registrar and Paying Agent and not theretofore applied as a credit against any mandatory sinking fund requirement. Each Bond so delivered or purchased shall be credited by the Registrar and Paying Agent at one hundred percent (100%) of the principal amount thereof against the mandatory sinking fund redemption requirements

for the applicable Term Bond in order of mandatory sinking fund redemption (or final maturity) dates determined by the Bond Bank (upon the direction of the Company), and the principal amount of such Term Bond to be redeemed on such mandatory sinking fund redemption dates by operation of the mandatory sinking fund redemption requirements shall be reduced accordingly; provided, however, the Registrar and Paying Agent shall only credit Bonds against the mandatory sinking fund requirements to the extent such Bonds are received on or before thirty (30) days preceding the applicable mandatory sinking fund redemption date.

Notice and Effect of Redemption

Official notice of such redemption shall be mailed by first class mail by the Trustee to the registered owners of all Bonds to be redeemed not less than thirty (30) days nor more than forty-five (45) days prior to the date selected for redemption, except to the extent such notice is waived by owners of Bonds redeemed.

If notice of redemption has been given and provisions for payment of the redemption price and accrued interest has been made, the Bonds to be redeemed shall be due and payable on the redemption date at the redemption price, and from and after the redemption date interest on the Bonds will cease to accrue, and the owners of the Bonds shall have no rights in respect thereof, except to receive payment of the redemption price including unpaid interest accrued to the redemption date.

ISSUANCE OF ADDITIONAL BONDS

Section 2.05 of the Indenture authorizes the Bond Bank to issue refunding bonds to refund all or any part of the Bonds. The Qualified Entity Indenture authorizes the Company to issue additional notes on a parity with the 2014 Notes upon certain conditions as described in Section 2.08 therein.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and

non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date.

The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds, related to the issuance of the Bonds and the payment of costs incidental to the sale and delivery of the Bonds, are shown below:

SOURCES OF FUNDS:	2014A Bonds	2014B Bonds	Total
Par Amount of Bonds	$ 2,430,000.00	$ 1,045,000.00	$ 3,475,000.00
Net Original Issue Discount	(18,342.20)	(5,646.15)	(23,988.35)
Cash Contribution from Qualified Entity - Bond Issuance Expense Account	47,601.22	22,945.28	70,546.50
Transfer from 2002A Bonds' Bond Account	30,105.51	-	30,105.51
Transfer from 2005A Bonds' Bond Account	-	23,958.16	23,958.16
Transfer from 2002A Bonds' Debt Service Reserve Account	123,372.50	-	123,372.50
Transfer from 2005A Bonds' Debt Service Reserve Account	-	98,575.00	98,575.00
Total Sources of Funds	$ 2,612,737.03	$ 1,184,832.29	$ 3,797,569.32
USES OF FUNDS:			
Deposit to Construction Account	$ 1,701,100.00	$ -	$ 1,701,100.00
Deposit to Escrow Account	689,905.07	1,043,500.00	1,733,405.07
Deposit to Debt Service Reserve Account	123,372.50	98,575.00	221,947.50
Cost of Issuance, including Underwriter's Discount	98,359.46	42,757.29	141,116.75
Total Uses of Funds	$ 2,612,737.03	$ 1,184,832.29	$ 3,797,569.32

RISKS TO THE OWNERS OF THE BONDS

Obligation

The Bonds are special obligations of the Bond Bank, secured solely by the 2014 Notes. The 2014 Notes are payable from the Net Revenues of the Company pledged to secure the repayment of the 2014 Notes.

Risks Factors

The ability of the Bond Bank to pay principal of, redemption premium, if any, and interest on the Bonds depends solely upon the receipt by the Bond Bank of payments from the Company due on the 2014 Notes issued pursuant to the Qualified Entity Indenture. The Qualified Entity Indenture establishes a Debt Service Reserve Account, which is required to be funded at the Debt Service Reserve Requirement. The Debt Service Reserve Requirement will be in an amount equal to the maximum annual debt service on the 2014 Notes then outstanding and will be used only to make up for any deficiencies in the event of one or more defaults by the Company in making such 2014 Note payments, and there is no source from which the 2014 Notes will be paid except such payments from the Company. The realization of such revenues by the Company is subject to, among other things, future economic conditions and other conditions, which are variable and not certain of prediction. For a description of procedures for providing for payments on the bonds, see the caption “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS”.

THE REFUNDING PROGRAM

Pursuant to the terms of an escrow agreement to be dated as of the date of delivery of the Bonds, entered into among the Bond Bank, the Qualified Entity and U.S. Bank National Association, located in Indianapolis, Indiana (the "Escrow Agreement"), the refunding of the Refunded Bonds will be accomplished by (a) creating an irrevocable escrow and trust account (the "Trust Account") to be held by U.S. Bank National Association, as escrow trustee (the "Escrow Trustee") and (b) depositing therein a sum of initial cash from the proceeds of the Bonds and from transfers from the principal and interest account held for the payment of the Refunded Bonds in an amount sufficient to make full and timely payment of all principal, interest and redemption premium due with respect to the Refunded Bonds from after the date of delivery of the Bonds to and including May 26, 2014, with respect to the 2002A Bonds and January 1, 2015, with respect to the 2005A Bonds.

All moneys on deposit with the Escrow Trustee, including any earnings thereon, are pledged solely and irrevocably for the benefit of the holders of the Refunded Bonds.

THE BONDS AS LEGAL INVESTMENTS

Under the Act, all financial institutions, investment companies, insurance companies and associations, executors, administrators, guardians, trustees and other fiduciaries in the State may legally invest sinking funds, money or other funds belonging to or within the control of such fiduciaries in the bonds or notes of the Bond Bank issued under the Act, including the Bonds.

LITIGATION

To the knowledge of the Company, the Indiana Bond Bank, and the Underwriter, no litigation or administrative action or proceeding is pending or threatened restraining or enjoining, or seeking to restrain or enjoin, the issuance of the Bonds or the 2014 Notes, and no litigation or administrative action or proceeding is pending or threatened concerning the issuance, validity and delivery of the Bonds or the 2014 Notes. Certificates to such effect will be delivered by the Bond Bank and the Company at the time of the original delivery of the Bonds and the 2014 Notes, respectively.

LEGAL OPINIONS AND ENFORCEABILITY OF RIGHTS AND REMEDIES

The enforceability of the rights and remedies of the registered owners of the Bonds under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the enforceability of the rights and remedies under the Indenture may be limited.

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

TAX MATTERS

In the opinion of Shanahan & Shanahan LLP, Greenwood, Indiana ("Bond Counsel"), under existing laws, regulations, judicial decisions and rulings, interest on the 2014A Bonds is excludable from gross income under Section 103 of the Code for federal income tax purposes. This opinion relates only to the exclusion from gross income of interest on the 2014A Bonds for federal income tax purposes under Section 103 of the Code and is conditioned on continuing compliance by the Bond Bank and the Company with the Tax Covenants (hereinafter defined). Failure to comply with the Tax Covenants could cause interest on the 2014A Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to the date of the issue. Interest on the 2014B Bonds is not excludable from gross income under Section 103 of the Code, for federal income tax purposes. In the opinion of Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is exempt from income taxation in the State of Indiana ("State"). This opinion, as expressed in the preceding sentence, relates only to the exemption of interest on the Bonds for State income tax purposes. See Appendix B for the Form of Opinion of Bond Counsel.

The Code imposes certain requirements, which must be met subsequent to the issuance of the 2014A Bonds as a condition to the exclusion from gross income of interest on the 2014A Bonds for federal income tax purposes. The Bond Bank and the Company will covenant not to take any action, within their power and control, nor fail to take any action with respect to the 2014A Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the 2014A Bonds pursuant to Section 103 of the Code (collectively, the "Tax Covenants"). The Trust Indenture, the Qualified Entity Indenture and the 2014 Notes and certain certificates and agreements to be delivered on the date of delivery of the 2014A Bonds establish procedures under which compliance with the requirements of the Code can be met. It is not an Event of Default under the Indenture if interest on the 2014A Bonds is not excludable from gross income for federal tax purposes or otherwise pursuant to any provisions of the Code which is not in effect on the issue date of the 2014A Bonds.

The Code also subjects taxpayers to an alternative minimum tax on taxpayer's "alternative minimum taxable income," which, in general terms, consists of a taxpayer's regular taxable income plus its tax preferences and special adjustments with respect to certain deductions used to compute taxable income. One of the preference items for both individuals and corporations included in determining alternative minimum taxable income is interest on certain private activity bonds, including the 2014A Bonds. The interest on the 2014A Bonds is a specific preference item for purposes of the federal individual and corporate alternative minimum taxes.

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

Indiana imposes a franchise tax on certain taxpayers (as defined in Indiana Code 6-5.5) which, in general, are all corporations, which are transacting the business of a financial institution in Indiana. The franchise tax will be measured in part by interest excluded from gross income under Section 103 of the Code minus associated expenses disallowed under Section 265 of the Code. Taxpayers should consult their own tax advisors regarding the impact of this legislation on their ownership of the Bonds.

Although Bond Counsel will render an opinion that interest on the 2014A Bonds is excluded from federal gross income and that interest on the Bonds is exempt from State income tax, the accrual or, receipt of interest on the Bonds may otherwise affect a bondholder's federal income, tax or state tax liability. The nature and extent of these other tax consequences will depend upon the bondholder's particular tax status and a bondholder's other items of income or deduction.

Taxpayers who may be affected by such other tax consequences include, with limitation, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Bonds. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Bonds should consult their own tax advisors with regard to the other tax consequences of owning the Bonds.

FINANCIAL MATTERS

The Accounting Report, as set forth in Appendix A, was prepared by London Witte Group, LLC, ("LWG") Certified Public Accountants of Indianapolis, Indiana, and is included herein in reliance upon such accounting firm's authority as an expert in accounting.

LEGAL MATTERS

Certain legal matters incident to the issuance of the Bonds and with regard to the tax status of the interest thereon (see "TAX MATTERS") will be passed upon by Shanahan & Shanahan LLP, Greenwood, Indiana ("Bond Counsel"). A signed copy of that opinion dated and premised on the facts and laws existing as of the date of original delivery of the Bonds will be delivered to the Underwriter at the time of that original delivery. A copy of the opinion proposed to be delivered by Bond Counsel is attached as Appendix B. Certain legal matters will be passed upon for the Company by Harris Welsh & Lukmann, Chesterton, Indiana and for the Bond Bank by Barnes & Thornburg LLP, Indianapolis, Indiana.

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

UNDERWRITING

The 2014A Bonds are being purchased by J.J.B. Hilliard, W.L. Lyons, LLC (the "Underwriter"). The Underwriter has agreed to purchase the 2014A Bonds at a price of $2,393,432.80 (which represents the principal amount of the 2014A Bonds of $2,430,000.00 less Underwriter's Discount of $18,225.00, less net original issue discount $18,342.20). The Underwriter will purchase all of the 2014A Bonds. The initial offering prices may be changed from time to time by the Underwriter.

The 2014B Bonds are being purchased by J.J.B. Hilliard, W.L. Lyons, LLC (the "Underwriter"). The Underwriter has agreed to purchase the 2014B Bonds at a price of $1,031,516.35 (which represents the principal amount of the 2014B Bonds of $1,045,000.00 less Underwriter's Discount of $7,837.50, less net original issue discount $5,646.15). The Underwriter will purchase all of the 2014B Bonds. The initial offering prices may be changed from time to time by the Underwriter.

The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the offering prices set forth on the inside cover page hereof.

MUNICIPAL ADVISOR REGISTRATION

LWG is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. As such, LWG is providing certain specific municipal advisory services to the Bond Bank and Company, but is neither a placement agent nor a broker/dealer.

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

ORIGINAL ISSUE DISCOUNT

The initial public offering prices of the 2014A Bonds maturing on July 1, 2015, July 1, 2018, July 1, 2020 through and including January 1, 2029 and the 2014B Bonds maturing on July 1, 2025 through and including January 1, 2029 (collectively, the "Discount Bonds"), are less than the principal amount payable at maturity. As a result, the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering prices of the Discount Bonds, as set forth on the inside cover of this Official Statement (assuming each is the first price at which a substantial amount of that maturity is sold) (the "Issue Price" for such maturity), and the amounts payable at maturity of the Discount Bonds, will be treated as "original issue discount." The original issue discount on each of the Discount Bonds is treated as accruing daily over the term of such Discount Bond on the basis of the yield to maturity determined on the basis of compounding at the end of each six-month period (or shorter period from the date of the original issue) ending on January 1 and July 1 (with straight line interpolation between compounding dates). An owner who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity will treat the accrued amount of original issue discount as interest, which is excludable from the gross income of the owner of that Discount Bond for federal income tax purposes.

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

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

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

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

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

AMORTIZABLE BOND PREMIUM

The initial public offering prices of the 2014A Bonds maturing on July 1, 2014, July 1, 2016, July 1, 2017, and July 1, 2019 (collectively, the "Premium Bonds"), are greater than the principal amount payable at maturity (or earlier call date). As a result, the Premium Bonds will be considered to be issued with amortizable bond premium (the "Bond Premium"). An owner who acquires a Premium Bond in the initial offering will be required to adjust the owner's basis in the Premium Bond downward as a result of the amortization of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. Such adjusted tax basis will be used to determine taxable gain or loss upon the disposition of the Premium Bonds (including sale, redemption or payment at maturity). The amount of amortizable Bond Premium will be computed based on the taxpayer's yield to maturity, with compounding at the end of each accrual period. Rules for determining (i) the amount of amortizable Bond Premium and (ii) the amount amortizable in a particular year are set forth at Section 171(b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a)(2) of the Code, but amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning the Premium Bonds. Owners of the Premium Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon the sale or other disposition of such Premium Bonds and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

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

CONTINUING DISCLOSURE

Rule 15c2-12 (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934, as amended (the "Act"), provides that, except as otherwise provided in the Rule, a participating Underwriter must not purchase or sell municipal securities in connection with an offering unless the participating Underwriter has reasonably determined that an issuer of municipal securities or an obligated person for when financial or operating data is presented in the final Official Statement has undertaken, either individually or in combination with other issuers of such municipal securities or obligated persons, in a written agreement or contract for the benefit of holder of such securities to provide certain information.

In order to assist the Underwriter in complying with the Rule, the Company will, upon issuance of the Bonds, execute a Continuing Disclosure Agreement from the Company to each beneficial or registered owner or holder of any Bonds, with Regions Bank, Indianapolis, Indiana, as Counterparty,

to be dated the date of issuance of the Bonds (the "Continuing Disclosure Agreement"). The Continuing Disclosure Agreement will contain certain promises of the Company to each beneficial or registered owner or holder of any Bond, including a promise to provide certain continuing disclosure. By its payment for and acceptance of any Bond, the beneficial or registered owner of holder thereof accepts and assents to the Continuing Disclosure Agreement and the exchange of (i) such payment and acceptance for (ii) such promises.

The following is a summary of certain provisions of the Continuing Disclosure Agreement, and is qualified in its entirety by reference to the Continuing Disclosure Agreement.

In the Continuing Disclosure Agreement, the Company agrees to, within 210 days of the end of each fiscal year, commencing in 2015 for the Company's fiscal year ended December 31, 2014, send to the Municipal Securities Rule Making Board (the "MSRB") via Electronic Municipal Market Access ("EMMA") an annual report, described below (the "Annual Report"). However, the financial statements of the Company referred to below may be submitted separately from the balance of the Annual Report.

If the Company is unable or fails to provide the Annual Report to the MSRB via by the required date, the Counterparty, on or before such date, will send a notice to the Company.

The Annual Report will contain or incorporate by reference the following information: annual financial statements and operating data related to such statements of the Company. The Annual Report shall include detail regarding any change in licensure; a summary prepared by the Company of the letters of counsel to the Company concerning material litigation; detail regarding any change in management; detail regarding changes in competition in the Company's service area; and utilization data for the most recent fiscal year.

The Company 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 Company in accordance with the standards established by federal securities laws):

(i) non-payment related defaults;

(ii) modifications to rights of Bondholders;

(iii) bond calls;

(iv) release, substitution or sale of property securing repayment of the Bonds;

(v) the consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the Obligor, or entry into or termination of a definitive agreement relating to the foregoing; and

(vi) appointment of a successor or additional trustee or the change of name of a trustee.

The Company 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:

(vii) principal and interest payment delinquencies;

(viii) unscheduled draws on debt service reserves reflecting financial difficulties;

(ix) unscheduled draws on credit enhancements reflecting financial difficulties; substitution of credit or liquidity providers, or their failure to perform;

(x) defeasances;

(xi) rating changes;

(xii) 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;

(xiii) tender offers; and bankruptcy, insolvency, receivership or similar event of the Obligor.

The Company's obligations under the Continuing Disclosure Agreement will terminate upon the defeasance, prior redemption or payment in full of all of the Bonds in accordance with the terms of the Indenture.

The Company and Counter party may amend this Continuing Disclosure Agreement if such amendment meets the following:

a. The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of any obligated person (as defined in the Rule), or type of business conducted;

b. The undertaking, as amended, would have complied without the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

c. The amendment does not materially impair the interest of holders of the bonds, as determined either by parties unaffiliated with the Company or an obligated person (such as the Trustee or bond counsel), or by an approving vote of the Owners of Outstanding bonds pursuant to the terms of the governing instrument at the time of the amendment.

In the event of a failure of the Company to comply with the provisions of the Continuing Disclosure Agreement, any registered or beneficial owner may individually seek, as the sole remedy under the Continuing Disclosure Agreement, to compel performance by court order, to cause the Company to comply with its obligations under the Continuing Disclosure Agreement, and not for money damages of any kind or in any amount. However, regarding the adequacy of any information disclosed by the Company, the registered or beneficial holders of 25% or more in aggregate principal amount of all Bonds then Outstanding will be required to jointly take actions to seek, as the sole remedy under the Continuing Disclosure Agreement, to complete specific performance by court order to challenge the adequacy of any information reported by the Company there under and not for money damages of any kind or in any amount. A default under the Continuing Disclosure Agreement will not be deemed an Event of Default under the Bonds, the Purchase Agreement, Indenture or any agreement to which the Company is a party, and the sole remedy under the Continuing Disclosure Agreement in

the event of any failure of the Company to comply with the Continuing Disclosure Agreement shall be an action to compel performance.

The Counterparty shall have no obligation to take any action whatsoever with respect to information provided by the Company under the Continuing Disclosure Agreement except any obligations arising from the Counterparty serving as a dissemination agent, and no implied covenants or obligations shall be read into the Continuing Disclosure Agreement against the Counterparty. Further, the Counterparty shall have no responsibility to ascertain the truth, completeness or accuracy of the information provided as required under the Continuing Disclosure Agreement by the Company, nor as to its sufficiency for purposes of compliance with Rule or the requirements of the Continuing Disclosure Agreement.

Except as described below, the remedies described in the preceding paragraph may be exercised by the registered or beneficial owner or owners of Bonds, as applicable, in any court of competent jurisdiction in Indiana.

Prior to pursuing any remedy for any breach of any obligation under the Continuing Disclosure Agreement, the registered or beneficial owner or owners of the Bonds, as applicable, must give notice to the Company, by registered or certified mail, of such breach and its or their intent to pursue such remedy. Forty-five (45) days after the mailing of such notice, and not before, such remedy may be pursued under the continuing Disclosure Agreement if and to the extent he Company has failed to cure such breach within such forty-five (45) days.

The Continuing Disclosure Agreement inures solely to the benefit of the Company, any dissemination agent, and registered or beneficial owners from time to time of the Bonds, and creates no rights in any other person or entity.

Any failure by any Owner of the Bonds to institute any suit, action or other proceeding for any breach or violation by the Company of any obligation of the Company under the Continuing disclosure Agreement, within 360 days after the date of such Owner first has knowledge of such breach or violation, will constitute a waiver by such Owner of such breach or violation and, after such waiver, no remedy shall be available to such Owner for such breach or violation.

For purposes of the Continuing Disclosure Agreement, each Owner will be deemed to have knowledge of the provision and content of any information, datum, statement or notice provided by the Company to the MSRB on the date such information, datum, statement or notice is so provided, regardless of whether such Owner was a registered or beneficial owner or holder of any Bonds at the time such information, datum, statement or notice was so provided.

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

consent from any owner of the Bonds if such amendment is permitted by law.

The Company may utilize an agent in connection with the dissemination of any information required to be provided by the Company pursuant to the terms of the Undertaking.

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

To assist with compliance per the Agreement for the Bonds issued herein, the Company has elected to utilize London Witte Group, LLC in connection with annual reporting to EMMA per the Continuing Disclosure Agreement. The Company was made aware that the annual financial information and operating data for the years ending December 31, 2008 through 2012 were not posted to EMMA. The Company filed the necessary information as of July 31, 2013 and is now current in all filings for the past five years.

CONCLUDING STATEMENT

The foregoing summaries and statements in this Official Statement do not purport to be complete and are expressly made subject to the exact provisions of the complete documents. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and are not presented as unqualified statement of fact. The information contained herein has been compiled from information supplied by Company sources deemed reliable and to the best knowledge and belief of the Company there are no untrue statements nor omissions of material facts in the Official Statement which would make the statements and representations therein misleading.

Certain supplemental information concerning the financial condition of the Company that is exhibited hereafter is considered part of this Official Statement.

The presentation of historical tax and other such financial data is not intended to show recent trends. There is no intention to represent herein that such trends will continue in the future, nor that any pending improvement of diminution of local conditions is indicated thereby.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

This Official Statement is deemed final and execution of this Official Statement has been duly authorized by the Company and the Indiana Bond Bank.

SHOREWOOD FOREST UTILITIES, INC.

By:/s/: Terry Atherton
Terry Atherton, President

Attested: /s/: Gregory Colton
Gregory Colton, Secretary

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

This page intentionally left blank.

Shorewood Forest Utilities, Inc.

Valparaiso, Indiana

Financing Analysis

Based Upon the
Twelve Months ending December 31, 2012

April 8, 2014 (Final Pricing)

LWG | London Witte Group

Shorewood Forest Utilities, Inc.
Valparaiso, Indiana

Table of Contents

Shorewood Forest Utilities, Inc.

Valparaiso, Indiana

Comparative Statement of Net Assets

Line No.		As of 12/31/2012	As of 12/31/2011
1	Assets		
2	Utility Plant in Service		
3	Land, Improvements to Land and Construction In Progress	$ 18,500	$ 18,500
4	Utility Plant In Service (net of accumulated depreciation)	2,946,248	3,031,552
5	Total Net Utility Plant In Service	2,964,748	3,050,052
6	Noncurrent Assets:		
7	Restricted Cash, Cash Equivalents and Investments		
8	Capital Replacement	271,306	118,601
9	Debt Service Reserve	221,953	221,948
10	Bond and Interest	106,133	107,683
11	Capacity Fees	558,702	514,093
12	Total Restricted Assets	1,158,094	962,325
13	Deferred Charges	48,048	63,801
14	Current Assets:		
15	Cash and Cash Equivalents	350,668	329,754
16	Accounts Receivable	95,098	130,198
17	Inventories	24,837	15,092
18	Payments to be deposited	-	5,250
19	Prepaid Items	19,202	20,771
20	Total Current Assets	489,805	501,065
21	Total Assets	$ 4,660,695	$ 4,577,243
22	Liabilities and Net Assets:		
23	Net Assets		
24	Contributions in Aid of Construction	$ 1,168,413	$ 1,168,413
25	Fund Balance	1,148,852	808,251
26	Total Net Assets	$ 2,317,265	1,976,664
27	Liabilities		
28	Current Liabilities:		
29	Accounts Payable	19,440	14,515
30	Accrued Expenses	2,655	1,965
31	Current Portion Bonds Payable	115,000	110,000
32	Total Current Liabilities	137,095	126,480
33	Noncurrent Liabilities:		
34	Bonds Payable (less current)	1,719,535	1,834,098
35	Capacity Fee Deposits	486,800	640,000
36	Total Noncurrent Liabilities	2,206,335	2,474,098
37	Total Liabilities and Net Assets	$ 4,660,695	$ 4,577,243

Shorewood Forest Utilities, Inc.

Valparaiso, Indiana

Comparative Statement of Revenues and Expenses

Line No.		For the Calendar Years Ended 12/31/2012	12/31/2011
1	Operating Revenues:		
2	Flat Rate Fees	$ 752,889	$ 738,362
3	Tap In Fees	34,000	10,000
4	Other Fees	6,820	3,609
5	Total Operating Revenues	793,709	751,971
6	Operating Expenses:		
7	Sewer Collections and Lift Station Expenses	108,271	104,999
9	Plant Operation Expenses	200,528	188,602
8	Administrative Expenses	44,112	40,133
9	Subtotal	352,911	333,734
10	Depreciation and Amortization Expense	150,214	162,098
11	Total Operating Expenses	503,125	495,832
12	Operating Income (Loss)	290,584	256,139
13	Non-operating Revenues (Expenses)		
14	Interest Revenue	835	1,053
15	Interest Expense	(104,018)	(109,111)
16	Total Non-operating Revenues (Expenses)	(103,183)	(108,058)
17	Net Income (Loss)	$ 187,401	$ 148,081

Shorewood Forest Utilities, Inc.
Valparaiso, Indiana

Comparative Schedule of Detailed Operating Expenses

Line No.		For the Calendar Years Ended 12/31/2012	12/31/2011
1	Sewer Collections and Lift Station Expenses		
2	Sewer Line Clean-out Expense	$ 8,700	$ -
3	Equipment Maintenance and Repairs	5,403	5,272
4	Lift Station Repairs	5,458	8,144
5	Pump Out Expenses	15,663	21,920
6	Equipment Maintenance and Repairs	1,756	3,332
7	Utilities - Gas and Electric	71,291	66,331
8	Total Sewer Collections and Lift Station Expenses	108,271	104,999
9	Plant Operations Expenses		
10	Salaries and Wages	116,525	103,137
11	Payroll Tax Expense	11,338	10,019
12	Chemicals	11,494	9,677
13	Laboratory Expenses	28,144	31,110
14	Equipment Repairs	353	432
15	Plant Repairs and Maintenance	6,867	4,777
16	Transportation Expenses	3,598	5,038
17	Utilities - - Telephone, Cell and Internet	4,692	4,754
18	Engineering Fees	14,550	15,275
	Uniforms	1,974	3,522
19	Miscellaneous Expense	993	861
20	Total Plant Operation Expenses	200,528	188,602
21	Administrative Expenses		
22	Bank Fees	733	622
23	Bond Administration Fees	1,450	1,450
24	Bad Debt Expense	995	-
25	Information Technology Expense	2,373	1,686
26	Licenses and Permits	1,567	1,301
27	Insurance - Commercial Liability	6,646	5,735
28	Insurance - Auto Liability	1,062	1,215
29	Insurance - Workers Comp	2,805	2,670
30	Insurance - Directors/Officers Liability	1,845	1,845
31	Office Supplies	3,458	3,000
32	Payroll Service Fees	199	184
33	Postage	294	249
34	Printing and Reproduction	1,271	838
35	Billing Fees	9,998	6,616
36	Accounting Fees	4,250	5,000
37	Legal Fees	(2,701)	950
38	Utilities - Telephone	1,918	1,986
39	Utilities - Trash	1,673	1,353
40	Utilities - Water	1,444	1,183
41	Miscellaneous	1,050	2,091
42	Seminar Expense	1,782	159
43	Total Administrative and General Expenses	44,112	40,133
44	TOTAL OPERATING EXPENSES	352,911	333,734
45	Other Expenses		
46	Depreciation Expense	146,524	158,408
47	Amortization Expense	3,690	3,690
48	Total Other Expenses	150,214	162,098
49	Total Expenses	$ 503,125	$ 495,832

Shorewood Forest Utilities, Inc.
Valparaiso, Indiana

Test Year and Pro Forma Annual Revenue Requirements

Line No.		Ref.	Current	Pro Forma Current	Pro Forma New Money Debt No Refinancing	Pro Forma New Money and Refinancing Debt
1	Operations and Maintenance Expense	Exh D	$ 352,911	$ 388,004	$ 388,004	$ 388,004
2	Depreciation/Extensions & Replacements (Capital)	Exh B/D	150,214	173,690	72,881	104,323
3	Maximum Annual Debt Service	Exh E	214,631	214,631	352,122	325,920
4	Debt Service Reserve		-		26,034	20,795
5	Working Capital	Sch C	-	-	-	-
6	Total Cash Revenue Requirements		717,756	776,325	839,041	839,041
7	LESS:					
8	Interest Revenues	Exh B	(835)	(835)	(835)	(835)
9	Other Non Consumption Receipts	Exh D	(6,820)	(6,820)	(6,820)	(6,820)
10	Net Revenue Requirements		710,101	768,670	831,386	831,386
11	LESS:					
12	Revenues at Current Rates	Exh D	(786,889)	(831,386)	(831,386)	(831,386)
13	Revenue Requirement in Excess of Revenues at Current Rates		$ (76,788)	$ (62,716)		
14	Proposed Net Revenues Increase/(Decrease)				$ (0)	$ -
15	Percentage Over/(Under) Revenues at Current Rates		-9.76%	-7.54%	0.00%	0.00%
16	Residential Monthly Bill		$ 65.00	$ 65.00	$ 65.00	$ 65.00
17	Debt Coverage		2.06	2.10	1.28	1.38

Shorewood Forest Utilities, Inc.

Valparaiso, Indiana

Working Capital/Operating Reserve Calculation

Line No.				
1	Pro Forma Expenses:			
2	Sewer Collections and Lift Station Expenses	$ 118,916		
3	Plant Operation Expenses	217,199		
4	Administrative Expenses	51,889		
			$ 388,004	
5	Less:			
6	Electric, Gas and Water Expenses on same billing/payment schedule as Utility's schedule		(79,100)	
7	Expenses subject to working capital calculation		$ 308,904	
8	multiply by: working capital/reserve 60 day factor		0.166667	
9	Working Capital/Operating Reserve Requirement			$ 51,484
10	Operating Fund Balance at 12/31/2012			(350,668)
11	Cash Balance at 12/31/2012 +/(-) required working capital/reserve balance			$ (299,184)

Shorewood Forest Utilities, Inc.

Valparaiso, Indiana

Pro Forma Net Cash Operating Revenues and Expenses Statement

Line No.		12 Months Ending 12/31/2012	Adjustments	Sch Ref	Pro Forma Present Rates
1	Operating Revenues:				
2	Flat Rate Fees	$ 752,889	$ 44,497	Sch D-1	$ 797,386
3	Tap In Fees	34,000	-		34,000
4	Other Fees	6,820	-		6,820
5	Total Operating Revenues	793,709	44,497		838,206
6	Operations and Maintenance Expense				-
7	Sewer Collections and Lift Station Expenses	108,271	10,645	Sch D-2	118,916
8	Plant Operation Expenses	200,528	16,671	Sch D-2	217,199
9	Administrative Expenses	44,112	7,777	Sch D-2	51,889
10	Depreciation/Amortization Expense	150,214	23,476	Sch D-2	173,690
11	Total Operations and Maintenance Expenses	503,125	58,569		561,694
12	Net Operating Income	$ 290,584	$ (14,072)		$ 276,512

Shorewood Forest Utilities, Inc.

Valparaiso, Indiana

Revenue Adjustments

Line No.		(1)		
1	To Normalize Annual Revenue from Subdivisions to reflect current number of non-commercial customers.			
2	Subdivision	# of Customers	Monthly Revenue	Annualized
3	Shorewood	861	$ 55,965	$ 671,580
4	Arbor	27	1,755	21,060
5	Edgewood	34	2,210	26,520
6	Sagamore	51	3,315	39,780
7	Deer Ridge	14	910	10,920
8	Normalized Annual Revenues from non-commercial customers			$ 769,860
9	Less: Test Year Revenues from non-commercial customers			(725,363)
10			Adjustment - Increase / (Decrease)	$ 44,497

Shorewood Forest Utilities, Inc.

Valparaiso, Indiana

Adjustment of Actual Year Ending 2012 Expenses to Proposed Budget for 2013

Line No.		Actual 2012	Budget 2013 +/(-) Actual 2012	Budget 2013
1	Sewer Collections and Lift Station Expenses			
2	Sewer Line Clean-out Expense	$ 8,700	$ -	$ 8,700
3	Equipment Maintenance and Repairs	5,403	417	5,820
4	Lift Station Repairs	5,458	4,742	10,200
5	Sludge Expense	15,663	(2,663)	13,000
6	Equipment Maintenance and Repairs	1,756	1,044	2,800
7	Utilities - Gas and Electric	71,291	7,105	78,396
8	Total Sewer Collections and Lift Station Expenses	108,271	10,645	118,916
9	Plant Operations Expenses			
10	Salaries and Wages	116,525	13,761	130,286
11	Payroll Tax Expense	11,338	1,365	12,703
12	Chemicals	11,494	1,945	13,439
13	Laboratory Expenses	28,144	(3,144)	25,000
14	Equipment Repairs	353	22	375
15	Plant Repairs and Maintenance	6,867	(3,317)	3,550
16	Transportation Expenses	3,598	2,502	6,100
17	Utilities - - Telephone, Cell and Internet	4,692	148	4,840
18	Engineering Fees	14,550	3,450	18,000
19	Uniforms	1,974	(85)	1,889
20	Miscellaneous Expense	993	24	1,017
21	Total Plant Operation Expenses	200,528	16,671	217,199
22	Administrative Expenses			
23	Bank Fees	733	(33)	700
24	Bond Administration Fees	1,450	-	1,450
25	Bad Debt Expense	995	(995)	-
26	Information Technology Expense	2,373	5,917	8,290
27	Licenses and Permits	1,567	(270)	1,297
28	Insurance - Commercial Liability	6,646	(225)	6,421
29	Insurance - Auto Liability	1,062	33	1,095
30	Insurance - Workers Comp	2,805	321	3,126
31	Insurance - Directors/Officers Liability	1,845	-	1,845
32	Office Supplies	3,458	(858)	2,600
33	Payroll Service Fees	199	(34)	165
34	Postage	294	(169)	125
35	Printing and Reproduction	1,271	(1,071)	200
36	Billing Fees	9,998	(3,352)	6,646
37	Accounting Fees	4,250	750	5,000
38	Legal Fees	(2,701)	4,301	1,600
39	Utilities - Telephone	1,918	(168)	1,750
40	Utilities - Trash	1,673	167	1,840
41	Utilities - Water	1,444	46	1,490
42	Miscellaneous	1,050	3,699	4,749
43	Seminar Expense	1,782	(282)	1,500
44	Total Administrative and General Expenses	44,112	7,777	51,889
45	TOTAL OPERATING EXPENSES	352,911	35,093	388,004
46	Other Expenses			
47	Depreciation Expense	146,524	23,476	170,000
48	Amortization Expense	3,690	-	3,690
49	Total Other Expenses	150,214	23,476	173,690
50	Total Expenses	$ 503,125	$ 58,569	$ 561,694

Shorewood Forest Utilities, Inc.

Valparaiso, Indiana

SCHEDULE OF COMBINED CURRENT AND PROPOSED NEW MONEY DEBT SERVICE

Line No.	Payment Date	2002A Bonds	2005A Bonds	Proposed 2014 Bonds	Total	Annual Debt Service
1	7/1/2014	$ 58,893.75	$ 46,750.00	$ 15,000.00	$ 120,643.75	
2	1/1/2015	57,853.75	46,275.00	70,000.00	174,128.75	$ 294,772.50
3	7/1/2015	56,803.75	45,800.00	69,200.00	171,803.75	
4	1/1/2016	60,753.75	45,325.00	68,400.00	174,478.75	346,282.50
5	7/1/2016	59,561.25	44,825.00	67,600.00	171,986.25	
6	1/1/2017	58,368.75	49,325.00	66,800.00	174,493.75	346,480.00
7	7/1/2017	57,075.00	48,700.00	66,000.00	171,775.00	
8	1/1/2018	60,781.25	48,075.00	70,200.00	179,056.25	350,831.25
9	7/1/2018	59,343.75	47,434.38	69,300.00	176,078.13	
10	1/1/2019	57,906.25	46,793.75	68,400.00	173,100.00	349,178.13
11	7/1/2019	61,468.75	46,153.13	67,500.00	175,121.88	
12	1/1/2020	59,887.50	45,512.50	71,600.00	177,000.00	352,121.88
13	7/1/2020	58,306.25	44,871.88	65,600.00	168,778.13	
14	1/1/2021	61,725.00	49,231.25	69,700.00	180,656.25	349,434.38
15	7/1/2021		48,425.00	68,700.00	117,125.00	
16	1/1/2022		47,618.75	67,700.00	115,318.75	232,443.75
17	7/1/2022		46,812.50	66,700.00	113,512.50	
18	1/1/2023		46,006.25	70,700.00	116,706.25	230,218.75
19	7/1/2023		45,200.00	69,600.00	114,800.00	
20	1/1/2024		49,393.75	68,500.00	117,893.75	232,693.75
21	7/1/2024		48,431.25	67,400.00	115,831.25	
22	1/1/2025		47,468.75	71,300.00	118,768.75	234,600.00
23	7/1/2025		46,506.25	70,100.00	116,606.25	
24	1/1/2026		45,543.75	68,900.00	114,443.75	231,050.00
25	7/1/2026		49,581.25	67,700.00	117,281.25	
26	1/1/2027		48,481.25	66,500.00	114,981.25	232,262.50
27	7/1/2027		47,331.25	70,300.00	117,631.25	
28	1/1/2028		46,181.25	69,000.00	115,181.25	232,812.50
29	7/1/2028		45,031.25	67,700.00	112,731.25	
30	1/1/2029		48,881.25	71,400.00	120,281.25	233,012.50
31	7/1/2029		47,587.50		47,587.50	
32	1/1/2030		46,293.75		46,293.75	93,881.25
33		$ 828,728.75	$ 1,505,846.89	$ 2,007,500.00	$ 4,342,075.64	$ 4,342,075.64
34					Maximum Annual Debt Service	$ 352,121.88

Shorewood Forest Utilities, Inc.

Valparaiso, Indiana

Comparison of Summary Debt Service for New Money and No Refinancing of Existing Debt Issues to New Money and Refinancing of Existing Debt Issues

Line No.	Payment Date	New Money and No Refinancing Payment Period Total	New Money and No Refinancing Annual Debt Service	New Money and Refinancing Payment Period Total	New Money and Refinancing Annual Debt Service
1	7/1/2014	$ 120,643.75		$ 49,209.88	
2	1/1/2015	174,128.75	$ 294,772.50	163,935.00	$ 213,144.88
3	7/1/2015	171,803.75		163,285.00	
4	1/1/2016	174,478.75	346,282.50	162,635.00	325,920.00
5	7/1/2016	171,986.25		161,810.00	
6	1/1/2017	174,493.75	346,480.00	160,985.00	322,795.00
7	7/1/2017	171,775.00		159,760.00	
8	1/1/2018	179,056.25	350,831.25	158,535.00	318,295.00
9	7/1/2018	176,078.13		162,205.00	
10	1/1/2019	173,100.00	349,178.13	160,817.50	323,022.50
11	7/1/2019	175,121.88		159,167.50	
12	1/1/2020	177,000.00	352,121.88	157,517.50	316,685.00
13	7/1/2020	168,778.13		155,717.50	
14	1/1/2021	180,656.25	349,434.38	158,917.50	314,635.00
15	7/1/2021	117,125.00		151,892.50	
16	1/1/2022	115,318.75	232,443.75	159,980.00	311,872.50
17	7/1/2022	113,512.50		162,792.50	
18	1/1/2023	116,706.25	230,218.75	160,517.50	323,310.00
19	7/1/2023	114,800.00		158,048.75	
20	1/1/2024	117,893.75	232,693.75	165,580.00	323,628.75
21	7/1/2024	115,831.25		162,780.00	
22	1/1/2025	118,768.75	234,600.00	159,980.00	322,760.00
23	7/1/2025	116,606.25		157,067.50	
24	1/1/2026	114,443.75	231,050.00	159,155.00	316,222.50
25	7/1/2026	117,281.25		161,026.88	
26	1/1/2027	114,981.25	232,262.50	157,767.50	318,794.38
27	7/1/2027	117,631.25		159,401.25	
28	1/1/2028	115,181.25	232,812.50	160,920.00	320,321.25
29	7/1/2028	112,731.25		157,323.75	
30	1/1/2029	120,281.25	233,012.50	158,727.50	316,051.25
31	7/1/2029	47,587.50			
32	1/1/2030	46,293.75	93,881.25		
33		$ 4,342,075.64	$ 4,342,075.64	$ 4,687,458.01	$ 4,687,458.01
34	Maximum Annual Debt Service		$ 352,121.88		$ 325,920.00
35	Required Debt Service Reserve		$ 352,121.88		$ 328,573.00
36	Currently Funded Debt Service Reserve		(221,953.00)		(221,953.00)
37	Debt Service Reserve To Be Funded		$ 130,168.88		$ 106,620.00
38	Divide By: Funding Period 5 Years		5		5
39	Annual Debt Service Reserve Funding		$ 26,033.78		$ 21,324.00

Shorewood Forest Utilities, Inc.

Valparaiso, Indiana

INDIANA BOND BANK UTILITY REFUNDING REVENUE BONDS, Series 2002A
AMORTIZATION SCHEDULE

Original Issue Amount	$1,285,000	Term (years)	20
Interest Rate	Various 3.40% - 5.75%	Original Issue Date	10/25/2002

Line No.	Payment Date	Principal Balance	Principal	Interest Rate	Interest	Total	Annual Debt Service
1	1/1/2014	$ 715,000	$ 40,000	5.20%	$ 19,933.75	$ 59,933.75	$ 59,933.75
2	7/1/2014	675,000	40,000	5.20%	18,893.75	58,893.75	
3	1/1/2015	635,000	40,000	5.25%	17,853.75	57,853.75	116,747.50
4	7/1/2015	595,000	40,000	5.25%	16,803.75	56,803.75	
5	1/1/2016	555,000	45,000	5.30%	15,753.75	60,753.75	117,557.50
6	7/1/2016	510,000	45,000	5.30%	14,561.25	59,561.25	
7	1/1/2017	465,000	45,000	5.75%	13,368.75	58,368.75	117,930.00
8	7/1/2017	420,000	45,000	5.75%	12,075.00	57,075.00	
9	1/1/2018	375,000	50,000	5.75%	10,781.25	60,781.25	117,856.25
10	7/1/2018	325,000	50,000	5.75%	9,343.75	59,343.75	
11	1/1/2019	275,000	50,000	5.75%	7,906.25	57,906.25	117,250.00
12	7/1/2019	225,000	55,000	5.75%	6,468.75	61,468.75	
13	1/1/2020	170,000	55,000	5.75%	4,887.50	59,887.50	121,356.25
14	7/1/2020	115,000	55,000	5.75%	3,306.25	58,306.25	
15	1/1/2021	60,000	60,000	5.75%	1,725.00	61,725.00	120,031.25
16			$ 715,000.00		$ 173,662.50	$ 888,662.50	$ 888,662.50
17						Maximum Annual Debt Service	$ 121,356.25

Shorewood Forest Utilities, Inc.

Valparaiso, Indiana

INDIANA BOND BANK UTILITY SEWAGE WORKS REVENUE BONDS, Series 2005A
AMORTIZATION SCHEDULE

Original Issue Amount	$1,265,000	Term (years)	20
Interest Rate	Various 3.5% - 5.75%	Original Issue Date	5/10/2005

Line No.	Payment Date	Principal Balance	Principal	Interest Rate	Interest	Total	Annual Debt Service
1	1/1/2014	$ 1,010,000	$ 20,000	4.750%	$ 27,225.00	$ 47,225.00	$ 47,225.00
2	7/1/2014	990,000	20,000	4.750%	26,750.00	46,750.00	
3	1/1/2015	970,000	20,000	4.750%	26,275.00	46,275.00	93,025.00
4	7/1/2015	950,000	20,000	4.750%	25,800.00	45,800.00	
5	1/1/2016	930,000	20,000	5.000%	25,325.00	45,325.00	91,125.00
6	7/1/2016	910,000	20,000	5.000%	24,825.00	44,825.00	
7	1/1/2017	890,000	25,000	5.000%	24,325.00	49,325.00	94,150.00
8	7/1/2017	865,000	25,000	5.000%	23,700.00	48,700.00	
9	1/1/2018	840,000	25,000	5.125%	23,075.00	48,075.00	96,775.00
10	7/1/2018	815,000	25,000	5.125%	22,434.38	47,434.38	
11	1/1/2019	790,000	25,000	5.125%	21,793.75	46,793.75	94,228.13
12	7/1/2019	765,000	25,000	5.125%	21,153.13	46,153.13	
13	1/1/2020	740,000	25,000	5.125%	20,512.50	45,512.50	91,665.63
14	7/1/2020	715,000	25,000	5.125%	19,871.88	44,871.88	
15	1/1/2021	690,000	30,000	5.375%	19,231.25	49,231.25	94,103.13
16	7/1/2021	660,000	30,000	5.375%	18,425.00	48,425.00	
17	1/1/2022	630,000	30,000	5.375%	17,618.75	47,618.75	96,043.75
18	7/1/2022	600,000	30,000	5.375%	16,812.50	46,812.50	
19	1/1/2023	570,000	30,000	5.375%	16,006.25	46,006.25	92,818.75
20	7/1/2023	540,000	30,000	5.375%	15,200.00	45,200.00	
21	1/1/2024	510,000	35,000	5.500%	14,393.75	49,393.75	94,593.75
22	7/1/2024	475,000	35,000	5.500%	13,431.25	48,431.25	
23	1/1/2025	440,000	35,000	5.500%	12,468.75	47,468.75	95,900.00
24	7/1/2025	405,000	35,000	5.500%	11,506.25	46,506.25	
25	1/1/2026	370,000	35,000	5.500%	10,543.75	45,543.75	92,050.00
26	7/1/2026	335,000	40,000	5.500%	9,581.25	49,581.25	
27	1/1/2027	295,000	40,000	5.750%	8,481.25	48,481.25	98,062.50
28	7/1/2027	255,000	40,000	5.750%	7,331.25	47,331.25	
29	1/1/2028	215,000	40,000	5.750%	6,181.25	46,181.25	93,512.50
30	7/1/2028	175,000	40,000	5.750%	5,031.25	45,031.25	
31	1/1/2029	135,000	45,000	5.750%	3,881.25	48,881.25	93,912.50
32	7/1/2029	90,000	45,000	5.750%	2,587.50	47,587.50	
33	1/1/2030	45,000	45,000	5.750%	1,293.75	46,293.75	93,881.25
34			$ 1,010,000.00		$ 543,071.89	$ 1,553,071.89	$ 1,553,071.89
35						Maximum Annual Debt Service	$ 98,062.50

Shorewood Forest Utilities, Inc.

Shorewood Forest Utilities, Inc.

PROPOSED NEW MONEY SEWAGE WORKS REVENUE BONDS, Series 2014
AMORTIZATION SCHEDULE

Original Issue Amount	$1,500,000	Term (years)	15
Interest Rate	4.00%	Original Issue Date	4/1/2014

Line No.	Payment Date	Principal Balance	Principal	Interest Rate	Interest	Total	Annual Debt Service
1	07/01/2014	$ 1,500,000		4.000%	$ 15,000.00	$ 15,000.00	
2	01/01/2015	1,460,000	$ 40,000.00	4.000%	30,000.00	70,000.00	$ 85,000.00
3	07/01/2015	1,420,000	40,000.00	4.000%	29,200.00	69,200.00	
4	01/01/2016	1,380,000	40,000.00	4.000%	28,400.00	68,400.00	137,600.00
5	07/01/2016	1,340,000	40,000.00	4.000%	27,600.00	67,600.00	
6	01/01/2017	1,300,000	40,000.00	4.000%	26,800.00	66,800.00	134,400.00
7	07/01/2017	1,260,000	40,000.00	4.000%	26,000.00	66,000.00	
8	01/01/2018	1,215,000	45,000.00	4.000%	25,200.00	70,200.00	136,200.00
9	07/01/2018	1,170,000	45,000.00	4.000%	24,300.00	69,300.00	
10	01/01/2019	1,125,000	45,000.00	4.000%	23,400.00	68,400.00	137,700.00
11	07/01/2019	1,080,000	45,000.00	4.000%	22,500.00	67,500.00	
12	01/01/2020	1,030,000	50,000.00	4.000%	21,600.00	71,600.00	139,100.00
13	07/01/2020	985,000	45,000.00	4.000%	20,600.00	65,600.00	
14	01/01/2021	935,000	50,000.00	4.000%	19,700.00	69,700.00	135,300.00
15	07/01/2021	885,000	50,000.00	4.000%	18,700.00	68,700.00	
16	01/01/2022	835,000	50,000.00	4.000%	17,700.00	67,700.00	136,400.00
17	07/01/2022	785,000	50,000.00	4.000%	16,700.00	66,700.00	
18	01/01/2023	730,000	55,000.00	4.000%	15,700.00	70,700.00	137,400.00
19	07/01/2023	675,000	55,000.00	4.000%	14,600.00	69,600.00	
20	01/01/2024	620,000	55,000.00	4.000%	13,500.00	68,500.00	138,100.00
21	07/01/2024	565,000	55,000.00	4.000%	12,400.00	67,400.00	
22	01/01/2025	505,000	60,000.00	4.000%	11,300.00	71,300.00	138,700.00
23	07/01/2025	445,000	60,000.00	4.000%	10,100.00	70,100.00	
24	01/01/2026	385,000	60,000.00	4.000%	8,900.00	68,900.00	139,000.00
25	07/01/2026	325,000	60,000.00	4.000%	7,700.00	67,700.00	
26	01/01/2027	265,000	60,000.00	4.000%	6,500.00	66,500.00	134,200.00
27	07/01/2027	200,000	65,000.00	4.000%	5,300.00	70,300.00	
28	01/01/2028	135,000	65,000.00	4.000%	4,000.00	69,000.00	139,300.00
29	07/01/2028	70,000	65,000.00	4.000%	2,700.00	67,700.00	
30	01/01/2029	0	70,000.00	4.000%	1,400.00	71,400.00	139,100.00
31	**Total**		**$ 1,500,000.00**		**$ 507,500.00**	**$ 2,007,500.00**	**$ 2,007,500.00**
32						Maximum Annual Debt Service	$ 139,300.00

Shorewood Forest Utilities, Inc.

Valparaiso, Indiana

INDIANA BOND BANK SHOREWOOD SEWAGE WORKS REVENUE REFUNDING and IMPROVEMENT BONDS, Series 2014A - AMORTIZATION SCHEDULE

Original Issue Amount	$2,430,000	Term (years)	15
Interest Rate	1.00% - 4.60%	Original Issue Date	4/23/2014

Line No.	Payment Date	Principal Balance	Principal	Interest Rate	Interest	Total	Annual Debt Service
1	7/1/2014	$ 2,425,000	$ 20,000	1.000%	$ 15,594.19	$ 35,594.19	
2	1/1/2015	2,405,000	70,000	1.000%	41,178.75	111,178.75	$ 146,772.94
3	7/1/2015	2,335,000	70,000	1.000%	40,828.75	110,828.75	
4	1/1/2016	2,265,000	70,000	1.500%	40,478.75	110,478.75	221,307.50
5	7/1/2016	2,195,000	70,000	1.500%	39,953.75	109,953.75	
6	1/1/2017	2,125,000	70,000	2.000%	39,428.75	109,428.75	219,382.50
7	7/1/2017	2,055,000	70,000	2.000%	38,728.75	108,728.75	
8	1/1/2018	1,985,000	70,000	2.300%	38,028.75	108,028.75	216,757.50
9	7/1/2018	1,915,000	75,000	2.300%	37,223.75	112,223.75	
10	1/1/2019	1,840,000	75,000	3.000%	36,361.25	111,361.25	223,585.00
11	7/1/2019	1,765,000	75,000	3.000%	35,236.25	110,236.25	
12	1/1/2020	1,690,000	75,000	3.000%	34,111.25	109,111.25	219,347.50
13	7/1/2020	1,615,000	75,000	3.000%	32,986.25	107,986.25	
14	1/1/2021	1,540,000	75,000	3.300%	31,861.25	106,861.25	214,847.50
15	7/1/2021	1,465,000	75,000	3.300%	30,623.75	105,623.75	
16	1/1/2022	1,390,000	80,000	3.500%	29,386.25	109,386.25	215,010.00
17	7/1/2022	1,310,000	85,000	3.500%	27,986.25	112,986.25	
18	1/1/2023	1,225,000	85,000	3.750%	26,498.75	111,498.75	224,485.00
19	7/1/2023	1,140,000	85,000	3.750%	24,905.00	109,905.00	
20	1/1/2024	1,055,000	90,000	4.000%	23,311.25	113,311.25	223,216.25
21	7/1/2024	965,000	90,000	4.000%	21,511.25	111,511.25	
22	1/1/2025	875,000	90,000	4.250%	19,711.25	109,711.25	221,222.50
23	7/1/2025	785,000	90,000	4.250%	17,798.75	107,798.75	
24	1/1/2026	695,000	95,000	4.375%	15,886.25	110,886.25	218,685.00
25	7/1/2026	600,000	95,000	4.375%	13,808.13	108,808.13	
26	1/1/2027	505,000	95,000	4.600%	11,730.00	106,730.00	215,538.13
27	7/1/2027	410,000	100,000	4.600%	9,545.00	109,545.00	
28	1/1/2028	310,000	105,000	4.600%	7,245.00	112,245.00	221,790.00
29	7/1/2028	205,000	105,000	4.600%	4,830.00	109,830.00	
30	1/1/2029	100,000	105,000	4.600%	2,415.00	107,415.00	217,245.00
31			$ 2,430,000.00		$ 789,192.32	$ 3,219,192.32	$ 3,219,192.32
32						Maximum Annual Debt Service	$ 224,485.00

Shorewood Forest Utilities, Inc.
Valparaiso, Indiana

INDIANA BOND BANK SHOREWOOD SEWAGE WORKS TAXABLE REFUNDING BONDS, Series 2014B - AMORTIZATION SCHEDULE

Original Issue Amount	$1,045,000	Term (years)	15
Interest Rate	2.00% - 5.250%	Original Issue Date	4/23/2014

Line No.	Payment Date	Principal Balance	Principal	Interest Rate	Interest	Total	Annual Debt Service
1	7/1/2014	$ 1,045,000	$ 5,000	2.000%	$ 8,615.69	$ 13,615.69	
2	1/1/2015	1,040,000	30,000	2.000%	22,756.25	52,756.25	$ 66,371.94
3	7/1/2015	1,010,000	30,000	2.000%	22,456.25	52,456.25	
4	1/1/2016	980,000	30,000	2.000%	22,156.25	52,156.25	104,612.50
5	7/1/2016	950,000	30,000	2.000%	21,856.25	51,856.25	
6	1/1/2017	920,000	30,000	3.500%	21,556.25	51,556.25	103,412.50
7	7/1/2017	890,000	30,000	3.500%	21,031.25	51,031.25	
8	1/1/2018	860,000	30,000	3.500%	20,506.25	50,506.25	101,537.50
9	7/1/2018	830,000	30,000	3.500%	19,981.25	49,981.25	
10	1/1/2019	800,000	30,000	3.500%	19,456.25	49,456.25	99,437.50
11	7/1/2019	770,000	30,000	3.500%	18,931.25	48,931.25	
12	1/1/2020	740,000	30,000	4.500%	18,406.25	48,406.25	97,337.50
13	7/1/2020	710,000	30,000	4.500%	17,731.25	47,731.25	
14	1/1/2021	680,000	35,000	4.500%	17,056.25	52,056.25	99,787.50
15	7/1/2021	645,000	30,000	4.500%	16,268.75	46,268.75	
16	1/1/2022	615,000	35,000	4.500%	15,593.75	50,593.75	96,862.50
17	7/1/2022	580,000	35,000	4.500%	14,806.25	49,806.25	
18	1/1/2023	545,000	35,000	5.000%	14,018.75	49,018.75	98,825.00
19	7/1/2023	510,000	35,000	5.000%	13,143.75	48,143.75	
20	1/1/2024	475,000	40,000	5.000%	12,268.75	52,268.75	100,412.50
21	7/1/2024	435,000	40,000	5.000%	11,268.75	51,268.75	
22	1/1/2025	395,000	40,000	5.000%	10,268.75	50,268.75	101,537.50
23	7/1/2025	355,000	40,000	5.000%	9,268.75	49,268.75	
24	1/1/2026	315,000	40,000	5.250%	8,268.75	48,268.75	97,537.50
25	7/1/2026	275,000	45,000	5.250%	7,218.75	52,218.75	
26	1/1/2027	230,000	45,000	5.250%	6,037.50	51,037.50	103,256.25
27	7/1/2027	185,000	45,000	5.250%	4,856.25	49,856.25	
28	1/1/2028	140,000	45,000	5.250%	3,675.00	48,675.00	98,531.25
29	7/1/2028	95,000	45,000	5.250%	2,493.75	47,493.75	
30	1/1/2029	50,000	50,000	5.250%	1,312.50	51,312.50	98,806.25
31			$ 1,045,000.00		$ 423,265.69	$ 1,468,265.69	$ 1,468,265.69
32						Maximum Annual Debt Service	$ 104,612.50

Shorewood Forest Utilities, Inc.

Shorewood Forest Utilities, Inc.

PROPOSED SERIES 2014A and 2014B BONDS
SUMMARY AMORTIZATION SCHEDULE

Original Issue Amount	$3,475,000	Term (years)	15
Interest Rate	1.00% - 5.25%	Original Issue Date	4/23/2014

Line No.	Payment Date	Principal Balance	Principal	Interest	Total	Annual Debt Service
1	07/01/2014	$ 3,475,000	$ 25,000	$ 24,209.88	$ 49,209.88	
2	01/01/2015	3,450,000	100,000	63,935.00	163,935.00	$ 213,144.88
3	07/01/2015	3,350,000	100,000	63,285.00	163,285.00	
4	01/01/2016	3,250,000	100,000	62,635.00	162,635.00	325,920.00
5	07/01/2016	3,150,000	100,000	61,810.00	161,810.00	
6	01/01/2017	3,050,000	100,000	60,985.00	160,985.00	322,795.00
7	07/01/2017	2,950,000	100,000	59,760.00	159,760.00	
8	01/01/2018	2,850,000	100,000	58,535.00	158,535.00	318,295.00
9	07/01/2018	2,750,000	105,000	57,205.00	162,205.00	
10	01/01/2019	2,645,000	105,000	55,817.50	160,817.50	323,022.50
11	07/01/2019	2,540,000	105,000	54,167.50	159,167.50	
12	01/01/2020	2,435,000	105,000	52,517.50	157,517.50	316,685.00
13	07/01/2020	2,330,000	105,000	50,717.50	155,717.50	
14	01/01/2021	2,225,000	110,000	48,917.50	158,917.50	314,635.00
15	07/01/2021	2,115,000	105,000	46,892.50	151,892.50	
16	01/01/2022	2,010,000	115,000	44,980.00	159,980.00	311,872.50
17	07/01/2022	1,895,000	120,000	42,792.50	162,792.50	
18	01/01/2023	1,775,000	120,000	40,517.50	160,517.50	323,310.00
19	07/01/2023	1,655,000	120,000	38,048.75	158,048.75	
20	01/01/2024	1,535,000	130,000	35,580.00	165,580.00	323,628.75
21	07/01/2024	1,405,000	130,000	32,780.00	162,780.00	
22	01/01/2025	1,275,000	130,000	29,980.00	159,980.00	322,760.00
23	07/01/2025	1,145,000	130,000	27,067.50	157,067.50	
24	01/01/2026	1,015,000	135,000	24,155.00	159,155.00	316,222.50
25	07/01/2026	880,000	140,000	21,026.88	161,026.88	
26	01/01/2027	740,000	140,000	17,767.50	157,767.50	318,794.38
27	07/01/2027	600,000	145,000	14,401.25	159,401.25	
28	01/01/2028	455,000	150,000	10,920.00	160,920.00	320,321.25
29	07/01/2028	305,000	150,000	7,323.75	157,323.75	
30	01/01/2029	155,000	155,000	3,727.50	158,727.50	316,051.25
31	**Total**		**$ 3,475,000.00**	**$ 1,212,458.01**	**$ 4,687,458.01**	**$ 4,687,458.01**
32					Maximum Annual Debt Service	$ 325,920.00
33					Debt Service Reserve Requirement	$ 325,920.00
34					Less: Funding carried from refunded debt issues	221,947.50
35					Debt Service Reserve to be Funded	$ 103,972.50
36					Divide by Funding Period in Months	60
37					Monthly Funding Requirement	$ 1,732.88

Shorewood Forest Utilities, Inc.

Valparaiso, Indiana

Sources and Uses - Refinancing and New Money Debt Issue

Line No.		Bonds	Utility	Total
1	**SOURCES OF FUNDS:**			
2	Bond Funds	$ 3,475,000.00		$ 3,475,000.00
	Net Original Issuance Premium/(Discount)	(23,988.35)	-	(23,988.35)
	Transfer from 2002 Bonds' Bond Account	30,105.51		30,105.51
	Transfer from 2005A Bonds' Bond Account	23,958.16		23,958.16
	Transfer from 2002 Bonds' DSR Account	123,372.50		123,372.50
	Transfer from 2005A Bonds' DSR Account	98,575.00		98,575.00
3	Utility Funds		196,446.50	196,446.50
4	Total Sources of Funds	$ 3,727,022.82	$ 196,446.50	$ 3,923,469.32
5	**USES OF FUNDS:**			
6	Construction	$ 1,177,500.00		$ 1,177,500.00
7	Contingency	117,750.00		117,750.00
8	Project Cost	1,295,250.00		1,295,250.00
9	Equipment	363,800.00		363,800.00
10	Engineering Fees	42,050.00	$ 125,400.00	167,450.00
11	subtotal	1,701,100.00	125,400.00	1,826,500.00
12	Escrow Fund for Payoff of 2002A and 2005A Bonds	1,733,405.07		1,733,405.07
13	Partial Funding of Debt Service Reserve	221,947.50		221,947.50
14	Issuance Costs:			
15	Professional Fees	10,703.50	70,546.50	81,250.00
16	Underwriter's Discount	26,062.50		26,062.50
17	Underwriter's Expense	2,500.00		2,500.00
18	Bond Bank Fee	4,000.00		4,000.00
19	Bond Bank Counsel	20,000.00		20,000.00
20	Bond Bank Financial Advisor	2,500.00		2,500.00
21	Indiana Finance Authority - Volume Cap Fee		500.00	500.00
22	Trustee, Registrar, Paying Agent - Regions Bank	2,250.00		2,250.00
23	Escrow Trustee	1,484.00		1,484.00
24	Rounding	1,070.25	-	1,070.25
25	subtotal	70,570.25	71,046.50	141,616.75
26	Total Uses of Funds	$ 3,727,022.82	$ 196,446.50	$ 3,923,469.32

Shorewood Forest Utilities, Inc.

Valparaiso, Indiana

Debt Service Coverage

Line No.		Current	Pro Forma Current	Pro Forma New Money Debt No Refinancing	Pro Forma New Money Debt and Refinancing
1	Debt Service Coverage:				
2	Net Operating Income	$ 290,584			
3	Net Pro Forma Operating Income		$ 276,512	$ 276,512	$ 276,512
4	Add:				
5	Depreciation	150,214	173,690	173,690	173,690
6	Non-Operating Interest Income	835	835	835	835
7	Net Income	441,633	451,037	451,037	451,037
8	Existing Maximum Annual Debt Service	214,631	214,631	352,122	325,920
9	Debt Service Coverage	2.06	2.10	1.28	1.38

APPENDIX B

This page intentionally left blank.

April 23, 2014

Indiana Bond Bank
Indianapolis, Indiana

Regions Bank
Indianapolis, Indiana

J.J.B. Hilliard, W.L. Lyons, LLC
Carmel, Indiana

Re: Indiana Bond Bank Sewage Works Revenue Refunding and Improvement Bonds, Series 2014A (Shorewood Forest Utilities, Inc.)
Indiana Bond Bank Taxable Sewage Works Revenue Refunding Bonds, Series 2014B (Shorewood Forest Utilities, Inc.)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Indiana Bond Bank (the "Issuer") of its $2,430,000 Sewage Works Revenue Refunding and Improvement Bonds, Series 2014A (Shorewood Forest Utilities, Inc.) (the "2014A Bonds") and its $1,045,000 Taxable Sewage Works Revenue Refunding Bonds, Series 2014B (Shorewood Forest Utilities, Inc.) (the "2014B Bonds", and together with the 2014A Bonds, the "Bonds"), both dated April 23, 2014. In our capacity as bond counsel, we have examined the law, including statutes and regulations, published rulings and judicial decisions existing on the date of this opinion, the certified transcript of the proceedings related to the issuance of the Bonds (the "Transcript") and such other documents as we deem necessary to render this opinion.

The Bonds are issued pursuant to INDIANA CODE 5-1.5, as amended (the "Act"), and a Trust Indenture, dated as of April 1, 2014 (the "Bond Bank Indenture"), between the Issuer and Regions Bank, as trustee (the "Trustee"). The proceeds of the Series 2014 Bonds will be used (a) to purchase the Shorewood Forest Utilities, Inc. (i) Series 2014A Refunding and Improvement Note dated April 23, 2014 (the "Series 2014A Note"), and (ii) Taxable Series 2014B Refunding Note dated as of April 23, 2014 (the "Series 2014B Note", together with the Series 2014A Note,

the "Series 2014 Notes"), pursuant to a Qualified Entity Note Purchase Agreement (the "Note Purchase Agreement") between the Issuer and the Shorewood Forest Utilities, Inc. (the "Qualified Entity"), dated as of April 14, 2014, (b) to currently refund the Issuer's Utility Refunding Revenue Bonds, Series 2002A (Shorewood Forest Utilities, Inc.) (the "2002A Bonds"), (c) to advance refund the Issuer's Sewage Works Revenue Bonds, Series 2005A (Shorewood Forest Utilities, Inc.) (the "2005A Bonds"), and (d) pay the costs of issuing the Series 2014 Bonds. The Series 2014 Notes are being issued pursuant to a Trust Indenture, Mortgage, Security Agreement and Financing Statement, dated as of April 1, 2014, between the Qualified Entity and Regions Bank, as Trustee (the "Qualified Entity Indenture") for the purpose of providing funds from the proceeds of the Series 2014 Bonds to finance the construction of improvements to the Qualified Entity's sewage system and to refinance certain prior obligations of the Qualified Entity which secure the 2002A Bonds and the 2005A Bonds.

As to questions of fact material to our opinion, we have relied upon the Transcript and other certifications furnished to us including tax covenants and representations of the Qualified Entity and the Issuer without undertaking to verify the same by independent investigation. We have relied upon the legal opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, general counsel to the Issuer, dated the date hereof, as to the matters stated therein. We have relied upon the legal opinion of Harris Welsh & Lukmann, Chesterton, Indiana, general counsel to the Qualified Entity, dated the date hereof, as to the matters stated therein. We have relied on the reports of London Witte Group, LLC, Indianapolis, Indiana, independent certified public accountants, dated the date hereof, as to the matters stated therein.

On the basis of our examination described above, we are of the opinion that under existing laws as of the date of this opinion:

(1) The Issuer is validly existing as a separate body corporate and politic, constituting an instrumentality of the State of Indiana (the "State"), but not a State agency, with the power to enter into and perform its obligations under the Bond Bank Indenture and the Note Purchase Agreement and issue the Bonds.

(2) The Bond Bank Indenture has been duly entered into by the Issuer in accordance with the provisions of the Act and, assuming the due authorization, execution and delivery by the other party thereto, is the valid and binding agreement of the Issuer, enforceable against the Issuer in accordance with its terms.

(3) The Bonds have been duly authorized, executed and issued and are valid and binding obligations of the Issuer, enforceable in accordance with their terms, and are payable

from and secured by a pledge of certain payments to be received by the Issuer and the Trustee pursuant to the Qualified Entity Indenture.

(4) The interest on the Bonds is exempt from taxation in the State for all purposes except for Indiana Inheritance Taxes and the Indiana Financial Institutions Tax imposed upon financial institutions pursuant to INDIANA CODE 6-5.5.

(5) Interest on the 2014A Bonds is excluded from gross income for the purpose of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except for interest on any 2014A Bond for any period during which such 2014A Bond is held by a "substantial user" of the Sewer System (as defined in the Qualified Entity Indenture) or a "related person" within the meaning of Section 147(a) of the Code. It should be noted, however, that interest on the 2014A Bonds is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer and the Qualified Entity comply with all requirements of the Code that must be satisfied subsequent to the issuance of the 2014A Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer and the Qualified Entity have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the 2014A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2014A Bonds. We express no opinion regarding other federal tax consequences arising with respect to the 2014A Bonds.

With respect to the enforceability of any document or instrument referred to or described in this opinion, this opinion is subject to the qualification that:

(a) the enforceability of such document or instrument may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws, relating to or affecting the enforcement of creditors' rights generally;

(b) the enforceability of equitable rights and remedies provided in such instruments may be subject to judicial discretion and may be limited by general principles of equity; and

(c) the enforceability of documents and instruments may be limited by the valid exercise of constitutional powers of the United States of America or the State of Indiana.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement, dated April 14, 2014, or any other offering material related to the Series 2014

Indiana Bond Bank
Regions Bank
J.J.B. Hilliard, W.L. Lyons, LLC

Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law which may hereafter occur.

Very truly yours,

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C

This page intentionally left blank.

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain additional provisions of the Indenture. This summary is qualified in its entirety by reference to the Indenture. The terms used in this portion of the Appendix and not otherwise defined in this Official Statement, have the meanings assigned to them in the Indenture.

Pursuant to the terms of the Indenture and the Qualified Entity Indenture, the Bond Bank is acting solely as a passive conduit issuer in connection with the Bonds, and the Trustee will (i) assume all responsibilities and obligations, if any, required of the Bond Bank by the covenants in the Indenture and the Bonds, and (ii) agree to enforce all rights of the Bond Bank and all obligations and covenants of the Qualified Entity under the Indenture, the Qualified Entity Indenture, the Bonds and the Series 2014 Notes, regardless of whether any event of default shall have occurred under either the Indenture or the Qualified Entity Indenture.

Covenants Concerning the Borrower Financing

In order to provide for the payment of the principal of, premium if any, and interest on the Bonds and the cost of the Borrower Financing, the Bond Bank will from time to time, with all practical dispatch and in a sound and economical manner in accordance with the Act, the Indenture and sound banking practices and principals (i) do all acts and things as are necessary to receive and collect Revenues (including the enforcement of the prompt collection of any arrears on all Qualified Obligation Payments), and (ii) diligently enforce, and take all steps, actions and proceedings reasonably necessary in the judgment of the Bond Bank to protect the rights of the Bond Bank with respect to the Qualified Obligations and to enforce all terms, covenants and conditions of the Qualified Obligations. Whenever necessary in order to provide for the payment of principal of and interest on the Bonds, the Bond Bank will also commence appropriate remedies with respect to any Qualified Obligation which is in default.

Refunding Bonds

The Indenture creates a continuing pledge and lien to secure the full and final payment of the principal of, redemption premium, if any, and interest on the Series 2014 Bonds and any refunding bonds issued under the Indenture (collectively, the "Bonds") and authorizes the issuance of one or more series of refunding bonds under separate supplemental indentures in order to refund all or a portion of the Bonds outstanding at the time that such refunding bonds are issued. The Indenture establishes the requirements for each supplemental indenture and provides that no refunding bonds will be issued under a supplemental indenture unless certain conditions are met, including the receipt by the Trustee of each of the following:

(a) Irrevocable instructions, addressed to and satisfactory to the Trustee, directing the Trustee to give due notice of redemption of all Bonds to be refunded on the specified redemption date, all in accordance with the Indenture;

(b) Irrevocable instructions, addressed to and satisfactory to the Trustee, directing the Trustee to give notice provided for in Section 4.05 of the Indenture to the owners of the Bonds being refunded; and

(c) Either (i) moneys sufficient to pay at the applicable Redemption Price or principal payment amount of the Bonds to be refunded or paid, respectively, as appropriate, together with accrued interest to the redemption or maturity date, with such moneys to be held by the Trustee in a separate account irrevocably in trust for and assigned to the owners of the Bonds to be refunded or paid or (ii) Governmental Obligations held in trust, in such amounts, of such maturities, bearing such rates of interest and otherwise having such terms and qualifications as necessary to comply with Article IX of the Indenture and insure the availability of moneys to redeem or pay such Bonds.

Accounts and Reports

The Bond Bank will keep, or cause to be kept, proper and separate books of records and accounts in which complete and correct entries will be made of its transactions relating to the Program and the Funds and Accounts established by the Indenture. Such books and all other books and papers of the Bond Bank and all Funds and Accounts will, at all reasonable times, be subject to the inspection of the Trustee and the owners of an aggregate of not less than 5% in principal amount of Bonds then outstanding or their representatives duly authorized in writing

Before the twentieth day of the month, the Trustee will provide the Bond Bank with a statement of the amounts on deposit in each Fund and Account as of the first day of that month and the total deposits to and withdrawals from each Fund and Account during the preceding month. The Bond Bank may provide for less frequent statements so long as such statements are supplied no less than quarterly.

Preservation of Tax Exemption for 2014A Bonds

In order to assure the continuing excludability of interest on the 2014A Bonds from the gross income of the owners thereof for purposes of federal income taxation, the Bond Bank covenants and agrees that it will not take any action or fail to take any action with respect to the 2014A Bonds that would result in the loss of the exclusion from gross income for federal tax purposes of interest on any of the 2014A Bonds pursuant to Section 103 of the Code, nor will the Bond Bank act in any other manner which would adversely affect such exclusion and it will not

make any investment or do any other act or thing during the period that the 2014A Bonds are Outstanding which would cause any of the 2014A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, all as in effect on the date of delivery of the 2014A Bonds. Pursuant to the Indenture, all of these covenants are based solely on current law as in existence and effect on the date of delivery of the 2014A Bonds. It will not be an Event of Default under the Indenture if the interest on the 2014A Bonds is not excluded from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not currently in effect and in existence on the date of the issuance of the 2014A Bonds.

In making any determination regarding the covenants, the Bond Bank may rely on an Opinion of Bond Counsel.

Budgets

The Bond Bank will adopt and file with the Trustee, upon the written request of the Trustee, and appropriate State officials under the Act an annual budget covering its fiscal operations for the succeeding Fiscal Year not later than July 1 of each year. The annual budget will be open to inspection by any Owner of Bonds. In the event the Bond Bank does not adopt an annual budget for the succeeding Fiscal Year on or before July 1, the budget for the preceding Fiscal Year will be deemed to have been adopted and be in effect for the succeeding Fiscal Year until the annual budget for such Fiscal Year has been duly adopted. The Bond Bank may at any time adopt an amended annual budget in the manner then provided in the Act.

Covenants With Respect to Qualified Obligations

With respect to the Qualified Obligations, the Bond Bank covenants as follows:

(a) Not to permit or agree to any material change in any Qualified Obligation (other than ones for which consent of the Bond Bank is not required) unless the Bond Bank supplies the Trustee with a Cash Flow Certificate to the effect that, after such change, Revenues expected to be received in each Fiscal Year, together with moneys expected to be held in the Funds and Accounts, will at least equal debt service on all Outstanding Bonds along with expenses, if any in each such Fiscal Year.

(b) To the extent that such action would not adversely affect the validity of the Qualified Obligation or other obligations of the Qualified Entity, the Bond Bank will pursue the remedies set forth in the Act, particularly Indiana Code 5-1.5-8-5, for the collection of deficiencies in Qualified Obligation Payments on any Qualified Obligation by collection of such deficiencies out of certain State funds payable but not yet paid to a defaulting Qualified Entity.

(c) To enforce or authorize the enforcement of all remedies available to the Bond Bank as the owner or holder of the Qualified Obligations, unless the Bond Bank provides the Trustee with a Cash Flow Certificate to the effect that, if such remedies are not enforced, Revenues expected to be received in each Fiscal Year, together with moneys expected to be held in the Funds and Accounts, will at least equal debt service on all Outstanding Bonds in each such Fiscal Year; provided, however, that decisions as to the enforcement of remedies shall be within the sole discretion of the Trustee.

(d) Not to sell or dispose of the Qualified Obligations, unless the Bond Bank first provides the Trustee with a Cash Flow Certificate to the effect that, after such sale, Revenues expected to be received in each Fiscal Year, together with moneys expected to be held in the Funds and Accounts, minus any proceeds of such sale or disposition transferred from any Fund or Account, will at least equal debt service on all Outstanding Bonds along with Program Expenses, if any, in each such Fiscal Year.

Defeasance and Discharge of Lien of Indenture

If payment or provision for payment is made to the Trustee of the principal of, and interest on, the Bonds due and to become due under the Indenture, and if the Trustee receives all payments due and to become due under the Indenture, then the Indenture may be discharged in accordance with its provisions. In the event of any early redemption of Bonds in accordance with their terms, the Trustee must receive irrevocable instructions from the Bond Bank, satisfactory to the Trustee, to call such Bonds for redemption at a specified date and pursuant to the Indenture. Outstanding Bonds will continue to be a limited obligation of the Bond Bank payable only out of the moneys or securities held by the Trustee for the payment of the principal of and interest on the Bonds.

Any Bond will be deemed to be paid when payment of the principal of that Bond, plus interest to its due date, either (i) has been made or has been caused to be made in accordance with its terms or (ii) has been provided for by irrevocably depositing with the Trustee, in trust and exclusively for such payment, (A) moneys sufficient to make such payment, (B) Governmental Obligations maturing as to principal and interest in such amounts and at such times, without consideration of any reinvestments thereof, as will insure the availability of sufficient moneys to make such payments, or (C) a combination of such moneys and Governmental Obligations, and all necessary and proper fees and expenses of the Trustee pertaining to the Bonds, including any amounts required to be rebated to the United States of America, with respect to which such deposit is made, have been paid or deposited with the Trustee.

Defaults and Remedies

Any of the following events constitutes an "Event of Default" under the Indenture:

(a) The Bond Bank defaults in the due and punctual payment of any interest on any Bond;

(b) The Bond Bank defaults in the due and punctual payment of the principal of any Bond, whether at stated maturity or on any date fixed for redemption;

(c) The Bond Bank defaults in carrying out any of its other covenants, agreements or conditions contained in the Indenture or in the Bonds and fails to remedy such Event of Default within 30 days after receipt of notice, all in accordance with the Indenture; or

(d) An "Event of Default" under the Qualified Entity Indenture shall occur and be continuing (See "SUMMARY OF CERTAIN PROVISIONS OF THE QUALIFIED ENTITY INDENTURE -- Defaults and Remedies").

Upon the occurrence of an Event of Default, the Trustee will notify the owners of Bonds of such Event of Default and will have the following rights and remedies:

(a) The Trustee may pursue any available remedy at law or in equity or by statute to enforce the payment of the principal of and interest on outstanding Bonds, including enforcement of any obligations of the Bond Bank under the Indenture or of the Company under the Qualified Entity Indenture and the Series 2014 Notes;

(b) By notice to the Bond Bank and the Company, the Trustee may declare the principal of and accrued interest on all Bonds to be due and payable immediately in accordance with the provisions of the Indenture and the Act.

If an Event of Default has occurred, if requested to do so in writing by the owners of all of the outstanding Bonds and if indemnified as provided in the Indenture, the Trustee will be obligated to exercise such of the rights, remedies and powers conferred by the Indenture, as the Trustee, being advised by counsel, deems most expedient in the interests of the owners of Bonds.

The Owners of a majority in aggregate principal amount of the Bonds Outstanding under the Indenture will have the right, at any time during the continuance of an Event of Default, by a written instrument or instruments executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other

proceedings under the Indenture. However, such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

Application of Moneys

All moneys received by the Trustee pursuant to any right given or action taken under the default provisions of the Indenture shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, be deposited in the General Account and all moneys in the General Account shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

First: To the payment to the persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest, and if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereof, without any discriminations or privilege;

Second: To the payment to the persons entitled thereto of the unpaid principal of and premium, if any, of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due, and if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the person entitled thereto without any discrimination or privilege; and

Third: To be held for the payment to the persons entitled thereto as the same shall become due of the principal of and interest on the Bonds which may thereafter become due either at maturity or upon call for redemption prior to maturity and, if the amount available shall not be sufficient to pay in full the principal of and interest on Bonds due on any particular date, such payment shall be made ratably according to the amount of principal and interest due on such date to the persons entitled thereto without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due or shall have been

declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over any other installment of interest, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

(c) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of the Indenture then, subject to the provisions of subsection (b) above in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of subsection (a) above.

Whenever moneys are to be applied pursuant to the provisions outlined above, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to pay any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Waivers of Events of Default

At its discretion, the Trustee may waive any Event of Default and its consequences, and must do so upon the written request of the owners of (a) more than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of all Bonds then Outstanding in respect of which an Event of Default in the payment of principal or interest exists, or (b) more than fifty percent (50%) in aggregate principal amount of all Bonds then Outstanding in the case of any other default. However, there may not be waived (i) any Event of Default in the payment of the principal of any Bond then Outstanding under the Indenture at the specified date of maturity or (ii) any Event of Default in the payment when due of the interest on any Bond then Outstanding under the Indenture, unless prior to the waiver, all arrears of interest or principal due, as the case may be, with interest on overdue principal at the rate borne by such Bond, and all expenses of the Trustee in connection with the Event of Default have been paid or provided for. In case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default is discontinued or abandoned or determined adversely, then the Bond Bank, the Trustee and the Bondholders will be restored to their former respective positions and right under

the Indenture. No waiver or rescission will extend to any subsequent or other Event of Default or impair any right consequent thereon.

Waiver of Redemption; Effect of Sale of Mortgaged Property

The Bond Bank, to the extent permitted by law, shall not claim any rights under any stay, valuation, exemption or extension law, and waives any right of redemption which it may have in respect of the Mortgaged Property. Upon the institution of any foreclosure proceedings or upon any sale of the Mortgaged Property, or any acceleration of the maturity of the Series 2014 Notes, the principal of all Bonds then outstanding hereunder, if not previously due and payable, shall become immediately due and payable.

Rights and Remedies of Owners of Bonds

No owner of any Bond will have any right to institute any suit, action or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or for any other remedy under the Indenture, unless (a) an Event of Default has occurred, (b) such Default shall have become an Event of Default and the owners of not less than 25% in aggregate principal amount of Bonds then Outstanding have made written request to the Trustee and have offered the Trustee reasonable opportunity either to proceed to exercise the remedies granted in the Indenture or to institute such action, suit or proceeding in its own name, (c) such owners of Bonds have offered to indemnify the Trustee, as provided in the Indenture, and (d) the Trustee has refused, or for 60 days after receipt of such request and offer of indemnification has failed, to exercise the remedies granted in the Indenture or to institute such action, suit or proceeding in its own name. All proceedings at law or in equity must be carried out as provided in the Indenture and for the equal benefit of the owners of all Outstanding Bonds. However, nothing contained in the Indenture will affect or impair the right of any owner of Bonds to enforce the payment of the principal of and interest on any Bond at and after its maturity, or the limited obligation of the Bond Bank to pay the principal of and interest on each of the Bonds to the respective owners of the Bonds at the time and place, from the source and in the manner expressed in the Bonds.

Supplemental Indentures

The Bond Bank and the Trustee may, without the consent of, or notice to, any of the owners of the Bonds, enter into any indenture or indentures supplemental to the Indenture for any one or more of the following purposes:

(a) To cure any ambiguity, formal defect or omission in the Indenture;

(b) To grant to or confer upon the Trustee for the benefit of the owners of

Bonds any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the owners of Bonds or the Trustee, or to make any change which, in the judgment of the Trustee, does not materially and adversely affect the interest of the owners of Bonds and does not otherwise require the consent of all the owners of outstanding Bonds under the Indenture;

(c) To subject to the Indenture additional properties or collateral;

(d) To modify, amend or supplement the Indenture or any supplemental indenture in order to permit qualification under the Trust Indenture Act of 1939 or any similar Federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if the Bond Bank and the Trustee so determine, to add to the Indenture or to any supplemental indenture such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939 or similar Federal statute;

(e) To give evidence of the appointment of a separate or co-trustee or the succession of a new Trustee under the Indenture;

(f) To provide for the issuance of Refunding Bonds; or

(g) To amend the Indenture to permit the Bond Bank to comply with any future federal tax law or any covenants contained in any Supplemental Indenture with respect to compliance with future federal tax law.

With the exception of supplemental indentures for the purposes set forth in the preceding paragraph and subject to the terms of the Indenture, the owners of not less than a majority of the principal amount of the Bonds then outstanding which are affected (other than Bonds held by the Bond Bank) have the right, from time to time, to consent to and approve the execution by the Bond Bank and the Trustee of any supplemental indenture or indentures deemed necessary and desirable by the Trustee for the purpose of modifying, altering, amending, adding to or rescinding in any particular, any of the terms or provisions contained in the Indenture or in any supplemental indenture. However, no supplemental indenture may permit or be construed as permitting, without the consent of the owners of all then-outstanding Bonds, (i) an extension of the maturity of the principal of or the interest on, or a change in the redemption dates of, any Bonds, or (ii) a reduction in the principal amount of any Bond or a change in the redemption premium or the rate of interest on any Bond, or (iii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture, or (v) the creation of any lien securing any Bonds, other than a lien ratably securing all of the Bonds at any time outstanding or (vi) any

modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee without the written consent of the Trustee.

If at any time the Bond Bank shall request the Trustee to enter into any such supplemental indenture for any of the purposes set forth in the Indenture, the Trustee shall, upon being satisfactorily indemnified with respect to expense, cause notice of the proposed execution of such supplemental indenture to be mailed by registered or certified mail to each owner of a Bond at the address shown on the registration books maintained by the Trustee. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the trustee for inspection by all Bondholders. If, within 60 days, or such longer period as shall be prescribed by the Bond Bank, following the mailing of such notice, the owners of not less than 51% in aggregate principal amount of the Bonds outstanding at the time of the execution of any such supplemental indenture (exclusive of Bonds held by the Bond Bank) shall have consented to and approved the execution of such supplemental indenture, no owner of any Bond shall have any right to object to any of the terms and provision contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Bond Bank from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture, the Indenture shall be and be deemed to be modified and amended in accordance therewith.

APPENDIX D

This page intentionally left blank.

SUMMARY OF CERTAIN PROVISIONS OF THE QUALIFIED ENTITY INDENTURE

The following is a summary of certain additional provisions of the Qualified Entity Indenture. This summary is qualified in its entirety by reference to the Qualified Entity Indenture. The terms used in this portion of the Appendix and not otherwise defined in this Official Statement, have the meanings assigned to them in the Qualified Entity Indenture.

Pursuant to the terms of the Indenture and the Qualified Entity Indenture, the Bond Bank is acting solely as a passive conduit issuer in connection with the Bonds, and the Trustee will (i) assume all responsibilities and obligations, if any, required of the Bond Bank by the covenants in the Indenture and the Bonds, and (ii) agree to enforce all rights of the Bond Bank and all obligations and covenants of the Qualified Entity under the Indenture, the Qualified Entity Indenture, the Bonds and the Series 2014 Notes, regardless of whether any event of default shall have occurred under either the Indenture or the Qualified Entity Indenture.

Issuance of Additional Notes

One or more series of notes in addition to the Series 2014 Notes may be authenticated and delivered from time to time for any purpose.

Prior to the delivery by the Company of any of such Additional Notes there shall be filed with the Trustee:

(a) A supplement to the Qualified Entity Indenture executed by the Company and the Trustee authorizing the issuance of such Additional Notes, specifying the terms thereof, and providing for the disposition of the proceeds of the sale thereof.

(b) A copy, duly certified by the Secretary of the Company of the resolution theretofore adopted and approved by the Company authorizing the execution and delivery of such supplemental indenture and the issuance of such Additional Notes.

(c) If Additional Notes are issued to finance additional real estate or building improvements, (1) a mortgagee title insurance policy or a commitment therefor in the face amount of the Additional Notes issued for such purpose (or an endorsement to the original policy increasing the face value thereof) by a company duly authorized to issue the same insuring that the Trustee has a first mortgage lien on any real estate or building improvements financed with the proceeds from such Additional Notes; and/or if Additional Notes do not finance additional real estate or building improvements, a mortgagee title insurance policy or a commitment therefor in the face amount of the Additional Notes issued for (or an endorsement to the original policy increasing the face

value thereof) such purpose by a company duly authorized to issue the same insuring that the Trustee has a mortgage lien on the same basis as provided the mortgagee title insurance policy obtained in connection with the issuance of the Series 2014 Notes, subject to Permitted Encumbrances of the type set forth in clauses (i) and (ii) therein (or in clauses (vii) or (viii) therein when related to any Additional Notes that have been issued as of the date of such title insurance policy) and (2) a supplemental indenture to the Qualified Entity Indenture granting a lien, security interest, encumbrance and charge on such property as part of the amended Mortgaged Property in compliance with the requirements of Section 10.8 of the Qualified Entity Indenture.

(d) An opinion of counsel for the Company stating that such Additional Notes have been issued in accordance with the terms and conditions of the Qualified Entity Indenture.

(e) A written request of the Company to the Trustee to authenticate and deliver such Additional Notes.

(f) Either:

(i) A certificate of the Company stating that the Debt Service Coverage Ratio, after giving effect to the issuance of the Additional Notes then proposed to be issued, for the most recent fiscal year for which audited financial statements are available, preceding the date of the proposed issuance of such Additional Notes is at least 1.25 as shown in a report of a firm of independent certified public accountants; or

(ii) A certificate of the Company stating that the Debt Service Coverage Ratio for each of the two fiscal years beginning after the date on which it is estimated that the facilities to be financed with such Additional Notes will be placed in service (or, in the event such Additional Notes are not being issued to finance capital improvements, the Debt Service Coverage Ratio for each of the two fiscal years beginning after the date on which such Additional Notes are issued), after giving effect the issuance of such Additional Notes and the revenues generated by the facilities thereby financed is expected to be at least 1.25 as shown in a report of an Independent Consultant (the findings of which may be based insofar as they relate to historical financial statements, upon a report or opinion of a firm of independent certified public accountants).

(g) The reserve requirement for the Additional Notes is proportionately increased in accordance with the provisions of Article IV of the Qualified Entity

Indenture and the Company covenants to fund the reserve requirement in a manner consistent with the requirements of Article IV of the Qualified Entity Indenture including a requirement to have a reserve held by the Trustee hereunder that is at least equal to the maximum annual debt service thereon funded as of their issuance (or from monthly deposits into a reserve account held hereunder for such Additional Notes so long as such monthly deposits are not less than 1/120th of such reserve requirement not funded as of their issuance, or some combination thereof).

Any Additional Notes issued in accordance with the above terms shall be secured by the Qualified Entity Indenture, but such Additional Notes may bear such date or dates, such interest rate or rates, any have such maturities, redemption dates and premiums as may be agreed upon by the Company and the purchaser of such Additional Notes.

Tax Exempt Status of the 2014A Notes

Under the Qualified Entity Indenture, the Company covenants that it will not take, or fail to take, any action which action or failure will cause the interest on the 2014A Notes to become includable in gross income for federal income tax purposes pursuant to the provisions of Section 103 and 141-150 of the Code so long as any 2014A Notes are outstanding.

It is the intention of the Company and the Trustee that interest on the 2014A Notes shall be and remain excludable from gross income for Federal income tax purposes, and to that end the covenants and agreements of the Company are for the benefit of the Trustee and each and every owner of the 2014A Notes.

Construction Account Deposit, Escrow Deposit, Application of Funds held under the Original Bond Bank Indenture and Release of the Refunded Notes

The Qualified Entity Indenture provides that upon the issuance of the Series 2014 Notes, the Bond Bank shall deposit a portion of the proceeds of the Series 2014 Notes and the moneys held under the Original Bond Bank Indenture as follows:

(a) $1,701,100.00 of the Proceeds of the 2014A Notes shall be deposited in a Construction Account established and held by the Borrower to be used to pay the costs of the Project.

(b) Cash in the aggregate amount of $689,905.07, consisting of (i) proceeds of the 2014A Notes in the amount of $659,799.56, and (ii) funds in the amount of $30,105.51 held in the 2002A Bond Fund under the Original Bond Bank Indenture, will be delivered to the Escrow Trustee for deposit in the Escrow Account, to provide for the

defeasance and current refunding of the 2002A Bonds.

(c) Cash in the aggregate amount of $1,043,500, consisting of (i) proceeds of the 2014B Notes in the amount of $1,019,541.84, and (ii) funds in the amount of $23,958.16 held in the 2005A Bond Fund under the Original Bond Bank Indenture, will be delivered to the Escrow Trustee for deposit in the Escrow Account, to provide for the defeasance and advance refunding of the 2005A Bonds.

(d) Cash in the amount of $112,554.25, consisting of (i) $42,007.75 of the proceeds of the Series 2014 Bonds, and (ii) $70,546.50 of Qualified Entity funds, shall be retained by the Trustee and deposited to the Bond Issuance Expense Account established under Section 6.07 of the Bond Bank Indenture and be applied to Costs of Issuance of the Bond Bank Bonds and the Series 2014 Notes (as defined in the Bond Bank Indenture).

(e) Cash in the amount of $221,947.50 from funds held in the Debt Service Reserve Account under the Original Bond Bank Indenture, shall be deposited in the Debt Service Reserve Account of the Sinking Fund established under Section 4.2(c) of the Qualified Entity Indenture.

The proceeds of the issuance and sale of any Additional Notes shall be deposited with the Trustee and used as provided in the Supplemental Indenture authorizing the issuance thereof.

As a result of such deposit to the Escrow Account and the meeting of all other requirements of the Original Bond Bank Indenture for the defeasance of the Refunded Bond Bank Bonds, the lien of the Original Bond Bank Indenture on the Original Bond Bank Trust Estate shall be discharged, and accordingly, the Refunded Bonds Trustee shall acknowledge the termination of and the discharge and release of the Refunded Notes, and shall cancel the Refunded Notes and return them to the Company.

Funds

General Fund and Deposit of Gross Revenue. The Company shall maintain with a depository selected by the Company, a general fund through the control of the Company (the "General Fund"), into which the Company shall deposit from time to time as received all Gross Revenue. The Company shall use the moneys on deposit in the General Fund for the purpose of paying the reasonable expenses of operation, repair and maintenance of the Sewer System and for the cost of any improvements, extensions, replacements or additions to the Sewer System not otherwise financed with the proceeds of Additional Notes. Pending the use of such moneys for those purposes, the Company shall invest the moneys in the General Fund in such Qualified Investments as the Company may select.

Sinking Fund.

(a) A Sinking Fund is established by the Company with the Trustee for the payment of the principal of and interest on the Notes. After payment of the reasonable expenses of operation, repair and maintenance of the Sewer System, there shall be set aside and deposited in said Sinking Fund by the Company as hereinafter provided from its General Fund a sufficient amount to meet the requirements of the Principal and Interest Account and of the Debt Service Reserve Account in said Sinking Fund. Such payments shall continue until the balance in the Principal and Interest Account, plus the balance in the Debt Service Reserve Account hereinafter described, equals the amount needed to redeem all of the then outstanding Notes.

(b) Principal and Interest Account. There shall be transferred from the Company to the Trustee out of the General Fund on the first day of each calendar month and deposited in the Principal and Interest Account an amount equal to the sum of one-sixth (1/6) of the principal due on the Notes on the next succeeding Interest Payment Date, and one-sixth (1/6) of the interest on all then outstanding the Notes payable on the next succeeding Interest Payment Date until the amount so deposited shall equal the principal payable on the next succeeding January 1 or July 1, as the case may be, and the interest payable on the next succeeding Interest Payment Date; provided that any amounts due on a January 1 or a July 1 shall be deposited with the Trustee at least three business days prior to such date. There shall similarly be transferred to the Trustee and credited to the Principal and Interest Account any amount necessary to pay the charges and fees of the Trustee as the same become payable. The Trustee shall, from the sums deposited in the Sinking Fund and credited to the Principal and Interest Account, remit by wire transfer at least three business days prior to the due dates hereof, to the Bond Bank the payments of principal and interest on the Notes and thereafter shall be entitled to receive from such sums payment of the amount of its charges.

(c) Debt Service Reserve Account. After making the deposits contemplated in paragraphs (a) and (b) above, the Company shall deposit moneys from the General Fund as a reserve for the Notes, on a monthly basis so that the balance in the Debt Service Reserve Account equals but does not exceed the maximum annual debt service on the Notes (the "Reserve Requirement"). The monthly deposits shall be equal in amount and sufficient to accumulate the Reserve Requirement within five (5) years from the date of delivery of the Notes. The balance in the Debt Service Reserve Account as of January 5 and July 5 valued at the lesser of original cost or current market value shall never exceed the Reserve Requirement. Any moneys in the Debt Service Reserve Account in excess of the Reserve Requirement shall be credited on those dates to the Principal and Interest Account.

The moneys in the Debt Service Reserve Account shall be used to pay the principal of and interest on the Notes to the extent that moneys in the Principal and Interest Account are insufficient for that purpose. In the event moneys in the Debt Service Reserve Account are transferred to the Principal and Interest Account to pay principal of and interest on Notes, then such depletion of the balance in the Debt Service Reserve Account shall be made up by the Company within six (6) months of the date of such transfer.

Rebate Fund. The Trustee shall establish and maintain, so long as any 2014A Bonds are outstanding, a separate fund to be known as the "Rebate Fund." The Trustee shall make information regarding the Series 2014 Notes and investments hereunder available to the Company and shall make deposits and disbursements from the Rebate Fund in accordance with the Qualified Entity Indenture. The Trustee shall invest the moneys in the Rebate Fund in Qualified Investments subject to any instructions provided by bond counsel in order to comply with the provisions of the Qualified Entity Indenture and shall deposit income from such investments immediately upon receipt thereof in the Rebate Fund. New investment instructions may be delivered by the Company so long as they are accompanied by an opinion of bond counsel addressed to the Trustee to the effect that the use of the new investment instructions will not cause the interest on the 2014A Bonds to become includable in the gross income of the owners thereof for federal income tax purposes.

Moneys held in the Rebate Fund shall not be pledged as security for the payment of the principal of, premium, if any, and interest payable on any series of Notes or Additional Notes and shall remain in the Rebate Fund until either (a) the money disbursed to the United States or (b) a determination is made by the Trustee that such funds are not owed to the United States under the rebate requirement of Section 148 of the Code.

Rebate Deposits. If a deposit to the Rebate Fund is required as a result of the computations made by the Company, the Trustee shall upon receipt of direction from the Company accept such payment for the benefit of the Company. If amounts in excess of that required to be rebated to the United States accumulate in the Rebate Fund, the Trustee shall upon direction from the Company transfer such amount to the Company. Records of these determinations and the investment instructions must be retained by the Trustee until six (6) years after the 2014A Bonds are no longer outstanding.

Rebate Disbursements. The Trustee shall pay the United States, or the Bond Bank upon its direction, at least ninety (90%) of the amount required to be on deposit in the Rebate Fund no later than sixty (60) days after every five year period. Not later than sixty (60) days after the final retirement of the Bonds, the Trustee shall pay to the United States, or the Bond Bank upon its direction, one hundred percent (100%) of the balance remaining in the Rebate Fund. Each

payment required to be paid to the United States, or the Bond Bank upon its direction, shall be filed with the Internal Revenue Service Center, Ogden, UT 84201. Each payment shall be accompanied by a copy of the Form 8038 originally filed with respect to the 2014A Bonds and a statement of the Company summarizing the determination of the amount to be paid to the United States.

Prepayment of the Series 2014 Notes

Prepayment Generally.

(a) Optional Redemption. The Series 2014 Notes maturing on or after July 1, 2024, shall be subject to redemption at the option of the Borrower, in whole or in part, on any date on or after July 1, 2024, at a redemption price of par plus the interest accrued to the date of redemption

Notice of Redemption. In the case of redemption of Notes, notice of the call for any such redemption identifying the Notes, or portions of Notes, to be redeemed shall be given by mailing a copy of the redemption notice by registered or certified mail not less than (i) forty-five (45) days prior to the date fixed for redemption to the holder thereof; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any such Notes shall not affect the validity of any proceedings for the redemption of any other Notes.

On and after the redemption date specified in the aforesaid notice, such Notes, or portions thereof, thus called (provided funds for their redemption are on deposit at the place of payment) shall not bear interest, shall no longer be protected by the Qualified Entity Indenture and shall not be deemed to be outstanding under the provisions of the Qualified Entity Indenture, and the holders thereof shall have the right only to receive the redemption price thereof plus accrued interest thereon to the date fixed for redemption.

Defaults and Remedies

Events of Default. Each of the following events is an "event of default" under the Qualified Entity Indenture:

(a) default in the payment of any installment of interest upon any of the Notes as and when the same shall become due and payable; or

(b) default in the payment of the principal of and premiums, if any, on any of the Notes as and when the same shall become due and payable either at maturity, upon redemption (including mandatory or optional redemption), by declaration or otherwise; or

(c) the Company shall default in and due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Notes or in the Qualified Entity Indenture or any agreement supplemental thereto on the part of the Company to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedies shall have been given to the Company by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the holders of all of the Notes when outstanding; or

(d) the commencement by the Company at any voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, whether consent by it to an entry of an order for relief in an involuntary case and under any such law or to the appointment of or the taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Company or of any substantial part of its property, or the making by it of any general assignment for the benefit of creditors, or the failure of the Company generally to pay its debt as such debt become due, or the taking of corporate action by the Company in furtherance of any of the foregoing; or

(e) the entry of a decree or order for relief by a court having jurisdiction in the premises in respect of the Company in an involuntary case under any applicable bankruptcy, insolvency or similar law now or hereafter in effect. or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or other similar official of the Company or of any substantial part of its property, or ordering the windup or liquidation of its affairs or the filing and pendency for sixty (60) days without dismissal of a petition initiating an involuntary case under any other bankruptcy, insolvency or similar law; or

Actions by the Trustee. Upon the happening of any event of default and the continuance of the same for the period, if any, specified in the Qualified Entity Indenture.

(a) Acceleration. The Trustee, by notice in writing delivered to the Company, may and if directed to do so by the owners of 25% in aggregate principal amount of Notes then outstanding, declare the entire unpaid principal amount of the Notes then outstanding, and the interest accrued thereon, to be immediately due and payable and the interest and the principal shall thereupon become immediately due and payable. The registered owners of a majority in principal amount of the then outstanding Notes by notice to the Trustee may rescind an acceleration and its consequences if all existing events of default have been cured or waived, except nonpayment of principal or interest that has become due solely because of the acceleration, and if the rescission would not conflict with any judgment or decree.

(b) The Trustee Enter and Take Possession, Operate and Apply Income. The Trustee, personally or by its agents or attorneys, may, to the extent permitted by law, enter into and upon all or any part of the Mortgaged Property and each and every part thereof, and may exclude the Company and its agents wholly therefrom; and having and holding the same, may use, operate, manage and control the Mortgaged Property for any lawful purpose, and upon every such entry, the Trustee, at the expense of the Company may from time to time maintain and restore the Mortgaged Property whereof it shall become possessed as aforesaid either by purchase, repairs or construction, and may insure and reinsure the same as may seem judicious; and likewise, from time to time at the expense of the Company, the Trustee may make all necessary or proper repairs, renewals and replacements, and alterations, additions, betterments and improvements thereto and thereon as to it may seem judicious; and the Trustee shall be entitled to collect and receive all earnings, revenues, rents, issues, profits and income of the same and every part thereof; and after deducting the expenses of operations, maintenance, repairs, renewals, replacements, alterations, additions, betterments, and improvements and all payments which may be made for taxes, assessments, insurance and prior or other proper charges upon the Mortgaged Property or any part thereof, as well as all advances by the Trustee and compensation for the services of the Trustee and for all counsel and agents and clerks and other employees by its property engaged and employed, the Trustee shall apply the moneys arising as aforesaid as provided in the Qualified Entity Indenture.

(c) Right to Bring Suit, Etc. The Trustee, with or without entry, personally or by attorney, may in its discretion, proceed to protect and enforce its rights by a suit or suits in equity or at law, whether for damages or for the specific performance of any covenant or agreement contained in the Qualified Entity Indenture or in aid of the execution of any power therein granted, or for any foreclosure thereunder, or for the enforcement of any other appropriate legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce any of its rights or duties thereunder; provided, however that all costs incurred by the Trustee shall be paid to the Trustee by the Company on demand.

(d) Foreclosure. The Trustee may, with or without entry, personally or by attorney, sell, to the extent permitted by law, to the highest bidder of all or any part of the Mortgaged Property and all right, title, interest, claim and demand therein, and the right of redemption thereof, in one lot as an entirety, or in separate lots, as the Trustee may elect, and in one sale or any manner of separate sales held at one time or any number of times, which such sale shall be made at public auction at such place in the county in which the Mortgaged Property to be solid is situated and at such time and upon such terms as may be fixed by the Trustee and briefly specified in the notice of such sale or sales. Any sale by the Trustee may nevertheless, at its option, be made at such other place

or places, and in, such other manner, as may now or hereafter be authorized by law. In the event of any sale of the Mortgaged Property, the principal of the Notes, if not previously due, immediately thereupon shall become due and payable, anything in the Notes or the Qualified Entity Indenture to the contrary notwithstanding.

Remedies, Rights of Noteholders.

If an event of default occurs, the Trustee may pursue any available remedy by suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Notes then outstanding, or to enforce any obligations of the Company under the Qualified Entity Indenture.

Upon the occurrence of an event of default, and if directed so to do by the holders of 25% in aggregate principal amount of Notes then outstanding and indemnified as provided in the Qualified Entity Indenture, the Trustee shall be obliged to exercise such one or more of the rights and powers conferred by the Qualified Entity Indenture as the Trustee, being advised by counsel, shall deem most expedient in the interests of the owners of the Notes.

Right of Owners to Direct Proceeding. The holders of a majority in principal amount of Notes then outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Qualified Entity Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of the Qualified Entity Indenture, and provided that the Trustee is obligated to pursue its remedies under the provisions of the Qualified Entity Indenture before any other remedies are sought.

Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of the Qualified Entity Indenture shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, be deposited in the Sinking Fund and all moneys in the Sinking Fund shall be applied as follows:

(a) Unless the principal of all the Notes shall have become or shall have been declared due and payable, all such moneys shall be applied:

First: To the payment to the persons entitled thereto of all installments of interest then due on the Notes in the order of the maturity of the installments of such interest, and if the amount available shall not be sufficient to pay in full any particular installment,

then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

Second: To the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on the Notes which shall have become due (other than Notes called for redemption for the payment of which moneys are held pursuant to the provisions of the Qualified Entity Indenture), in the order of their due dates, with interest on such Notes from the respective dates upon which they become due, and if the amount available shall not be sufficient to pay in full Notes due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the person entitled thereto without any discrimination or privilege.

(b) If the principal of all the Notes shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Notes, without preference or priority of principal over interest or of interest over any other installment of interest, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

(c) If the principal of all the Notes shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled then, subject to the provisions of subsection (b) above in the event that the principal of all the Notes shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of subsection (a) above.

(d) Whenever moneys are to be applied as set forth above, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as they may deem appropriate of the deposit with the Trustee of any such moneys and of the fixing of any such date and shall not be required to make payment to the holder of any Note until such Note shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Rights and Remedies of Registered Owners of Notes. No registered owner of any Notes shall have a right to institute any suit, action or proceeding in equity or at law for the enforcement of the Qualified Entity Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy under the Qualified Entity Indenture, unless a

default has occurred of which the Trustee has been notified as provided in the Qualified Entity Indenture, or it is deemed to have notice, nor unless also such default shall have become an event of default and the owners of 25% in aggregate principal amount of Notes then outstanding shall have made written requires to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in the Qualified Entity Indenture, nor unless the Trustee shall thereafter fail or refuse to exercise the powers granted, or to institute such action, suit or proceeding in its, his, or their own name or names. No one or more registered owners of the Notes shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Qualified Entity Indenture by its, heirs or their action or to enforce any right thereunder except in the manner therein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner therein provided and for the equal benefit of the registered owners of all Notes then outstanding. Nothing in the Qualified Entity Indenture shall, however, affect or impair the right of any registered owner of Notes to enforce the covenants of the Company to pay the principal of and interest on each of the Notes issued thereunder to the respective registered owners thereof at the time, place and in the manner in said Notes expressed.

Waivers of Events of Default. The Trustee may in its discretion waive any event of default and its consequences and rescind any declaration of maturity of principal of and interest on the Notes, and shall do so upon the written request of the holders of (a) a majority in principal amount of the Notes then outstanding in respect of which default in the payment of principal or premium, if any, or interest exists; or (b) a majority in principal amount of Notes then outstanding in the case of any other default; provided, however, that there shall not be waived; or (c) any event of default in the payment of the principal of any outstanding Notes at the date of maturity specified therein; or (d) any default in the payment when due of the interest on any such Notes unless prior to such waiver or rescission, arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Notes in respect of which such default shall have occurred on overdue installments of interest or all arrears of payment of principal and premium, if any, when due, as the case may be, and all expenses of the Trustee in connection with such default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Company, the Trustee and the registered owners of the Notes shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon. No delay or omission of the Trustee to exercise any right or power accruing upon any event of default shall impair any such right of power. or shall be construed to be a waiver of any such event of default or any acquiescence therein; and every power and remedy given by the Qualified Entity Indenture to the Trustee may be exercised from time to time and as often as may be deemed expedient by the

Trustee.

Amended and Supplemental Qualified Entity Indenture

Supplemental Indenture Not Requiring Consent of Registered Owners. The Company and the Trustee may without the consent of, or notice to, any of the owners of the Notes enter into an indenture or indentures supplemental to the Qualified Entity Indenture, as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in the Qualified Entity Indenture;

(b) To grant to or confer upon the Trustee for the benefit of the owners of the Notes any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon such owners or the Trustee or any of them;

(c) To subject to the Qualified Entity Indenture additional revenues, properties or collateral; or

(d) To make any other change in the Qualified Entity Indenture which, in the judgment of the Trustee, is not to the material prejudice of the Trustee or the owners of the Secured Notes; or

(e) To provide for the issuance of Additional Notes; or

(f) To modify, amend or supplement the Qualified Entity Indenture in such manner as required to permit the qualification thereof under the Trustee Indenture Act of 1939, as amended, or any similar Federal statute hereafter in effect, and, if they so determine, to add to the Qualified Entity Indenture such other terms, conditions and provisions as may be required by said Trust Indenture Act of 1939, as amended, or similar Federal statute.

Supplemental Indentures Requiring Consent of Registered Owner. The owners of a majority in aggregate principal amount of the Notes then outstanding shall have the right, from time to time, anything contained in the Qualified Entity Indenture to the contrary notwithstanding, to consent to and approve the execution by the Company and the Trustee of such other indenture or indentures supplemental thereto as shall be deemed necessary and desirable by the Company for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Qualified Entity Indenture or in any supplemental indenture; provided however, that nothing in the Qualified Entity Indenture shall permit or be construed as permitting (a) an extension of the stated maturity

or reduction in the principal amount of, or reduction in the rate or extension of the time of paying of interest on, or reduction of any premium payable on the redemption of, any Note, without the consent of the owner of such Note, or (b) a reduction in the amount of extension of the time of any payment required by any sinking fund applicable to any Notes without the consent of the owners of all the Notes which would be affected by the action to be taken, or (c) the creation of any lien prior to or, except for the lien of Additional Notes on a parity with the lien of the Qualified Entity Indenture without the consent of the owners of all the Notes at the time outstanding, or (d) a reduction in the aforesaid aggregate principal amount of Notes the owners of which are required to consent to any such supplemental indenture, without the consent of the owners of all the Notes at the time outstanding which would be affected by the action to be taken, or (e) a modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee, or (f) a privilege or priority of any Note over any other Notes, or (g) deprive the owners of any Notes then outstanding of the lien created by the Qualified Entity Indenture.

Liens

The Company will not create or permit to be created or remain and will, at its cost and expense, promptly discharge all liens, security interests, encumbrances and charges on the Sewer System or any part thereof other than Permitted Encumbrances.

Insurance

The Company shall maintain the following insurance at its sole cost and expense:

(a) Insurance against loss and damage to the Sewer System under a policy or policies covering such risks as are ordinarily insured against by similar companies, but in any event including fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, damage from aircraft, smoke and uniform standard extended coverage and vandalism and malicious mischief endorsements, limited only as may be provided in the standard form of such endorsements at the time in use in the State of Indiana. Such insurance shall be in such amount as shall be customarily used for companies similarly situated. No policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the preceding sentence, by reason of co-insurance provisions or otherwise.

(b) Comprehensive general public liability insurance for injuries to persons and property, in limits not less than, and with deductibles not greater than, that customarily used for companies similarly situated.

(c) Workmen's compensation insurance respecting all employees of the

Company in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the Company may be self-insured with respect to all or any part of its liability for workmen's compensation.

Each policy of insurance shall (i) be issued by one or more recognized, financially sound and responsible insurance companies qualified or authorized under the laws of the State of Indiana to assume the risks covered by such policy, (ii) name the Trustee and the Company as insureds, as their respective interests may appear, and (iii) provide that such policy shall not be cancelled without at least ten (10) days prior written notice to each insured named therein. The Company shall deliver or cause to be delivered to the Trustee a certificate of insurance showing compliance with clauses (i) through (iii) of the immediately preceding sentence. As to the insurance required by subsection (a) above, the net proceeds shall be paid to or for the benefit of the Company to repair such loss or damage or to replace the lost or damaged portion of the Sewer System.

Any of the foregoing insurance maintained by the Company may be evidenced by one or more blanket insurance policies covering the Mortgaged Property and other property or assets of the Company, provided that any such policy shall specify that portion of the total coverage of such policy that is allocated to the Mortgaged Property and shall in all other respects comply with the requirements of the Qualified Entity Indenture.

Sale, Lease or Other Disposition of the Sewer System

The Company will not sell, lease or otherwise dispose of the Mortgaged Property or any portion thereof (the "Disposed Property") (other than in the ordinary course of business or as permitted by the Qualified Entity Indenture) unless the Company shall certify to the Trustee that with respect to the sale, lease or disposition of the Disposed Property, in the judgment of the Company the Disposed Property has, or within the next succeeding twenty-four (24) calendar months is reasonably expected to, become inadequate, obsolete, worn out, unsuitable, unprofitable, undesirable or unnecessary, provided the sale, lease, removal or other disposition thereof will not impair the structural soundness, efficiency or economic value of the remaining portion of the Sewer System.

The Company may at any time request the Trustee to enter into an amendment to the Qualified Entity Indenture for the purpose of effecting the release from the lien of the Qualified Entity Indenture, of any portion of the Mortgaged Property which is not necessary to the operating integrity and unity of the Mortgaged Property and the release of which will not adversely affect the ability of the Company to operate and maintain the Mortgaged Property as provided in the Qualified Entity Indenture. The Trustee will execute the amendment, but the amendment shall not become effective until the following items have been submitted to the Trustee:

(a) a certificate of the Company (A) stating that the Company is not in default under the Qualified Entity Indenture, (B) giving an adequate legal description of that portion of the Mortgage Property to be released, (C) stating the purpose for which the release is desired, (D) requesting the release and (E) approving any necessary amendment to the Qualified Entity Indenture;

(b) an opinion of counsel to the Company stating that to the best of its knowledge, the Company is not in default under the Qualified Entity Indenture;

(c) a copy of the instrument conveying the portion of the Mortgaged Property to be released;

(d) a copy of the said amendment as executed and evidence of the authority of the officers of the signators to execute and deliver the amendment;

(e) a certificate of a registered professional engineer, dated not more than sixty (60) days prior to the date of the release and stating that, in his opinion, (A) the part of such Mortgaged Property proposed to be released is not required for the operation of the remaining Mortgaged Property for the purposes hereinabove stated, and is not necessary to the operating integrity and unity of the remaining Mortgaged Property and (B) the release will not destroy the means of ingress thereto and egress therefrom; provided that such engineer may consider any property to be included in the remaining Mortgaged Property in consideration of such release; and

(f) either (A) a deposit of an amount of money equal to the value of such portion of the Mortgaged Property as determined by an MAI appraisal furnished to the Trustee and prepared by an MAI appraiser, which amount shall be placed by the Trustee in the Sinking Fund and used to make the payments required to be made by the Company; (B) with the written consent of the Trustee, the Company may, in said amendment, subject to the lien of the Qualified Entity Indenture real property equal in value to the portion of the Mortgaged Property to be released, the value of such real property to be determined by an MAI appraisal furnished to the Trustee and prepared by an MAI appraiser.

The Company may from time to time substitute a fixture for any fixture comprising part of the Mortgaged Property if the fixture so substituted shall be of equivalent value and utility to that replaced. Any such substituted fixture shall be identified in writing by the Company to the Trustee and shall become a part of the Mortgaged Property and be included under the terms of the Qualified Entity Indenture, and the fixture for which substitution has been made shall become the property of the Company free and clear of any claims of the Trustee or the holders of

the Notes therein or thereto.

The Trustee at the request of the Company shall release from the lien of the Qualified Entity Indenture any fixture comprising part of the Mortgaged Property identified without substitution therefor so long as in the opinion of the Company, such property is no longer useful to the Company in its operations conducted on or in the Mortgaged Property (whether by reason of changed techniques, obsolescence, depreciation or otherwise), and the Company shall pay to the Trustee (i) the proceeds from the sale or (ii) the fair market value of the fixture as certified by the Company, whichever amount is higher, and the Trustee shall deposit such amount 'in the Sinking Fund and use it to make the payments required to be made by the Company. Upon such payment, the purchased equipment shall be free and clear of any claims of the Trustee or the holders of the Notes.

Rate Covenant

The Company shall calculate and certify to the Trustee the Debt Service Coverage Ratio for each fiscal year as soon as practicable, but in no event later than five (5) months following the end of such fiscal year. If the Debt Service Coverage Ratio, as calculated at the end of any fiscal year, is below 1.25, the Company covenants to retain an Independent Consultant to make recommendations to increase the Debt Service Coverage Ratio for subsequent fiscal years to at least 1.25 or, if in the opinion of the Independent Consultant the attainment of such level is impracticable, to the highest practicable level. The Company shall submit to the Trustee quarterly progress reports showing the implementation of the Independent Consultant's recommendations. The Company will follow the recommendations of the Independent Consultant and promptly upon receipt of such recommendations, subject to existing law and regulations, shall revise the respective rates, fees or charges or methods of operations and shall take such other action as shall be in conformity with such recommendations. An event of default under the Qualified Entity Indenture shall not occur if the Company follows the recommendations of the Independent Consultant even if the Debt Service Coverage Ratio for any subsequent fiscal year is below 1.25 unless and until such Debt Service Coverage Ratio falls below 1.05.

The Company shall also establish, maintain and collect reasonable and just rates and charges for facilities and revenues afforded and rendered by the Sewer System, which shall to the extent permitted by law produce sufficient revenues at all times to pay all legal and other necessary expenses incident to the operation of such utility, to include maintenance costs, repair costs, operating charges, upkeep, interest charges on other obligations, to provide the required deposits to the Sinking Fund for the liquidation of Notes, to provide for the required deposits to pay debt service on any other evidences of indebtedness, to provide adequate funds to be used on working capital, to provide for the required deposits to the Debt Service Reserve Account for Notes and to any other required reserves related to other obligations in an amount not to exceed

the maximum annual debt service on the Notes or obligations, to provide for extensions and replacements and also for the payment of any taxes that may be assessed against such utility it being the intent and purpose hereof that such charges shall produce an income sufficient to maintain such utility property in sound physical and financial condition to render adequate and efficient service. So long as any of the Notes are outstanding, none of the facilities or services afforded or rendered by the Sewer System may be furnished without a reasonable and just charge being made therefor. The Company shall pay like charges for any and all services rendered by any utility to the Company, and all such payments shall be deemed to be revenues of the utility. Such rates or charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation and maintenance, and debt service on the Notes and other obligations of the Company.

Limitation on Indebtedness

Other than Additional Notes, the Company will not incur, or permit to be incurred, any indebtedness, debt, capitalized lease or obligation having a lien on a parity with the lien of the Qualified Entity Indenture. The Company will not incur, or permit to be incurred, any new indebtedness, debt, capitalized lease or obligation (including without limitation any refunding obligations) having a lien prior and senior to the lien of the Qualified Entity Indenture.

Additional Miscellaneous Covenants

Except as otherwise provided by the provision authorizing Additional Notes under the Qualified Entity Indenture, so long as there are any Outstanding Notes, no Additional Notes or other obligations pledging any portion of the Gross Revenue shall be authorized, executed or issued by the Company except such as shall be made subordinate and junior in all respects to the Notes, unless all of the Outstanding Notes are redeemed, retired or defeased pursuant to the Qualified Entity Indenture coincidentally with the delivery of such additional Notes or other obligations.

Satisfaction and Discharge; Defeasance

All rights and obligations of the Company under the Qualified Entity Indenture shall terminate, and such instrument shall cease to be of further effect, and the Trustee shall execute and deliver all appropriate instruments evidencing and acknowledging the satisfaction of the Qualified Entity Indenture, and shall assign and deliver to the Company any moneys and investments held by the Trustee thereunder (except moneys or investments held by the Trustee for the payment of principal of, interest on, or premium, if any, on the Notes) when

(a) all fees and expenses of the Trustee shall have been paid;

(b) the Company shall have performed all of its covenants and promises in the Qualified Entity Indenture; and

(c) all Notes theretofore authenticated and delivered (1) have become due and payable, or (2) are to be retired or called for redemption under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee at the expense of the Company, or (3) have been delivered to the Trustee cancelled or for cancellation; and, in the case of (1) and (2) above, there shall have been deposited with the Trustee either cash in an amount which shall be sufficient, or Government Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee, shall be sufficient, to pay when due the principal or redemption price, if applicable, and interest due and to become due on the Notes prior to the redemption date or maturity date thereof, as the case may be.

Any Note shall be deemed to be paid and no longer outstanding within the meaning of the Qualified Entity Indenture when (i) payment of the principal of and premium, if any, on such Note, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided herein) either (1) shall have been made or caused to be made in accordance with the terms thereof, or (2) shall have been provided for by irrevocably depositing with the Trustee, in trust and irrevocably set aside exclusively for such payment, (A) moneys sufficient to make such payment or (B) Government Obligations maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment, and (ii) all necessary and proper fees, compensation, indemnities and expenses of the Trustee and the Company pertaining to the Notes with respect to which such deposit is made shall have been paid or the payment thereof provided for. At such time as a Note shall be deemed to be paid, such Secured Note shall no longer be secured by or entitled to the benefits of the Qualified Entity Indenture, except for the purposes of any such payment from such moneys or Government Obligations.

This page intentionally left blank.

APPENDIX E

This page intentionally left blank.

INDIANA BOND BANK

$2,430,000 SEWAGE WORKS REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2014A (SHOREWOOD FOREST UTILITIES, INC.)

$1,045,000 TAXABLE SEWAGE WORKS REVENUE REFUNDING BONDS, SERIES 2014B (SHOREWOOD FOREST UTILITIES, INC.)

CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

This CONTINUING DISCLOSURE UNDERTAKING AGREEMENT (the "Agreement") is executed and delivered by the SHOREWOOD FOREST UTILITIES, INC. (the "Obligor"), and countersigned by REGIONS BANK (the "Trustee"), in connection with the issuance by the INDIANA BOND BANK (the "Issuer") of its Sewage Works Revenue Refunding and Improvement Bonds, Series 2014A (Shorewood Forest Utilities, Inc.) and Taxable Sewage Works Revenue Refunding Bonds, Series 2014B (Shorewood Forest Utilities, Inc.) (collectively, the "Bonds"). The Bonds are being issued pursuant to the Trust Indenture dated as of April 1, 2014, between the Issuer and the Trustee (the "Indenture"). The Bonds will be secured, in part, by payments on the Obligor's Series 2014A Refunding and Improvement Note and Taxable Series 2014B Refunding Note, each dated April 23, 2014, issued pursuant to the Trust Indenture, Mortgage, Security Agreement and Financing Statement dated as of April 1, 2014, between the Issuer and the Trustee (the "Note Indenture"), and in the principal amounts of $2,430,000 and $1,045,000, respectively (collectively, the "Notes"). The Obligor covenants and agrees as follows:

Section 1. Purpose of the Agreement.

(a) This 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 (d)(2) of the Rule. The Obligor acknowledges that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Agreement and has no liability to any person, including any Bondholder or Beneficial Owner, with respect to subsection (d)(2) 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 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 not 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 Indenture and Note Indenture, which apply to any capitalized term used in this 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 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.

"Reportable Events" shall mean any of the events listed in Section 5(a) of this Agreement.

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

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

"Official Statement" shall mean the Official Statement for the Bonds dated April 14, 2014.

"Participating Underwriter" shall mean J.J.B. Hilliard, W.L. Lyons, LLC.

"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 guidance 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.

Section 3. Provision of Annual Reports.

(a) Each year, the Obligor shall provide, or shall cause the Dissemination Agent of the Obligor 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, 2014, to the MSRB through EMMA an Annual Report for the preceding fiscal year which is consistent with the requirements of Section 4 of this 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 its Annual Report to its 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 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.

(c) If the Obligor's fiscal year changes, the Obligor shall send notice of such change to the MSRB through EMMA.

(d) 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 Agreement, stating the date it was provided.

(e) In connection with providing the Annual Report, the Dissemination Agent (if other than the Obligor) is not obligated or responsible under this 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) Audited financial statements of the Obligor for its fiscal year immediately preceding the date such Annual Report becomes available.

(b) An update of the financial information and operating data relating to the Obligor of the same nature as that contained in the Official Statement under the caption "THE

COMPANY".

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 Repositories 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 the MSRB. The Obligor shall clearly identify each such other document so included by reference.

Section 5. Reportable 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):

(i) non-payment related defaults;

(ii) modifications to rights of Bondholders;

(iii) bond calls;

(iv) release, substitution or sale of property securing repayment of the Bonds;

(v) the consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the Obligor, or entry into or termination of a definitive agreement relating to the foregoing; and

(vi) appointment of a successor or additional trustee or the change of name of a trustee.

(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:

(i) principal and interest payment delinquencies;

(ii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iii) unscheduled draws on credit enhancements reflecting financial difficulties; substitution of credit or liquidity providers, or their failure to perform;

(iv) defeasances;

(v) rating changes;

(vi) 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;

(vii) tender offers; and

(viii) bankruptcy, insolvency, receivership or similar event of the Obligor.

(c) If the Obligor determines that the occurrence of a Reportable 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. In connection with providing a notice of the occurrence of a Reportable 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 Reportable Event, the Dissemination Agent (if other than the Obligor), solely in its capacity as such, is not obligated or responsible under this 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 Reportable 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 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 Agreement in the same manner as if it were the Obligor, and the Obligor shall have no further responsibility hereunder.

(b) This Agreement, or any provision hereof, shall be null and void in the event that

the Obligor (i) receive an opinion of Securities Counsel, addressed to the Obligor, to the effect that those portions of the Rule, which require such provisions of this 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 Agreement and may discharge any such Agent, with or without appointing a successor Dissemination Agent. Except as otherwise provided in this Agreement, the Dissemination Agent (if other than the Obligor) shall not be responsible in any manner for the content of any notice or report prepared by the Obligor pursuant to this Agreement.

Section 8. Amendment; Waiver.

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

(i) 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 plan pursuant to which the Bonds are issued;

(ii) this 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

(iii) the amendment or waiver either (A) is approved by the Bondholders in the same manner as provided in the Indenture for amendments to the Indenture 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 Agreement, each 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 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 have been materially changed or discontinued, a statement to that effect shall be included in the first Annual Report that does not include such information.

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

Section 10. Failure to Comply. In the event of a failure of the Obligor or its Dissemination Agent (if other than the Obligor) to comply with any provision of this 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 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 Agreement shall not constitute a default with respect to the Bonds, or under the Indenture or Note Indenture. Notwithstanding the foregoing, if the alleged failure of the Obligor to comply with this 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 Agreement.

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

Section 12. Beneficiaries. This 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 Agreement, and, in the sole determination of the Obligor or its Dissemination Agents, 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 Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the Obligor under such laws.

Section 15. Filing Format. The Obligor shall provide all information to the MSRB in accordance with the MSRB rules. In particular, MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports.

Section 16. Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in the State. Notwithstanding the foregoing, to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed and interpreted in accordance with such federal securities laws and official interpretations thereof.

Section 17. Severability. If any portion of this 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 Agreement shall not be affected, and this Agreement shall be construed as if it did not contain such invalid, illegal, inoperable or unenforceable portion.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Continuing Disclosure Undertaking Agreement to be executed by their duly authorized officers and attested as of the date first above written.

SHOREWOOD FOREST UTILITIES, INC.

By: _____
Terry Atherton, President

ATTEST:

_____
Gregory Colton, Secretary

COUNTERSIGNED BY:

REGIONS BANK

By: _____
Authorized Representative

[SIGNATURE PAGE TO THE CONTINUING DISCLOSURE UNDERTAKING AGREEMENT]

This page intentionally left blank.