

\$7,620,000
CITY OF PORTAGE, INDIANA
SPECIAL IMPROVEMENT DISTRICT BONDS
SERIES 2005
(MARINA SHORES PROJECT)

MATERIAL EVENT

UNSCHEDULED DRAW ON THE RESERVE FUND

Pursuant to Section 7 (3) of the Continuing Disclosure Agreement, dated November 2, 2005, the developer failed to pay the fiscal year 2008 special assessments billed by Porter County and received by the developer on February 27, 2009. The fiscal year 2008 special assessments were due on March 12, 2009. As a result, proceeds in the Debt Service Reserve Fund in the amount of \$350,134.20 were used to pay the debt service due on March 1, 2009. As of April 14, 2009, the developer reports that fiscal year 2008 special assessments in the amount of \$558,953.19 remain unpaid.