

**RESOLUTION NO. 05-08-2008-\_\_**

**A PRELIMINARY BOND RESOLUTION OF THE CITY OF  
VALPARAISO REDEVELOPMENT COMMISSION AUTHORIZING THE  
ISSUANCE OF TAX INCREMENT REVENUE BONDS OF THE REDEVELOPMENT  
DISTRICT OF THE CITY OF VALPARAISO, INDIANA, AND THE  
ISSUANCE OF BOND ANTICIPATION NOTES IN ANTICIPATION OF THE  
ISSUANCE OF SUCH BONDS, FOR THE PURPOSE OF PROCURING FUNDS FOR  
PROPERTY ACQUISITION, REDEVELOPMENT AND ECONOMIC DEVELOPMENT  
IN OR SERVING THE MEDICAL OFFICE TECHNOLOGY  
ECONOMIC DEVELOPMENT AREA**

WHEREAS, the City of Valparaiso Redevelopment Commission (the "Commission"), the governing body of the Department of Redevelopment of the City of Valparaiso, Indiana and the Redevelopment District of the City of Valparaiso, Indiana (the "District"), exists and operates under the provisions of Indiana Code 36-7-14, as amended from time to time (the "Act"); and

WHEREAS, on October 11, 2007, the Commission approved and adopted a resolution (the "Declaratory Resolution") (i) designating and declaring an area known as the "Medical Office Technology Economic Development Area" (the "Area") to be an economic development area within the meaning of the Act, (ii) designating the Area as an allocation area (the "Allocation Area") under Section 39 of the Act, and (iii) approving an economic development plan for the Area entitled "Economic Development Plan for the Medical Office Technology Area" (the "Plan"); and

WHEREAS, on November 13, 2007, the City of Valparaiso Plan Commission (the "Plan Commission"), which is the duly designated and acting planning body of the City of Valparaiso, Indiana (the "City"), adopted and approved a resolution determining that the Declaratory Resolution and the Plan conform to the plan of development for the City and approving, ratifying and confirming the Declaratory Resolution and the Plan, and designated such resolution as the written order of the Plan Commission approving the Declaratory Resolution and the Plan, as required by Section 16(a) of the Act (the "Plan Commission Order"); and

WHEREAS, on December 3, 2007, pursuant to Section 16(b) of the Act, the Common Council of the City adopted a resolution which approved the Plan Commission Order with regard to the Declaratory Resolution and the Plan; and

WHEREAS, on December 21, 2007, after notice and a public hearing thereon, the Commission adopted a resolution which confirmed the Declaratory Resolution (the Declaratory Resolution, as so confirmed, shall hereinafter be referred to as the "Declaratory Resolution"); and

WHEREAS, the Commission desires for the Area to be developed for such uses in order to serve the needs of the City, and in order to produce increased tax revenues for the various taxing districts authorized to levy taxes within the Area; and

WHEREAS, the Commission finds that in order to provide funds for the payment of the cost of certain property acquisition, redevelopment and economic development in or serving the Allocation Area, it will be necessary and in the best interest of the District and the property and inhabitants thereof to issue bonds of the District in an aggregate principal amount not to exceed Nine Million Eight Hundred Fifty Thousand Dollars (\$9,850,000), which shall be payable solely from (a) taxes on real property located in the Allocation Area allocated and deposited in the allocation fund for the Allocation Area (the "Allocation Fund") created by the Declaratory Resolution pursuant to Section 39 of the Act and proceeds from the sale or leasing of property in the Allocation Area under Section 22 of the Act deposited in the Allocation Fund as required by Section 26 of the Act (collectively, the "Tax Increment"), and (b) from payments made to the Commission by Memorial Health System, Inc. or an affiliate thereof, to be more particularly set forth in the Final Bond Resolution to be adopted by the Commission; and

WHEREAS, certain preliminary expenditures related to the Project (as hereinafter defined) have been or will be incurred by or on behalf of the District prior to the issuance and delivery of such bonds; and

WHEREAS, the Commission desires to express its intention to reimburse such expenditures as have been or may be incurred prior to the issuance of such bonds, pursuant to Indiana Code 5-1-14-6 and in compliance with Section 1.150-2 of the U.S. Treasury Regulations promulgated by the Internal Revenue Service (the "Treasury Regulations");

NOW, THEREFORE, BE IT RESOLVED by the City of Valparaiso Redevelopment Commission as follows:

1. The Commission shall proceed to undertake the property acquisition, redevelopment and economic development in or serving the Allocation Area in accordance with the Declaratory Resolution and the Plan. For the purpose of procuring funds to pay for the cost of property acquisition, redevelopment and economic development in or serving the Allocation Area (including, in particular, various road, utility, parking, sidewalk, pathway, lighting and signal, and other infrastructure improvements in or serving the Allocation Area and costs related thereto (collectively, the "Project")), together with a sum sufficient to pay the estimated cost of all expenses reasonably incurred in connection with the acquisition, redevelopment and economic development of the property in or serving the Allocation Area, including the total cost of all land, rights-of-way and other property to be acquired, redeveloped and economically developed, all reasonable and necessary architectural, engineering, legal, financing, accounting, advertising, bond discount and supervisory expenses related to the acquisition, redevelopment and economic development of the property or the issuance of the bonds described herein, capitalized interest as permitted by the Act and a debt service reserve for the bonds to the extent that the Commission determines that a reserve is reasonably required, and expenses that the Commission may be required or permitted to pay as "relocation assistance" under Indiana Code 8-23-17, together with the expenses in connection with or on account of the issuance of bonds therefor, all in or serving and with respect to the Area, the City, acting for and on behalf of the District, shall make a loan in an amount not to exceed Nine Million Eight Hundred Fifty Thousand Dollars (\$9,850,000).

In order to procure funds for said loan, the Clerk-Treasurer of the City is hereby authorized and directed to have prepared and to issue and sell the negotiable bonds of the District, in one or more series, the principal of and interest on which are payable solely from the Tax Increment and from payments made to the Commission by Memorial Health System, Inc. or an affiliate thereof, to be more particularly set forth in the Final Bond Resolution to be adopted by the Commission, which bonds shall be issued in the name of the City, for and on behalf of the District, in an aggregate principal amount not to exceed Nine Million Eight Hundred Fifty Thousand Dollars (\$9,850,000) (the "Bonds"), with a discount not to exceed the discount set forth in or determined by the Final Bond Resolution to be adopted by the Commission, and which amount (together with any investment earnings thereon) does not exceed the cost of property acquisition, redevelopment and economic development in or serving the Allocation Area (including, without limitation, the Project), together with a sum sufficient to pay the estimated cost of all expenses reasonably incurred in connection with the acquisition, redevelopment and economic development of the property in or serving the Allocation Area, including the total cost of all land, rights-of-way and other property to be acquired, redeveloped and economically developed, all reasonable and necessary architectural, engineering, legal, financing, accounting, advertising, bond discount and supervisory expenses related to the acquisition, redevelopment and economic development of the property or the issuance of the Bonds, capitalized interest as permitted by the Act and a debt service reserve for the Bonds to the extent that the Commission determines that a reserve is reasonably required, and expenses that the Commission may be required or permitted to pay as "relocation assistance" under Indiana Code 8-23-17, together with the expenses in connection with or on account of the issuance of the Bonds, which estimated cost shall not exceed Nine Million Eight Hundred Fifty Thousand Dollars (\$9,850,000), plus investment earnings thereon, if any, which will be provided from proceeds of the Bonds, plus any investment earnings thereon.

The Bonds shall not constitute a corporate obligation or indebtedness of the City but shall constitute an obligation of the District. The Bonds, together with interest thereon, shall be payable solely from the Tax Increment and from payments made to the Commission by Memorial Health System, Inc. or an affiliate thereof, to be more particularly set forth in the Final Bond Resolution to be adopted by the Commission. The Bonds shall not be payable in any manner from the special tax permitted by Section 27 of the Act.

The Bonds shall mature and be payable not later than twenty-five (25) years from their date of issuance, and shall bear interest as set forth in the Final Bond Resolution to be adopted by the Commission. The Bonds may be subject to redemption prior to maturity in whole or in part in accordance with the terms set forth in the Final Bond Resolution to be adopted by the Commission.

In anticipation of the issuance of the Bonds, the Commission hereby authorizes the proper officers of the District to issue bond anticipation notes ("BANs") in anticipation of the issuance of the Bonds, subject to the provisions of the Final Bond Resolution to be adopted by the Commission.

2. The Commission hereby authorizes, in accordance with Indiana law, the publication of a notice of public hearing regarding the proposed additional appropriation of the proceeds of the Bonds and the BANs, if any.

3. The Commission hereby declares that, for the purpose of evidencing compliance with Indiana Code 5-1-14-6 and Section 1.150-2 of the Treasury Regulations, it reasonably expects to reimburse with the proceeds of the Bonds and the BANs (if any) (in an amount not to exceed and payable from the sources set forth above) expenditures for the Project made by or on behalf of the District prior to the issuance of the Bonds or the BANs, as the case may be, during the period beginning on the date sixty (60) days prior to the date of this Resolution until the date of issuance of the Bonds or the BANs, as the case may be, which expenditures are expected to be paid initially from other legally available funds of the District.

4. The President and the Secretary of the Commission shall certify a copy of this Resolution to the Clerk-Treasurer of the City.

5. This Resolution shall be in full force and effect after its adoption by the Commission.

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ADOPTED AND APPROVED at a meeting of the City of Valparaiso Redevelopment Commission held on the 8th day of May, 2008.

CITY OF VALPARAISO  
REDEVELOPMENT COMMISSION

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George Douglas, President

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David P. Smith, Vice President

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John Bowker, Secretary

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James Jorgensen, Commissioner

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Jan Dick, Commissioner

ATTEST:

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Stu Summers, Executive Director