

ORDINANCE NO. 16-2015

ORDINANCE OF THE CITY OF VALPARAISO, INDIANA AUTHORIZING THE ISSUANCE OF BONDS FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND THE CITY'S GENERAL OBLIGATION BONDS, SERIES 2006 AND PAY INCIDENTAL EXPENSES IN CONNECTION THEREWITH AND ON ACCOUNT OF THE ISSUANCE OF THE BONDS

WHEREAS, the City of Valparaiso, Indiana, is a governmental unit and political subdivision of the State of Indiana (the "City"); and

WHEREAS, pursuant to Ordinance No. 18, 2006 adopted by the Common Council of the City on May 8, 2006 (the "2006 Ordinance"), the City issued the City of Valparaiso, Indiana General Obligation Bonds, Series 2006 (the "2006 Bonds") in the original principal amount of Four Million Four Hundred Thousand Dollars (\$4,400,000) for the purpose of providing for the payment of costs of construction of a new police station, including parking areas, and related improvements in the City and the costs of selling and issuing the 2006 Bonds; and

WHEREAS, Three Million Three Hundred Forty Thousand Dollars (\$3,340,000) aggregate principal amount of the 2006 Bonds is currently outstanding; and

WHEREAS, the 2006 Ordinance provides that, if irrevocable instructions to call the 2006 Bonds for redemption shall have been given, and (i) sufficient moneys, or (ii) direct non-callable obligations of, or obligations the principal on and interest of which are unconditionally guaranteed by, the United States of America, the principal of and the interest on which when due will provide sufficient moneys, or (iii) any combination of (i) and (ii) above, which when due will provide sufficient money, to pay the whole amount of the principal of and interest on and the premium, if any, due and payable upon all of the 2006 Bonds then outstanding, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in such event the 2006 Bonds shall no longer be deemed outstanding or entitled to the pledge of sources of repayment described in the 2006 Ordinance; and

WHEREAS, the 2006 Bonds maturing on or after January 15, 2017, are redeemable at the option of the City, in whole or in part, on July 15, 2016, or any date thereafter, in any order of maturity or maturities selected by the City and by lot within any maturity, at a redemption price equal to the principal amount of each 2006 Bond to be redeemed, plus accrued interest to the redemption date; and

WHEREAS, Indiana Code § 5-1-5-1, et. seq. provides that the Common Council may by ordinance provide for the issuance of bonds to refund outstanding bonds issued at any time by the City, and to pay redemption premiums and costs of refunding, to effect a savings to the City;

WHEREAS, the City desires to authorize the issuance of the "City of Valparaiso, Indiana General Obligation Refunding Bonds, Series 2015 (the "2015 Bonds") in the aggregate principal amount not to exceed _____ Dollars (\$_____) (the "Authorized Amount"), for the purposes of refunding all of the outstanding 2006 Bonds outstanding (the "Refunded 2006 Bonds"), including the payment of any redemption premiums and costs of such

refunding, the payment of accrued interest on the 2015 Bonds, if any, and the payment of costs of issuance of the 2015 Bonds and any other fees and charges associated with the issuance of the 2015 Bonds, including the payment of any fees and charges associated with obtaining credit enhancement for the 2015 Bonds; and

WHEREAS, the original principal amount of the 2015 Bonds, together with the outstanding principal amount of previously issued bonds which constitute a debt of the City, is no more than two percent (2%) of one-third (1/3) of the total net assessed valuation of the City; and

WHEREAS, all conditions precedent to the adoption of an ordinance authorizing the issuance of the 2015 Bonds have been complied with in accordance with Indiana Code § 36-5-2-11, Indiana Code § 5-1-5-1, et. seq., and other applicable provisions of Indiana Code (the "Act").

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF VALPARAISO, INDIANA, AS FOLLOWS:

SECTION 1. Refunding; Authorization for Bonds. The Common Council, after consideration of the estimated or known interest payable to the fixed maturities of the 2006 Bonds, the interest payable on the Refunded 2006 Bonds, the costs of issuance of the 2015 Bonds, including any sale discount, the redemption premiums, if any, to be paid, and the probable earned income from the investment of the proceeds of the 2015 Bonds pending redemption of the Refunded 2006 Bonds, hereby determines that a savings to the City will be effected by such refinancing. In order to provide for the refinancing of the Refunded 2006 Bonds and the costs of selling and issuing the 2015 Bonds, including the costs of obtaining bond insurance, ratings or other credit enhancement (the "Refunding"), the City shall borrow money, and shall issue the 2015 Bonds as herein authorized. The City covenants that the proceeds of the 2015 Bonds will not be used for any purpose except as described in this Ordinance.

SECTION 2. General Terms of Bonds.

(a) **Issuance of 2015 Bonds.** In order to procure said loan for such purposes, the City hereby authorizes the issuance of the 2015 Bonds as described herein. The Clerk-Treasurer, as the fiscal officer of the City (the "Clerk-Treasurer"), is hereby authorized and directed to have prepared and to issue and sell the 2015 Bonds as negotiable, fully registered bonds of the City in an amount not to exceed the Authorized Amount.

The 2015 Bonds shall be executed in the name of the City by the manual or facsimile signature of the Mayor of the City and attested by the manual or facsimile signature of the Clerk-Treasurer, who shall affix the seal of the City to each of the 2015 Bonds manually or shall have the seal imprinted or impressed thereon by facsimile or other means. In case any officer whose signature appears on the 2015 Bonds shall cease to be such officer before the delivery of 2015 Bonds, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until delivery thereof. The 2015 Bonds also shall be, and will not be valid or become obligatory for any purpose or entitled to

any benefit under this Ordinance unless and until, authenticated by the manual signature of the Registrar (as defined in Section 4 hereof). Subject to the provisions of this Ordinance regarding the registration of the 2015 Bonds, the 2015 Bonds shall be fully negotiable instruments under the laws of the State of Indiana.

The 2015 Bonds shall be numbered consecutively from R-1 up, shall be issued in denominations of Five Thousand Dollars (\$5,000) or any integral multiple thereof (or such higher denomination as the Clerk-Treasurer shall determine prior to the issuance of the 2015 Bonds), shall be originally dated as of the first day of the month in which the 2015 Bonds are sold or the date of issuance, as determined by the Mayor and the Clerk-Treasurer, and shall bear interest payable semiannually on each January 15 and July 15, commencing not earlier than January 15, 2016, at a rate or rates not exceeding four percent (4.00%) per annum (the exact rate or rates to be determined by negotiation pursuant to Section 6 of the Ordinance), calculated on the basis of a 360-day year comprised of twelve 30-day months.

The 2015 Bonds shall mature on the dates and shall be issued in the principal amounts, as applicable, as determined by the Clerk-Treasurer and Mayor, provided that the original aggregate principal amount does not exceed the Authorized Amount, that the first maturity shall be no earlier than January 15, 2016, and that the final maturity shall be no later than January 15, 2027.

(b) Source of Payment. The 2015 Bonds are as to all the principal thereof, and as to all interest due thereon, general obligations of the City, payable from ad valorem property taxes on all taxable property within the City.

(c) Payments. All payments of interest on the 2015 Bonds shall be paid by check or draft mailed one business day prior to the interest payment date, to the registered owners thereof as of the first (1st) day of the month of the month in which interest is payable (the "Record Date") at the addresses as they appear on the registration and transfer books of the City kept for that purpose by the Registrar (the "Registration Record") or at such other address as is provided to the Paying Agent (as defined in Section 4 hereof) in writing by such registered owner. Each registered owner of \$1,000,000 or more in principal amount of 2015 Bonds shall be entitled to receive interest payments by wire transfer by providing written wire instructions to the Paying Agent before the record date for any payment. All payments of the principal of, and premium, if any, on the 2015 Bonds shall be made upon surrender thereof at the principal office of the Paying Agent in any coin or currency of the United States of America which on the date of such payment shall be legal tender for the payment of public and private debts, or in the case of a registered owner of \$1,000,000 or more in principal amount of 2015 Bonds, by wire transfer on the due date upon written direction of such owner provided at least fifteen (15) days prior to the maturity date.

Interest on 2015 Bonds shall be payable from the interest payment date to which interest has been paid next preceding the authentication date thereof unless such 2015 Bonds are authenticated after the Record Date for an interest payment and on or before such interest payment date in which case they shall bear interest from such interest payment date, or unless authenticated on or before the Record Date for the first interest payment date, in which case they shall bear interest from the original date, until the principal shall be fully paid.

(d) Transfer and Exchange. Each 2015 Bond shall be transferable or exchangeable only upon the Registration Record, by the registered owner thereof in writing, or by the registered owner's attorney duly authorized in writing, upon surrender of such 2015 Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or such attorney, and thereupon a new fully registered bond or bonds in the same aggregate principal amount, and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. The costs of such transfer or exchange shall be borne by the City, except for any tax or governmental charge required to be paid in connection therewith, which shall be payable by the owner requesting such transfer or exchange. The City, the Registrar and the Paying Agent may treat and consider the persons in whose name such 2015 Bonds are registered as the absolute owners thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

(e) Mutilated, Lost, Stolen or Destroyed Bonds. In the event any 2015 Bond is mutilated, lost, stolen or destroyed, the City may execute and the Registrar may authenticate a new bond of like date, maturity and denomination as that mutilated, lost, stolen or destroyed, which new bond shall be marked in a manner to distinguish it from the bond for which it was issued, provided that, in the case of any mutilated bond, such mutilated bond shall first be surrendered to the Registrar, and in the case of any lost, stolen or destroyed bond there shall be first furnished to the Registrar evidence of such loss, theft or destruction satisfactory to the Clerk-Treasurer and the Registrar, together with indemnity satisfactory to them. In the event any such bond shall have matured, instead of issuing a duplicate bond, the City and the Registrar may, upon receiving indemnity satisfactory to them, pay the same without surrender thereof. The City and the Registrar may charge the owner of such 2015 Bond with their reasonable fees and expenses in this connection. Any 2015 Bond issued pursuant to this paragraph shall be deemed an original, substitute contractual obligation of the City, whether or not the lost, stolen or destroyed 2015 Bond shall be found at any time, and shall be entitled to all the benefits of this Ordinance, equally and proportionately with any and all other 2015 Bonds issued hereunder.

SECTION 3. Terms of Redemption. The Mayor and the Clerk-Treasurer, upon consultation with the City's financial advisor, may designate maturities of 2015 Bonds (or portion thereof in integral multiples of \$5,000 principal amount each) that shall be subject to optional redemption and/or maturity sinking fund redemption, and the corresponding redemption

dates, amounts and prices (including premium, if any). Except as otherwise set forth in this Ordinance, the Mayor and the Clerk-Treasurer, upon consultation with the City's financial advisor, is hereby authorized and directed to determine the terms governing any such redemption, as evidenced by the delivery of the 2015 Bonds.

Notice of redemption shall be mailed by first-class mail or by registered or certified mail to the address of each registered owner of a 2015 Bond to be redeemed as shown on the Registration Record not more than sixty (60) days and not less than thirty (30) days prior to the date fixed for redemption except to the extent such redemption notice is waived by owners of 2015 Bonds redeemed, provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any 2015 Bond shall not affect the validity of any proceedings for the redemption of any other 2015 Bonds. The notice shall specify the date and place of redemption, the redemption price and the CUSIP numbers of the 2015 Bonds called for redemption. The place of redemption may be determined by the Clerk-Treasurer. Interest on the 2015 Bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named, and thereafter, such 2015 Bonds shall no longer be protected by this Ordinance and shall not be deemed to be outstanding hereunder, and the holders thereof shall have the right only to receive the redemption price.

If any 2015 Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for the 2015 Bonds maturing as term bonds, and corresponding mandatory redemption obligation, in the order determined by the City, any 2015 Bonds maturing as term bonds maturing on the same date which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Registrar for cancellation or purchased for cancellation by the Paying Agent and not theretofore applied as a credit against any redemption obligation. Each 2015 Bond maturing as a term bond so delivered or canceled shall be credited by the Paying Agent at 100% of the principal amount thereof against the mandatory sinking fund obligation on such mandatory sinking fund date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of the 2015 Bonds to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Paying Agent shall credit only such 2015 Bonds maturing as term bonds to the extent received on or before the date forty-five (45) days preceding the applicable mandatory redemption date.

All 2015 Bonds which have been redeemed shall be canceled and shall not be reissued; provided, however, that one or more new registered bonds shall be issued for the unredeemed portion of any 2015 Bond without charge to the holder thereof.

No later than the date fixed for redemption, funds shall be deposited with the Paying Agent or another paying agent to pay, and such agent is hereby authorized and directed to apply such funds to the payment of, the 2015 Bonds or portions thereof called for redemption, including accrued interest thereon to the redemption date. No payment shall be made upon any 2015 Bond or portion thereof called for redemption until such bond shall have been delivered for payment or cancellation or the Registrar shall have received the items required by this Ordinance with respect to any mutilated, lost, stolen or destroyed bond.

SECTION 4. Appointment of Registrar and Paying Agent. The Clerk-Treasurer is hereby initially appointed to serve as registrar and paying agent for the 2015 Bonds, but the Clerk-Treasurer shall have the option of appointing a successor registrar and paying agent at any time (together with any successor, the "Registrar" or "Paying Agent"). The Registrar is hereby charged with the responsibility of authenticating the 2015 Bonds, and shall keep and maintain the Registration Record at its office. The Mayor and Clerk-Treasurer are hereby authorized to enter into such agreements or understandings with any institution hereafter serving in such capacities as will enable the institution to perform the services required of the Registrar and Paying Agent. The Clerk-Treasurer is authorized to pay such fees as the institution may charge for the services it provides as Registrar and Paying Agent.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent by giving thirty (30) days written notice by first-class mail to the Clerk-Treasurer and to each registered owner of the 2015 Bonds then outstanding, and such resignation will take effect at the end of such thirty (30) days or upon the earlier appointment of a successor Registrar and Paying Agent by the Clerk-Treasurer. Such notice to the Clerk-Treasurer may be served personally or be sent by registered mail. The Registrar and Paying Agent may be removed at any time as Registrar and Paying Agent by the Clerk-Treasurer, in which event the Clerk-Treasurer may appoint a successor Registrar and Paying Agent. The Clerk-Treasurer shall notify each registered owner of the 2015 Bonds then outstanding by first-class mail of the removal of the Registrar and Paying Agent. Notices to registered owners of the 2015 Bonds shall be deemed to be given when mailed by first-class mail to the addresses of such registered owners as they appear on the Registration Record. Any predecessor Registrar and Paying Agent shall deliver all the 2015 Bonds, cash related thereto in its possession and the Registration Record to the successor Registrar and Paying Agent. At all times, the same entity shall serve as Registrar and as Paying Agent.

SECTION 5. Form of Bonds; Book-Entry Form. (a) The form and tenor of the 2015 Bonds shall be substantially as follows, all blanks to be filled in properly prior to delivery thereof:

(FORM OF BOND)

No. R-____

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF PORTER

CITY OF VALPARAISO, INDIANA

GENERAL OBLIGATION REFUNDING BOND, SERIES 2015

Interest <u>Rate</u>	Maturity <u>Date</u>	Original <u>Date</u>	Authentication <u>Date</u>	<u>CUSIP</u>
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REGISTERED OWNER:

PRINCIPAL SUM:

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

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

This bond is one of an authorized issue of bonds of the City of like original date, tenor and effect, except as to denominations, numbering, interest rates, and dates of maturity, in the total amount of _____ Dollars (\$ _____), numbered from R-1 up, issued for the purpose of providing funds to refinance certain bonds of the City previously issued to finance a fire station and office building in the City, and for the purpose of paying incidental expenses to be incurred in connection therewith and on account of the sale and issuance of bonds therefor, as authorized by Ordinance No. ____ adopted by the Common Council of the City on the ____ day of _____, 2015, entitled "Ordinance of the City of Valparaiso, Indiana Authorizing the Issuance of Bonds for the Purpose of Providing Funds to Refund the City's General Obligation Bonds, Series 2006 and Pay Incidental Expenses in Connection Therewith and on Account of the Issuance of the Bonds" (the "Ordinance"), and in strict compliance with Indiana Code § 36-4-6-19, Indiana Code § 5-1-5-1, et. seq. and other applicable provisions of the Indiana Code, as amended (collectively, the "Act"), all as more particularly described in the Ordinance. The owner of this bond, by the acceptance hereof, agrees to all the terms and provisions contained in the Ordinance and the Act.

PURSUANT TO THE PROVISIONS OF THE ACT AND THE ORDINANCE, THE PRINCIPAL OF THIS BOND AND ALL OTHER BONDS OF SAID ISSUE AND THE INTEREST DUE THEREON ARE PAYABLE AS A GENERAL OBLIGATION OF THE CITY, FROM AN AD VALOREM PROPERTY TAX TO BE LEVIED ON ALL TAXABLE PROPERTY WITHIN THE CITY.

[INSERT REDEMPTION TERMS]

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

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

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

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

The bonds maturing on any maturity date are issuable only in the denomination of \$5,000 or any integral multiple thereof not exceeding the aggregate principal amount of the bonds maturing on such date.

A Continuing Disclosure Agreement from the City to each registered owner or holder of any Bond, dated as of the date of initial issuance of the Bonds (the "Agreement"), has been executed by the City, a copy of which is available from the City and the terms of which are incorporated herein by this reference. The Agreement contains certain promises of the City to each registered owner or holder of any Bond, including a promise to provide certain continuing disclosure. By its payment for and acceptance of this bond, the registered owner or holder of this bond assents to the Agreement and to the exchange of such payment and acceptance for such promises.

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

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

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

CITY OF VALPARAISO, INDIANA

By: _____
Mayor

(SEAL)

ATTEST:

Clerk-Treasurer

(Form of Registrar's Certificate of Authentication)

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

By: _____
Authorized Representative

TEN. COM. as tenants in common

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

(Cust.) Custodian _____
(Minor)

under Uniform Transfers to Minors Act of

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

Signature Guaranteed:

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

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(b) The 2015 Bonds may, in compliance with all applicable laws, initially be issued and held in book-entry form on the books of the central depository system, The Depository Trust Company, its successors, or any successor central depository system appointed by the City from time to time (the "Clearing Agency"), without physical distribution of bonds to the purchasers. The following provisions of this section apply in such event.

One definitive 2015 Bond of each maturity shall be delivered to the Clearing Agency (or its agent) and held in its custody. The City and the Registrar and Paying Agent may, in connection therewith, do or perform or cause to be done or performed any acts or things not adverse to the rights of the holders of the 2015 Bonds as are necessary or appropriate to accomplish or recognize such book-entry form 2015 Bonds.

During any time that the 2015 Bonds remain and are held in book-entry form on the books of a Clearing Agency, (1) any such 2015 Bond may be registered upon the books kept by the Registrar in the name of such Clearing Agency, or any nominee thereof, including Cede & Co., as nominee of The Depository Trust Company; (2) the Clearing Agency in whose name such 2015 Bond is so registered shall be, and the City and the Registrar and Paying Agent may deem and treat such Clearing Agency as, the absolute owner and holder of such 2015 Bond for all purposes of this Ordinance, including, without limitation, the receiving of payment of the principal of and interest on such 2015 Bond, the receiving of notice and giving of consent; (3) neither the City nor the Registrar or Paying Agent shall have any responsibility or obligation hereunder to any direct or indirect participant, within the meaning of Section 17A of the Securities Exchange Act of 1934, as amended, of such Clearing Agency, or any person on behalf of which, or otherwise in respect of which, any such participant holds any interest in any 2015 Bond, including, without limitation, any responsibility or obligation hereunder to maintain accurate records of any interest in any 2015 Bond or any responsibility or obligation hereunder with respect to the receiving of payment of principal of or interest or premium, if any, on any 2015 Bond, the receiving of notice or the giving of consent; and (4) the Clearing Agency is not required to present any 2015 Bond called for partial redemption prior to receiving payment so long as the Registrar and Paying Agent and the Clearing Agency have agreed to the method for noting such partial redemption.

If either the City receives notice from the Clearing Agency which is currently the registered owner of the 2015 Bonds to the effect that such Clearing Agency is unable or unwilling to discharge its responsibility as a Clearing Agency for the 2015 Bonds, or the City elects to discontinue its use of such Clearing Agency as a Clearing Agency for the 2015 Bonds, then the City and Registrar and Paying Agent each shall do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the 2015 Bonds, as are necessary or appropriate to discontinue use of such Clearing Agency as a Clearing Agency for the 2015 Bonds and to transfer the ownership of each of the 2015 Bonds to such person or persons, including any other Clearing Agency, as the holders of the 2015 Bonds may direct in accordance with this Ordinance. Any expenses of such discontinuance and transfer, including expenses of printing new certificates to evidence the 2015 Bonds, shall be paid by the City.

During any time that the 2015 Bonds are held in book-entry form on the books of a Clearing Agency, the Registrar shall be entitled to request and rely upon a certificate or other

written representation from the Clearing Agency or any participant or indirect participant with respect to the identity of any beneficial owner of 2015 Bonds as of a record date selected by the Registrar. For purposes of determining whether the consent, advice, direction or demand of a registered owner of a 2015 Bond has been obtained, the Registrar shall be entitled to treat the beneficial owners of the 2015 Bonds as the bondholders and any consent, request, direction, approval, objection or other instrument of such beneficial owner may be obtained in the fashion described in this Ordinance.

During any time that the 2015 Bonds are held in book-entry form on the books of a Clearing Agency, the Mayor, the Clerk-Treasurer and/or the Registrar are authorized to execute and deliver a Letter of Representations agreement with the Clearing Agency, or a Blanket Issuer Letter of Representations, and the provisions of any such Letter of Representations or any successor agreement shall control on the matters set forth therein. The Registrar, by accepting the duties of Registrar under this Ordinance, agrees that it will (i) undertake the duties of agent required thereby and that those duties to be undertaken by either the agent or the issuer shall be the responsibility of the Registrar, and (ii) comply with all requirements of the Clearing Agency, including without limitation same day funds settlement payment procedures. Further, during any time that the 2015 Bonds are held in book-entry form, the provisions of Section 5 of this Ordinance shall control over conflicting provisions in any other section of this Ordinance.

SECTION 6. Sale of Bonds. (a) The Clerk-Treasurer of the City is hereby authorized and directed to have the 2015 Bonds prepared, and the Mayor and the Clerk-Treasurer are hereby authorized and directed to execute or to cause the execution of the 2015 Bonds in the form and manner herein provided. The Clerk-Treasurer is hereby authorized and directed to deliver the 2015 Bonds to the purchaser or purchasers thereof upon compliance with the requirements established hereunder and under the Act for the sale thereof, and to collect the full amount which the purchaser or respective purchasers have agreed to pay therefor. The 2015 Bonds, when fully paid for and delivered to the purchaser or purchasers, shall be the binding general obligations of the City, payable from an ad valorem property tax to be levied on all taxable property within the City, and the proceeds derived from the sale of the 2015 Bonds shall be and are hereby set aside for the application to the costs of the Refunding. The authorized officers of the City are hereby authorized and directed to draw all proper and necessary warrants and to do whatever other acts and things that may be necessary or appropriate to carry out the provisions of this Ordinance.

(b) The Common Council hereby deems that it is in the best interests of the City that the 2015 Bonds be sold, at a purchase price not less than 99.25% of the par amount of the 2015 Bonds, in the manner and upon the terms and conditions set forth in a purchase agreement between the City and an underwriter to be selected by the Clerk-Treasurer and Mayor (the "Underwriter") (such purchase agreement, the "Purchase Agreement"). The Common Council hereby approves, and authorizes and directs the Mayor and the Clerk-Treasurer, for and on behalf of the City, to execute and deliver, and to perform the obligations of the City under, the Purchase Agreement, in the form the Mayor and the Clerk-Treasurer, with the advice of counsel, determine to be necessary or appropriate, such determination to be conclusively evidenced by such Mayor's and such Clerk-Treasurer's execution thereof.

(c) Prior to the delivery of the 2015 Bonds, the Clerk-Treasurer of the City (i) shall be authorized to investigate and to obtain insurance and/or credit ratings on the 2015 Bonds and

(ii) shall obtain a legal opinion as to the validity of the 2015 Bonds from Barnes & Thornburg LLP, Indianapolis, Indiana, bond counsel for the City, and such opinion shall be furnished to the purchasers of the 2015 Bonds at the expense of the City. The costs of obtaining any such insurance and/or credit ratings, together with bond counsel's fee in preparing and delivering such opinion and in the performance of related services in connection with the issuance, sale and delivery of the 2015 Bonds, shall be considered as a part of the costs of issuance of the 2015 Bonds and shall be paid out of the proceeds of the sale of the 2015 Bonds.

(d) The Mayor or the Clerk-Treasurer is hereby authorized to deem final an official statement with respect to the 2015 Bonds, as of its date, in accordance with the provisions of Rule 15c2-12 of the United States Securities and Exchange Commission, as amended (the "SEC Rule"), subject to completion as permitted by the SEC Rule, and the City further authorizes the distribution of the deemed final official statement, and the execution, delivery and distribution of such document as further modified and amended with the approval of the Mayor or the Clerk-Treasurer in the form of a final official statement.

In order to assist the underwriter of the 2015 Bonds in complying with paragraph (b)(5) of the SEC Rule by undertaking to make available appropriate disclosure about the City and the 2015 Bonds to participants in the municipal securities market, the City hereby covenants, agrees and undertakes, in accordance with the SEC Rule, unless excluded from the applicability of the SEC Rule or otherwise exempted from the provisions of paragraph (b)(5) of the SEC Rule, that it will comply with and carry out all of the provisions of the continuing disclosure agreement. "Continuing disclosure agreement" shall mean that certain continuing disclosure contract executed by the City and dated the date of issuance of the 2015 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. The execution and delivery by the City of the continuing disclosure agreement, and the performance by the City of its obligations thereunder by or through any employee or agent of the City, are hereby approved, and the City shall comply with and carry out the terms thereof.

SECTION 7. Use of Bond Proceeds. Any accrued interest and premium received at the time of delivery of the 2015 Bonds will be applied to payments on the 2015 Bonds on the earliest interest payment dates. The remaining proceeds received from the sale of the 2015 Bonds shall be deposited in the "City of Valparaiso 2015 General Obligation Refunding Bond Fund" (the "Refunding Fund"). The Refunding Fund shall consist of the Refunded 2015 Bonds Account and the Costs of Issuance Account.

All amounts deposited into the Refunded 2006 Bonds Account shall be deposited, held, secured, invested and expended in accordance with an escrow agreement between the City and a financial institution selected by the Mayor and Clerk-Treasurer to serve as escrow agent (the "Escrow Agent") (such escrow agreement, the "Escrow Agreement"). The Council hereby approves, and authorizes and directs the Mayor and Clerk-Treasurer, for and on behalf of the City, to execute or deliver, and to perform the obligations of the City under, the Escrow Agreement, in the form as the Mayor and Clerk-Treasurer with the advice of counsel, determine to be necessary or appropriate, such determination to be conclusively evidenced by such execution thereof.

All amounts in the Costs of Issuance Account shall be expended only for the purpose of paying the costs of issuance of the 2015 Bonds and any other fees and charges associated with the issuance of the 2015 Bonds, including any fees and charges associated with obtaining credit enhancement for the 2015 Bonds. Any balance remaining unexpended in the Costs of Issue Account after payment of all such costs, fees and charges shall, not later than thirteen (13) months after the date of issuance of the 2015 Bonds, be used to pay principal of or interest on the 2015 Bonds.

SECTION 8. Defeasance. If, when the 2015 Bonds or any portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the 2015 Bonds or any portion thereof for redemption have been given, and the whole amount of the principal and the interest so due and payable upon such bonds or any portion thereof then outstanding shall be paid, or (i) cash, or (ii) direct non-callable obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, the principal of and the interest on which when due without reinvestment will provide sufficient money, or (iii) any combination of the foregoing, shall be held irrevocably in trust for such purpose, and provision shall also be made for paying all fees and expenses for the payment, then and in that case the 2015 Bonds or such designated portion thereof shall no longer be deemed outstanding or secured by this Ordinance.

SECTION 9. Tax Matters. In order to preserve the exclusion of interest on the 2015 Bonds from gross income for federal income tax purposes and as an inducement to purchasers of the 2015 Bonds, the City represents, covenants and agrees that:

(a) The City will not take any action or fail to take any action with respect to the 2015 Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the 2015 Bonds pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder as applicable to the 2015 Bonds, including, without limitation, the taking of such action as is necessary to rebate or cause to be rebated arbitrage profits on 2015 Bond proceeds or other monies treated as 2015 Bond proceeds to the federal government as provided in Section 148 of the Code, and will set aside such monies, which may be paid from investment income on funds and accounts notwithstanding anything else to the contrary herein, in trust for such purposes.

(b) The City will file an information report on Form 8038-G with the Internal Revenue Service as required by Section 149 of the Code.

(c) The City will not make any investment or do any other act or thing during the period that any 2015 Bond is outstanding hereunder which would cause any 2015 Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations thereunder as applicable to the 2015 Bonds.

Notwithstanding any other provisions of this Ordinance, the foregoing covenants and authorizations (the "Tax Sections") which are designed to preserve the exclusion of interest on the 2015 Bonds from gross income under federal income tax law (the "Tax Exemption") need not be complied with if the City receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

SECTION 10. Amendments. Subject to the terms and provisions contained in this section, and not otherwise, the owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the 2015 Bonds then outstanding shall have the right, from time to time, anything contained in this Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the City of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this Ordinance, or in any supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting without the consent of all affected owners of the 2015 Bonds:

(a) An extension of the maturity of the principal of or interest on any 2015 Bond without the consent of the holder of each 2015 Bond so affected; or

(b) A reduction in the principal amount of any 2015 Bond or the rate of interest thereon or a change in the monetary medium in which such amounts are payable, without the consent of the holder of each 2015 Bond so affected; or

(c) A preference or priority of any 2015 Bond over any other 2015 Bond, without the consent of the holders of all 2015 Bonds then outstanding; or

(d) A reduction in the aggregate principal amount of the 2015 Bonds required for consent to such supplemental ordinance, without the consent of the holders of all 2015 Bonds then outstanding.

If the City shall desire to obtain any such consent, it shall cause the Registrar to mail a notice, postage prepaid, to the addresses appearing on the Registration Record. Such notice shall briefly set forth the nature of the proposed supplemental ordinance and shall state that a copy thereof is on file at the office of the Registrar for inspection by all owners of the 2015 Bonds. The Registrar shall not, however, be subject to any liability to any owners of the 2015 Bonds by reason of its failure to mail such notice, and any such failure shall not affect the validity of such supplemental ordinance when consented to and approved as herein provided.

Whenever at any time within one year after the date of the mailing of such notice, the City shall receive any instrument or instruments purporting to be executed by the owners of the 2015 Bonds of not less than sixty-six and two-thirds per cent (66-2/3%) in aggregate principal amount of the 2015 Bonds then outstanding, which instrument or instruments shall refer to the proposed supplemental ordinance described in such notice, and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice as on file with the Registrar, thereupon, but not otherwise, the City may adopt such

supplemental ordinance in substantially such form, without liability or responsibility to any owners of the 2015 Bonds, whether or not such owners shall have consented thereto.

No owner of any 2015 Bond shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the City or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the City and all owners of 2015 Bonds then outstanding shall thereafter be determined, exercised and enforced in accordance with this Ordinance, subject in all respects to such modifications and amendments.

Notwithstanding anything contained in the foregoing provisions of this Ordinance, the rights, duties and obligations of the City and of the owners of the 2015 Bonds, and the terms and provisions of the 2015 Bonds and this Ordinance, or any supplemental ordinance, may be modified or amended in any respect with the consent of the City and the consent of the owners of all the 2015 Bonds then outstanding.

Without notice to or consent of the owners of the 2015 Bonds, the City may, from time to time and at any time, adopt such ordinances supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental ordinances shall thereafter form a part hereof),

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

- (b) to grant to or confer upon the owners of the 2015 Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners of the 2015 Bonds; or to make any change which, in the judgment of the Common Council, is not to the prejudice of the owners of the 2015 Bonds;

- (c) to modify, amend or supplement this Ordinance to permit the qualification of the 2015 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, to obtain or maintain bond insurance with respect to payments of principal of and interest on the 2015 Bonds, or to procure a rating on the 2015 Bonds from a nationally recognized securities rating agency designated in such supplemental ordinance, if such supplemental ordinance will not adversely affect the owners of the 2015 Bonds; or

- (d) to provide for the refunding or advance refunding of the 2015 Bonds; or

(e) to make any other change which, in the determination of the Common Council in its sole discretion, is not to the prejudice of the owners of the 2015 Bonds.

SECTION 11. No Conflict. All ordinances, resolutions and orders or parts thereof in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed. After the issuance of the 2015 Bonds authorized by this Ordinance and so long as any of the 2015 Bonds or interest thereon remains unpaid, except as expressly provided herein, this Ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the holders of the 2015 Bonds, nor shall the City adopt any law, ordinance or resolution which in any way adversely affects the rights of such holders.

SECTION 12. Severability. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

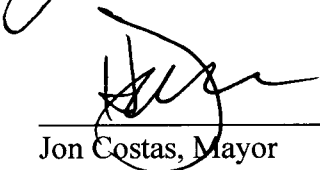
SECTION 13. Non-Business Days. If the date of making any payment or the last date for performance of any act or the exercising of any right, as provided in this Ordinance, shall be a legal holiday or a day on which banking institutions in the City or the jurisdiction in which the Registrar or Paying Agent is located are typically closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are typically closed, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal date.

SECTION 14. Interpretation. Unless the context or laws clearly require otherwise, references herein to statutes or other laws include the same as modified, supplemented or superseded from time to time.

SECTION 15. Other Action. The appropriate officers are hereby authorized to take all actions to obtain a rating, bond insurance or any other form of credit enhancement for the 2015 Bonds if economically feasible and desirable and with the favorable recommendation of the financial advisors to the City. In addition, the appropriate officers of the City are hereby authorized and directed to take any other action deemed necessary or advisable in order to effectuate the Refunding, the issuance of the 2015 Bonds, or any other purposes of this Ordinance.

SECTION 16. Effectiveness. This Ordinance shall be in full force and effect from and after its passage and execution by the Mayor.

PASSED by the Common Council of the City of Valparaiso, Indiana, by a 7-0 vote of all members present and voting this 22nd day of June, 2015.

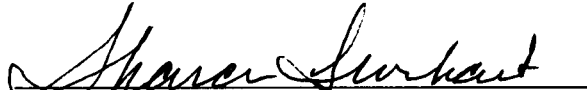


Jon Costas, Mayor

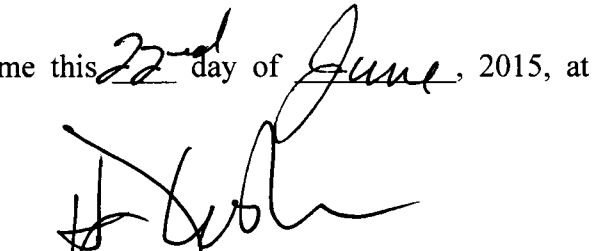
ATTEST:


Sharon Swihart, Clerk-Treasurer

Presented by me to the Mayor of the City of Valparaiso, Indiana, this 22nd day of June, 2015, at 8:06 o'clock p.m.


Sharon Swihart, Clerk-Treasurer

This Ordinance approved and signed by me this 22nd day of June, 2015, at 8:06 o'clock p.m.


Jon Costas, Mayor