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March 5, 2009

Ms. Sharon Swihart
City of Valparaiso
166 W. Lincolnway
Valparaiso, IN 46383

Re: 2008 Year-End Warrant Assistance Program
City of Valparaiso
Our File No. 3390-84197

Dear Ms. Swihart:

Enclosed is a Transcript of documents related to the City of Valparaiso participation in the 2008 Year-End Warrant Assistance Program.

We appreciate the opportunity to work with you and the City of Valparaiso in the 2008 Year-End Warrant Assistance Program.

If we can be of any assistance to the City of Valparaiso in any of its other financing needs, please call.

Sincerely,


Sue A. Beesley

Enclosure

Indiana Bond Bank's 2008 Year-End Warrant Assistance Program

CITY OF VALPARAISO, INDIANA
TAXABLE TEMPORARY LOAN TAX ANTICIPATION TIME WARRANTS,
SERIES 2008 YE
(GENERAL FUND)

Delivery Date: December 31, 2008.

Closing Transcript

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File: 3390-84197

TAB 1

ORDINANCE # 44, 2008

AN ORDINANCE authorizing the City of Valparaiso, Indiana to make emergency temporary loans to refund those made to meet current running expenses for the use of the General Fund of the Issuer, in anticipation of and not in excess of current taxes levied in the year 2007, and collectable in the year 2008 (including property tax replacement revenues) (which were originally anticipated for collection in 2008 but due to reassessment and related delays are now anticipated for collection in 2009); authorizing the issuance of taxable temporary loan tax anticipation warrants to evidence such loans and the sale of such warrants to the Indiana Bond Bank; and appropriating and pledging the taxes to be received in such funds to the punctual payment of such warrants including the interest thereon.

WHEREAS, the Common Council (the "Fiscal Body") of the City of Valparaiso, Indiana (the "Issuer") has determined that there will be an insufficient amount of money in the General Fund of the Issuer (the "Funds") to meet the current running expenses of the Issuer payable from such Funds during the fiscal year ending on the last day of December 2008 (including payment on warrants previously issued and outstanding related thereto, which are anticipated to become due and payable on or before December 31, 2008) and prior to the settlements and distribution of taxes levied for such Funds (including property tax replacement revenues), which were originally anticipated for collection in 2008 but due to reassessment and related delays are now anticipated for collection in 2009; and

WHEREAS, the Fiscal Body now finds that an emergency exists for the borrowing of money to pay and refund warrants heretofore issued and outstanding and that temporary loans for the Funds for such purposes should be made and that taxable temporary loan tax anticipation warrants evidencing such loans should be issued and sold, subject to the terms and conditions set forth herein and in accordance with the provisions of Indiana law; and

WHEREAS, the Fiscal Body has determined to participate in a year-end warrant assistance program (the "Program") established by the Indiana Bond Bank (the "Bond Bank") for 2008 whereby the Bond Bank will purchase the taxable temporary loan tax anticipation warrants and/or temporary interim warrants of the Issuer; and

WHEREAS, the levy (including property tax replacement revenues) proposed for collection for the Funds in 2008 (which was originally anticipated for collection in 2008 but due to reassessment and related delays are now anticipated for collection in 2009) is estimated to produce in the aggregate, with respect to such Funds, an amount equal to or in excess of the principal of and interest on the temporary loans for such Funds; and

WHEREAS, a necessity exists for the making of temporary loans evidenced by taxable temporary loan tax anticipation warrants for the Funds in anticipation of the receipt of current

revenues for such Funds levied for the year 2007 and in the course of collection in 2008 (including property tax replacement revenues) (which were originally anticipated for collection in 2008 but due to reassessment and related delays are now anticipated for collection in 2009) and the Fiscal Body desires to authorize the making of temporary loans to procure the amounts necessary, in combination with other available amounts, to meet such current running expenses for such Funds (including payment on warrants previously issued and outstanding related thereto, which are anticipated to become due and payable on or before December 31, 2008) and to pay necessary costs incurred in connection with the issuance and sale of taxable temporary loan tax anticipation warrants to evidence such temporary loans; and

WHEREAS, except as disclosed in writing to the Bond Bank, the Issuer has not previously issued taxable temporary loan tax anticipation warrants payable from 2008 tax revenue with respect to the Funds and the proceeds of the Warrants purchased under the Program shall be applied to refund, pay and discharge each such previously issued warrant; and

WHEREAS, the Fiscal Body seeks to authorize the issuance of such taxable temporary loan tax anticipation warrants and/or temporary interim warrants with respect to the Funds and the sale of such warrants to the Bond Bank pursuant to the provisions of Indiana Code 5-1.5, subject to and dependent upon the terms and conditions hereinafter set forth.

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

Section 1. It is hereby found and declared that an emergency exists for the borrowing of money and therefore the Issuer is hereby authorized to make temporary loans to meet current running expenses (including payment of the warrants previously issued and outstanding related thereto, which are anticipated to become due and payable on or before December 31, 2008) for the use and benefit of each of the Funds of the Issuer in anticipation of estimated current tax revenues levied for the year 2007 and in the course of collection for such Funds in 2008 (including property tax replacement revenues)(which were originally anticipated for collection in 2008 but due to reassessment and related delays are now anticipated for collection in 2009), which loans shall be evidenced by taxable temporary loan tax anticipation time warrants of the Issuer (the "Warrants") issued pursuant to the provisions of Indiana Code 36-4-6-20 as in effect on the date of their respective issuance. A separate Warrant or Warrants shall be issued for each Fund and each maturity date and all Warrants shall be dated as of the date of delivery thereof to the Bond Bank or as of any date on which any outstanding warrants to be refunded with the proceeds of the Warrants were originally issued, as hereafter set out in the Warrant Purchase Agreement and the Warrants. Subject to the provisions of Indiana Code 36-4-6-20 as in effect on the date of their respective issuance, the Issuer is authorized to issue Warrants maturing and payable on or before June 30, 2009 in aggregate amounts not to exceed the following for the respective identified funds:

General Fund: \$5,363,268.

Provided, however, the principal amount of the Warrants for each Fund shall not exceed the principal amount of the outstanding warrants for such Fund that are refunded with the proceeds of the Warrants.

The Warrants shall bear interest prior to maturity at a rate or rates per annum not to exceed a maximum of 6.5%. The exact rate or rates are to be determined under the terms of a warrant purchase agreement between the Bond Bank and the Issuer to be entered into prior to the sale of the Warrants to the Bond Bank (the "Warrant Purchase Agreement"), in accordance with the provisions of Indiana Code 5-1.5. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Notwithstanding any provision in this Ordinance (or in the form of Warrant Purchase Agreement available to the Issuer as of the date of the adoption of this Ordinance and incorporated by reference into this Ordinance), conforming changes may be made by the Issuer's officers to the form of any Warrant and the Warrant Purchase Agreement prior to the issuance of Warrants to provide (i) the due date of the Warrants, which may be any date no later than June 30, 2009 or a date fixed by reference to the Issuer's receipt of its settlement of the funds in anticipation of which any Warrant is issued, or any combination thereof, and (ii) the dated date and issuance date of the Warrants, which may, but need not, include pre-issuance accrued interest.

The Issuer is authorized to make payments of principal and interest on the Warrants by paying the amount due from funds that are available for immediate transfer or investment on or before 12:00 noon (Indianapolis time) on the due date to the corporate trust entity selected or determined by the Bond Bank to serve as the "trustee" under a Note Indenture (the "Trustee") through which notes are issued by the Bond Bank and the Warrants are purchased and pledged by the Bond Bank thereunder as designated by the Bond Bank. In the event that the principal of and interest on the Warrants are not paid in full on the Due Date (as defined in the Warrant Purchase Agreement and in each warrant), the total amount due and owing on such due date (equal to the unpaid principal and accrued interest thereon to such due date) shall thereafter bear interest at the per annum rate equal to the Reinvestment Rate (as defined in the Warrant Purchase Agreement) until paid. In addition, the Issuer shall be responsible for payment to the Bond Bank of its allocable portion of all fees and expenses attributable to a request for payment under any Credit Facility Agreement (as defined in the Warrant Purchase Agreement) resulting from a failure by the Issuer to pay in full the principal of and interest on the Warrants on their due date.

With the force and effect provided for in Indiana Code 5-1-5-9 and -10, the Qualified Entity hereby irrevocably pledges and appropriates the proceeds of the Warrants, or other legally available monies as are required to provide for the payment of all outstanding warrants (including interest thereon) with any maturity date on or before December 31, 2008 related to any Fund against which a Warrant is issued pursuant to this Ordinance; the Qualified Entity hereby covenants and agrees on and as of the issuance of the Warrants, to so apply the proceeds of the Warrants to their full and timely payment.

Notwithstanding any provision in this Ordinance to the contrary, any purchase of Warrants by the Bond Bank may be made from any source of funds and held under any arrangement designated by the Bond Bank (either as designated initially when they are purchased or at any time thereafter prior to their full payment), regardless of whether the Warrants are (a) held by a Trustee under an Indenture or otherwise, (b) purchased with the proceeds of notes issued by the Bond Bank under an Indenture or from other funds made available by the Bond Bank, (c) held, pledged or assigned by the Bond Bank under any Indenture or other arrangement designated by the Bond Bank, or (d) payable to the Bond Bank as a nominal owner, servicing agent, beneficial party, registered owner, or otherwise. If any part of the Warrants are purchased by the Bond Bank from any source of funds other than proceeds of any notes issued under a Note Indenture: (A) any usage of the term "Note Indenture" in this Ordinance or any Warrant shall also mean and include each such arrangement as may from time to time be designated by the Bond Bank through which the Warrants are held, pledged or assigned by the Bond Bank, whether the Warrants are payable to the Bond Bank as a nominal owner, servicing agent, beneficial party, registered owner, or otherwise; (B) any usage in this Ordinance or any Warrant of (i) "Notes" shall also mean and include each such source of other available funds as may from time to time be designated by the Bond Bank through which the Warrants are purchased and held by the Bond Bank, whether the Warrants are payable to the Bond Bank as a nominal owner, servicing agent, beneficial party, registered owner, or otherwise, (ii) proceeds of the Notes shall also mean and include such designated source of other available funds used to effectuate any such purchase of Warrants under the Agreement, and (iii) an issuance of the Notes shall also mean and include the time and manner designated by the Bond Bank to make any such source of other available funds available to effectuate any such purchase of Warrants under the Agreement; and (C) any usage in this Ordinance or any Warrant to the term "Trustee" shall also mean and include any counterparty to any arrangement as may from time to time be designated by the Bond Bank by whom the Warrants may be held, whether the Warrants are payable to the Bond Bank as a nominal owner, servicing agent, beneficial party, registered owner, or otherwise.

Section 2. With respect to each Fund and each maturity, the officers of the Issuer are authorized to deliver a principal amount of the Warrants up to or less than the maximum amount established for any such Fund and maturity date in Section 1 hereof in order to comply with all applicable laws and any requirements of the Bond Bank. The Warrants will be delivered on or before December 31, 2008, or otherwise as appropriate and in accordance with the terms of the Warrant Purchase Agreement.

In the event that the Issuer anticipates incurring cash flow deficits prior to the issuance and sale of the Warrants to the Bond Bank, the Issuer is hereby authorized to issue and sell temporary interim warrants to the Bond Bank. The issuance and sale of the temporary interim warrants shall be on substantially the same terms as the issuance and sale of the Warrants to the Bond Bank, all as set forth in the Warrant Purchase Agreement. In the event that temporary interim warrants are issued, all or a portion of the proceeds of the Warrants may be used to repay the temporary interim warrants. Provisions of this Ordinance relating to the issuance of

Warrants shall also relate to the issuance of temporary interim warrants to the extent applicable. The Warrants may be issued in one or more series on one or more dates.

Section 3. The principal of and interest on the Warrants shall be payable from tax revenues to be received in the respective Fund upon which such Warrant is issued. There is hereby appropriated and pledged to the payment of the Warrants issued with respect to each Fund, including interest and all necessary costs incurred in connection with the issuance and sale of the Warrants, a sufficient amount of the taxes, levied for 2007, and payable in 2008 (including property tax replacement revenues)(which were originally anticipated for collection in 2008 but due to reassessment and related delays are now anticipated for collection in 2009), for such Fund and in anticipation of which the Warrants are issued, for the punctual payment of the principal of and interest on the Warrants evidencing such temporary loans, together with such issuance costs, if any, subject to the application of the tax revenues to be received in the respective Fund to any long term lease or debt obligations due contemporaneously with such Warrants; provided that the appropriation of moneys to the repayment of Warrants shall not cause the Issuer to violate the provisions of Indiana law or any contract, grant or other agreement to which the Issuer is a party; provided further that as a condition to participation in the Program, the Issuer will represent, that upon issuance of the Warrants, it will have no warrants issued in anticipation of the Settlement for 2008 Taxes (as defined in the Agreement) for the Funds other than the Warrants issued pursuant to the Agreement (or other warrant arrangements consented to in writing by the Bond Bank in its discretion) remain outstanding, and the Warrants will not in any respect to be subject to the prior payment of any outstanding warrants. The Issuer consents to the assignment by the Bond Bank to the Trustee under the Indenture of all the Bond Bank's right, title and interest granted by the Issuer to the Bond Bank under the Warrant Purchase Agreement. The Issuer covenants and agrees that it shall, if it fails to make any payment required herein when due, promptly undertake all actions, including the issuance of warrants issued to refund the unpaid Warrants that: (i) are necessary to cure such nonpayment, (ii) are legally available to cure such nonpayment, and (iii) do not, in the opinion of bond counsel, cause any of the Warrants to be considered debt of the Issuer within the meaning of Article 13, Section 1 of the Indiana Constitution or laws of the State of Indiana.

Section 4. The Warrants issued hereunder with respect to the Fund shall be executed in the name of the Issuer by the manual or facsimile signature of the Mayor of the City of Valparaiso, Indiana and attested by the Clerk-Treasurer of the City of Valparaiso, Indiana, or such other officers of the Issuer as may be permitted by law, provided at least one of such signatures is manually affixed. All Warrants shall be payable in lawful money of the United States of America at the principal corporate trust office of the Trustee.

Notwithstanding any provision of this Ordinance to the contrary, if directed by the Bond Bank, the Issuer may issue all or a portion of the Warrants as a separate series to refund those warrants, if any, that were purchased by the Indiana Bond Bank in 2008 (the "2008 Warrants"), which Warrant issuance, sale and purchase would be on terms substantially similar to (a) those provided for the Warrants otherwise issued under this Ordinance under any other series and (b) the original ordinance by which the 2008 Warrants were issued, provided that in lieu of an

issuance, sale and purchase of such Warrants under the terms contained in the Warrant Purchase Agreement approved by this Ordinance, such would be undertaken under the warrant purchase agreement under which the 2008 Warrants were issued, sold and purchased as further amended and supplemented (which is hereby authorized) to effectuate a dated date, due date and other payment terms deemed necessary or desirable by the Issuer's officer executing any such warrants and agreements, and as would generally be in conformity with those terms otherwise provided for Warrants issued under this Ordinance.

Section 5. The Warrants with respect to each Fund shall be issued in substantially the following form (with all blanks, changes, additions and deletions, including the appropriate amounts, dates and other information to be properly completed prior to the execution and delivery thereof, as conclusively evidenced by the signatures of the officers of the Issuer affixed thereon):

[Form of Warrant]

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF PORTER

CITY OF VALPARAISO, INDIANA

TAXABLE TEMPORARY LOAN TAX ANTICIPATION TIME WARRANT,
SERIES 2008 __

Warrant Fund: _____ Fund
Dated Date: _____, 2008
Due Date: _____, 2009
Principal Sum: \$ _____
Interest Rate: _____ percent per annum

FOR VALUE RECEIVED, on or before the Due Date set forth above (the "Due Date"), the City of Valparaiso, Indiana (the "Issuer"), shall pay to the Indiana Bond Bank (the "Bond Bank") the Principal Sum set forth above pursuant to a certain Warrant Purchase Agreement between the Bond Bank and the Issuer, dated as of December 15, 2008 (the "Agreement"). This Warrant is issued in anticipation of the Settlement for 2008 Taxes (as defined in the Agreement).

In addition, the Issuer on the Due Date hereof shall pay to the Bond Bank interest at the per annum Interest Rate set forth above pursuant to the Agreement, with such interest to be computed on the basis of a 360-day year comprised of twelve 30-day months. In the event that the principal of and interest on this Warrant are not paid in full to the Bond Bank at the principal corporate trust office of the Trustee (as defined in the Agreement) in immediately available funds on or before 12:00 noon (Indianapolis time) on the Due Date, the total amount due and owing on the Due Date (the unpaid principal and accrued interest to the Due Date) shall thereafter bear

interest at the per annum rate equal to the Reinvestment Rate (as defined in the Agreement) until paid. In addition, the Issuer shall pay to the Bond Bank its allocable portion of all fees and expenses attributable to a request for payment under any Credit Facility Agreement (as defined in the Agreement) resulting from a failure by the Issuer to pay in full the principal of and interest on this Warrant on the Due Date.

All payments of principal and interest to be made by the Issuer to the Bond Bank shall be made by paying the amount due in funds that are available for immediate transfer or investment on or before 12:00 noon (Indianapolis time) on the payment date to the Trustee in St. Louis, Missouri (or to such other place of payment as may be specified in notice given by the Trustee or Bond Bank). The Issuer reserves the right to prepay this Warrant at any time prior to the Due Date upon giving the Trustee at least four (4) Business Days prior notice.

This Warrant evidences a temporary loan to provide funds to meet current expenses of the Warrant Fund set forth above (the "Fund") and has been authorized by an ordinance passed and adopted by the Common Council of the City of Valparaiso, Indiana, in accordance with Indiana Code 36-4-6-20 and all other acts amendatory thereof or supplemental thereto.

This Warrant is issued in anticipation of the tax levy which has been made for the Fund in the year 2007, which tax levy is now in the course of collection (including property tax replacement revenues) (which was originally anticipated for collection in 2008 but due to reassessment and related delays are now anticipated for collection in 2009). There has been irrevocably appropriated and pledged to the payment in full of the principal of and interest on this Warrant a sufficient amount of the revenues to be derived from the Fund tax levy (including property tax replacement revenues), subject to the application of the tax revenues to be received in the Fund to any long term lease or debt obligations due contemporaneously with such Warrants; provided that the appropriation of moneys to the repayment of Warrants shall not cause the Issuer to violate the provisions of Indiana law or any contract, grant or other agreement to which the Issuer is a party; provided further that as a condition to participation in the Program, the Issuer represents, that upon issuance of this Warrant, it will have no warrants issued in anticipation of the Settlement for 2008 Taxes (as defined in the Agreement) for the Fund other than this Warrant (or other warrant arrangements consented to in writing by the Bond Bank in its discretion) remain outstanding, and this Warrant shall not in any respect to be subject to the prior payment of any outstanding warrants. The principal amount of all Warrants maturing on the Due Date and payable from the Fund does not exceed eighty percent (80%) of the 2008 annual budget levy for the Fund (including property tax replacement revenues), as certified by the Indiana Department of Local Government Finance, that remains in the course of collection as of the issuance date of this Warrant.

It is further hereby certified, recited, and declared that all acts, conditions, and things required by law precedent to the issuance and execution of this Warrant have been properly done, have happened, and have been performed in the manner required by the constitution and statutes of the State of Indiana relating thereto; that the Fund tax levy (including property tax replacement revenues) from which (together with other amounts in the Fund) this Warrant is

payable is a valid and legal levy; and that the Issuer will reserve a sufficient amount of the proceeds of the Fund tax levy (including property tax replacement revenues) currently in the course of collection for the timely payment of the principal of and interest on this Warrant in accordance with its terms.

IN WITNESS WHEREOF, the City of Valparaiso, Indiana, has caused this Warrant to be executed in its corporate name by the Mayor of the City of Valparaiso, Indiana and attested by the Clerk-Treasurer of the City of Valparaiso, Indiana, all as of the above Dated Date.

CITY OF VALPARAISO, INDIANA

By: _____
Its Mayor

ATTEST:

Its Clerk-Treasurer

[End of Form of Warrant]

Section 6. The fiscal officer of the Issuer (the "Fiscal Officer") is hereby authorized and directed to have the Warrants prepared, and each of the executive officers of the Issuer, or such other officers as may be permitted by law, are hereby authorized and directed to execute the Warrants in the manner and substantially the form provided in this Ordinance, as conclusively evidenced by their execution thereof.

Section 7. The Fiscal Officer, on behalf of the Issuer, is authorized to sell to the Bond Bank the Warrants. The Warrant Purchase Agreement shall set forth the definitive terms and conditions for such sale. Warrants sold to the Bond Bank shall be accompanied by all documentation required by the Bond Bank pursuant to the provisions of Indiana Code 5-1.5 and the Warrant Purchase Agreement, including without limitation, an approving opinion of Bingham McHale LLP, specially designated qualified obligation bond counsel for the Warrants under the terms set forth in such firm's letter to the Issuer; certification and guarantee of signatures (or if permitted by the Bond Bank, such other evidence of the authenticity of signatures); and certification as to no litigation pending as of the date of delivery of the Warrants to the Bond Bank challenging the validity or issuance of the Warrants. The entry by the Issuer into the Warrant Purchase Agreement and the execution of the Warrant Purchase Agreement, on behalf of the Issuer by any of the executive officers of the Issuer, or such other officers as may be permitted by law, in accordance with this Ordinance, are hereby authorized and approved.

Section 8. The proper officers of the Issuer are hereby authorized to deliver the Warrants to the Bond Bank, upon receipt from the Bond Bank of the payment or otherwise as appropriate and in accordance with the terms of the Warrant Purchase Agreement.

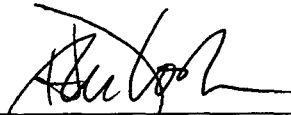
Section 9. Each of the executive officers of the Issuer (including, without limitation, any Authorized Official as defined in the Warrant Purchase Agreement), or such other officers as may be permitted by law are hereby authorized and directed to make such filings and requests, deliver such certifications, execute and deliver such documents and instruments, and otherwise take such actions as are necessary or appropriate to carry out the terms and conditions of this Ordinance and the actions authorized hereby and thereby.

Section 10. Intentionally left blank.

Section 11. Notwithstanding any other provision of this Ordinance or any Warrant, in the event any determination has been made by any court of proper jurisdiction whereby a finding or ruling is made to the effect that, absent application of this provision, the aggregate amount of any Warrant (whether as to its principal or interest amounts or both) exceeds the maximum amount that is permitted to law to be issued and outstanding for the maturity date stated therein (such excess over any such limitation referred to as the "Excess Amount") and such would otherwise cause a Warrant to be invalid, then the form of the Warrant that was issued shall be deemed to be modified from that stated on its face in such a manner to first deem the Excess Amount to be a separate additional Warrant identical in terms to the original except that it shall have as its "due date" December 31, 2008 and its "principal sum" an amount equal to the maximum remaining permitted amount for all warrants with such a due date (a "Replacement Warrant"), provided, however, if an Excess Amount exceeds the principal amount of such a Replacement Warrant, then such remaining balance should be treated as a fee charged by the Bond Bank pursuant to Section 5.10 of its Warrant Purchase Agreement with the Qualified Entity and not treated as part of the principal sum of any Warrant or Replacement Warrant.

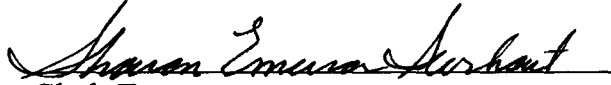
Section 12. This Ordinance shall be in full force and effect from and after the time it has been adopted by the Fiscal Body. All resolutions and ordinances in conflict herewith are, to extent of such conflict, hereby repealed. For the benefit of the Bond Bank, the Fiscal Body hereby finds and determines that the adoption of this Ordinance is intended to be, and for all purposes shall be deemed to be, a resolution authorizing the sale of obligations within the meaning of Indiana Code 5-1-14-13, and accordingly no action to contest the validity of any Warrants authorized herein, and hereafter issued, may be brought more than fifteen (15) days after the date set forth below.

ADOPTED AND APPROVED BY the Common Council of the City of Valparaiso,
Indiana, this 8th day of Dec., 2008.



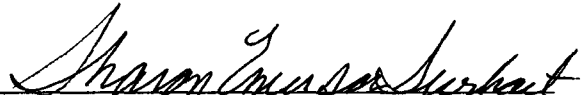
Presiding Officer
Common Council

ATTEST:



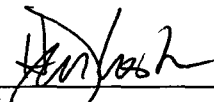
Clerk-Treasurer
City of Valparaiso, Indiana

PRESENTED BY ME, the undersigned Clerk-Treasurer of the City of Valparaiso,
Indiana, to the Mayor, for approval and signature, this 8th day of Dec., 2008.



Clerk-Treasurer
City of Valparaiso, Indiana

APPROVED AND SIGNED BY ME, the undersigned Mayor of the City of Valparaiso,
Indiana, this 8th day of Dec., 2008.



Mayor
City of Valparaiso, Indiana

TAB 2

**MINUTES OF THE MEETING
OF THE COMMON COUNCIL
VALPARAISO, INDIANA**

December 8, 2008

The Common Council of the City of Valparaiso, Indiana, met on Monday, December 8, 2008 at 7:00 p.m. in City Hall. Mayor Costas called the meeting to order. The Pledge of Allegiance was said. Clerk-Treasurer Swihart called roll. Present were Councilmembers Larr, Bowker, Ward, Taylor, Eisenmenger, Elwood and Dick.

MINUTES

Councilmember Dick moved to approve minutes of the November 24, 2008 meeting. Councilmember Bowker seconded the motion. Upon voice vote the motion to adopt the minutes passed 7-0.

PRESENTATIONS

CODE ENFORCEMENT

Vicki Thrasher addressed the Council and presented the Code Enforcement Update. She discussed current operations and future projects.

Councilmember Larr asked for a copy of the presentation.

Councilmember Ward asked if the software generates updates. Vicki and Craig Phillips explained the process for keeping track of violations.

There was discussion regarding agencies that can help people who need assistance in complying with codes.

SMOKING BAN TASK FORCE

Bruce Berner addressed the Council. He gave a review of the no smoking ordinance that has been in effect for 18 months.

Councilmember Bowker asked Bruce if the State was going to enact a statewide smoking ban. His reply is that he is not sure, but it has been discussed.

ORDINANCE NO. 43, 2008

**AN ORDINANCE ENACTING AND ADOPTING SUPPLEMENTS TO THE CODE OF
ORDINANCES FOR THE CITY OF VALPARAISO, INDIANA**

Councilmember Eisenmenger moved that Ordinance No. 43, 2008 be read a second time by title and a third time in full and be considered for adoption and the opportunity be given for offering amendments to said Ordinance. Councilmember Dick seconded the motion. Clerk-Treasurer

Swihart read the Ordinance. Councilmember Dick moved to adopt Ordinance No. 43, 2008. Councilmember Bowker seconded the motion.

Upon roll call vote the motion to adopt Ordinance No. 43, 2008 passed with a 7-0 vote.

ORDINANCE NO. 44, 2008

AN ORDINANCE AUTHORIZING THE CITY OF VALPARAISO, INDIANA TO MAKE EMERGENCY TEMPORARY LOANS TO REFUND THOSE MADE TO MEET CURRENT RUNNING EXPENSES FOR THE USE OF THE GENERAL FUND OF THE ISSUER, IN ANTICIPATION OF AND NOT IN EXCESS OF CURRENT TAXES LEVIED IN THE YEAR 2007, AND COLLECTABLE IN THE YEAR 2008 (INCLUDING PROPERTY TAX REPLACEMENT REVENUES)(WHICH WERE ORIGINALLY ANTICIPATED FOR COLLECTION IN 2008 BUT DUE TO REASSESSMENT AND RELATED DELAYS ARE NOW ANTICIPATED FOR COLLECTION IN 2009); AUTHORIZING THE ISSUANCE OF TAXABLE TEMPORARY LOAN TAX ANTICIPATION WARRANTS TO EVIDENCE SUCH LOANS AND THE SALE OF SUCH WARRANTS TO THE INDIANA BOND BANK; AND APPROPRIATING AND PLEDGING THE TAXES TO BE RECEIVED IN SUCH FUNDS TO THE PUNCTUAL PAYMENT OF SUCH WARRANTS INCLUDING THE INTEREST THEREON

Councilmember Eisenmenger moved that Ordinance No. 44, 2008 be read a first time and considered on first reading. Councilmember Dick seconded the motion. Clerk-Treasurer Swihart read the Ordinance. Councilmember Dick moved to adopt Ordinance No. 44, 2008 on first reading. Councilmember Bowker seconded the motion. Clerk-Treasurer Swihart explained this is a roll over of 2008 Bond Bank debt. The total amount owed to the Bond Bank is \$5,363,268.00. Interest is approximately \$101,000.00 that will have to be paid by December 31st.

Discussion followed regarding recovery of interest the City has to pay due to the County not getting the tax bills out in a timely manner. Councilmember Elwood asked that a letter be sent letting the County know the City is not happy about having to borrow and pay interest because they are not getting tax bills out on time.

Upon roll call vote the motion to adopt on first reading passed with a 7-0 vote. Councilmember Dick moved to suspend the rules. Councilmember Bowker seconded the motion. Upon roll call vote the motion passed with a 7-0 vote. Councilmember Dick moved to adopt Ordinance No. 44, 2008. Councilmember Bowker seconded the motion.

Upon roll call vote the motion to adopt Ordinance No. 44, 2008, ~~under suspension of the rules~~ passed with a 7-0 vote.

ORDINANCE NO 45, 2008

AN ORDINANCE AMENDING ORDINANCE 52, 1983 AND DEFINING THE SPECIAL NON-REVERTING OPERATING FUND OF THE DEPARTMENT OF PARKS AND RECREATION AND AUTHORIZING REVENUE AND EXPENDITURES THEREFROM

Councilmember Eisenmenger moved that Ordinance No. 45, 2008 be read a first time and considered on first reading. Councilmember Dick seconded the motion. Clerk-Treasurer Swihart read the Ordinance. Councilmember Dick moved to carry Ordinance No. 45, 2008 to the December 22, 2008 meeting. Councilmember Bowker seconded the motion.

Steve Doniger addressed the Council. He explained this is a housekeeping ordinance. It is revising the Ordinance to match the budget. Clerk-Treasurer Swihart explained the Park Department budget was cut because revenue was being diverted to non-reverting operating, including golf. In order to divert the revenue, they had to reduce the Park Department budget.

Upon voice vote the motion to carry Ordinance No. 45, 2008 to the December 22, 2008 meeting passed with a 7-0 vote.

ORDINANCE NO. 46, 2008

AN ORDINANCE APPROPRIATING MONEY RECEIVED FROM THE PARK NON-REVERTING OPERATING SOURCES OF THE CITY OF VALPARAISO FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2009

Councilmember Eisenmenger moved that Ordinance No. 46, 2008 be read a first time and considered on first reading. Councilmember Dick seconded the motion. Clerk-Treasurer Swihart read the Ordinance. Councilmember Dick moved to carry Ordinance No. 46, 2008 to the December 22, 2008 meeting. Councilmember Bowker seconded the motion.

Clerk-Treasurer Swihart explained this is the other part of the non-reverting operating. Steve Doniger discussed a spreadsheet showing how the money will be appropriated.

Upon voice vote the motion to carry Ordinance No. 46, 2008 to the December 22, 2008 meeting passed with a 7-0 vote.

ORDINANCE NO. 47, 2008

AN ORDINANCE APPROPRIATING MONEY RECEIVED FROM PARKING SOURCES OF THE CITY OF VALPARAISO FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2009

Councilmember Eisenmenger moved that Ordinance No. 47, 2008 be read a first time and considered on first reading. Councilmember Dick seconded the motion. Clerk-Treasurer Swihart read the Ordinance. Councilmember Dick moved to carry Ordinance No. 47, 2008 to the December 22, 2008 meeting. Councilmember Bowker seconded the motion.

Clerk-Treasurer Swihart explained this is the annual parking facility budget.

Upon voice vote the motion to carry Ordinance No. 47, 2008 to the December 22, 2008 meeting passed with a 7-0 vote.

ORDINANCE NO. 48, 2008

AN ORDINANCE AUTHORIZING THE CITY OF VALPARAISO, INDIANA TO MAKE TEMPORARY LOANS TO MEET CURRENT RUNNING EXPENSES FOR THE USE OF THE GENERAL FUND OF THE ISSUER, IN ANTICIPATION OF AND NOT IN EXCESS OF CURRENT TAXES LEVIED IN THE YEAR 2008, AND COLLECTABLE IN THE YEAR 2009 (INCLUDING PROPERTY TAX REPLACEMENT REVENUES); AUTHORIZING THE ISSUANCE OF TEMPORARY LOAN TAX ANTICIPATION WARRANTS TO EVIDENCE SUCH LOANS AND THE SALE OF SUCH WARRANTS TO THE INDIANA BOND BANK; AND APPROPRIATING AND PLEDGING THE TAXES TO BE RECEIVED IN SUCH FUNDS TO THE PUNCTUAL PAYMENT OF SUCH WARRANTS INCLUDING THE INTEREST THEREON

Councilmember Eisenmenger moved that Ordinance No. 48, 2008 be read a first time and considered on first reading. Councilmember Dick seconded the motion. Clerk-Treasurer Swihart read the Ordinance. Councilmember Dick moved to adopt Ordinance No. 44, 2008 on first reading. Councilmember Bowker seconded the motion. Clerk-Treasurer Swihart explained this is the advance funding for 2009.

Upon roll call vote the motion to adopt on first reading passed with a 7-0 vote. Councilmember Dick moved to suspend the rules. Councilmember Bowker seconded the motion. Upon roll call vote the motion passed with a 7-0 vote. Councilmember Dick moved to adopt Ordinance No. 48, 2008. Councilmember Bowker seconded the motion.

Upon roll call vote the motion to adopt Ordinance No. 48, 2008, under suspension of the rules, passed with a 7-0 vote.

NEW BUSINESS

Bill Oeding addressed the Council and explained the shortage of salt this year and what his department is doing to combat the challenges of road conditions this winter. Councilmember Larr asked about the parking ban passed earlier this year. Bill replied it is a challenge to get the streets cleared of snow. There has not been compliance with the Ordinance and this hinders his Department.

Councilmember Eisenmenger announced Traffic and Safety meets December 16, 2008, City Hall at 1:00 p.m. He also discussed the financial impact of continuing the Popcorn Festival. After 30 years, possibly it is a good time to look at whether or not the Festival is a good idea.

Councilmember Dick announced the Plan Commission meets Tuesday, City Hall at 7:00 p.m.

Councilmember Bowker announced the Redevelopment Commission meets Thursday night in City Hall. He also announced a consultant will be at the School Board meeting on January 20, 2008. There will be an open discussion regarding the elementary schools. On January 17, 2008 Ed Soliday is having a meeting to discuss if school boards should be appointed or elected.

Councilmember Taylor asked for status on the Historic Preservation Committee and a resolution for the citizens. Bill Hanna explained residents have received some information and Councilmember Taylor can set a meeting at his convenience.

Councilmember Ward asked for an update on the flooding issues in the City. Bill Hanna explained Dave Pilz has been hired as a consultant. Areas of concern are being reviewed and a plan developed.

AUDIENCE

Robert Campbell asked if the City has a program dealing with homes that have asbestos siding. There are homeowners that are covering over that siding.

The meeting adjourned at 8:05 p.m.

/s/ Sharon Swihart, Clerk-Treasurer

TAB 3

INDIANA BOND BANK

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDIANA BOND BANK CONCERNING THE ISSUANCE OF ITS YEAR-END WARRANT ASSISTANCE PROGRAM NOTES, SERIES 2008

WHEREAS, the Indiana Bond Bank (the "Bond Bank") is a public body corporate and politic of the State of Indiana (the "State") created and existing under the authority of Indiana Code 5-1.5, as amended (the "Act"), for the purpose of purchasing and selling "securities" and making loans to "qualified entities" (as those terms are defined in the Act) located within the State; and

WHEREAS, the Bond Bank issued its Advance Funding Program Notes, Series 2008 A (the "AF Notes"), on January 31, 2008, in the aggregate principal amount of \$518,585,000, to acquire certain warrants (the "AF Warrants") issued by certain qualified entities (the "AF Qualified Entities"); and

WHEREAS, the Bond Bank issued its Midyear Funding Program Notes, Series 2008 A (the "Midyear A Notes"), on June 24, 2008, in the aggregate principal amount of \$433,005,000, to acquire certain warrants (the "Midyear A Warrants") issued by certain qualified entities (the "Midyear A Qualified Entities"); and

WHEREAS, the Bond Bank issued its Midyear Funding Program Notes, Series 2008 B (the "Midyear B Notes"), on August 14, 2008, in the aggregate principal amount of \$19,255,000, to acquire certain warrants (the "Midyear B Warrants") issued by certain qualified entities (the "Midyear B Qualified Entities"); and

WHEREAS, the Bond Bank issued its Midyear Funding Program Notes, Series 2008 C (the "Midyear C Notes"), on September 10, 2008, in the aggregate principal amount of \$53,095,000, to acquire certain warrants (the "Midyear C Warrants") issued by certain qualified entities (the "Midyear C Qualified Entities"); and

WHEREAS, the Bond Bank issued its Midyear Funding Program Notes, Series 2008 D (the "Midyear D Notes"), on October 23, 2008, in the aggregate principal amount of \$40,930,000, to acquire certain warrants (the "Midyear D Warrants") issued by certain qualified entities (the "Midyear D Qualified Entities"); and

WHEREAS, a substantial number of the AF Warrants, the Midyear A Warrants, the Midyear B Warrants, the Midyear C Warrants and the Midyear D Warrants (collectively, the "Prior Warrants") are currently outstanding and mature on or before December 31, 2008; and

WHEREAS, due to delays in the assessment of tangible property and related delays in certain counties in the State, it is anticipated that a substantial number of the AF Qualified Entities, the Midyear A Qualified Entities, the Midyear B Qualified Entities, the Midyear C Qualified Entities and the Midyear D Entities will not receive all or a portion of their current taxes levied in the year 2007 for collection in 2008 on or before December 31, 2008; and

WHEREAS, the Bond Bank has determined that it may be beneficial to certain of the AF Qualified Entities, the Midyear A Qualified Entities, the Midyear B Qualified Entities, the Midyear C Qualified Entities and the Midyear D Qualified Entities (collectively, the "Prior Qualified Entities") to establish and implement the 2008 Year-End Warrant Assistance Program (the "Year-End Program"), under which the Bond Bank would provide funds or arrange to provide funds for the purchase of temporary loan tax anticipation warrants (the "Refunding Warrants") issued by certain Prior Qualified Entities (the "Qualified Entities"), with such Refunding Warrants in each case issued to refund all or a portion of certain Prior Warrants issued by each Qualified Entity and in anticipation of the receipt of ad valorem taxes levied in the year 2007 and in the course of collection, thereby alleviating cash flow difficulties through the financing of cash flow deficits of such Qualified Entities, assisting the Bond Bank in paying the principal of and interest on the AF Notes, the Midyear A Notes, the Midyear B Notes, the Midyear C Notes and the Midyear D Notes (collectively, the "Prior Notes") on their maturity dates, and benefiting and promoting the public welfare of the Qualified Entities and the State; and

WHEREAS, the Bond Bank may receive from numerous Prior Qualified Entities a substantial indication of interest in participation in the Year-End Program, and the Bond Bank now desires to establish and implement the Year-End Program, if so requested by such Prior Qualified Entities or if deemed necessary or appropriate by the Chairman and the Executive Director of the Bond Bank, through the issuance of its Year-End Warrant Assistance Program Notes, Series 2008 (the "Notes").

NOW, THEREFORE, BE IT RESOLVED BY THE INDIANA BOND BANK THAT:

1. The establishment and implementation of the Year-End Program, with such features as may be necessary to address the needs of the Qualified Entities, to increase the efficiency and effectiveness of the Bond Bank in meeting and financing such needs and to assist the Bond Bank in paying the principal of and interest on the Prior Notes on their maturity dates, and if deemed necessary or appropriate by the Chairman and the Executive Director, is hereby determined and affirmed to be in the best interests of the Bond Bank and the Qualified Entities and to be consistent with and in furtherance of the purposes for which the Bond Bank was created and exists. The establishment and implementation of the Year-End Program, if deemed necessary or appropriate by the Chairman and the Executive Director, is hereby authorized and approved, and, in such event, the issuance and sale of the Notes are hereby authorized and approved, in an aggregate principal amount not to exceed \$800,000,000, with the Notes to be separately and independently secured from any other bonds, notes or other obligations of the Bond Bank.

2. The Chairman and the Executive Director, together with a financing team consisting of: Crowe Horwath LLP, financial advisor to the Bond Bank (the "Financial Advisor"); Bingham McHale LLP, bond counsel to the Qualified Entities; Baker & Daniels LLP, general counsel to the Bond Bank, with respect to the Year-End Program; Barnes & Thornburg LLP, bond counsel to the Bond Bank, with respect to the Year-End Program; and such other staff members, service providers, firms and other participants as may be designated by the Executive Director; are hereby authorized and directed to take any and all such actions as may be necessary, appropriate or advisable to carry out the purposes of this Resolution and the issuance

of the Notes in accordance herewith, including, without limitation, the preparation of all financing documents and instruments necessary or appropriate, with respect to the Year-End Program and the Notes.

3. The issuance of the Notes and the use of the proceeds therefrom to purchase Refunding Warrants in an aggregate principal amount not to exceed \$800,000,000 from certain Qualified Entities are hereby determined to be consistent with the public purposes set forth in the Act.

4. The Notes, if and when issued, shall be issued pursuant to the Note Indenture, dated as of December 1, 2008 (the "Indenture"), to be entered into between the Bond Bank and The Bank of New York Mellon Trust Company, N.A. (the "Trustee").

5. The Notes, if and when sold, shall be sold pursuant to the Note Purchase Contract (the "Note Purchase Contract") to be entered into between the Bond Bank and each of the purchasers of the Notes (collectively, the "Purchaser of the Notes").

6. The participation in the Year-End Program by any Qualified Entity, which submits an application and is approved by the Chairman or the Executive Director, and the purchase of Refunding Warrants from the Qualified Entities with the proceeds of the Notes are hereby approved, to the extent approved by the Chairman or the Executive Director following the review of such applications by the Financial Advisor and subject to the terms and conditions set forth in the applicable Warrant Purchase Agreement (as hereinafter defined) and all of the applicable terms and conditions established for the Year-End Program by the Bond Bank, as implemented by the Executive Director.

7. The Warrants to be issued by the Qualified Entities shall be acquired by the Bond Bank pursuant to the Warrant Purchase Agreement to be entered into between the Bond Bank and each Qualified Entity participating in the Year-End Program (the "Warrant Purchase Agreement").

8. The Notes are hereby authorized to be issued under, pursuant to and in accordance with the Act and the Indenture and are hereby authorized to be sold at a price not less than 99.25% of the par amount of the applicable series of the Notes and at a per annum interest rate not to exceed 8.00%. The proceeds of the Notes shall be delivered to the Trustee and applied by the Trustee in accordance with the Indenture.

9. The Bond Bank hereby authorizes the Chairman and the Executive Director to approve the terms of the Indenture, the Note Purchase Contract and the Warrant Purchase Agreement (including the attachments thereto) in connection with the issuance of the Notes, all as they deem necessary or appropriate to accomplish the purposes of this Resolution and the issuance of the Notes, with any such approval to be conclusively evidenced by such authorized execution of such instruments or documents.

10. The Chairman is authorized to execute and deliver and the Executive Director is authorized to attest the Notes by manual or facsimile signature and to direct the Trustee to authenticate and deliver the Notes in the manner, in the form and at the place or places requested by the Purchaser of the Notes, consistent with the terms of the Indenture.

11. On behalf of the Bond Bank, the Chairman is authorized to execute and deliver and the Executive Director is authorized to attest the Indenture, the Note Purchase Contract and the Warrant Purchase Agreements, each in substantially the form described herein, with such terms as are acceptable to the Chairman and the Executive Director as provided in Section 9 hereof.

12. The Executive Director is hereby authorized to accept from each Qualified Entity: (a) a certification and guarantee of signatures; or (b) a certification of signatures signed by the officers of the Qualified Entity who have signed the Refunding Warrants issued by such Qualified Entity, the execution of which is acknowledged by one or more notaries public.

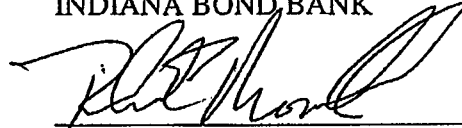
13. The Chairman and the Executive Director, together and/or individually, are hereby authorized and directed to execute such documents and instruments as may be necessary for the issuance of the Notes and the purchase of the Refunding Warrants, and the Executive Director is hereby authorized to act as the Authorized Officer required to act on behalf of the Bond Bank under the Indenture.

14. The Executive Director, together with such other staff members, service providers and firms as the Executive Director may direct, are hereby authorized and directed to use the proceeds of the Notes and other available funds, including those remaining available from the Bond Bank's advance funding programs in 2008 and prior years, to implement the Year-End Program and, if not necessary therefor, the Bond Bank's advance funding programs in 2008 and subsequent years.

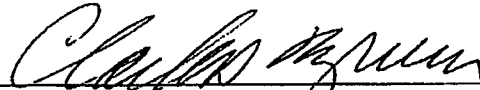
15. The Executive Director and such other staff members, service providers and firms as the Executive Director may direct, are hereby authorized and directed to take any and all other actions on behalf of the Bond Bank as may be necessary, appropriate or desirable to implement the Year-End Program and carry out the purposes of this Resolution and the issuance and sale of the Notes in accordance with the Act and the Indenture, including, without limitation, securing, to the extent deemed desirable: (a) a rating on the Notes from one or more national credit rating agencies; or (b) municipal bond insurance or any other form of credit enhancement on all or any portion of the Notes.

Approved and adopted this 13th day of November, 2008, in Indianapolis, Indiana.

INDIANA BOND BANK



Richard E. Mourdock, Chairman

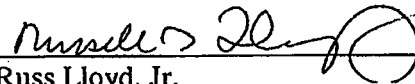


Clark H. Byrum, Vice Chairman

Jennifer M. Alvey

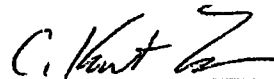


Russell Breeden, III



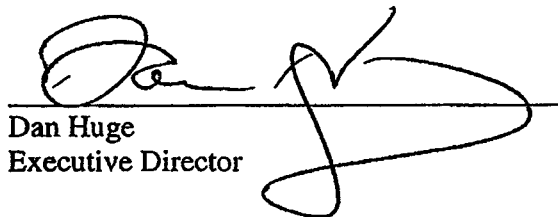
Russ Lloyd, Jr.

Marni McKinney



C. Kurt Zorn

Attest:



Dan Hoge
Executive Director

TAB 4

Indiana Bond Bank's 2008 Year-End Warrant Assistance Program

WARRANT PURCHASE AGREEMENT

between

INDIANA BOND BANK

and

CITY OF VALPARAISO, INDIANA

WARRANT PURCHASE AGREEMENT

THIS WARRANT PURCHASE AGREEMENT has been executed as of December 15, 2008, by and between the INDIANA BOND BANK (the "Bond Bank"), a public body corporate and politic organized under the laws of the State of Indiana, and the City of Valparaiso, Indiana (the "Qualified Entity"), a political subdivision of the State of Indiana (the "State").

RECITALS

1. The Bond Bank was created by and exists under the provisions of Indiana Code 5-1.5 (the "Act") for the public purposes and for the exercise of powers established and authorized therein, including the power to issue its bonds or notes and to purchase securities of qualified entities, as defined in the Act.

2. The Bond Bank has established a year-end warrant assistance program (the "Program") under which the Bond Bank will purchase tax anticipation warrants of qualified entities participating in the Program from those sources of funds that are designated by the Bond Bank (which may, but need not, include proceeds of Bond Bank program notes, if and as issued and designated by the Bond Bank for use to purchase the Warrants, as hereinafter defined, of the Qualified Entity ("Notes") for the purpose of providing funds to finance any part of the Program).

3. The Qualified Entity is a duly existing political subdivision of the State and is a "qualified entity" within the meaning of the Act, lawfully empowered to undertake all transactions and execute all documents mentioned or contemplated herein, including the issuance in accordance with the provisions of Indiana Code 36-4-6-20 of warrants in anticipation of the receipt of ad valorem taxes levied and in the course of collection (including property tax replacement revenues). Pursuant to such authority the Qualified Entity has duly authorized the issuance of (a) its taxable temporary loan tax anticipation warrants designated City of Valparaiso, Indiana Taxable Temporary Loan Tax Anticipation Time Warrants, Series 2008, and (b) in the event that cash flow shortfalls are anticipated prior to the delivery of any Notes, its interim temporary loan tax anticipation time warrants (collectively, the "Warrants").

4. In connection with the issuance of any Notes, the Bond Bank will enter into a Note Indenture (the "Indenture"), between the Bond Bank and The Bank of New York Trust Company, N.A., St. Louis, Missouri (or if The Bank of New York Trust Company, N.A. is not selected or determined by the Bond Bank at the time of the issuance of the Notes to serve as the Trustee, then to such other corporate trustee as may be specified as the Trustee in the Indenture), as Trustee (the "Trustee"), pursuant to which the Notes will be issued and all of the rights of the Bond Bank under this Agreement will be assigned to and assumed by the Trustee to secure the Notes, and thereafter to secure the Bond Bank's obligations, including the Bond Bank's obligations to any Credit Facility Provider (as hereinafter defined) to repay amounts due and owing under any Credit Facility Agreement (as hereinafter defined); provided that any purchase

of Warrants by the Bond Bank may be made from any source of funds and held under any arrangement designated by the Bond Bank (either as designated initially when they are purchased or at any time thereafter prior to their full payment), regardless of whether the Warrants are (a) held by a Trustee under an Indenture or otherwise, (b) purchased with the proceeds of Notes or from other funds made available by the Bond Bank, (c) held, pledged or assigned by the Bond Bank under any Indenture or other arrangement designated by the Bond Bank, or (d) payable to the Bond Bank as a nominal owner, servicing agent, beneficial party, registered owner, or otherwise.

5. The Bond Bank and the Qualified Entity desire to set out the terms and conditions governing the purchase of Warrants by the Bond Bank from the Qualified Entity.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the Bond Bank and the Qualified Entity hereby agree as follows:

SECTION 1. Definitions. As used in this Agreement, unless a different meaning is clearly indicated by the context, the following words will have the following definitions:

"Act" means Indiana Code 5-1.5.

"Advance Distribution" means, with respect to any fund or funds of a Qualified Entity upon which Warrants have been issued, any receipt by the Qualified Entity of tax collections (including property tax replacement revenues) from its County Auditor in advance of final settlement and distribution of such tax collections for such fund or funds.

"Agreement" means this Warrant Purchase Agreement between the Bond Bank and the Qualified Entity, as amended or supplemented from time to time.

"Auditor" or "County Auditor" means the authorized officer of the county in which the Qualified Entity is located with jurisdiction and responsibility for the remittance of tax revenues collected for the Qualified Entity.

"Authorized Official" means the duly elected or appointed Treasurer, Controller, Clerk-Treasurer, Trustee, Superintendent, Business Manager, or other authorized financial official of the Qualified Entity or, to the extent permitted by law, an authorized deputy thereof.

"Bond Bank" means the Indiana Bond Bank, established under the Act as a public body corporate and politic and an instrumentality, but not an agency, of the State.

"Business Day" means any day other than a Saturday, a Sunday, a legal holiday, or any other day on which banking institutions in Indiana and New York are authorized by law to close or to remain closed.

"Credit Facility" means any surety bond, insurance policy, letter of credit or other credit facility issued by any Credit Facility Provider pursuant to any Credit Facility Agreement.

"Credit Facility Agreement" means any agreement to provide a Credit Facility between the Bond Bank and any Credit Facility Provider (as amended and supplemented from time to time) as and if provided for in the Indenture; and in the event, no Credit Facility (and thus no Credit Facility Agreement or Credit Facility Provider) is provided for in the Indenture, then each provision herein or any other related papers referencing one shall be given force and effect in light of such circumstance and such shall not otherwise adversely affect the enforceability of this Agreement.

"Credit Facility Provider" means the issuer or issuers of any outstanding Credit Facility as determined by the Bond Bank at the time of the issuance of any Notes to secure them and as more particularly specified in any Credit Facility Agreement with the Bond Bank, and any successors and assigns.

"Fiscal Year" means, when applied to the Qualified Entity, the fiscal year of the Qualified Entity which commences on the first day of January of 2008 and terminates on the last day of December of 2008 and, when applied to the Bond Bank, the fiscal year of the Bond Bank which commences on the first day of July and terminates on the last day of June of the following calendar year.

"Indenture" means the Note Indenture, between the Bond Bank and the Trustee, as amended or supplemented from time to time, pursuant to which any Notes will be issued and rights of the Bond Bank under this Agreement will be assigned to and assumed by the Trustee to secure the Notes; provided that if any part of the Warrants are purchased by the Bond Bank from any source of funds other than proceeds of any Notes issued under such an Indenture, each such reference to an Indenture in this Agreement or any Warrant shall also mean and include each such arrangement as may from time to time be designated by the Bond Bank through which the Warrants are held, pledged or assigned by the Bond Bank, whether the Warrants are payable to the Bond Bank as a nominal owner, servicing agent, beneficial party, registered owner, or otherwise.

"Notes" means the Indiana Bond Bank program notes designated by the Bond Bank and use to purchase the Warrants of the Qualified Entity, which Notes are issued under the Indenture; provided that if any part of the Warrants are purchased by the Bond Bank from any source of funds other than proceeds of any Notes issued under such an Indenture, each such reference in this Agreement or any Warrant to (a) Notes shall also mean and include each such source of other available funds as may from time to time be designated by the Bond Bank through which the Warrants are purchased and held by the Bond Bank, whether the Warrants are payable to the Bond Bank as a nominal owner, servicing agent, beneficial party, registered owner, or otherwise, (b) proceeds of the Notes shall also mean and include such designated source of other available funds used to effectuate any such purchase of Warrants hereunder, and (c) an issuance of the

Notes shall also mean and include the time and manner designated by the Bond Bank to make any such source of other available funds available to effectuate any such purchase of Warrants hereunder.

"Opinion of Bond Counsel" means a written opinion of a nationally recognized law firm experienced in matters relating to the tax exemption of interest payable on obligations of states and their instrumentalities and political subdivisions thereof, and which is acceptable to the Bond Bank and the Trustee.

"Outstanding" or "Outstanding Warrant" means the unpaid amount of any Warrant purchased by the Bond Bank pursuant to this Agreement and not theretofore paid by the Qualified Entity.

"Program" means the year-end warrant assistance program designated by the Bond Bank and pursuant to which the Warrants of the Qualified Entity are purchased hereunder.

"Qualified Entity" means the City of Valparaiso, Indiana, a political subdivision of the State.

"Reinvestment Rate" means the greater of (a) the original interest rate on the Warrants or (b) the per annum rate equal to the defined rate or index specified for use in fixing or setting the per annum rate charged by any Credit Facility Provider for funds borrowed or advanced under any Credit Facility Agreement with the Bond Bank (and if there is more than one Credit Facility, then at a blended rate sufficient to equal the defined rate or index specified for use in fixing or setting the per annum rate charged by all such Credit Facility Providers for funds borrowed or advanced under any Credit Facility Agreement with the Bond Bank).

"Settlement for 2008 Taxes" means the receipt by the Qualified Entity of its revenues from taxes levied in 2007 (including property tax replacement revenues)(which were originally anticipated for collection in 2008 but due to reassessment and related delays are now anticipated for collection in 2009) with respect to the fund in anticipation of which each Warrant is issued.

"Settlement Payment Due Date" means the fourth Business Day following the Settlement for 2008 Taxes.

"State" means the State of Indiana.

"Trustee" means The Bank of New York Trust Company, N.A., St. Louis, Missouri (or if The Bank of New York Trust Company, N.A. is not selected or determined by the Bond Bank at the time of the issuance of the Notes to serve as the Trustee, then to such other corporate trustee as may be specified as the Trustee in the Indenture), as Trustee under the Indenture, or any successor trustee thereunder; provided that if any part of the Warrants are purchased by the Bond Bank from any source of funds other than proceeds of any Notes issued under such an Indenture, each such reference to a Trustee in this Agreement or any Warrant shall also mean and include

each such counterparty to any such arrangement as may from time to time be designated by the Bond Bank by whom the Warrants may be held, whether the Warrants are payable to the Bond Bank as a nominal owner, servicing agent, beneficial party, registered owner, or otherwise. The provisions of this Agreement shall be effective notwithstanding that the name of the Trustee may be changed (whether by corporate or charter amendment, merger or otherwise) prior to or after the date of this Agreement.

"Warrants" means the Taxable Temporary Loan Tax Anticipation Time Warrants to be dated the date of delivery thereof (or as of any date on which any outstanding warrants to be refunded with the proceeds of the Warrants were originally issued), maturing on that date which is the earlier of June 30, 2009 or the Settlement Payment Due Date and any temporary interim warrants, as set forth in Attachment A attached hereto; issued by the Qualified Entity in anticipation of the receipt of ad valorem taxes levied and in the course of collection (including property tax replacement revenues); and sold to the Bond Bank in accordance with the provisions of the Indenture and this Agreement; and any additional warrants, including refunding warrants.

Terms defined in the Indenture and not defined in this Agreement shall, for the purposes of this Agreement, have the meanings ascribed to them in the Indenture.

SECTION 2. Representations.

2.1 Representations by the Bond Bank. The Bond Bank hereby represents and warrants to the Qualified Entity that:

a. The Bond Bank is a public body corporate and politic of the State of Indiana established and existing under the Act and has full power and authority to enter into this Agreement and to perform its obligations hereunder;

b. By all required action, this Agreement and the Indenture and their respective execution and delivery have been duly adopted, authorized and approved by the Bond Bank in all respects; and

c. The execution and delivery by the Bond Bank of this Agreement and the performance by the Bond Bank of its obligations hereunder will not violate or result in a breach of any of the terms of, or constitute a default under, the Act, any indenture, mortgage, deed of trust, lease, agreement, or other instrument to which the Bond Bank is a party or by which it is bound.

2.2 Representations of the Qualified Entity. The Qualified Entity hereby represents and warrants to the Bond Bank that:

a. The Qualified Entity is a duly organized and existing political subdivision of the State and constitutes a "qualified entity" within the meaning of the Act;

b. The Qualified Entity has full power and authority to enter into this Agreement and perform its obligations hereunder;

c. By all required action, the Qualified Entity has duly authorized the execution and delivery of this Agreement;

d. The execution and delivery of this Agreement by the Qualified Entity and its performance of its obligations hereunder will not conflict with or result in a breach under or constitute a default under any indenture, mortgage, deed of trust, lease, agreement, or other instrument to which the Qualified Entity is a party or by which it is bound;

e. There is no litigation pending or, to the knowledge of the Qualified Entity, threatened that (i) challenges or questions the validity or binding effect of this Agreement or the Warrants or the authority or ability of the Qualified Entity to execute and deliver this Agreement or the Warrants and perform its obligations hereunder or thereunder, or (ii) would, if adversely determined, have a significant adverse effect on the ability of the Qualified Entity to meet its obligations under this Agreement or the Warrants;

f. Unless otherwise disclosed in writing to the Bond Bank, the Qualified Entity has not, at any time during the last 40 years, or such shorter period which constitutes the entire existence of the Qualified Entity, failed to pay when due interest or principal on, and is not now in default under, any bond, note, warrant, or other evidence of obligation or indebtedness of the Qualified Entity or any predecessor thereof;

g. Unless otherwise disclosed in writing to the Bond Bank, the Qualified Entity has, during its three most recent Fiscal Years, achieved an ad valorem property tax collection rate (including property tax replacement revenues) of at least 85% of net assessed property taxes (including property tax replacement revenues);

h. All information furnished by the Qualified Entity to the Bond Bank or any other person in connection with its participation in the Program is accurate and complete in all material respects;

i. The Qualified Entity has not purchased and will not purchase, pursuant to any arrangement, formal or informal, the Notes in an amount related to the Warrants;

j. The Qualified Entity has taken or will take all proceedings required by law to enable it to issue and sell the Warrants to the Bond Bank pursuant to this Agreement;

k. Unless otherwise disclosed in writing to the Bond Bank, the Qualified Entity has not issued any other obligations in anticipation of the receipt of ad valorem property taxes levied and in the course of collection (including property tax replacement revenues) for a fund upon which Warrants are to be issued;

1. Intentionally Omitted and Reserved;

m. There shall be levied and in the course of collection ad valorem taxes (including property tax replacement revenues) that were originally anticipated for collection in 2008 but due to reassessment and related delays are now anticipated for collection, settlement and distribution in 2009 in an amount estimated to equal at least 125% of the respective amount of the Warrants maturing on that date which is the earlier of June 30, 2009 or the Settlement Payment Due Date, and payable from the settlement and distribution; and

n. Prior to the execution and delivery of this Agreement, the Qualified Entity has filed with the Bond Bank a certificate executed by an Authorized Official of the Qualified Entity setting forth (i) the amount received or estimated to be received into each applicable fund during each month of its 2006, 2007, and 2008 Fiscal Years, (ii) the amount expended or estimated to be expended from each such applicable fund during each month of each such Fiscal Year, and (iii) the amounts representing or estimated to represent the balance in each applicable fund as of the end of each month of each such Fiscal Year.

Each of the foregoing representations and warranties will be deemed to have been made by the Qualified Entity as of the date of this Agreement and as of the date of any purchase of Warrants made by the Bond Bank hereunder.

SECTION 3. Purchase and Sale of Warrants.

3.1 Agreement to Purchase and Sell. Subject to Section 3.4 hereof, the Bond Bank hereby agrees to purchase the Warrants to be issued by the Qualified Entity maturing on that date which is the earlier of June 30, 2009 or the Settlement Payment Due Date, in the principal amounts set forth in Attachment A attached hereto, and the Qualified Entity hereby approves and agrees to issue and sell such Warrants to the Bond Bank.

In the event that the Qualified Entity has notified the Bond Bank in writing that it requires funding as a result of cash flow deficits expected to be incurred prior to December 31, 2008 (or the date on which proceeds of the Notes are expected to be disbursed to the Qualified Entity), the Qualified Entity may sell and the Bond Bank may purchase interim taxable temporary loan tax anticipation warrants in a principal amount not to exceed the principal amount of Warrants authorized to be issued and to mature on that date which is the earlier of June 30, 2009 or the Settlement Payment Due Date, for each fund. The interim warrants shall be issued and sold on substantially the same terms and conditions set forth in this Agreement for the sale and purchase of Warrants; provided, however, such interim warrants will be repaid with the proceeds of the Warrants on the date on which proceeds of the Notes are disbursed to the

Qualified Entity. If any interim warrants are purchased by the Bond Bank pursuant to this Agreement, notwithstanding the stated maturity date of the interim warrants to the contrary, the Qualified Entity agrees to cause its Warrants to be issued in an amount at least sufficient to permit it to prepay all such interim warrants (including interest thereon) as otherwise provided for herein.

The term "Warrants" as used in this Agreement shall be deemed to include the temporary interim warrants and any refunding warrants to the extent applicable.

3.2 Terms of Purchase. The Warrants shall be purchased at a price equal to 100% of the par value thereof, together with pre-issuance accrued interest in the event that the Bond Bank directs that the Warrants are to be dated as of a date prior to the date of their issuance (which accrued interest shall be stated on the face of the Warrants as a fixed amount or as an additional interest rate applicable from their dated date to their issuance date). The terms of the Warrants shall be set forth in the resolution or ordinance of the Qualified Entity authorizing the issuance and sale of the Warrants to the Bond Bank, and the form of the Warrant shall be substantially in the form set forth in Attachment B attached hereto. The Warrants shall bear interest prior to their due date or dates at the per annum rate or rates determined by the Bond Bank and to be set forth on Attachment A attached hereto, prior to the date of issuance and delivery of the Warrants to the Bond Bank, with such rates not to exceed 6.5% per annum. Interest on the Warrants shall be computed on the basis of a 360-day year comprised of twelve 30-day months. To the extent permitted by law and in accordance with Section 3.5 of this Agreement or otherwise by the determination of the Bond Bank, any Warrant upon which principal and interest at its stated rate is not paid on or before the due date shall bear interest on such past due principal and accrued interest at the Reinvestment Rate thereafter until paid.

3.3 Method of Payment. The Bond Bank shall make payment for the Warrants purchased by it pursuant to this Agreement by causing the Trustee to make payment therefor to the Qualified Entity from the Warrant Purchase Account established for the Qualified Entity within the Warrant Purchase Fund under the Indenture.

3.4 Closing on Warrants. The purchase and sale of the Warrants shall be consummated by 12:00 noon on or before December 31, 2008 (with the exact date to be fixed by the Bond Bank with four days prior notice to the Qualified Entity), or such later date and time, and at a location, agreed upon by the Bond Bank, the Qualified Entity, and the Trustee; provided, however, if the Bond Bank does not execute a note purchase agreement for the sale of the Notes prior to, and/or deliver the Notes and receive payment therefor (or otherwise designate a source of funds as being available to purchase the Warrants hereunder), on or before, December 31, 2008, or if the Qualified Entity has not taken all actions and received all approvals required by the laws of the State for the issuance and sale of the Warrants, then the Bond Bank may rescind this Agreement by giving written notice to the Qualified Entity.

3.5 Payment of Warrants. (a) Prior to the due date of the Warrants, the Trustee will give notice to the Authorized Official that payment is due thereon; provided, that any failure by the

Trustee to give such notice shall not relieve the Qualified Entity of its obligation to repay its Warrants when due. In any event, the Trustee shall present Warrants for payment on or before their respective due date, which shall be that date which is the earlier of June 30, 2009 or the Settlement Payment Due Date. The Qualified Entity agrees to provide for the timely payment of the principal and interest on the Warrants in funds that are received by and available for immediate transfer or investment by the Trustee on or before 12:00 noon, Indianapolis time, on the due date. After 12:00 noon, Indianapolis time, on the due date, the total amount due and owing on the Warrants on the due date (unpaid principal and accrued interest to such due date) will bear interest at the Reinvestment Rate until paid in full.

(b) The Qualified Entity may prepay any Warrant at any time prior to June 30, 2009 upon giving the Trustee at least four (4) Business Days prior notice. Interim warrants, if any, may be prepaid with the proceeds of Warrants as described in Section 3.1 hereof.

(c) In the event the Settlement for 2008 Taxes shall occur in more than one installment to the Qualified Entity to be made after December 31, 2008, following its receipt of each such installment, the Qualified Entity shall (1) notify the Bond Bank within two (2) Business Days following its receipt of each such installment of the amount so received and (2) be obligated to prepay the Warrants issued in anticipation of the Settlement for 2008 Taxes in the amounts, on the date or dates, and in respect of the respective Warrants as may be determined by the Bond Bank in a notice to the Qualified Entity; provided the aggregate amount of each such prepayment of the Warrants shall not exceed the aggregate amount of each such respective installment received by the Qualified Entity. Upon the giving of the notice of prepayment in accordance with this subsection, unless otherwise consented to by the Bond Bank, such Warrants (including the interest thereon) of the Qualified Entity shall be due and payable on the prepayment date to which such notice relates.

3.6 Request for Advance Distributions. The Qualified Entity shall, not later than May 15, 2009 (or if sooner, forty-five (45) days prior the anticipated date for the remaining distribution of taxes originally anticipated for collection in 2008 but due to reassessment and related delays are now anticipated for collection in 2009), submit a request in the form attached hereto as Attachment C and in accordance with Indiana law to the County Treasurer for an Advance Distribution of not less than ninety-five percent (95%) of the tax collections (including property tax replacement revenues) for each fund in anticipation of which its Warrants have been issued and sold to the Bond Bank under the Program.

3.7 Receipt of Advance Distributions. In the event the Qualified Entity receives an Advance Distribution from the Auditor or other moneys in lieu thereof, and the total of all Advance Distributions or other moneys in lieu thereof received exceeds five percent (5%) of the total taxes in anticipation of which the Warrants were issued, and the Qualified Entity does not prepay the amount due and owing on the Warrant pursuant to Section 3.5 above, then the Qualified Entity shall invest such amounts from the date of receipt of such amounts until the date of disbursement of such amounts for payment of Outstanding Warrants, in investments which (i) mature no later than that date which is the earlier of June 30, 2009 or the Settlement Payment

Due Date, and are limited solely to interest-bearing time deposits or certificates of deposit of any bank, trust company or national banking association which is a member of the Federal Reserve System and which is designated as a depository under and a participant in the Public Deposits Insurance Fund of the State of Indiana; or (ii) have been approved by the Bond Bank.

SECTION 4. Further Conditions and Limitations.

4.1 Documents Required for Closing. Prior to the purchase by the Bond Bank of any Warrants, the Trustee shall have the opportunity to review, with respect to the Qualified Entity, each of the following:

- a. A certificate, executed by the Authorized Official, stating:
 - i. Intentionally Omitted and Reserved;
 - ii. The amount of taxes (including property tax replacement revenues) estimated by the Auditor or the Indiana Department of Local Government Finance to be levied and collected during the 2008 calendar year (but which due to reassessment and related delays, are now anticipated for collection, settlement and distribution in 2009) for each of the funds of the Qualified Entity for which Warrants are to be issued; and
 - iii. That the Qualified Entity (A) has duly, regularly, and properly adopted a budget for the 2008 Fiscal Year setting forth expected revenues and probable expenditures, (B) has complied with all statutory and regulatory requirements with respect to the adoption of such budget, and (C) will expend the proceeds of the Warrants for lawful purposes provided for in such budget;
- b. A copy of the final budget order, or if such final budget order is not available, then the most current preliminary budget order, of the Indiana Department of Local Government Finance setting forth the annual budgets for each of the funds of the Qualified Entity for which Warrants are to be issued;
- c. A copy of the resolution(s) or ordinance(s) of the Qualified Entity authorizing the issuance of such Warrants thereunder and appropriating and pledging funds for their repayment, certified by an authorized officer of the Qualified Entity, or extracts so certified from the minutes of the meeting of the Qualified Entity at which such resolution(s) or ordinance(s) were adopted, setting forth such resolution(s) or ordinance(s) in full;
- d. An Opinion of Bond Counsel, in form and substance acceptable to the Bond Bank and the Trustee, to the effect that the Warrants have been duly and validly issued, represent valid and binding obligations of the Qualified Entity under Indiana law;

e. A signed copy of the opinion or certificate of counsel to the Qualified Entity substantially in the form set forth in Attachment D attached hereto;

f. A copy of the transcript of proceedings in which the Qualified Entity has authorized the issuance and sale of the Warrants to the Bond Bank; and

g. All other certificates, opinions, or documents reasonably required by the Bond Bank or bond counsel for the Bond Bank, including without limitation, a certificate or certificates pertaining to the accuracy and completeness of information regarding the Qualified Entity and the Warrants provided by the Qualified Entity to the Bond Bank in connection with the purchase of the Warrants by the Bond Bank.

4.2 Additional Limitation. (a) Notwithstanding any other provision of this Agreement, the aggregate amount of Warrants issued and sold hereunder shall not exceed amounts authorized to be issued by the Qualified Entity pursuant to Indiana law.

(b) Notwithstanding any other provision of this Agreement, the Bond Bank shall not be obligated to purchase any Warrant of the Qualified Entity if the Bond Bank is then in default or in violation or breach of any covenant or agreement under the Indenture or if such purchase would cause the Bond Bank to be in default, violation or breach of any covenant or agreement under the Indenture.

SECTION 5. Agreements by Qualified Entity.

5.1 Consent by Qualified Entity. The Qualified Entity consents and agrees to the assignment and pledge by the Bond Bank of Warrants, all payments on the Warrants, and all rights of the Bond Bank under this Agreement, to the Trustee under the provisions of the Indenture to secure the Notes, and thereafter to any Credit Facility Provider under the provisions of any Credit Facility Agreement.

5.2 Valid and Binding Obligations. The Qualified Entity shall issue all Warrants to be purchased by the Bond Bank in compliance with the statutes of the State so that such Warrants will be the valid, binding and enforceable obligations of the Qualified Entity for the payment of the sums set forth therein from the funds pledged to their payment.

5.3 Form of Warrants. The Qualified Entity shall issue Warrants which are to be purchased by the Bond Bank in a form which shall be in compliance with the statutes of the State and substantially in the form set forth in Attachment B attached hereto with appropriate modifications for the type of political subdivision represented by the Qualified Entity.

5.4 Pledge. The Qualified Entity has appropriated and pledged to the payment of the Warrants issued with respect to each Fund, including interest and all necessary costs incurred in connection with the issuance and sale of the Warrants, a sufficient amount of the taxes, levied for

2007, and in the course of collection in 2008 (including property tax replacement revenues) (which were originally anticipated for collection in 2008 but due to reassessment and related delays are now anticipated for collection in 2009), for such Fund and in anticipation of which the Warrants have been issued, for the punctual payment of the principal of and interest on the Warrants evidencing such temporary loans, together with such issuance costs, if any, subject to the application of the tax revenues to be received in the respective Fund to any long term lease or debt obligations due contemporaneously with such Warrants; provided that the appropriation of moneys to the repayment of Warrants shall not cause the Qualified Entity to violate the provisions of Indiana law or any contract, grant or other agreement to which the Qualified Entity is a party; provided further that as a condition to participation in the Program, the Qualified Entity represents, that upon issuance of the Warrants, it will have no warrants issued in anticipation of the Settlement for 2008 Taxes (as defined in the Agreement) for any fund against which a Warrant is issued other than the Warrants issued pursuant to this Agreement (or other warrant arrangements consented to in writing by the Bond Bank in its discretion) remain outstanding, and the Warrants shall not in any respect to be subject to the prior payment of any outstanding warrants. The Qualified Entity covenants and agrees that it shall, if it fails to make any payment required herein when due, promptly undertake all actions, including the issuance of warrants to refund the unpaid Warrants: (i) which are necessary to cure such nonpayment, (ii) the proceeds of which are legally available to cure such nonpayment, and (iii) which do not, in the opinion of bond counsel, cause any of the Warrants to be considered debt of the Qualified Entity within the meaning of Article 13, Section 1 of the Indiana Constitution or laws of the State of Indiana.

5.5 Prohibitions Against Certain Other Borrowing. Notwithstanding any other provision of this Agreement to the contrary, for so long as any Warrant which has been issued in anticipation of revenues of a fund remains outstanding, the Qualified Entity shall not, without the consent of the Bond Bank and any Credit Facility Provider, issue any warrant or comparable obligation for the then-current or next-following Fiscal Year in anticipation of the Settlement for 2008 Taxes. Nothing in this Agreement shall restrict the issuance of any warrants by the Qualified Entity during 2009 so long as they are not issued in anticipation of the Settlement for 2008 Taxes.

5.6, 5.7 and 5.8 Intentionally Omitted and Reserved Section Numbers.

5.9 Remedies of the Bond Bank. The Qualified Entity acknowledges and agrees that, in the event of the Qualified Entity's default on any of its obligations hereunder or under any Warrant, the Bond Bank (and any Credit Facility Provider under the provisions of any Credit Facility Agreement, to the extent that amounts are owed to any Credit Facility Provider under any Credit Facility Agreement) shall have any and all remedies available at law or in equity for the enforcement of such obligation, including without limitation and subject to the condition that the same shall not affect the validity of the Warrants, the remedies set forth in the Act. The Qualified Entity further covenants and agrees that, in the event that any default on the payment of principal of or interest on a Warrant is attributable to or arises from an action or omission by a third party, governmental official, or other entity in failing to pay over taxes to or collected by

the Qualified Entity, thereby giving rise to a cause of action in law or at equity against such third party, official, or entity, the Qualified Entity will diligently prosecute such cause of action in its own name or, at the option of the Bond Bank (and any Credit Facility Provider under the provisions of any Credit Facility Agreement, if amounts are owed to any Credit Facility Provider under any Credit Facility Agreement), and to the extent permitted by law, assign to the Bond Bank (and any Credit Facility Provider under the provisions of any Credit Facility Agreement, if amounts are owed to any Credit Facility Provider under any Credit Facility Agreement), the right to pursue such cause of action in the name of the Qualified Entity.

5.10 Additional Costs Imposed on the Qualified Entity. The Qualified Entity acknowledges that the Bond Bank is authorized under the Act to collect from qualified entities certain fees and charges for its services and that qualified entities are empowered under the Act to contract for and to pay such fees and charges. The Qualified Entity agrees to pay to the Bond Bank an amount, if any, equal to all costs and expenses incurred by or on behalf of the Bond Bank from time to time, including, but not limited to, the costs and expenses associated with (a) failure to sell all or any portion of the Warrants to the Bond Bank in accordance with Section 3.1 hereof; (b) arbitrage rebate compliance; (c) failure or delay of the payment of principal of or interest on the Warrants when due; or (d) failure by the Qualified Entity to comply with any of the provisions of this Agreement; and any and all such amounts shall be treated as fees of the Bond Bank for its services pursuant to Indiana Code 5-1.5-8-3. In addition, the Qualified Entity shall be responsible for payment to the Bond Bank of its allocable portion of all fees and expenses attributable to a request for payment under any Credit Facility Agreement (as defined in the Warrant Purchase Agreement) resulting from a failure by the Qualified Entity to pay in full the principal of and interest on the Warrants on the due date.

5.11 Intentionally Omitted and Reserved Section Number.

5.12 Refunding of Warrants. The Qualified Entity shall promptly apply the proceeds of the Warrants, or other legally available monies, as are required to provide for the payment of all outstanding warrants (including interest thereon) with any maturity date on or before December 31, 2008 related to any fund against which a Warrant has been issued, no later than as of and upon receipt of the proceeds from the issuance of the Warrants.

SECTION 6. Miscellaneous.

6.1 Supplemental Agreements. The Bond Bank and the Qualified Entity may enter into an agreement or agreements supplemental to this Agreement as shall not be inconsistent with the terms and provisions hereof.

6.2 Effect of Breach. Failure on the part of the Bond Bank in any instance or under any circumstance to observe or perform fully any obligation assumed by or imposed upon the Bond Bank by this Agreement or by law shall not make the Bond Bank liable in damages to the Qualified Entity or relieve the Qualified Entity from paying any Warrant or fully performing any other obligation required of it under this Agreement; provided, however, that the Qualified Entity

may have and pursue any and all other remedies provided by law for compelling performance by the Bond Bank of such obligation assumed by or imposed upon the Bond Bank.

6.3 Execution of Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be executed by the Bond Bank and by the Qualified Entity, and all of which shall be regarded for all purposes as one original and shall constitute one and the same instrument.

6.4 Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Agreement on the part of the Bond Bank or the Qualified Entity to be performed shall be deemed by a court of competent jurisdiction to be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements and shall in no way affect the validity of the other provisions of this Agreement.

6.5 Notices. All notices, filings, and other communications shall be sent by first class mail, postage prepaid, addressed as follows:

To the Bond Bank:

Indiana Bond Bank
2980 Market Tower
10 West Market Street
Indianapolis, Indiana 46204-2982
Attention: Executive Director

To the Qualified Entity:

City of Valparaiso, Indiana
166 W. Lincolnway
Valparaiso, Indiana 46383
Attention: Financial Officer

To the Trustee at the address as specified in the Indenture.

To each Credit Facility Provider at the address as specified in any Credit Facility Agreement.

6.6 Expenses. Except to the extent, if any, that the Bond Bank has agreed and arranged to pay any or all of such costs, the Qualified Entity covenants and agrees to pay the costs and expenses of providing the necessary certificates, documents and opinions required to be delivered hereunder, and any and all costs, including attorneys' fees, incurred by the Bond Bank in connection with the enforcement of this Agreement in the event of a breach of or default under this Agreement by the Qualified Entity.

6.7 No Waiver. Any failure by either the Bond Bank or the Qualified Entity to exercise any right or to enforce any provision of this Agreement or of the Warrants, in the event of a breach or default by the other party, shall not be deemed to be a waiver, or to prevent or limit the subsequent exercise, of such right or the enforcement of such provision for the same or any other breach or default unless a written waiver of such right is signed by the party having such right or, in the case of a breach or default, the party to whom the duty is owed.

6.8 Applicable Law. This Agreement shall be construed in accordance with and governed by the applicable laws of the State of Indiana.

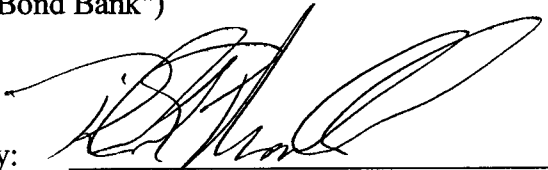
6.9 Term. This Agreement shall terminate at such time as the Qualified Entity has fully met and discharged all of its obligations hereunder.

6.10 Entire Agreement. This Agreement constitutes the entire agreement between the Bond Bank and the Qualified Entity with respect to the subject matter herein contained and supersedes any and all other negotiations, understandings or agreements between the parties, oral or written.

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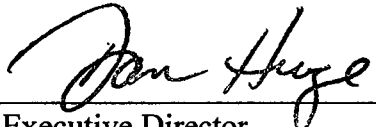
IN WITNESS WHEREOF, the Bond Bank and the Qualified Entity have caused this Agreement to be signed and attested by their respective duly authorized officers, all as of the day and year first above written.

INDIANA BOND BANK
("Bond Bank")

By: 

Its Chairman

ATTEST:


Its Executive Director

CITY OF VALPARAISO, INDIANA
("Qualified Entity")

By: 

Its Mayor

ATTEST:


Its Clerk-Treasurer

ATTACHMENT A
TO WARRANT PURCHASE AGREEMENTCITY OF VALPARAISO, INDIANA
INDIANA BOND BANK'S 2008 YEAR-END FUNDING PROGRAM
SCHEDULE OF WARRANT MATURITIES AND INTEREST RATES

Fund	Principal Amount of Warrants, maturing June 30, 2009 ~
General	\$3,452,925

~ that date which is the earlier of June 30, 2009 or the Settlement Payment Due Date.

	Interest Rate
Warrants, Series 2008	3.25%

Dated Date of, and "Closing Date" for, Warrants: December 31, 2008.

The undersigned has reviewed the principal amount(s) and interest rate set forth in the schedule above and hereby acknowledges that the Qualified Entity will issue its Warrants in the respective principal amounts and at the respective interest rates set forth above. The undersigned has informed all officers, attorneys and officials that have signed the closing papers related to the Warrants about the date that has been fixed as the closing date (the "Closing Date" for the referenced Warrants), which date is set forth above; all such certifications and deliveries are deemed to be made and given by them in connection with the issuance of the referenced Warrants as of such closing date and any such certificates are deemed dated to reflect that date. By facsimile or other transmission of this signed schedule to Bond Counsel in connection with the issuance of the referenced Warrants, the Qualified Entity approves such terms and authorizes the delivery of the originally signed papers to the Bond Bank.

CITY OF VALPARAISO, INDIANA

By: Sharon Emerson Sothart

Printed Name: Sharon Emerson Sothart

Title: Clerk - Treasurer

ATTACHMENT B
TO WARRANT PURCHASE AGREEMENT

**[FORM OF WARRANT]
UNITED STATES OF AMERICA**

STATE OF INDIANA

COUNTY OF PORTER

CITY OF VALPARAISO, INDIANA

**TAXABLE TEMPORARY LOAN TAX ANTICIPATION TIME WARRANT,
SERIES 2008 __**

Warrant Fund: _____ Fund
Dated Date: _____, 2008
Due Date: _____, 2009
Principal Sum: \$ _____
Interest Rate: _____ percent per annum

FOR VALUE RECEIVED, on or before the Due Date set forth above (the "Due Date"), the City of Valparaiso, Indiana (the "Issuer"), shall pay to the Indiana Bond Bank (the "Bond Bank") the Principal Sum set forth above pursuant to a certain Warrant Purchase Agreement between the Bond Bank and the Issuer, dated as of December 15, 2008 (the "Agreement"). This Warrant is issued in anticipation of the Settlement for 2008 Taxes (as defined in the Agreement).

In addition, the Issuer on the Due Date hereof shall pay to the Bond Bank interest at the per annum Interest Rate set forth above pursuant to the Agreement, with such interest to be computed on the basis of a 360-day year comprised of twelve 30-day months. In the event that the principal of and interest on this Warrant are not paid in full to the Bond Bank at the principal corporate trust office of the Trustee (as defined in the Agreement) in immediately available funds on or before 12:00 noon (Indianapolis time) on the Due Date, the total amount due and owing on the Due Date (the unpaid principal and accrued interest to the Due Date) shall thereafter bear interest at the per annum rate equal to the Reinvestment Rate (as defined in the Agreement) until paid. In addition, the Issuer shall pay to the Bond Bank its allocable portion of all fees and expenses attributable to a request for payment under any Credit Facility Agreement (as defined in the Agreement) resulting from a failure by the Issuer to pay in full the principal of and interest on this Warrant on the Due Date.

All payments of principal and interest to be made by the Issuer to the Bond Bank shall be made by paying the amount due in funds that are available for immediate transfer or investment on or before 12:00 noon (Indianapolis time) on the payment date to the Trustee in St. Louis, Missouri (or to such other place of payment as may be specified in notice given by the Trustee or Bond Bank). The Issuer reserves the right to prepay this Warrant at any time prior to the Due Date upon giving the Trustee at least four (4) Business Days prior notice.

This Warrant evidences a temporary loan to provide funds to meet current expenses of the Warrant Fund set forth above (the "Fund") and has been authorized by an ordinance passed and adopted by the Common Council of the City of Valparaiso, Indiana, in accordance with Indiana Code 36-4-6-20 and all other acts amendatory thereof or supplemental thereto.

This Warrant is issued in anticipation of the tax levy which has been made for the Fund in the year 2007, which tax levy is now in the course of collection (including property tax replacement revenues) (which was originally anticipated for collection in 2008 but due to reassessment and related delays are now anticipated for collection in 2009). There has been irrevocably appropriated and pledged to the payment in full of the principal of and interest on this Warrant a sufficient amount of the revenues to be derived from the Fund tax levy (including property tax replacement revenues), subject to the application of the tax revenues to be received in the Fund to any long term lease or debt obligations due contemporaneously with such Warrants; provided that the appropriation of moneys to the repayment of Warrants shall not cause the Issuer to violate the provisions of Indiana law or any contract, grant or other agreement to which the Issuer is a party; provided further that as a condition to participation in the Program, the Issuer represents, that upon issuance of this Warrant, it will have no warrants issued in anticipation of the Settlement for 2008 Taxes (as defined in the Agreement) for the Fund other than this Warrant (or other warrant arrangements consented to in writing by the Bond Bank in its discretion) remain outstanding, and this Warrant shall not in any respect to be subject to the prior payment of any outstanding warrants. The principal amount of all Warrants maturing on the Due Date and payable from the Fund does not exceed eighty percent (80%) of the 2008 annual budget levy for the Fund (including property tax replacement revenues), as certified by the Indiana Department of Local Government Finance, that remains in the course of collection as of the issuance date of this Warrant.

It is further hereby certified, recited, and declared that all acts, conditions, and things required by law precedent to the issuance and execution of this Warrant have been properly done, have happened, and have been performed in the manner required by the constitution and statutes of the State of Indiana relating thereto; that the Fund tax levy (including property tax replacement revenues) from which (together with other amounts in the Fund) this Warrant is payable is a valid and legal levy; and that the Issuer will reserve a sufficient amount of the proceeds of the Fund tax levy (including property tax replacement revenues) currently in the course of collection for the timely payment of the principal of and interest on this Warrant in accordance with its terms.

IN WITNESS WHEREOF, the City of Valparaiso, Indiana, has caused this Warrant to be executed in its corporate name by the Mayor of the City of Valparaiso, Indiana and attested by the Clerk-Treasurer of the City of Valparaiso, Indiana, all as of the above Dated Date.

CITY OF VALPARAISO, INDIANA

By: _____
Its Mayor

ATTEST:

Its Clerk-Treasurer

1351149

ATTACHMENT C
TO WARRANT PURCHASE AGREEMENT

FORM OF REQUEST FOR ADVANCE DISTRIBUTION

_____, 2009

Porter County Treasurer

_____, Indiana _____

Dear _____:

On behalf of the City of Valparaiso, Indiana, I hereby request pursuant to Indiana Code 5-13-6-3(b) that the Porter County Treasurer advance to the [list names of Funds] (the "Fund[s]") of the City of Valparaiso, Indiana the taxes collected for the remaining distribution of taxes in the course of collection (which were originally anticipated for collection in 2008 but due to reassessment and related delays are now anticipated for collection in 2009) to the Fund[s] in an amount equal to the lesser of (1) 95% of the total amount currently collected for the Fund[s], or (2) 95% of the amount to be distributed to the Fund[s] at the remaining distribution of taxes in the course of collection (which were originally anticipated for collection in 2008 but due to reassessment and related delays are now anticipated for collection in 2009). Please notify the Porter County Auditor of the amount to be advanced.

Please do not hesitate to contact the undersigned if you have any questions.

Very truly yours,

[Fiscal Officer of
Qualified Entity]

cc: Indiana Bond Bank

ATTACHMENT D
TO WARRANT PURCHASE AGREEMENT

FORM OF CERTIFICATE OF COUNSEL TO THE QUALIFIED ENTITY

- (i) The Qualified Entity is a duly constituted political subdivision of the State of Indiana, validly existing under the constitution and statutes of the State of Indiana, and has the power and authority to carry out and consummate all transactions to issue the warrant(s).
- (ii) All actions, resolutions, and ordinances adopted by the **[Name of Governing Body]** relating to the warrant(s), including without limitation, the resolution(s) or ordinance(s) authorizing the issuance of the warrant(s), and all related proceedings comply with all laws of the State of Indiana, including without limitation, the Indiana Open Door Law, and all ordinances, resolutions, by-laws, rules, and regulations of the Qualified Entity and the **[Name of Governing Body]**, and none of the proceedings had or actions taken with regard to the warrants have been repealed, rescinded or revoked.
- (iii) To the best of my knowledge, as of the date of this certificate, no notice has been received by the Qualified Entity and no litigation has been filed or threatened in any way affecting the corporate existence, legal capacity, or boundaries of the Qualified Entity, or the title of any of the officers of the Qualified Entity or the **[Name of Governing Body]**; relating to the resolution(s) or ordinance(s) authorizing the issuance of the warrant(s), the Warrant Purchase Agreement, the proceedings of the **[Name of Governing Body]** with respect to the warrant(s) or the Warrant Purchase Agreement, the authorization and issuance of the warrant(s), or the sale and delivery of the warrant(s) to the Indiana Bond Bank pursuant to the Warrant Purchase Agreement; or contesting the power or authority of the Qualified Entity with respect to the warrants or the Warrant Purchase Agreement.
- (iv) I have reviewed the warrant(s) and all certificates of any or all of the officers and officials of the Qualified Entity executed and delivered in connection with the warrant(s), and nothing has come to my attention that would render the representations in any such certificate untrue, inaccurate or in any way misleading, and I hereby certify that the signatures contained therein are the true, genuine and correct signatures of the persons who have executed the warrant(s).
- (v) The warrant(s) has (have) been duly authorized, executed, and delivered by the Qualified Entity in accordance with the laws of the State of Indiana and constitute(s) (a) valid and binding obligation(s) of the Qualified Entity enforceable in accordance with its terms, subject to bankruptcy laws, insolvency laws, and other laws affecting creditors' rights.
- (vi) The Warrant Purchase Agreement has been duly authorized, executed, and delivered by the Qualified Entity and (assuming the due authorization, execution, and delivery by the Indiana Bond Bank) constitutes a valid and binding obligation of the Qualified Entity enforceable in accordance with its terms, subject to bankruptcy laws, insolvency laws, and other laws affecting creditors' rights.

TAB 5

**CITY OF VALPARAISO, INDIANA
GENERAL CERTIFICATE**

This Certificate is delivered on behalf of the City of Valparaiso, Indiana (the "Issuer") by the undersigned officers or officials (hereafter each referred to as an "officer") of the City of Valparaiso, Indiana in connection with the issuance of its Taxable Temporary Loan Tax Anticipation Time Warrants, Series 2008 YE (the "Warrants"), of the Issuer under and pursuant to the Ordinance (as hereinafter defined) and a Warrant Purchase Agreement between the Issuer and the Indiana Bond Bank (the "Bond Bank") dated as of December 15, 2008 (the "Agreement"). As one of the inducements for the Bond Bank to purchase the Warrants and enter into the Agreement, the Issuer hereby certifies, warrants, and represents, with respect to the Warrants issued on the date hereof, as follows:

1. That the undersigned officers are duly qualified officers of the Issuer authorized to execute and deliver this Certificate on behalf of the Issuer and, as such, are familiar with the books and records of the Issuer and the proceedings of the Common Council of the Issuer (the "Fiscal Body") relating to the authorization, issuance, sale, and delivery of the Warrants.

2. That the undersigned were on the date of execution of the Warrants and are on the date hereof the duly qualified and acting incumbents of the offices set forth below their respective signatures, and the signatures appearing are the true and genuine signatures of such officers. The persons signing the Agreement, including all exhibits and schedules thereto, were, on the execution thereof, the duly qualified and acting incumbents of the offices set forth below their respective signatures, and the signatures appearing thereon are the true and genuine signatures of such persons.

3. That the transcript (the "Transcript") to which this Certificate is attached contains a full, true, complete, and correct copy of all proceedings had by the Fiscal Body, including a full, true, complete, and correct copy of an ordinance adopted by the Fiscal Body, authorizing the making of temporary loans for the General Fund and the issuance and sale of the Warrants (the "Ordinance"), and the related minutes of the meeting of the Fiscal Body held on the date of the Ordinance was adopted, and all other proceedings in any way relating to the authorization, issuance, and sale of the Warrants.

4. That all actions taken by the Fiscal Body concerning the issuance and sale of the Warrants were taken at meetings open to the public which complied in all respects with Indiana Code 5-14-1.5. No such actions were taken by secret ballot or by reference to agenda number or item only. The agenda was posted at the entrance to the meeting room.

5. That notice of regular meetings was given (i) by mailing an appropriate notice to news media (which delivered by the first day of January of such year, an annual written request for such notices for the calendar year), and (ii) by posting such notice as required pursuant to Indiana Code 5-14-1.5; and that notice of special meetings was given

(a) by mailing or other personal delivery, not less than forty-eight (48) hours (excluding Saturdays, Sundays, and legal holidays) prior to the meeting, to each member of the Fiscal Body and to each of the above described news media, and (b) by posting, not less than forty-eight (48) hours (excluding Saturdays, Sundays, and legal holidays) prior to the meeting, at the principal office of the agency or at the building at which the meeting is to be held.

6. That all of the proceedings shown in the Transcript have been duly recorded in the permanent record of the Issuer.

7. That the Ordinance, as contained in the Transcript, was duly adopted by the Issuer at a duly called meeting of its Fiscal Body and that at such meeting a quorum was present and acting throughout; and the Ordinance is in full force and effect, constitutes the legal and binding action of the Issuer and has not been altered, amended, rescinded, or repealed as of the date hereof.

8. That the Issuer has duly, regularly, and properly adopted a budget for the fiscal year ending on the last day of December 2008, which budget sets forth expected revenues and probable expenditures of the Issuer; that the Issuer has complied with all statutory and regulatory requirements with respect to the adoption of such budget; and that the Issuer will expend the proceeds of the Warrants for lawful purposes provided for in the budget.

9. That the Indiana Department of Local Government Finance, pending the final certifications of assessed valuations and tax rates, has estimated or certified that the rates of taxation for the respective Funds is expected to produce net local property tax revenues (including property tax replacement revenues), now in the course of collection in 2008 (which were originally anticipated for collection in 2008 but due to reassessment and related delays are now anticipated for collection in 2009), in total amounts set forth in the estimate or, if available, the certification from the County Auditor and/or the Department of Local Government Finance contained in the Transcript.

10. That except as otherwise disclosed to the Bond Bank in writing within fifteen (15) days prior to the date of this Certificate, there are no outstanding taxable temporary loan tax anticipation warrants with respect to the Funds of the Issuer other than warrant arrangements consented to in writing by the Bond Bank in its discretion.

11. Intentionally Omitted and Reserved Section Number.

12. That sufficient moneys will be available in the respective Funds of the Issuer from taxes levied for collection in 2008 (including property tax replacement revenues)(which were originally anticipated for collection in 2008 but due to reassessment and related delays are now anticipated for collection in 2009) and will be available for payment of principal of and interest on the Warrants.

13. That the officers, in their official capacities, which signed the Warrants were duly authorized to sign the Warrants as required and such Warrants evidence temporary loans for the use and benefit of the Funds of the Issuer, maturing on the dates and in the principal amounts set forth in Attachment A to the Agreement.

14. That the officers, in their official capacities, which signed the Warrants, did by manual or facsimile signature execute the Warrants, and the Warrants have this day been lawfully issued, sold, and delivered by the Issuer to the Bond Bank.

15. No notice has been received by the Issuer and no litigation has been filed or threatened in any way affecting the corporate existence, legal capacity, or boundaries of the Issuer; challenging the title of any of the officers of the Issuer or the Fiscal Body; relating to the Ordinance, the Agreement, the proceedings of the Fiscal Body with respect to the Warrants or the Agreement, the authorization and issuance of the Warrants, or the sale and delivery of the Warrants to the Bond Bank pursuant to the Agreement; or contesting the powers or authority of the Issuer with respect to the Warrants or the Agreement.

16. That all information provided by the Issuer on any application, including any attachments or correspondence related thereto, heretofore delivered to the Bond Bank in connection with the Issuer's participation in the Program (as defined in the Agreement), all of which is incorporated herein by reference, is accurate and complete in all material respects, except as otherwise indicated in writing to the Bond Bank by the Issuer prior to the date hereof.

17. Intentionally Omitted and Reserved Section Number.

18. That the Issuer has taken all actions and adopted such ordinances as are necessary to approve the issuance of the Warrants and that no approvals, consents, or authorizations of or by any governmental or public agency, authority, or person not already obtained are required by the Issuer in connection with the issuance and sale of the Warrants or the execution, delivery, or performance of the Agreement.

19. That the Issuer had and has full legal right, power, and authority (a) to adopt the Ordinance; (b) to enter into the Agreement; (c) to issue, sell, and deliver the Warrants; and (d) to carry out and consummate all other transactions contemplated by each of the aforesaid documents; and that the Issuer has complied with the provisions of Indiana Code 36-4-6-20 and all other acts amendatory thereof or supplemental thereto (the "Act"), pursuant to which the Warrants are issued, and Indiana Code 5-1.5 (the "Bond Bank Statute"), pursuant to which the Warrants are delivered and sold to the Bond Bank, in all matters relating to such transactions.

20. That the Issuer is not subject to any restrictions on investments of the fund or funds for which the Warrants have been issued by ordinance, resolution, indenture, or otherwise other than those restrictions contained in the Agreement and in the laws of the State of Indiana that are applicable to all governmental entities of the same classification as the Issuer.

21. That the Issuer has duly authorized the execution, delivery, and due performance under the Agreement and the taking of all such further action as may be required on the part of the Issuer to give effect to the Agreement and to consummate the transactions contemplated thereby.

22. That the Agreement has been duly authorized, executed, and delivered and constitutes a legal, valid, and binding obligation of the Issuer enforceable in accordance with its terms, except as may be limited by bankruptcy, reorganization, or other similar laws and equitable principles of general application relating to the enforcement of creditors' rights generally.

23. That, when delivered to and paid for by the Bond Bank, the Warrants will have been duly authorized, executed, issued, and delivered and will constitute the legal, valid, and binding obligations of the Issuer of the character referred to in the Act, in conformity therewith and with the Bond Bank Statute.

24. That the execution and delivery of the Warrants, the Agreement, and other agreements contemplated by the Ordinance under the circumstances contemplated thereby and the compliance by the Issuer with the provisions thereof do not conflict with or constitute on the part of the Issuer a breach of or a default under any existing law, court, or administrative decision, decree, or order, or any agreement or other instrument to which the Issuer is subject or by which it is or may be bound.

25. That the representations and warranties of the Issuer set forth in the Agreement or otherwise made in writing in connection with the issuance of the Warrants and the purchase thereof by the Bond Bank are true, correct, accurate, and complete as of the date hereof with the same effect as if made on and as of the date hereof, and each of the obligations of the Issuer to be performed under the Ordinance on or prior to the date hereof has been or is being simultaneously performed as of the date of this Certificate.

26. That the Issuer covenants and agrees to comply with the obligations set forth in the Agreement.

27. That the principal amounts of such temporary loans, together with any outstanding principal of any warrants previously issued in respect of the funds against which such temporary loan have been made (but excluding therefrom any such outstanding warrants maturing during 2008 to be paid contemporaneous with the issuance of the Warrants), do not exceed eighty percent (80%) of the 2008 annual budget levy for

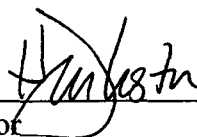
each Fund (including property tax replacement revenues), as certified by the Indiana Department of Local Government Finance, that remains in the course of collection as of the issuance date of the Warrants.

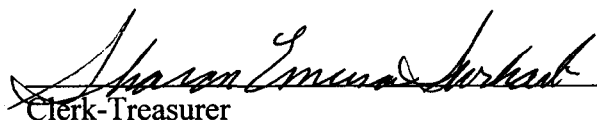
28. That the settlement of taxes levied in 2007 and in the course of collection in 2008 (including property tax replacement revenues)(which were originally anticipated for collection in 2008 but due to reassessment and related delays are now anticipated for collection in 2009) are estimated to not be distributed to the Issuer on or prior to December 31, 2008.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, we have executed this certificate to be effective and made as of the Closing Date* recited in Attachment A to the Warrant Purchase Agreement, dated December 15, 2008, between the Indiana Bond Bank and City of Valparaiso, Indiana.

CITY OF VALPARAISO, INDIANA
(THE "ISSUER")

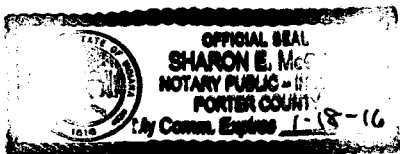
By: 
Mayor

By: 
Clerk-Treasurer

* Attachment A is prepared by bond counsel and delivered by fax to a representative of City of Valparaiso, Indiana prior to the closing date. When these papers were circulated, the Closing Date was expected to be the 31st day of December 2008.

I hereby certify that I am personally acquainted with the above signed persons, who are duly qualified and acting officers or officials of the City of Valparaiso, Indiana serving in the referenced offices, and that I am acquainted with their signatures; and that I hereby identify such signatures as being in all respects true and genuine.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature as of the date subscribed to the foregoing Certificate.



(Seal)

By: Sharon E. McGill **

Printed: Sharon E. McGill

Title: Notary Public

** This acknowledgement must be signed by either (a) a local bank officer (i.e., not just a bank teller) or (b) a notary public.

TAB 6

[Transcript Note: A true, correct and complete copy of the certification(s) given by the Indiana Department of Local Governmental Finance in connection with the purchase by the Indiana Bond Bank of qualified entities participating in 2008 warrant purchase program, including the City of Valparaiso, Indiana (the "Issuer"), are contained in the Transcript of Proceedings for the Temporary Loan Tax Anticipation Time Warrants of the Issuer, issued during 2008 and to be refunded with the proceeds of the Issuer's Taxable Temporary Loan Tax Anticipation Time Warrants, Series 2008 YE, and have not been duplicated for this Transcript of Proceedings. However, such certifications shall be deemed to incorporated herein by this reference as if they had been attached hereto in full.]

**AUDITOR'S CERTIFICATE
REGARDING ASSESSED VALUATION AND TAX LEVIES FOR
CITY OF VALPARAISO, INDIANA**

The undersigned, as the duly elected, qualified, and acting Auditor of the County of Porter, Indiana, hereby certifies that:

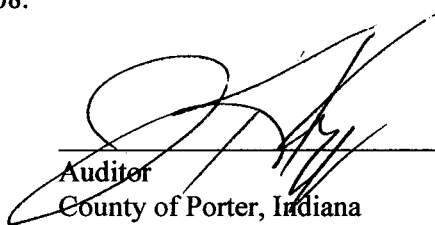
(A) The rate of taxation for the General Fund of the City of Valparaiso, Indiana (the "Issuer"), as approved by the Department of Local Government Finance (or if not yet approved, then as estimated by the Department and provided through the Issuer) when applied to the net assessed valuation of the property located within the boundaries of the Issuer (as so approved or estimated), has been budgeted to produce net local property tax revenue for such Fund(s) (including property tax replacement revenues) for the fiscal year ending December 31, 2008, as follows:

<u>Fund</u>	<u>Annual Budget Levy Fiscal Year Ending December 31, 2008</u>
General Fund:	\$11,091,131

(B) By presenting this certificate to the Auditor, the Issuer has advised the Auditor that the Issuer (1) will be issuing Warrants on December 31, 2008 in anticipation of the remaining settlement of taxes levied in 2007 and in the course of collection in 2008 (including property tax replacement revenues) related to the above referenced funds [which remaining settlement is anticipated to occur after December 31, 2008] and (2) will represent to the purchaser of those Warrants that such remaining settlement (for the named funds) is anticipated to be in an amount in excess of: \$5,363,268 for its General Fund.

(C) The Issuer's estimates, as recited in the prior paragraph (B), are reasonable based solely upon taking (1) the annual budget levy for the fiscal year ending December 31, 2008 (as reflected in paragraph (A) above) and reducing such amounts by (2) the aggregate amount paid to the Issuer during the fiscal year ending December 31, 2008 for its settlement of taxes levied in 2007 and collected in 2008 (including property tax replacement revenues) related to those referenced funds.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the County this 10 day of DECEMBER, 2008.



Auditor
County of Porter, Indiana

(SEAL)

TAB 7

**CITY OF VALPARAISO, INDIANA
CERTIFICATE OF COUNSEL**

The undersigned hereby certifies as follows. I am the duly appointed and acting counsel for the City of Valparaiso, Indiana (the "Issuer"). I have examined and am familiar with the proceedings of the Issuer relating to the authorization of the Issuer's Taxable Temporary Loan Tax Anticipation Time Warrants, Series 2008 YE, for the General Fund of the Issuer (collectively, the "Warrants") issued in accordance with the approving ordinance (the "Ordinance") adopted by the Common Council of the Issuer (the "Fiscal Body").

Based upon the foregoing and upon such other information and documents as I believe necessary to enable me to execute and deliver this Certificate, with respect to Warrants issued on the date hereof, I certify the following representations of fact and opinion:

1. The Issuer is a duly constituted political subdivision of the State of Indiana, validly existing under the constitution and statutes of the State of Indiana, and has the power and authority to carry out and consummate all transactions to issue the Warrants.

2. All actions and ordinances adopted by the Fiscal Body relating to the Warrants, including without limitation, the Ordinance and all related proceedings comply with all laws of the State of Indiana, including without limitation, the Indiana Open Door Law, and all ordinances, resolutions, by-laws, rules, and regulations of the Issuer and the Fiscal Body, and none of the proceedings had or actions taken with regard to the Warrants have been repealed, rescinded, or revoked.

3. To the best of my knowledge, as of the date of this Certificate, no notice has been received by the Issuer and no litigation has been filed or threatened in any way affecting the corporate existence, legal capacity, or boundaries of the Issuer or the title of any officers of the Issuer or the Fiscal Body relating to the Ordinance or the Warrant Purchase Agreement dated as of December 15, 2008 (the "Agreement"), between the Issuer and the Indiana Bond Bank (the "Bond Bank"), the proceedings of the Fiscal Body with respect to the Warrants, the Agreement, or the authorization and issuance of the Warrants or the sale and delivery of the Warrants to the Bond Bank pursuant to the Agreement, or contesting the powers or authority of the Issuer with respect to the Warrants or the Agreement.

4. I have reviewed the Warrants and all certificates of any or all of the officers and officials of the Issuer executed and delivered in connection with the Warrants, and nothing has come to my attention that would render the representations in any such certificate untrue, inaccurate, or in any way misleading, and I hereby certify that the signatures contained in each thereof are the true, genuine, and correct signatures of the persons who have executed them.

5. The Warrants have been duly authorized, executed, and delivered by the Issuer in accordance with the laws of the State of Indiana and constitute the valid and binding obligations of the Issuer enforceable in accordance with their respective terms, subject to bankruptcy laws, insolvency laws, and other laws affecting creditors' rights.

6. The Agreement has been duly authorized, executed, and delivered by the Issuer and (assuming the due authorization, execution, and delivery by the Bond Bank) constitutes a valid and binding obligation of the Issuer enforceable in accordance with its terms, subject to bankruptcy laws, insolvency laws, and other laws affecting creditors' rights.

[Remainder of Page Left Intentionally Blank]

Dated as of the Closing Date* recited in Attachment A to the Warrant Purchase Agreement, dated December 15, 2008, between the Indiana Bond Bank and City of Valparaiso, Indiana.

By: 
Attorney
City of Valparaiso, Indiana

* Attachment A is prepared by bond counsel and delivered by fax to a representative of City of Valparaiso, Indiana prior to the closing date. When these papers were circulated, the Closing Date was expected to be the 31st day of December 2008.

TAB 8

UNITED STATES OF AMERICA
STATE OF INDIANA COUNTY OF PORTER
CITY OF VALPARAISO, INDIANA
TAXABLE TEMPORARY LOAN TAX ANTICIPATION TIME WARRANT,
SERIES 2008 YE

Warrant Fund: General Fund
Dated Date: December 31, 2008
Due Date: That date which is the earlier of June 30, 2009 or the Settlement
Payment Due Date (as defined in the below referenced Agreement)
Principal Sum: \$3,452,925
Interest Rate: 3.25 percent per annum

FOR VALUE RECEIVED, on or before the Due Date set forth above (the "Due Date"), the City of Valparaiso, Indiana (the "Issuer"), shall pay to the Indiana Bond Bank (the "Bond Bank") the Principal Sum set forth above pursuant to a certain Warrant Purchase Agreement between the Bond Bank and the Issuer, dated as of December 15, 2008 (the "Agreement"). This Warrant is issued in anticipation of the Settlement for 2008 Taxes (as defined in the Agreement).

In addition, the Issuer on the Due Date hereof shall pay to the Bond Bank interest at the per annum Interest Rate set forth above pursuant to the Agreement, with such interest to be computed on the basis of a 360-day year comprised of twelve 30-day months. In the event that the principal of and interest on this Warrant are not paid in full to the Bond Bank at the principal corporate trust office of the Trustee (as defined in the Agreement) in immediately available funds on or before 12:00 noon (Indianapolis time) on the Due Date, the total amount due and owing on the Due Date (the unpaid principal and accrued interest to the Due Date) shall thereafter bear interest at the per annum rate equal to the Reinvestment Rate (as defined in the Agreement) until paid. In addition, the Issuer shall pay to the Bond Bank its allocable portion of all fees and expenses attributable to a request for payment under any Credit Facility Agreement (as defined in the Agreement) resulting from a failure by the Issuer to pay in full the principal of and interest on this Warrant on the Due Date.

All payments of principal and interest to be made by the Issuer to the Bond Bank shall be made by paying the amount due in funds that are available for immediate transfer or investment on or before 12:00 noon (Indianapolis time) on the payment date to the Trustee in St. Louis, Missouri (or to such other place of payment as may be specified in notice given by the Trustee or Bond Bank). The Issuer reserves the right to prepay this Warrant at any time prior to the Due Date upon giving the Trustee at least four (4) Business Days prior notice.

This Warrant evidences a temporary loan to provide funds to meet current expenses of the Warrant Fund set forth above (the "Fund") and has been authorized by an ordinance passed and adopted by the Common Council of the City of Valparaiso, Indiana, in accordance with Indiana Code 36-4-6-20 and all other acts amendatory thereof or supplemental thereto.

This Warrant is issued in anticipation of the tax levy which has been made for the Fund in the year 2007, which tax levy is now in the course of collection (including property tax replacement revenues) (which was originally anticipated for collection in 2008 but due to reassessment and related delays are now anticipated for collection in 2009). There has been irrevocably appropriated and pledged to the payment in full of the principal of and interest on this Warrant a sufficient amount of the revenues to be derived from the Fund tax levy (including property tax replacement revenues), subject to the application of the tax revenues to be received in the Fund to any long term lease or debt obligations due contemporaneously with such Warrants; provided that the appropriation of moneys to the repayment of Warrants shall not cause the Issuer to violate the provisions of Indiana law or any contract, grant or other agreement to which the Issuer is a party; provided further that as a condition to participation in the Program, the Issuer represents, that upon issuance of this Warrant, it will have no warrants issued in anticipation of the Settlement for 2008 Taxes (as defined in the Agreement) for the Fund other than this Warrant (or other warrant arrangements consented to in writing by the Bond Bank in its discretion) remain outstanding, and this Warrant shall not in any respect to be subject to the prior payment of any outstanding warrants. The principal amount of all Warrants maturing on the Due Date and payable from the Fund does not exceed eighty percent (80%) of the 2008 annual budget levy for the Fund (including property tax replacement revenues), as certified by the Indiana Department of Local Government Finance, that remains in the course of collection as of the issuance date of this Warrant.

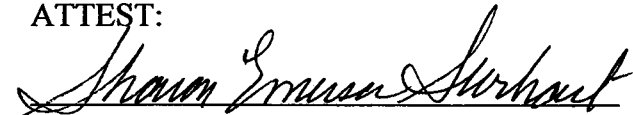
It is further hereby certified, recited, and declared that all acts, conditions, and things required by law precedent to the issuance and execution of this Warrant have been properly done, have happened, and have been performed in the manner required by the constitution and statutes of the State of Indiana relating thereto; that the Fund tax levy (including property tax replacement revenues) from which (together with other amounts in the Fund) this Warrant is payable is a valid and legal levy; and that the Issuer will reserve a sufficient amount of the proceeds of the Fund tax levy (including property tax replacement revenues) currently in the course of collection for the timely payment of the principal of and interest on this Warrant in accordance with its terms.

IN WITNESS WHEREOF, the City of Valparaiso, Indiana, has caused this Warrant to be executed in its corporate name by the Mayor of the City of Valparaiso, Indiana and attested by the Clerk-Treasurer of the City of Valparaiso, Indiana, all as of the above Dated Date.

CITY OF VALPARAISO, INDIANA

By: 
Its Mayor

ATTEST:


Its Clerk-Treasurer

1351149

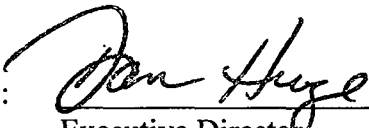
TAB 9

**CITY OF VALPARAISO, INDIANA
RECEIPT FOR DELIVERY OF WARRANTS**

The undersigned hereby certifies receipt from the City of Valparaiso, Indiana (the "Issuer"), of its Taxable Temporary Loan Tax Anticipation Time Warrants, Series 2008 YE, dated as provided herein, bearing interest to maturity at a per annum rate established in a certain Warrant Purchase Agreement dated as of December 15, 2008, between the Issuer and the Indiana Bond Bank, and maturing on the identified date, in the identified principal amounts and for the respective identified funds as set forth on the attached Schedule A.

Dated as of the Closing Date recited in Attachment A to the Warrant Purchase Agreement, dated December 15, 2008, between the Indiana Bond Bank and City of Valparaiso, Indiana.

INDIANA BOND BANK

By:  _____
Executive Director

CITY OF VALPARAISO, INDIANA
TAXABLE TEMPORARY LOAN TAX ANTICIPATION TIME WARRANTS,
SERIES 2008 YE

SCHEDULE A

General Fund: \$3,452,925 maturing on that date which is the earlier of June 30, 2009 or the Settlement Payment Due Date (as defined in the referenced Warrant Purchase Agreement).

TAB 10

December 31, 2008

Indiana Bond Bank
Indianapolis, Indiana

City of Valparaiso, Indiana
Valparaiso, Indiana

Re: City of Valparaiso
Taxable Temporary Loan Tax Anticipation Warrants, Series 2008 YE

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by City of Valparaiso (the "Issuer"), of its Temporary Loan Tax Anticipation Warrants, Series 2008 YE originally issued as of the date set forth above, maturing on the identified date, in the identified principal amounts and for the respective identified funds as set forth on the attached Schedule A (collectively, the "Warrants"). The Warrants have been authorized and issued pursuant to a resolution adopted by the Issuer's Board of School Trustees, and are being sold to the Indiana Bond Bank (the "Bond Bank") pursuant to a Warrant Purchase Agreement between the Bond Bank and the Issuer, dated as of December 15, 2008 (the "Agreement").

We have examined the law and such certified proceedings and other certificates, instruments, and documents as we have deemed necessary or appropriate for purposes of rendering this opinion.

As to questions of fact material to our opinion, we have relied, without undertaking to verify the same by independent investigation, upon representations and certifications of public officials and others contained in the certified proceedings and other certificates, instruments, and documents furnished to us.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Warrants are valid and binding obligations of the Issuer, and the principal of and interest on the Warrants are payable out of taxes heretofore levied upon all taxable property of the Issuer and currently in the course of collection for the respective above-referenced fund (including property tax replacement revenues) (the "Fund"). A sufficient

amount of the tax revenues with respect to each above-referenced Fund has been legally pledged and appropriated by the Issuer to pay when due the principal of and interest on the Warrants issued with respect to such Fund, subject to the application of the tax revenues to be received in the respective Fund to any long term lease or debt obligations due contemporaneously with such Warrants; provided that the appropriation of moneys to the repayment of Warrants shall not cause the Issuer to violate the provisions of Indiana law or any contract, grant or other agreement to which the Issuer is a party. In addition, the Issuer has reserved the right to pay interest on the Warrants from funds available for that purpose in the Issuer's Debt Service Fund.

2. The Agreement has been duly authorized, executed, and delivered by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable in accordance with its terms.

It is to be understood that the rights of the holders of the Warrants and the enforceability of the Warrants and the Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Bingham McHale LLP", is written in dark ink.

CITY OF VALPARAISO, INDIANA
TAXABLE TEMPORARY LOAN TAX ANTICIPATION TIME WARRANTS,
SERIES 2008 YE

SCHEDULE A

General Fund: \$3,452,925 maturing on that date which is the earlier of June 30, 2009 or the Settlement Payment Due Date (as defined in the referenced Warrant Purchase Agreement).

TAB 11

**CITY OF VALPARAISO, INDIANA
CERTIFICATE OF DELIVERY OF WARRANTS
AND RECEIPT OF PAYMENT**

The undersigned hereby certify that the fiscal officer of the City of Valparaiso, Indiana (the "Issuer") is authorized by law to deliver the Taxable Temporary Loan Tax Anticipation Time Warrants, Series 2008 YE (the "Warrants"), of the Issuer, and receive payment thereon, and that the Warrants have been duly delivered to the Indiana Bond Bank (the "Bond Bank") so as to cause the Warrants to be issued on December 31, 2008, and maturing and payable on or before June 30, 2009, in the principal amount(s) and bearing interest as set forth in Attachment A to the Warrant Purchase Agreement dated as of December 15, 2008, between the Bond Bank and the Issuer.

The undersigned further certify that on behalf of the Issuer, that the fiscal officer of the Issuer has received payment for the Warrants in the amounts described in Attachment A to the Warrant Purchase Agreement from the Indiana Bond Bank.

Dated as of the Closing Date* recited in Attachment A to the Warrant Purchase Agreement, dated December 15, 2008, between the Indiana Bond Bank and City of Valparaiso, Indiana.

CITY OF VALPARAISO, INDIANA
(THE "ISSUER")

By: _____

Mayor

By: _____

Clerk-Treasurer

- * Attachment A is prepared by bond counsel and delivered by fax to a representative of City of Valparaiso, Indiana about one week prior the closing date. When these papers were circulated, the Closing Date was expected to be the 31st day of December 2008.