

CITY OF VALPARAISO, INDIANA
TEMPORARY LOAN TAX ANTICIPATION WARRANTS, SERIES 2009
(GENERAL FUND)

Delivery Date: June 25, 2009

Closing Transcript

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TAB 1

ORDINANCE 19, 2009

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; 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.

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 2009, and prior to the respective June 2009 (that is, the first) and December 2009 (that is, the second and final) settlements and distribution of taxes levied for such Funds; and

WHEREAS, the Fiscal Body now finds that an emergency exists for the borrowing of money to pay current running expenses and that temporary loans for the Funds for such purposes should be made and that 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 Mid-Year Funding Program (the "Program") established by the Indiana Bond Bank (the "Bond Bank") for 2009 whereby the Bond Bank will purchase the temporary loan tax anticipation warrants and/or temporary interim warrants of the Issuer; and

WHEREAS, the levy proposed for collection for the Funds 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 temporary loan tax anticipation warrants for the Funds in anticipation of the receipt of current revenues for such Funds levied for the year 2008 and in the course of 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 and to pay necessary costs incurred in connection with the issuance and sale of temporary loan tax anticipation warrants to evidence such temporary loans; and

WHEREAS, unless otherwise disclosed in writing to the Bond Bank, the Issuer has not previously issued temporary loan tax anticipation warrants payable from 2009 tax revenue with respect to the Funds; and

WHEREAS, the Fiscal Body seeks to authorize the issuance of such 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 for the use and benefit of each of the Funds of the Issuer in anticipation of estimated current tax revenues levied for the year 2008 and in the course of collection for such Funds in 2009, which loans shall be evidenced by temporary loan tax anticipation 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. 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 December 31, 2009 in aggregate amounts not to exceed the following for the respective identified funds (and in each case, such is reduced by the principal amount of any warrant(s) now outstanding for each of the respective identified funds):

General Fund: \$11,534,776.

The Warrants shall bear interest prior to maturity at a rate or rates per annum not to exceed a maximum of six and one-half percent (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 (12) 30-day months.

Notwithstanding any provision in this Ordinance (or in the form 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 the due date of the Warrants, which may be June 30, 2009, December 31, 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.

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 (as defined in the Warrant Purchase Agreement) 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, 2009 related to any Fund against which a Warrant is issued pursuant to this Ordinance other than those warrants issued to the Bond Bank for its program related to its Advance Funding Program Notes, Series 2009 ("AF Warrants"), and covenants to so apply the proceeds thereon on and as of the issuance of the Warrants to their payment unless the Bond Bank has consented in writing to such warrants remaining outstanding after the issuance of the Warrants.

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 June 30, 2009, 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 (1) or more series on one (1) 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 2008, and payable 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 and to the warrants, if any, issued to the Bond Bank for its program related to its AF 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 has represented, that upon issuance of the Warrants, it will have no warrants other than the Warrants issued pursuant to the Agreement that remain outstanding and are payable from taxes levied for 2008 and payable in 2009 other than the AF Warrants, and the Warrants shall not in any respect be subject to the prior payment of any outstanding warrants other than the AF 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 (1) 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.

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

TEMPORARY LOAN TAX ANTICIPATION WARRANT, SERIES 2009

Warrant Fund: _____ Fund
Dated Date: _____, 2009
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 April 15, 2009 (the "Agreement"). [This Warrant is issued in anticipation of the First Semi-Annual Settlement (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 (12) 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.

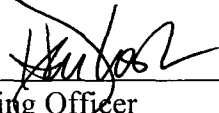
This Warrant evidences a temporary loan to provide funds to meet current expenses of the Warrant Fund set forth above (the "Fund") and has been authorized by an ordinance passed and adopted by the Common Council of the City of Valparaiso, Indiana, in accordance with Indiana Code 36-4-6-20 and all other 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 2008, which tax levy is now in the course of collection. 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, 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 and to the warrants, if any, issued to the Bond Bank for its program related to its Advance Funding Program Notes, Series 2009 ("AF 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 has represented, that upon issuance of this Warrant, it will have no warrants other than the Warrants issued pursuant to the Agreement that remain outstanding and are payable from taxes levied for 2008 and payable in 2009 other than the AF Warrants, and this Warrant shall not in

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 the 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.

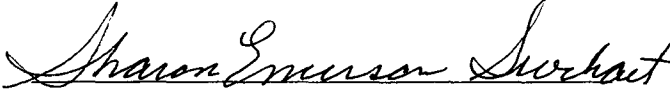
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ADOPTED AND APPROVED BY the Common Council of the City of Valparaiso,
Indiana, this 8th day of June, 2009.



Presiding Officer
Common Council

ATTEST:



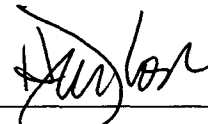
Clerk-Treasurer
City of Valparaiso, Indiana

PRESENTED BY ME, the undersigned Clerk-Treasurer of the City of Valparaiso,
Indiana, to the Mayor, for approval and signature, this 8th day of June, 2009.



Clerk-Treasurer
City of Valparaiso, Indiana

APPROVED AND SIGNED BY ME, the undersigned Mayor of the City of Valparaiso,
Indiana, this 8th day of June, 2009.



Mayor
City of Valparaiso, Indiana

TAB 2

MINUTES OF THE MEETING
OF THE COMMON COUNCIL
VALPARAISO, INDIANA

June 8, 2009

The Common Council of the City of Valparaiso, Indiana, met on Monday, June 8, 2009, 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, Taylor, Eisenmenger, and Elwood. Councilmembers Ward and Dick were absent.

MINUTES

Councilmember Bowker moved to approve minutes of the May 15, 2009 meeting. Councilmember Eisenmenger seconded the motion. Upon voice vote the motion to adopt the minutes passed with a 5-0 vote.

ORDINANCE NO. 17, 2009

**AN ORDINANCE APPROPRIATING FUNDS IN THE LOCAL ROAD & STREET
FUND AND PROVIDING FOR PUBLICATION OF NOTICE**

Councilmember Eisenmenger moved that Ordinance No. 17, 2009 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 Bowker seconded the motion. Clerk-Treasurer Swihart read the Ordinance. Councilmember Bowker moved to adopt Ordinance No. 17, 2009. Councilmember Eisenmenger seconded the motion.

Mayor Costas announced Ordinance No. 17, 2009 requires a Public Hearing and presented Proof of Publication that at tonight's meeting the Council will consider the appropriation of \$300,000 in the Local Road & Street Fund for paving. Seeing no one wishing to address the Council, he declared the Public Hearing closed.

Upon roll call vote the motion to adopt Ordinance No. 17, 2009 passed with a 5-0 vote.

ORDINANCE NO. 18, 2009

**AN ORDINANCE APPROPRIATING FUNDS IN THE MAJOR MOVES FUND AND
PROVIDING FOR PUBLICATION OF NOTICE**

Councilmember Eisenmenger moved that Ordinance No. 18, 2009 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 Bowker seconded the motion. Clerk-Treasurer Swihart read the Ordinance. Councilmember Bowker moved to adopt Ordinance No. 18, 2009. Councilmember Eisenmenger seconded the motion.

Mayor Costas announced Ordinance No. 18, 2009 requires a Public Hearing and presented Proof of Publication that at tonight's meeting the Council will consider the appropriation of \$150,000

TAB 3

INDIANA BOND BANK

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDIANA BOND BANK CONCERNING THE ISSUANCE OF ITS MIDYEAR FUNDING PROGRAM NOTES, SERIES 2009

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 has previously established and implemented a program (the "Advance Funding Program"), under which the Bond Bank provided funds for the purchase of temporary loan tax anticipation warrants (the "Advance Funding Warrants") issued by certain qualified entities, including, without limitation, school corporations, cities, townships, towns, counties, library corporations and special taxing districts (the "Advance Funding Qualified Entities") located throughout the State, with such Advance Funding Warrants in each case issued in anticipation of the receipt of ad valorem taxes levied and in the course of collection (and, in the case of: (1) some school corporations, were also issued in anticipation of the receipt of State tuition support distributions in the course of collection; or (2) some townships, were also issued in anticipation of other revenues to be collected in the remainder of the calendar year of the issuance of such Advance Funding Warrants), thereby alleviating cash flow difficulties through the financing of cash flow deficits of such Advance Funding Qualified Entities; and

WHEREAS, due to a continued desire on the part of the Bond Bank to alleviate the cash flow difficulties of qualified entities located throughout the State, the Bond Bank has determined that it would be beneficial to certain qualified entities, including, without limitation, school corporations, cities, townships, towns, counties, library corporations and special taxing districts (the "Qualified Entities") located throughout the State, to establish and implement a program (the "Program") similar to the Advance Funding Program, under which the Bond Bank would provide funds for the purchase of temporary loan tax anticipation warrants (the "Warrants") issued by certain Qualified Entities, with such Warrants in each case issued in anticipation of the receipt of ad valorem taxes levied and in the course of collection (and, in the case of: (1) school corporations, may be also issued in anticipation of the receipt of State tuition support distributions in the course of collection; or (2) townships, may be also issued in anticipation of other revenues to be collected in the remainder of the calendar year of the issuance of such Warrants), thereby alleviating cash flow difficulties through the financing of cash flow deficits of such Qualified Entities and benefiting and promoting the public welfare of the Qualified Entities and the State; and

WHEREAS, the Bond Bank has received from numerous Qualified Entities a substantial indication of interest in participation in the Program, and the Bond Bank now desires to establish and implement the Program through the issuance by the Bond Bank of one or more series of Midyear Funding Program Notes, Series 2009 (the "2009 Notes"); and

WHEREAS, the Bond Bank has received from a number of Qualified Entities an indication that cash flow deficits will occur prior to the date on which proceeds of the 2009 Notes are expected to be disbursed to Qualified Entities, and the Bond Bank desires to facilitate the participation in the Program by such Qualified Entities through the issuance by the Bond Bank of one or more series of Interim Midyear Funding Program Notes, Series 2009 (the "Interim Notes").

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

1. The establishment and implementation of the Program, with such features as may be necessary to address the needs of the Qualified Entities and increase the efficiency and effectiveness of the Bond Bank in meeting and financing such needs, 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 Program is hereby ratified, authorized and approved, and the issuance and sale of one or more series of Interim Notes, in an aggregate principal amount not to exceed \$200,000,000, and the issuance and sale of one or more series of 2009 Notes, in an aggregate principal amount not to exceed \$500,000,000, are hereby authorized and approved, with each series of the Interim Notes and the 2009 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 of the Bond Bank, together with a financing team consisting of: J.P. Morgan Securities Inc. (the "Underwriter"); Crowe Horwath LLP, financial advisor to the Bond Bank (the "Financial Advisor"); Mayer Brown LLP, counsel to the Underwriter; Bingham McHale LLP, bond counsel to the Qualified Entities; Baker & Daniels LLP, general counsel to the Bond Bank with respect to the Program; Barnes & Thornburg LLP, bond counsel to the Bond Bank with respect to the 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 Interim Notes and the 2009 Notes in accordance herewith, including, without limitation, the preparation of all financing documents and instruments necessary or appropriate with respect to the Program, the Interim Notes and the 2009 Notes.

3. The issuance of each series of the Interim Notes and the use of the proceeds therefrom to purchase Warrants and Additional Warrants (as hereinafter defined) in an aggregate principal amount not to exceed \$200,000,000, and the issuance of each series of the 2009 Notes and the use of the proceeds therefrom to purchase Warrants and any Additional Warrants in an aggregate principal amount not to exceed \$500,000,000 from certain Qualified Entities are hereby determined to be consistent with the public purposes set forth in the Act.

4. Subject to and in accordance with the provisions of Section 12 hereof, the Interim Note Indenture, dated as of May 1, 2009, or such other date as may be determined by the Bond Bank (the "2009 A Interim Indenture"), between the Bond Bank and The Bank of New York Mellon Trust Company, N.A. (the "Interim Note Trustee"), authorizing the issuance of the Interim Midyear Funding Program Notes, Series 2009 A (the "2009 A Interim Notes"), is hereby approved substantially in the form submitted to the Bond Bank prior to this meeting, with a copy

of the 2009 A Interim Indenture to be attached hereto and incorporated herein and in the minute books of the Bond Bank.

5. Subject to and in accordance with the provisions of Section 12 hereof, the Note Indenture, dated as of June 1, 2009, or such other date as may be determined by the Bond Bank (the "Indenture"), between the Bond Bank and The Bank of New York Mellon Trust Company, N.A. (the "Note Trustee"), authorizing the issuance of the Midyear Funding Program Notes, Series 2009 A (the "2009 A Notes"), is hereby approved substantially in the form submitted to the Bond Bank prior to this meeting, with a copy of the Indenture to be attached hereto and incorporated herein and in the minute books of the Bond Bank.

6. Subject to and in accordance with the provisions of Section 12 hereof, the Note Purchase Contract, with respect to the 2009 A Interim Notes (the "2009 A Interim Note Purchase Contract"), between the Bond Bank and each of the purchasers of the 2009 A Interim Notes (collectively, the "Purchaser of the 2009 A Interim Notes"), and the Note Purchase Contract, with respect to the 2009 A Notes (the "Note Purchase Contract"), between the Underwriter and the Bond Bank, and the Continuing Disclosure Agreement with respect to the 2009 A Notes (the "Continuing Disclosure Agreement"), between the Bond Bank and the Note Trustee, are each hereby approved substantially in the respective forms submitted to the Bond Bank prior to this meeting, with copies of the 2009 A Interim Note Purchase Contract, the Note Purchase Contract and the Continuing Disclosure Agreement to be attached hereto and incorporated herein and in the minute books of the Bond Bank.

7. Subject to the provisions of Section 12 hereof, the Preliminary Official Statement of the Bond Bank relating to the 2009 A Notes (the "Preliminary Official Statement"), in substantially in the form submitted to the Bond Bank prior to this meeting, is hereby: (a) authorized and approved, together with such changes in form and substance as may be deemed necessary or appropriate by the Chairman or the Executive Director pursuant to Section 12 hereof; (b) authorized and approved, as the same may be appropriately confirmed, modified and amended pursuant hereto, for distribution as the Preliminary Official Statement of the Bond Bank; (c) authorized to be deemed and determined by the Chairman or the Executive Director on behalf of the Bond Bank, as of its date, to constitute the "final" official statement of the Bond Bank with respect to the 2009 A Notes to be offered thereby, subject to completion as permitted by and otherwise pursuant to the provisions of Rule 15c2-12 of the Securities and Exchange Commission (the "SEC Rule"); and (d) authorized and approved, consistent with the provisions of the Note Purchase Contract and the SEC Rule, to be placed into final form and distributed and delivered to purchasers and potential purchasers of the 2009 A Notes offered thereby as the final official statement of the Bond Bank, as of the date thereof, with respect to the 2009 A Notes (the "Official Statement").

8. The participation in the Program by any or all of the Qualified Entities set forth in Exhibit A attached hereto, the applications of which have been reviewed by the Bond Bank and the Financial Advisor, and any other Qualified Entities, which submit applications and are approved by the Chairman or the Executive Director, and the purchase of Warrants from such Qualified Entities with the proceeds of any series of the Interim Notes or the 2009 Notes are hereby approved, confirmed and ratified, 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 Program by the Bond Bank, as implemented by the Executive Director.

9. Subject to and in accordance with the provisions of Section 12 hereof, the form of the Warrant Purchase Agreement to be entered into between the Bond Bank and each Qualified Entity participating in the Program (the "Warrant Purchase Agreement") is hereby approved substantially in the form submitted to the Bond Bank prior to this meeting, with a copy of the form of Warrant Purchase Agreement to be attached hereto and incorporated herein and in the minute books of the Bond Bank.

10. The Interim Notes are hereby authorized to be issued in one or more series under, pursuant to, and in accordance with, the Act, the 2009 A Interim Indenture and any Additional Interim Indenture (as hereinafter defined), as applicable, and are hereby authorized to be sold at a price not less than ninety-nine and one-quarter percent (99.25%) of the par amount of the applicable series of the Interim Notes and at a per annum interest rate not to exceed six percent (6.00%). The proceeds of the Interim Notes shall be delivered to the Interim Note Trustee and applied by the Interim Note Trustee in accordance with the Interim Indenture and any Additional Interim Indenture, as applicable.

11. The 2009 Notes are hereby authorized to be issued in one or more series under, pursuant to, and in accordance with, the Act, the Indenture and any Additional Indenture (as hereinafter defined) and are hereby authorized to be sold at a price not less than ninety-nine and one-quarter percent (99.25%) of the par amount of the applicable series of the 2009 Notes and at a per annum interest rate not to exceed six percent (6.00%). The proceeds of the 2009 Notes shall be delivered to the Note Trustee and applied by the Note Trustee in accordance with the Indenture and any Additional Indenture, as applicable.

12. The forms of the 2009 A Interim Indenture, the Indenture, the 2009 A Interim Note Purchase Contract, the Note Purchase Contract, the Continuing Disclosure Agreement, the Preliminary Official Statement, the Official Statement and the Warrant Purchase Agreement (including the attachments thereto) attached hereto or described herein and approved and adopted hereby are substantially final forms, and the Bond Bank hereby authorizes the Chairman and the Executive Director to approve such changes in form or substance to such instruments and documents as may be necessary or appropriate to accomplish the purposes of this Resolution and the issuance of the 2009 A Interim Notes and the 2009 A Notes, with any such approval to be conclusively evidenced by such authorized execution of such instruments or documents, and, with respect to the Preliminary Official Statement, by the certification of the Chairman or the Executive Director.

13. In the event the Chairman and the Executive Director deem it necessary or appropriate to issue an additional series of 2009 Notes separately secured from any other series of 2009 Notes (the "Additional 2009 Notes"), which collectively constitute the 2009 Notes, pursuant to and in accordance with the Act and an indenture substantially similar to the Indenture (an "Additional Indenture"), and to use the proceeds thereof to acquire additional warrants ("Additional Warrants") issued by a Qualified Entity pursuant to and in accordance with a Warrant Purchase Agreement, the Bond Bank hereby authorizes the Chairman and the Executive

Director to approve the terms of any such Additional Indenture and Warrant Purchase Agreement, a note purchase contract to be entered into between the Bond Bank and the purchasers of the Additional 2009 Notes (collectively, the "Purchaser of the Additional 2009 Notes"), in connection with the issuance of such series of Additional 2009 Notes (an "Additional Note Purchase Contract"), a continuing disclosure agreement with respect to the Additional 2009 Notes, between the Bond Bank and the Note Trustee (an "Additional Continuing Disclosure Agreement"), and an official statement with respect to the Additional 2009 Notes (an "Additional Official Statement"), all as they deem necessary or appropriate to accomplish the purposes of this Resolution and the issuance of such Additional 2009 Notes, with any such approval to be conclusively evidenced by the authorized execution of such instruments or documents.

14. In the event the Chairman and the Executive Director deem it necessary or appropriate to issue an additional series of Interim Notes (the "Additional Interim Notes"), pursuant to and in accordance with the Act and an indenture substantially similar to the 2009 A Interim Indenture (an "Additional Interim Indenture"), and to use the proceeds thereof to acquire Additional Warrants, the Bond Bank hereby authorizes the Chairman and the Executive Director to approve the terms of any such Additional Interim Indenture and Warrant Purchase Agreement, and a note purchase contract to be entered into between the Bond Bank and the purchasers of the Additional Interim Notes (collectively, the "Purchaser of the Additional Interim Notes") in connection with the issuance of such series of Additional Interim Notes (an "Additional Interim Note Purchase Contract"), all as they deem necessary or appropriate to accomplish the purposes of this Resolution and the issuance of such Additional Interim Notes, with any such approval to be conclusively evidenced by the authorized execution of such instruments or documents.

15. On behalf of the Bond Bank, the Chairman is authorized to execute and deliver and the Executive Director is authorized to attest the 2009 A Interim Notes, any series of Additional Interim Notes, the 2009 A Notes or any series of Additional 2009 Notes by manual or facsimile signature and to direct the Interim Note Trustee to authenticate and deliver the 2009 A Interim Notes and any series of Additional Interim Notes, and the Note Trustee to authenticate and deliver the 2009 A Notes or any series of Additional 2009 Notes, in the manner, in the form and at the place or places requested by the Purchaser of the 2009 A Interim Notes, the Purchaser of the Additional Interim Notes, the Underwriter and the Purchaser of the Additional 2009 Notes, as applicable, consistent with the terms of the 2009 A Interim Indenture, the Additional Interim Indenture, the Indenture or the Additional Indenture, as applicable.

16. On behalf of the Bond Bank, the Chairman is authorized to execute and deliver, and the Executive Director is authorized to attest, the 2009 A Interim Indenture, the Indenture, the 2009 A Interim Note Purchase Contract, the Note Purchase Contract, the Continuing Disclosure Agreement and the Warrant Purchase Agreements, and the Chairman is authorized to execute and deliver the Official Statement, each in substantially the form described herein and presented to this meeting, with such changes in form or substance as are acceptable to the Chairman and the Executive Director as provided in Section 12 hereof.

17. On behalf of the Bond Bank, the Chairman is authorized to execute and deliver, and the Executive Director is authorized to attest, any Additional Indenture, Additional Note Purchase Contract, Additional Continuing Disclosure Agreement and Warrant Purchase

Agreement, and the Chairman is authorized to execute and deliver any Additional Official Statement, each in substantially the form described herein, with such terms as are acceptable to the Chairman and the Executive Director as provided in Section 13 hereof.

18. On behalf of the Bond Bank, the Chairman is authorized to execute and deliver, and the Executive Director is authorized to attest, any Additional Interim Indenture, Additional Interim Note Purchase Contract and Warrant Purchase Agreement, each in substantially the form described herein, with such terms as are acceptable to the Chairman and the Executive Director as provided in Section 14 hereof.

19. 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 Warrants or the Additional Warrants issued by such Qualified Entity, the execution of which is acknowledged by one or more notaries public.

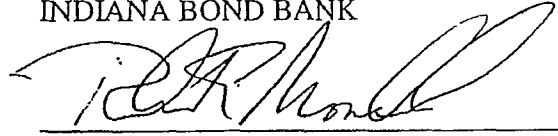
20. The Chairman and the Executive Director, together and/or individually, are hereby authorized and directed to execute such documents and instruments as may be necessary for the issuance of any series of the Interim Notes or the 2009 Notes and the purchase of the Warrants or any Additional Warrants issued pursuant to a Warrant Purchase Agreement, and the Executive Director is hereby authorized to act as the Authorized Officer required to act on behalf of the Bond Bank under the 2009 A Interim Indenture, any Additional Interim Indenture, the Indenture and any Additional Indenture.

21. 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 any series of the Interim Notes or the 2009 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 Program and, if not necessary therefor, the Bond Bank's advance funding programs in 2009 and subsequent years.

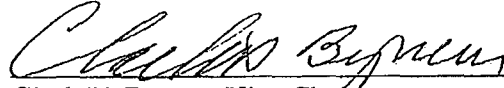
22. The Executive Director and such other staff members, service providers and firms as the Executive Director may direct, are hereby authorized and directed to take any and all other actions on behalf of the Bond Bank as may be necessary, appropriate or desirable to implement the Program and carry out the purposes of this Resolution, the issuance and sale of the 2009 A Interim Notes in accordance with the Act and the 2009 A Interim Indenture, the issuance and sale of any series of Additional Interim Notes in accordance with the Act and the corresponding Additional Interim Indenture, the issuance and sale of the 2009 A Notes in accordance with the Act and the Indenture and the issuance and sale of any series of Additional Notes in accordance with the Act and the corresponding Additional Indenture, including, without limitation, securing, to the extent deemed desirable, (a) a rating on any or all series of the Interim Notes or the 2009 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 any series of the Interim Notes or the 2009 Notes.

Approved and adopted this 14th day of April, 2009, in Indianapolis, Indiana.

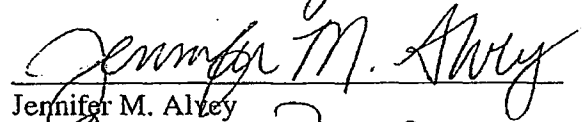
INDIANA BOND BANK



Richard E. Mourdock, Chairman



Clark H. Byrum, Vice Chairman

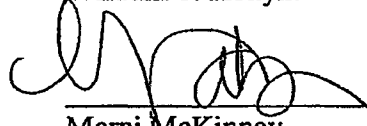


Jennifer M. Alvey

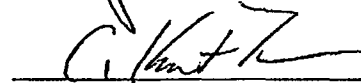


Russell Breeden, III

William S. Konyha

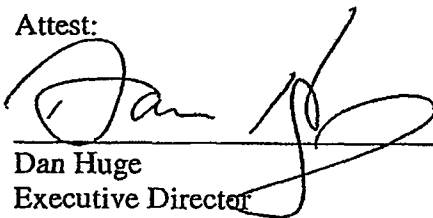


Marni McKinney



C. Kurt Zorn

Attest:



Dan Huge
Executive Director

EXHIBIT A

LIST OF INTERESTED QUALIFIED ENTITIES

Anderson Community Schools	M.S.D. of Steuben County
Argos Community Schools	M.S.D. of Wabash County
Attica Consolidated School Corp	M.S.D. of Warren Township
Baugo Community Schools	M.S.D. of Washington Township
Beech Grove City Schools	M.S.D. of Wayne Township
Beech Grove Public Library	Madison Consolidated Schools
Blackford County Schools	Madison County
Brazil Public Library	Marion Community Schools
Bremen Public Schools	Michigan City Public Library
Brownsburg Community School Corporation	Middlebury Community Schools
Calumet Township Trustee	Mill Creek Community School Corp
Center Grove Comm. School Corp.	Mishawaka-Penn-Harris Public Library
Centerville-Abington Community Schools	Monroe Central School Corporation
Central Noble Comm School Corp	Monroe County Community School Corporation
City of Anderson	Mooreville Consolidated School Corporation
City of Crown Point	Morrisson Reeves Public Library
City of Hobart	Mt. Pleasant Twp Comm School Corp
City of Portage	Mt. Vernon Community School Corp
City of Valparaiso	New Albany - Floyd County Schools
Clark-Pleasant Comm School Corp	New Prairie United School Corporation
Crawfordsville Community School Corporation	Nineveh-Hensley-Jackson United School Corporation
Danville Community Schools	Noblesville Schools
DeKalb County Central United School District	North Miami Community Schools
DeKalb County Eastern Comm. School Dist.	Oak Hill United School Corporation
East Chicago Public Library	Penn-Harris-Madison School Corp
Eastern Hancock Co. Comm. School Corp.	Peru Community Schools
Elkhart Public Library	Plainfield - Guilford Township Public Library
Elwood Community School Corporation	Plainfield Community School Corporation
Evansville-Vanderburgh School Corporation	Plymouth Community School Corporation
Fairfield Community Schools	Porter Township School Corporation
Fayette County School Corp	Randolph Southern School Corp
Flat Rock-Hawcreek School Corp	Rensselaer Central School Corporation
Franklin Community Schools	School City of Hobart
Frankton-Lapel Community Schools	School Town of Speedway
Fremont Community Schools	Shelby Eastern Schools
Frontier School Corporation	South Bend Community School Corporation
Gary Community School Corporation	South Central Community School Corp
Goshen Community Schools	South Dearborn Community School Corp
Greenwood Community Schools	South Vermillion Community School Corp
Greenwood Public Library	Southwestern Cons School Shelby Co
Hammond Sanitary District	Southwestern Jefferson County Cons. School Corp
Jay School Corporation	Speedway Public Library
Jeffersonville Township Public Library	Switzerland County School Corp
Jennings County Schools	Taylor Community School Corp
John Glenn School Corp	Triton School Corporation
Kankakee Valley School Corp	Town of Cedar Lake
Kokomo Center Township Schools	Wa-Nee Community Schools
Lake Ridge Schools	Warsaw Community Schools
Lakeland School Corporation	Washington Township - Hendricks County
LaPorte Community School Corporation	Wawasee Community School Corp
Lawrenceburg Community School Corporation	Wayne Township - Allen County
Lebanon Community School Corporation	West Clark Community Schools
M.S.D. of Lawrence Township	West Lafayette Public Library
M.S.D. of Martinsville	Whitko Community School Corp
M.S.D. of Mount Vernon	Whitley County Cons Schools
M.S.D. of Perry Township	Zionsville Community Schools
M.S.D. of Pike Township	

TAB 4

WARRANT PURCHASE AGREEMENT

between

INDIANA BOND BANK

and

CITY OF VALPARAISO, INDIANA

WARRANT PURCHASE AGREEMENT

THIS WARRANT PURCHASE AGREEMENT has been executed as of April 15, 2009, 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 Mid-Year Funding Program (the "Program") under which the Bond Bank will purchase tax anticipation warrants of qualified entities participating in the Program from the proceeds of the Bond Bank's program notes as designated by the Bond Bank and used to purchase the Warrants, as hereinafter defined, of the Qualified Entity (the "Notes"), issued for the purpose of providing funds to finance 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. Pursuant to such authority the Qualified Entity has duly authorized the issuance of (a) its temporary loan tax anticipation warrants designated City of Valparaiso, Indiana Temporary Loan Tax Anticipation Warrants, Series 2009, and (b) in the event that cash flow shortfalls are anticipated prior to the delivery of the Notes, its interim temporary loan tax anticipation warrants (collectively, the "Warrants").

4. In connection with the issuance of the 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).

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 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.

"Code" means the Internal Revenue Code of 1986, as amended and in effect on the date of issuance of the Warrants, and the applicable judicial decisions and published rulings and any applicable regulations promulgated or proposed thereunder or under the Internal Revenue Code of 1954.

"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.

"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 the Notes to secure them and as more particularly specified in any Credit Facility Agreement with the Bond Bank, and any successors and assigns.

"Cumulative Cash Flow Deficit" means, with respect to any fund of the Qualified Entity upon which Warrants are issued, the excess of the expenses paid during the Tax Period which would ordinarily be paid out of such fund or financed by anticipated tax or other revenues of such fund, over the aggregate amount available (other than from proceeds of the Warrants) during the Tax Period for the payment of such expenses.

"First Semi-Annual Settlement" means the receipt by the Qualified Entity of its first semi-annual installment of revenues from taxes levied in 2008 and collectable in 2009 with respect to the fund in anticipation of which each Warrant is issued.

"First Settlement Payment Due Date" means the fourth Business Day following the First Semi-Annual Settlement.

"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 2009 and terminates on the last day of December of 2009 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 the 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.

"Notes" means the Indiana Bond Bank program notes designated by the Bond Bank and used to purchase the Warrants of the Qualified Entity, which Notes are issued under the Indenture.

"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 Mid-Year Funding 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 (1) 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).

"State" means the State of Indiana.

"Tax Period" means the period beginning on the date of issuance of the Warrants and ending on the earlier of the date six (6) months after such date of issuance or the date of the computation of the Cumulative Cash Flow Deficit.

"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. 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 Temporary Loan Tax Anticipation Warrants to be dated the date of delivery thereof, maturing on June 30, 2009 (or if later, the First Settlement Payment Due Date), and/or December 31, 2009 and any temporary interim warrants, as set forth in each respective Attachment A (Final) attached hereto; issued by the Qualified Entity in anticipation of the receipt of ad valorem taxes levied and in the course of collection; 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 forty (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 (3) most recent Fiscal Years, achieved an ad valorem property tax collection rate of at least eighty-five percent (85%) of net assessed property taxes;

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 for a fund upon which Warrants are to be issued;

l. Prior to the end of the Tax Period, the Cumulative Cash Flow Deficit with respect to each fund upon which the Warrants of the Qualified Entity will be issued is expected to exceed ninety percent (90%) of the proceeds of the Warrants issued for such fund;

m. There shall be levied and in the course of collection ad valorem taxes with respect to the June 2009 (that is, the first) and December 2009 (that is, the second and final) settlement and distribution in an amount estimated to equal at least one hundred twenty-five percent (125%) of the respective amount of the Warrants maturing on June 30, 2009 (or if later, the First Settlement Payment Due Date), and payable from the June (that is, the first) settlement and distribution and/or maturing on December 31, 2009, and payable from the December (that is, the second and final) 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 2007, 2008, and 2009 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 June 30,

2009, the First Settlement Payment Due Date and/or December 31, 2009, in the principal amounts set forth in each respective Attachment A (Final) 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 June 30, 2009 (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 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 June 30, 2009, the First Settlement Payment Due Date and/or December 31, 2009, 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 one hundred percent (100%) of the par value thereof. 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 in each respective Attachment A (Final) attached hereto, prior to the date of issuance and delivery of the Warrants to the Bond Bank, with such rates not to exceed six and one-half percent (6.5%) per annum. Interest on the Warrants shall be computed on the basis of a 360-day year comprised of twelve (12) 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 June 30, 2009 (with the exact date to be fixed by the Bond Bank with four (4) 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, on or before, June 30, 2009, or if the Qualified Entity has not taken all actions and received all approvals required by the laws of the State and by the Code 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 June 30, 2009 (or if later, the First Settlement Payment Due Date) and/or December 31, 2009. 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 December 31, 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 First Semi-Annual Settlement shall occur in more than one (1) installment to the Qualified Entity to be made after June 30, 2009, 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 First Semi-Annual Settlement 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 November 15, 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 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 the anticipated First Settlement Payment Due Date with respect to amounts for payment of Outstanding Warrants due June 30, 2009 (or if later, the First Settlement Payment Due Date) and mature no later than December 31, 2009, with respect to amounts for payment of Outstanding Warrants due December 31, 2009, 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. The amount of the Cumulative Cash Flow Deficit projected to occur during each month of the Tax Period in each of the funds of the Qualified Entity for which Warrants are to be issued;
 - ii. The amount of taxes estimated by the Auditor or the Indiana Department of Local Government Finance to be levied and collected during the 2009 calendar year 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 2009 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, and bear interest that is excludable from gross income under Section 103 of the Code for purposes of federal income taxation;

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 included in the Official Statement of the Bond Bank (or other information used by the Bond Bank in lieu of an Official Statement) relating to the Notes.

4.2 Additional Limitation. (a) Notwithstanding any other provision of this Agreement, the Cumulative Cash Flow Deficit for the Tax Period must be reasonably anticipated to exceed ninety percent (90%) of the aggregate amount of proceeds of warrants (including but not limited to Warrants issued under this Agreement) and other obligations issued by the Qualified Entity pursuant to the provisions of the Indiana Code in anticipation of the receipt of revenues levied and in the course of collection for the applicable fund. In addition, the aggregate amount of Warrants issued and sold hereunder shall not exceed amounts authorized to be issued by the Qualified Entity pursuant to the Code and 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 2008, and in the course of 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 and to the warrants, if any, issued to the Bond Bank for its program related to its Advance Funding Program Notes, Series 2009 ("AF 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 other than the Warrants issued pursuant to this Agreement that remain outstanding and are payable from taxes levied for 2008 and payable in 2009 other than the AF Warrants, and the Warrants shall not in any respect be subject to the prior payment of any outstanding warrants except for the AF 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 Fiscal Year. In that the Qualified Entity has previously issued warrants purchased under the program funded with the Bond Bank's Advance Funding Program Notes, Series 2009 (the "2009 Advance Funding Notes"), the Bond Bank hereby consents to the issuance of the Warrants as required by the terms of the warrant purchase agreement related to the 2009 Advance Funding Notes; provided, however, it shall be a condition to the purchase and sale of the Warrants hereunder that the prior consent of the corporate trustee serving as trustee

under the trust indenture under which the 2009 Advance Funding Notes were issued, and the credit facility provider for the 2009 Advance Funding Notes, also be obtained.

5.6 Reports Relating to Cumulative Cash Flow Deficit. The Qualified Entity shall submit to the Bond Bank within fifteen (15) days after the end of each month during the Tax Period, beginning with July 2009, such information relating to the revenues, expenses, and funds of the Qualified Entity as shall be required to compute the Qualified Entity's Cumulative Cash Flow Deficit (within the meaning of Section 148(f)(4)(B) of the Code) with respect to each of the funds of the Qualified Entity for which Warrants have been issued. The Qualified Entity shall also submit (a) its computation for each month during the Tax Period of the Qualified Entity's Cumulative Cash Flow Deficit (within the meaning of Section 148(f)(4)(B) of the Code) with respect to each of the funds for which the Warrants have been issued, and (b) its determination of whether the Qualified Entity's Cumulative Cash Flow Deficit for any such fund at any time during the Tax Period has exceeded ninety percent (90%) of the proceeds of the Warrants for such fund. At such time as the Qualified Entity makes such affirmative determination set forth in clause (b) above, the Qualified Entity shall so certify to the Bond Bank, and after making such certification, no further monthly information or computations with respect to such fund shall be required to be submitted hereunder.

5.7 Maintenance of Tax Exemption. The Qualified Entity hereby covenants that it will not take, or cause or permit itself or any party under its control to take, or fail to take, or cause or permit itself or any party under its control to fail to take, any action that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on its Warrants pursuant to Section 103 of the Code. The Qualified Entity further covenants that it will not do any act or thing that would cause any Warrant to be a "private activity bond" within the meaning of Section 141 of the Code or an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations applicable thereto.

5.8 Arbitrage Rebate. The Qualified Entity covenants and agrees to take all actions necessary and appropriate to comply with the arbitrage rebate requirements under Section 148 of the Code to the extent applicable to the Qualified Entity or the Warrants, and to advise the Bond Bank with respect to such compliance and the need therefor. In furtherance of the foregoing, the Qualified Entity shall keep records of the investments made and the earnings on those investments out of the proceeds of the Warrants, and shall be responsible for accounting for and making provision for the payment of any and all amounts that may be required to be paid to the United States of America from time to time pursuant to Section 148 of the Code.

All responsibility for and expenses of compliance with the rebate requirements of Section 148(f) of the Code with respect to the Warrants, including without limitation, costs of computation of any rebate amount and any required rebate payments to the United States of America, shall be borne and undertaken solely by the Qualified Entity.

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 Continuing Disclosure. (a) The Qualified Entity hereby covenants and agrees that, to the extent permitted by law, it will comply with and carry out all of the provisions of this section regarding continuing disclosure. Notwithstanding any other provision of this Agreement, failure of the Qualified Entity to comply with this section shall not be considered a default under the Warrants or the resolution(s) or ordinance(s) of the Qualified Entity authorizing the Warrants; however, the Trustee may (and, at the request of the holders of at least twenty-five percent (25%) in aggregate principal amount of Notes Outstanding, shall) or any Noteholder or Beneficial Owner may seek a mandate or specific performance by court order, to cause the Qualified Entity to comply with its obligations under this Section 5.11. The undertaking of the Qualified Entity to provide certain information pursuant to this Section will be described in the Preliminary Official Statement and will also be set forth in the Final Official Statement (or other information provided by the Bond Bank). The Trustee, Participating Underwriters, Noteholders and Beneficial Owners shall all be third party beneficiaries of this Section 5.11 and shall have

enforceable rights as set forth herein. Terms used in this Section but not defined herein shall have the meanings given to them in the Indenture or the Bond Bank Agreement.

(b) The Qualified Entity further agrees while the Notes are Outstanding or until the Warrants are legally defeased, redeemed or paid in full to give the Bond Bank notice of the occurrence of any of the following events (the "Listed Events") with respect to the Warrants, if material:

- 1) principal and interest payment delinquencies;
- 2) non-payment related defaults;
- 3) unscheduled draws on debt service reserves reflecting financial difficulties;
- 4) unscheduled draws on credit enhancements reflecting financial difficulties;
- 5) substitution of credit or liquidity providers, or their failure to perform;
- 6) adverse tax opinions or events affecting the tax-exempt status of the Warrants;
- 7) modifications to rights of holders of the Warrants;
- 8) Warrant calls;
- 9) defeasances;
- 10) release, substitution or sale of property securing repayment of the Warrants; and
- 11) rating changes.

(c) Upon obtaining knowledge of the possibility of an occurrence of any of the Listed Events, the Bond Bank may contact the Authorized Official, inform such person of the event, and request that the Qualified Entity promptly notify the Bond Bank in writing whether or not such Listed Event is material under applicable federal securities laws.

(d) Whenever the Qualified Entity obtains knowledge of the occurrence of a Listed Event, the Qualified Entity shall as soon as possible determine if such event would be material under applicable federal securities laws.

(e) If the Qualified Entity has determined that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Qualified Entity shall

promptly notify the Bond Bank in writing. Such notice shall be submitted on the Material Event Notice Cover Sheet attached hereto as Attachment E, duplicated on yellow paper, so as to make such notice easily recognizable by the Bond Bank. Additional copies of the cover sheet may be obtained from the Bond Bank.

(f) If in response to a request under subsection (c), the Qualified Entity determines that the Listed Event would not be material under applicable federal securities laws, the Qualified Entity shall so notify the Bond Bank in writing.

(g) If the Qualified Entity reports the occurrence of a Listed Event, the Bond Bank shall determine pursuant to its Continuing Disclosure Agreement whether or not it must file a notice of such occurrence with the Municipal Securities Rulemaking Board and the Repositories.

The Qualified Entity represents and warrants that it has never failed to comply in all material respects with any previous undertakings with regard to S.E.C. Rule 15c2-12 to provide annual reports or notices of material events. Section 5.20 of the Indenture is hereby made applicable to this Section 5.11 as if this Section 5.11 were (solely for this purpose) contained in the Indenture.

Notwithstanding any other provision of this Agreement, the Bond Bank and the Qualified Entity may amend this Section 5.11 and any provision of this Section 5.11 may be waived, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions of Section 5.11(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Qualified Entity with respect to the Warrants, or the type of business conducted;
- (b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment or waiver either (i) is approved by the Holders of the Notes in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders, or (ii) in the opinion of the nationally recognized bond counsel or the Trustee, (1) does not materially impair the interests of the Holders or Beneficial Owners of the Notes or (2) such amendment or waiver is permitted by law.

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 (1) original and shall constitute one (1) and the same instrument.

6.4 Severability of Invalid Provisions. If any one (1) 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.

[Remainder of Page Left Intentionally Blank]

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.

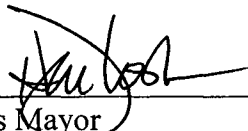
INDIANA BOND BANK
("Bond Bank")

By: 
Its Chairman

ATTEST:


Its Executive Director

CITY OF VALPARAISO, INDIANA
("Qualified Entity")

By: 
Its Mayor

ATTEST:


Its Clerk-Treasurer

ATTACHMENT A (FINAL)

**CITY OF VALPARAISO, INDIANA
INDIANA BOND BANK'S 2009 MID-YEAR FUNDING PROGRAM
SCHEDULE OF WARRANT MATURITIES AND INTEREST RATES**

Fund	Principal Amount Maturing June 30, 2009~	Principal Amount Maturing December 31, 2009
General	\$3,926,173	\$57,280

~ or if later, the First Settlement Payment Due Date.

	Interest Rate
Warrants, Series 2009	1.25%

Dated Date of, and "Closing Date" for, Warrants: June 25, 2009

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. In consideration of the lower interest rate borne by the Warrants as a result of the Qualified Entity waiving its right of prepayment set forth in the Warrants and the Warrant Purchase Agreement, the Qualified Entity hereby waives any such right and agrees that it will not exercise any such right, without the prior written consent of the Indiana Bond Bank. 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 Swihart

Printed:

Sharon Emerson Swihart

Title:

Clerk-Treasurer

INDIANA BOND BANK
2009 MIDYEAR FUNDING PROGRAM

Cash Flow Worksheet

Q/E -	Name	City of Valparaiso	Revised Date	06/10/09
	Contact	Sharon Emerson Swihart	Cash Flow Year	Estimated 2009
	Telephone	219.462.1161	Fund Name	General
			Fund Levy*	5.948,230
			Less: Estimated Circuit Breaker	\$554
			Estimated Adjusted Levy	\$11,090,577

% Property Tax Collections 104.03%

	Actual January	Actual February	March	April	May	June	July	August	September	October	November	December	Total
Beginning Balance:	\$950,123	\$4,778,159	\$4,094,333	\$3,103,735	\$2,538,905	\$1,207,642	\$352,642	(\$847,358)	(\$1,702,358)	(\$2,407,358)	(\$3,507,358)	(\$4,012,358)	\$950,123
Receipts:													
2009 Property Tax*	0	0	0	0	0	0	0	0	0	0	0	11,537,776	11,537,776
2008 Property Tax (If Applicable)	465,743	0	839,514	2,385,573	0	0	0	0	0	0	0	0	3,690,830
State Aid	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	203,352	812,302	164,872	307,704	350,000	350,000	350,000	350,000	450,000	400,000	650,000	650,000	5,038,230
2009 IBB Advance Funding Program	4,889,007	0	0	0	0	0	0	0	0	0	0	0	4,889,007
Temporary Loans	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Receipts	5,558,102	812,302	1,004,386	2,693,277	350,000	350,000	350,000	350,000	450,000	400,000	650,000	12,187,776	25,155,843
Expenditures:													
Wages & Salaries	1,161,534	804,572	792,534	1,149,649	805,000	805,000	1,150,000	805,000	805,000	1,150,000	805,000	805,000	11,038,289
2008 Indiana Bond Bank (If Applicable)	0	396,593	671,611	1,908,458	476,263	0	0	0	0	0	0	0	3,452,925
All Other Expenditures	568,532	294,963	530,839	200,000	400,000	400,000	400,000	400,000	350,000	350,000	350,000	350,000	4,594,334
2009 IBB Advance Funding Program	0	0	0	0	0	0	0	0	0	0	0	4,889,007	4,889,007
Temporary Loans	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenditures	1,730,066	1,496,128	1,994,984	3,258,107	1,681,263	1,205,000	1,550,000	1,205,000	1,155,000	1,500,000	1,155,000	6,044,007	23,974,555
Cumulative Fund Balance	\$4,778,159	\$4,094,333	\$3,103,735	\$2,538,905	\$1,207,642	\$352,642	(\$847,358)	(\$1,702,358)	(\$2,407,358)	(\$3,507,358)	(\$4,012,358)	\$2,131,411	\$2,131,411

80% of 1/2 of the Adjusted Annual Gross Levy

\$4,436,230

IBB Permitted Borrowing:

80% of
1/2 Levy

Largest
Deficit

Largest Deficit of First 6 Months

\$0

Largest Deficit April through November

\$4,012,358

Lesser of 80% of 1/2 Levy or Largest Deficit

\$3,983,453

\$0

* Gross Fund Levy prior to any deduction for PTRC.

Additional Long Warrant

\$0

\$0

Additional Short Warrant

\$3,983,453

\$0

57280

3926173

ATTACHMENT B
TO WARRANT PURCHASE AGREEMENT

[FORM OF WARRANT]

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF PORTER

CITY OF VALPARAISO, INDIANA

TEMPORARY LOAN TAX ANTICIPATION WARRANT, SERIES 2009

Warrant Fund: _____ Fund
Dated Date: _____, 2009
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 April 15, 2009 (the "Agreement"). [This Warrant is issued in anticipation of the First Semi-Annual Settlement (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 (12) 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 2008, which tax levy is now in the course of collection. 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, 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 and to the warrants, if any, issued to the Bond Bank for its program related to its Advance Funding Program Notes, Series 2009 ("AF 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 has represented, that upon issuance of this Warrant, it will have no warrants other than the Warrants issued pursuant to the Agreement that remain outstanding and are payable from taxes levied for 2008 and payable in 2009 other than the AF Warrants, and this Warrant shall not in any respect be subject to the prior payment of any outstanding warrants except for the AF Warrants. The principal amount of all Warrants maturing on the Due Date and payable from the Fund does not exceed forty percent (40%) of the 2009 annual budget levy for the Fund as certified or estimated by the Indiana Department of Local Government Finance.

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 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 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

ATTACHMENT C
TO WARRANT PURCHASE AGREEMENT

FORM OF REQUEST FOR ADVANCE DISTRIBUTION

November 15, 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 General Fund (the "Fund(s)") of the City of Valparaiso, Indiana the taxes collected for the December 2009 distribution to the Fund(s) in an amount equal to the lesser of (1) ninety-five percent (95%) of the total amount currently collected for the Fund(s), or (2) ninety-five percent (95%) of the amount to be distributed to the Fund(s) at the December 2009 distribution. 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.

ATTACHMENT E
WARRANT PURCHASE AGREEMENT

MATERIAL EVENT NOTICE COVER SHEET

Indiana Bond Bank Program Notes, Series 2009

This cover sheet and material event notice should be immediately faxed to the Indiana Bond Bank at 317-233-0894 and, duplicated on yellow paper, then promptly mailed to the Indiana Bond Bank pursuant to Section 5.11(e) of the Warrant Purchase Agreement between the Qualified Entity and the Indiana Bond Bank.

Qualified Entity's Name: _____

Number of pages of attached material event notice: _____

Description of Material Events Notice (Check One):

1. _____ Principal and interest payment delinquencies
2. _____ Non-Payment related defaults
3. _____ Unscheduled draws on debt service reserves reflecting financial difficulties
4. _____ Unscheduled draws on credit enhancements reflecting financial difficulties
5. _____ Substitution of credit or liquidity providers, or their failure to perform
6. _____ Adverse tax opinions or events affecting the tax-exempt status of the Warrants
7. _____ Modifications to rights of holders of the Warrants
8. _____ Warrant calls
9. _____ Defeasances
10. _____ Release, substitution, or sale of property securing repayment of the Warrants
11. _____ Rating changes
12. _____ Failure to provide annual financial information as required
13. _____ Other material event notice (specify) _____

I hereby represent that I am authorized by the Qualified Entity or its agent to distribute this information publicly:

Signature: _____

Name: _____ Title: _____

Employer: _____

Address: _____

City, State, Zip Code: _____

Telephone Number (____) _____

Contact the Executive Director of the Indiana Bond Bank at (800) 535-6974 with questions regarding this form or to obtain additional copies of this form.

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 Temporary Loan Tax Anticipation Warrants, Series 2009 (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 April 15, 2009 (the "Agreement"). As one (1) 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 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 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 2009, 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, now in the course of collection and payable to the Issuer to be distributed to the respective Funds during the fiscal year ending on the last day of December 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 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. That the maximum anticipated cumulative cash flow deficit with respect to each Fund is expected to exceed ninety percent (90%) of the aggregate amount of proceeds of the respective Warrants.

12. That sufficient moneys will be available in the respective Funds of the Issuer from taxes levied for collection in 2009 (or from the proceeds of additional Warrants) 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 each respective Attachment A (Final) 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. That the description of the Issuer, the Agreement, and the Warrants, set forth in the attached excerpted pages from Appendix A to the Official Statement of the Bond Bank (or other information used by the Bond Bank in lieu of an Official Statement) relating to sale of the particular series of its Program Notes, Series 2009 to be used to purchase the Warrants (the "Disclosure"), as of the date of the Disclosure and as of the date hereof, did not and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

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.

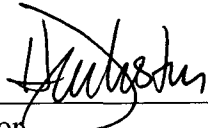
27. That the principal amounts of such temporary loans, together with any outstanding principal of any warrants previously issued in respect of the funds against which such temporary loans have been made (but excluding therefrom any such outstanding warrants maturing during 2009 to be paid contemporaneously with the issuance of the Warrants), do not exceed eighty percent (80%) of the amount of taxes estimated to be collected or received for and distributed to each Fund, respectively, at the 2009 settlement.

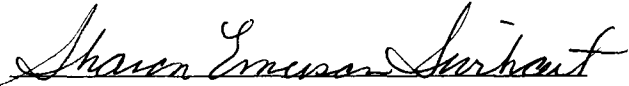
28. That in the event the Issuer is issuing Warrants in anticipation of the first semi-annual settlement of taxes levied in 2008 and in the course of collection in 2009, such first semi-annual settlement is estimated to not be distributed to the Issuer on or prior to June 30, 2009.

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IN WITNESS WHEREOF, this General Certificate has been executed to be made on and as of the "Closing Date"*.

CITY OF VALPARAISO, INDIANA
(THE "ISSUER")

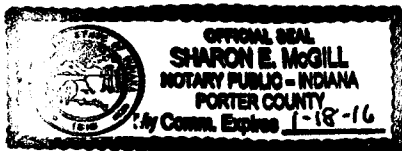
By: 
Mayor

By: 
Clerk-Treasurer

- * This date will be the closing date recited in Attachment A (Final) to the Warrant Purchase Agreement, dated as of April 15, 2009, between the Indiana Bond Bank and City of Valparaiso, Indiana. Attachment A (Final) is prepared by bond counsel and delivered by fax to a representative of City of Valparaiso, Indiana prior to the closing date (which, at present, the closing is expected to occur on June 25, 2009).

I hereby certify that the above signed persons, who are duly qualified and acting officers or officials of the City of Valparaiso, Indiana serving in the referenced offices, are in all respects the true and genuine signatures of such persons.

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

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

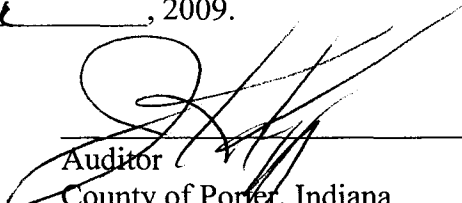
The undersigned, as the duly elected, qualified, and acting Auditor of the County of Porter, Indiana, hereby certifies that:

(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) during the fiscal year ending December 31, 2009, as follows:

<u>Fund</u>	<u>Annual Budget Levy Fiscal Year Ending December 31, 2009</u>
General Fund:	\$ <u>11,534,776</u>

(B) The first semi-annual settlement of taxes levied in 2008 and in the course of collection in 2009 related to the above referenced funds are estimated to not be distributed to the Issuer on or prior to June 30, 2009 (or if later, the date of this certificate).

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the County this 2 day of June, 2009.



Auditor
County of Porter, Indiana

(SEAL)

STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE
Indiana Government Center North
100 North Senate Avenue, Room N1058
Indianapolis, IN 46204

DEPARTMENT OF LOCAL GOVERNMENT FINANCE
ESTIMATE REGARDING TAX LEVIES

Pending the final certification of tax rates and levies, the Indiana Department of Local Government Finance hereby estimates that the rates of taxation, when applied to the net assessed valuation of the property located within the boundaries of the qualified entities set forth on the attachment hereto, will produce net local property tax revenues (including the estimated distributions from the Property Tax Replacement Fund pursuant to IC 6-1.1-21) during the fiscal year ending December 31, 2009, for the funds and in the amounts set forth on the attachment hereto.

Dated this day of May 21, 2009

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



Tim Rushenberg, Commissioner

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 Temporary Loan Tax Anticipation Warrants, Series 2009, 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 April 15, 2009 (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 on and as of the "Closing Date"*.

By: 
Attorney
City of Valparaiso, Indiana

- * This date will be the closing date recited in Attachment A (Final) to the Warrant Purchase Agreement, dated as of April 15, 2009, between the Indiana Bond Bank and City of Valparaiso, Indiana. Attachment A (Final) is prepared by bond counsel and delivered by fax to a representative of City of Valparaiso, Indiana prior to the closing date (which, at present, the closing is expected to occur on June 25, 2009).

TAB 8

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF PORTER

CITY OF VALPARAISO, INDIANA
TEMPORARY LOAN TAX ANTICIPATION WARRANT, SERIES 2009

Warrant Fund: General Fund
Dated Date: June 25, 2009
Due Date: June 30, 2009, provided that, if the First Semi-Annual Settlement occurs after June 30, 2009, then on the First Settlement Payment Due Date (as defined in the below referenced Agreement)
Principal Sum: \$3,926,173
Interest Rate: 1.25 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 April 15, 2009 (the "Agreement"). This Warrant is issued in anticipation of the First Semi-Annual Settlement (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 (12) 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.

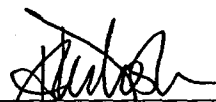
This Warrant is issued in anticipation of the tax levy which has been made for the Fund in the year 2008, which tax levy is now in the course of collection. There has been irrevocably appropriated and pledged to the payment in full of the principal of and interest on this Warrant a sufficient amount of the revenues to be derived from the Fund tax levy, 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 and to the warrants, if any, issued to the Bond Bank for its program related to its Advance Funding Program Notes, Series 2009 ("AF 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 has represented, that upon issuance of this Warrant, it will have no warrants other than the Warrants issued pursuant to the Agreement that remain outstanding and are payable from taxes levied for 2008 and payable in 2009 other than the AF Warrants, and this Warrant shall not in any respect be subject to the prior payment of any outstanding warrants except for the AF Warrants. The principal amount of all Warrants maturing on the Due Date and payable from the Fund does not exceed forty percent (40%) of the 2009 annual budget levy for the Fund as certified or estimated by the Indiana Department of Local Government Finance.

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 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 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

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF PORTER

CITY OF VALPARAISO, INDIANA
TEMPORARY LOAN TAX ANTICIPATION WARRANT, SERIES 2009

Warrant Fund: General Fund
Dated Date: June 25, 2009
Due Date: December 31, 2009
Principal Sum: \$57,280
Interest Rate: 1.25 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 April 15, 2009 (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 (12) 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.

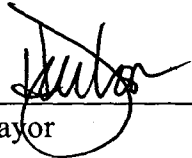
This Warrant is issued in anticipation of the tax levy which has been made for the Fund in the year 2008, which tax levy is now in the course of collection. There has been irrevocably appropriated and pledged to the payment in full of the principal of and interest on this Warrant a sufficient amount of the revenues to be derived from the Fund tax levy, 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 and to the warrants, if any, issued to the Bond Bank for its program related to its Advance Funding Program Notes, Series 2009 ("AF 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 has represented, that upon issuance of this Warrant, it will have no warrants other than the Warrants issued pursuant to the Agreement that remain outstanding and are payable from taxes levied for 2008 and payable in 2009 other than the AF Warrants, and this Warrant shall not in any respect be subject to the prior payment of any outstanding warrants except for the AF Warrants. The principal amount of all Warrants maturing on the Due Date and payable from the Fund does not exceed forty percent (40%) of the 2009 annual budget levy for the Fund as certified or estimated by the Indiana Department of Local Government Finance.

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 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 currently in the course of collection for the timely payment of the principal of and interest on this Warrant in accordance with its terms.

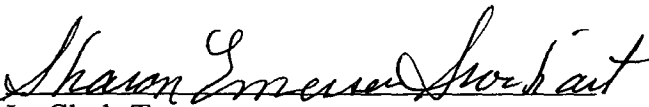
IN WITNESS WHEREOF, the City of Valparaiso, Indiana, has caused this Warrant to be executed in its corporate name by the Mayor of the City of Valparaiso, Indiana and attested by the Clerk-Treasurer of the City of Valparaiso, Indiana, all as of the above Dated Date.

CITY OF VALPARAISO, INDIANA

By:


Its Mayor

ATTEST:


Its Clerk-Treasurer

TAB 9

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

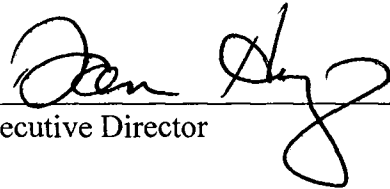
The undersigned hereby certifies receipt from the City of Valparaiso, Indiana (the "Issuer"), of its Temporary Loan Tax Anticipation Warrants, Series 2009, dated as provided herein, bearing interest to maturity at a per annum rate established in a certain Warrant Purchase Agreement dated as of April 15, 2009, 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 on and as of the "Closing Date"*.

INDIANA BOND BANK

By: _____

Executive Director



- * This date will be the closing date recited in Attachment A (Final) to the Warrant Purchase Agreement, dated as of April 15, 2009, between the Indiana Bond Bank and City of Valparaiso, Indiana. Attachment A (Final) is prepared by bond counsel and delivered by fax to a representative of City of Valparaiso, Indiana prior to the closing date (which, at present, the closing is expected to occur on June 25, 2009).

CITY OF VALPARAISO, INDIANA
TEMPORARY LOAN TAX ANTICIPATION WARRANTS, SERIES 2009

SCHEDULE A

General Fund [for Warrants issued in anticipation of the receipt of current tax revenues levied for the year 2008 and in the course of collection in 2009]: \$3,926,173 maturing on June 30, 2009 (or if applicable by the terms of any Warrant, the First Settlement Payment Due Date) and \$57,280 maturing on December 31, 2009.

TAB 10

June 25, 2009

Indiana Bond Bank
Indianapolis, Indiana

City of Valparaiso, Indiana
Valparaiso, Indiana

Re: City of Valparaiso, Indiana
Temporary Loan Tax Anticipation Warrants, Series 2009

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by City of Valparaiso, Indiana (the "Issuer") of its Temporary Loan Tax Anticipation Warrants, Series 2009, originally dated June 25, 2009, 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 an ordinance adopted by the Issuer's Common Council 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 April 15, 2009 (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, with the principal of and interest on the Warrants payable out of taxes heretofore levied upon all taxable property of the Issuer and currently in the course of collection for each respective above-referenced fund (the "Fund"). A sufficient amount of the tax revenues with respect to each 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 and to the warrants, if any, issued to the Bond Bank for its program related to its Advance Funding Program Notes, Series 2009; provided that the appropriation of moneys to the repayment of the 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.

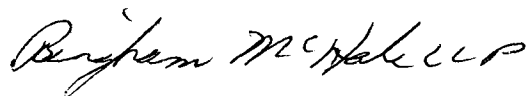
2. The Agreement has been duly authorized, executed, and delivered by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable in accordance with its terms.

3. The interest on the Warrants is excludable pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), from gross income for federal income tax purposes and the Warrants are not "private activity bonds" under Section 141 of the Code; provided further, that with respect to corporations (as defined for federal income tax purposes), pursuant to the American Recovery and Reinvestment Act of 2009 interest on any Warrants issued in 2009 and 2010 the by Issuer will not be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Warrants in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the interest on the Warrants to cease to be excludable from gross income for federal income tax purposes retroactive to the date of issuance of the Warrants. We express no opinion regarding any other federal tax consequences arising with respect to the Warrants.

4. The interest on the Warrants is exempt from taxation in the State of Indiana for all purposes except the Indiana financial institutions tax and the Indiana inheritance tax.

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 "Benjamin McHale".

CITY OF VALPARAISO, INDIANA
TEMPORARY LOAN TAX ANTICIPATION WARRANTS, SERIES 2009

SCHEDULE A

General Fund [for Warrants issued in anticipation of the receipt of current tax revenues levied for the year 2008 and in the course of collection in 2009]: \$3,926,173 maturing on June 30, 2009 (or if applicable by the terms of any Warrant, the First Settlement Payment Due Date) and \$57,280 maturing on December 31, 2009.

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 Temporary Loan Tax Anticipation Warrants, Series 2009 (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 June 25, 2009, and maturing and payable on or before December 31, 2009, in the principal amount(s) and bearing interest as set forth in Attachment A (Final) to the Warrant Purchase Agreement dated as of April 15, 2009, 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 (Final) to the Warrant Purchase Agreement from the Bond Bank.

Dated on and as of the "Closing Date"*.

CITY OF VALPARAISO, INDIANA
(THE "ISSUER")

By: _____

Mayor

By: _____

Clerk-Treasurer

- * This date will be the closing date recited in Attachment A (Final) to the Warrant Purchase Agreement, dated as of April 15, 2009, between the Indiana Bond Bank and City of Valparaiso, Indiana. Attachment A (Final) is prepared by bond counsel and delivered by fax to a representative of City of Valparaiso, Indiana prior to the closing date (which, at present, the closing is expected to occur on June 25, 2009).

TAB 12

**CITY OF VALPARAISO, INDIANA
CERTIFICATE REGARDING CERTAIN FEDERAL
TAX MATTERS AND ARBITRAGE**

The undersigned officers or officials (hereinafter each referred to as an "officer") of the City of Valparaiso, Indiana (the "Issuer") do hereby certify that each is the duly elected, qualified, and acting officer in the respective office designated beneath each signature. On behalf of the Issuer and in connection with the issuance by the Issuer of its Temporary Loan Tax Anticipation Warrants, Series 2009 (the "Warrants"), we further certify as follows:

1. In our official capacities we are familiar with (a) an ordinance adopted by the Common Council of the City of Valparaiso, Indiana (the "Fiscal Body") authorizing the Issuer to make temporary loans for the General Fund of the Issuer ("Fund(s)"), in anticipation of property taxes levied and in the course of collection for each such Fund in the year 2009; (b) the financial condition and needs of the Issuer for the fiscal year ending on the last day of December 2009, including the estimated expenses payable from each Fund, amounts available for payment of such expenses and the balances of each Fund; and (c) the issuance of the Warrants, maturing on the dates and in the principal amounts set forth in each respective Attachment A (Final) to the Agreement (as defined herein).
2. This Certificate is being executed and delivered pursuant to Sections 1.148-0 through 1.148-11, 1.149(d)-1, 1.149(g)-1, 1.150-1, and 1.150-2 of the Treasury Regulations issued by the U.S. Department of the Treasury (the "Treasury Regulations") under Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended and in effect on the date of delivery of the Warrants (the "Code"), for the purpose of setting forth certain applicable facts, estimates, and expectations of the Issuer on the date of this Certificate.
3. The records and books of account of the Issuer are kept under our supervision and direction, and we are the proper officers designated, authorized, and directed to take any and all actions and to make and deliver any and all reports, filings, and certifications as may be necessary or appropriate, including the certification described herein pursuant to Section 1.148-2(b)(2) of the Treasury Regulations, to evidence, establish, or ensure the continuing excludability of interest on the Warrants from gross income for purposes of federal income taxation.
4. The Warrants are being issued, sold, and delivered by the Issuer as the result of a negotiated sale between the Issuer and the Indiana Bond Bank (the "Bond Bank") pursuant to the provisions of Indiana Code 5-1.5 and a certain Warrant Purchase Agreement, dated as of April 15, 2009, between the Issuer and the Bond Bank (the "Agreement"), at a per annum interest rate for the Warrants set forth in the Agreement.
5. The proceeds of the sale of the Warrants are being used for the purpose of providing money to pay the ordinary and necessary lawful expenses of the Issuer (or for the purpose of currently refunding the outstanding temporary loan tax anticipation warrants) and all of such proceeds are needed for such purpose.

6. No person or entity, other than the Issuer or another governmental unit, will use proceeds of the Warrants or property financed by the proceeds of the Warrants other than as a member of the general public. No person or entity other than the Issuer or another governmental unit will own property financed by proceeds of the Warrants or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large.

7. No amount of the proceeds of any of the Warrants will be used, directly or indirectly, to make or finance loans other than the loans to each Fund authorized by ordinance of the Fiscal Body.

8. The Warrants are not and shall not be "federally guaranteed" as defined in Section 149(b) of the Code.

9. On behalf of the Issuer, we shall not take any action or omit to take any action which would result in any Warrant being classified as a "private activity bond" under the Code.

10. The Warrants will not be outstanding after a period ending thirteen (13) months after the date on which such obligations are issued because the Warrants are issued on or after the first day of January 2009, and mature and are payable no later than December 31, 2009.

11. Exhibit A attached hereto and made a part hereof contains schedules showing, with respect to each Fund, the amount of the estimated receipts, expenditures, and cash flow surplus (or deficit) anticipated to occur in each Fund in each month in 2009. The entries in Exhibit A have been prepared with the assistance of Crowe Horwath LLP, the financial advisor to the Bond Bank in connection with the Program (as defined in the Agreement). Such entries are further based on our best estimate of the expenses payable from each Fund and the amounts expected to be available for payment of such expenses and are accurate computations of projections of balances therefrom. With respect to Exhibit A, the entries therein are based upon historical financial experience as shown by the Issuer's books and records adjusted for fixed, known, and measurable changes for the fiscal year ending on the last day of December 2009.

12. There are no other accounts or funds of the Issuer which may, without legislative or judicial action, be invaded to pay such expenditures without a legislative, judicial, or contractual requirement that such accounts or funds be reimbursed.

13. The proceeds of the Warrants will not be used to finance, directly or indirectly, a working capital reserve.

14. Based on the projections set forth in Exhibit A hereto, the working capital expenditures to be financed with the proceeds of the Warrants exceed, or will exceed at the time such proceeds are spent, "available amounts" as defined in the Treasury Regulations. "Available amounts" include any amount available to the Issuer for working capital expenditures of the type financed with the proceeds of the Warrants but excludes a reasonable working capital reserve

Form **8038-G****Information Return for Tax-Exempt Governmental Obligations****COPY**

(Rev. November 2000)

Department of the Treasury
Internal Revenue Service

► Under Internal Revenue Code section 149(e)

► See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority		If Amended Return, check here ☐	
1 Issuer's name CITY OF VALPARAISO, INDIANA		2 Issuer's employer identification number 35-6001217	
3 Number and street (or P.O. box if mail is not delivered to street address) 166 W. LINCOLNWAY		Room/suite	4 Report number 3 2009-2
5 City, town, or post office, state, and ZIP code VALPARAISO, IN 46383		6 Date of issue June 25, 2009	
7 Name of issue Temporary Loan Tax Anticipation Warrants, Series 2009		8 CUSIP number N/A	
9 Name and title of officer or legal representative whom the IRS may call for more information Sharon Swihart, Clerk-Treasurer		10 Telephone number of officer or legal representative 219-462-1161	

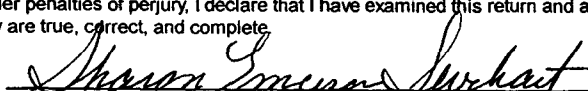
Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule	
11 ☐ Education	11
12 ☐ Health and hospital	12
13 ☐ Transportation	13
14 ☐ Public safety	14
15 ☐ Environment (including sewage bonds)	15
16 ☐ Housing	16
17 ☐ Utilities	17
18 ☒ Other. Describe ► <u>Tax Anticipation Warrants to meet current expenses of various funds</u>	18 \$3,983,453
19 If obligations are TANs or RANs, check box ► ☒ If obligations are BANs, check box ► ☐	
20 If obligations are in the form of a lease or installment sale, check box ► ☐	

Part III Description of Obligations. (Complete for the entire issue for which this form is being filed.)				
(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21 12/31/09	\$3,983,453	\$3,983,453	.5178 years	NC %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)	
22 Proceeds used for accrued interest	22
23 Issue price of entire issue (enter amount from line 21, column (b))	23 \$3,983,453
24 Proceeds used for bond issuance costs (including underwriters' discount)	24
25 Proceeds used for credit enhancement	25
26 Proceeds allocated to reasonably required reserve or replacement fund ..	26
27 Proceeds used to currently refund prior issues	27
28 Proceeds used to advance refund prior issues	28
29 Total (add lines 24 through 28)	29
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30 \$3,983,453

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)	
31 Enter the remaining weighted average maturity of the bonds to be currently refunded	N/A years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	N/A years
33 Enter the last date on which the refunded bonds will be called	N/A
34 Enter the date(s) the refunded bonds were issued ►	

Part VI Miscellaneous	
35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35 N/A
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a N/A
b Enter the final maturity date of the guaranteed investment contract ►	
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a N/A
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box ► ☒ and enter the name of the issuer ► <u>The Indiana Bond Bank</u> and the date of the issue ► <u>June 25, 2009</u>	
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ► ☐	
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ► ☐	
40 If the issuer has identified a hedge, check box ► ☐	

Sign Here	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.	
	 Signature of issuer's authorized representative	6/25/09 Date
	Sharon Swihart Clerk-Treasurer Type or print name and title	

For Paperwork Reduction Act Notice, see page 2 of the Instructions.

ISA

Form **8038-G** (Rev. 11-2000)

STF FED6403F