

Indiana Bond Bank's 2012 Advance Funding Program

**CITY OF VALPARAISO, INDIANA
TEMPORARY LOAN TAX ANTICIPATION WARRANTS, SERIES 2012
(GENERAL FUND)**

Delivery Date: January 26, 2012

Closing Transcript

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TAB 1

Indiana Bond Bank's 2012 Advance Funding Program

ORDINANCE # 33, 2011

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 2011, and collectable in the year 2012; 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 "Fund(s)") to meet the current running expenses of the Issuer payable from such Funds during the fiscal year ending on the last day of December 2012, and prior to the respective June 2012 (that is, the first) and December 2012 (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 the 2012 Advance Funding Program (the "Program") established by the Indiana Bond Bank (the "Bond Bank") whereby the Bond Bank will purchase the temporary loan tax anticipation warrants and/or temporary interim warrants of the Issuer; and

WHEREAS, in order to participate in the Program, the Fiscal Body may be required to issue and sell its temporary loan tax anticipation warrants to the Bond Bank prior to the final certification of the annual budget levy and tax rates for such Funds for fiscal year 2012 by the Indiana Department of Local Government Finance; and

WHEREAS, the levy proposed for collection for the Funds in 2012 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 tax revenues for such Funds levied for the year 2011 and in the course of collection in 2012 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, the Issuer has not previously issued temporary loan tax anticipation warrants payable from 2012 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 2011 and in the course of collection for such Funds in 2012, which loans shall be evidenced by temporary loan tax anticipation warrants of the Issuer (the "Warrant(s)") 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, 2012, in aggregate amounts not to exceed the following for the respective identified funds:

General Fund: \$14,400,000.

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 (together with any supplements thereto, referred to as the "Warrant Purchase Agreement"), in accordance with the provisions of Indiana Code 5-1.5. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Notwithstanding any provision in this Ordinance (or in the Warrant Purchase Agreement available to the Issuer as of the date of the adoption and approval 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 29, 2012, December 31, 2012, 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 of 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 Bank of New York Trust Company, N.A. (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 Indiana Bond Bank Advance Funding Program Notes, Series 2012, to serve as the Trustee, then to such other corporate trustee as may be specified as the Trustee in the Note Indenture), the Bond Bank's Trustee (the "Trustee") under the Note Indenture to be dated as of or about January 26, 2012. Subject to Section 11 hereof, the Warrants may not be prepaid prior to the Due Date (as defined in the Warrant Purchase Agreement and in each Warrant) without the express written consent of the Bond Bank. In the event that the principal of and interest on the Warrants are not paid in full on the Due Date, 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 the 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) (including any interim warrants issued pursuant to this Ordinance) with any maturity date on or before December 31, 2012, related to any Fund against which a Warrant is issued pursuant to this Ordinance, and covenants to so apply the proceeds thereof, on and as of the date of 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. Only with the written consent of the Bond Bank may the Qualified Entity hereafter issue warrants on a parity with the Warrants to be issued pursuant to this Ordinance.

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 about January 26, 2012, 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 after the issuance and sale of the Warrants to the Bond Bank, the Issuer is hereby authorized to issue and sell additional warrants to the Bond Bank as appropriate and in accordance with the terms of the Warrant Purchase Agreement (as supplemented from time to time) and consistent with the two (2) preceding sentences.

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 aggregate amount of any such temporary interim warrants shall not count against the amount limitation recited in Section 1 hereof and applicable to the Warrants.

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 2011, and payable in 2012, 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. The principal amount of all Warrants maturing on any date shall be based on the 2012 annual budget levy for the Fund as estimated or certified by the Indiana Department of Local Government Finance. For purposes of this Ordinance, fifty percent (50%) of the annual budget levy shall be deemed to equal the amount of taxes estimated by the County Auditor to be collected for and distributed to such Fund at each of the June 2012 (that is, the first) and December 2012 (that is, the second and final) settlement and distribution of such revenues.

Section 4. The Warrants issued hereunder with respect to the Funds 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. Further, the Warrants shall not be delivered and no payment shall be made therefor prior to the first day of January 2012.

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

Warrant Fund: _____ Fund
Dated Date: _____, 2012

Due Date: [June 29, 2012, provided that, if the First Semi-Annual Settlement occurs after June 29, 2012, then on the First Settlement Payment Due Date (as defined in the below referenced Agreement)][December 31, 2012]
Principal Sum: \$ _____
Interest Rate: _____ percent per annum

FOR VALUE RECEIVED, on or before the Due Date set forth above (the "Due Date"), the City of Valparaiso, Indiana (the "Issuer"), shall pay to the Indiana Bond Bank (the "Bond Bank") the Principal Sum set forth above pursuant to a certain Warrant Purchase Agreement between the Bond Bank and the Issuer, dated as of December 1, 2011 (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 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 the 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 Due 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). This Warrant may not be prepaid prior to the Due Date except as permitted by the Agreement.

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 adopted and approved 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 2011, 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. The principal amount of all Warrants maturing on the Due Date and payable from the Fund does not exceed forty percent (40%) of the 2012 annual budget levy for the Fund as estimated or certified 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 Dated Date set forth above.

CITY OF VALPARAISO, INDIANA

By: _____
Its Mayor

ATTEST:

Its Clerk-Treasurer

[End of Form of Warrant]

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

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

behalf of the Issuer by any of the executive officers of the Issuer, or such other officers as may be permitted by law, in accordance with this Ordinance, are hereby authorized and approved.

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

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

Section 10. The Issuer hereby covenants that the Issuer and its officers shall not take any action or fail to take any action with respect to the proceeds of any of the Warrants or any investment earnings thereon which would result in constituting any of the Warrants as "arbitrage bonds" under the Internal Revenue Code of 1986, as amended, and any and all final or proposed regulations or rulings applicable thereto, or which would otherwise cause the interest on any of the Warrants to cease to be excludable from gross income for purposes of federal income taxation; and the Fiscal Officer and all other appropriate officers are hereby 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 to evidence, establish, or ensure such continuing exclusion of the interest on the Warrants.

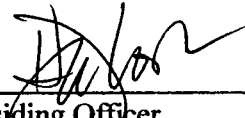
Section 11. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer may prepay all or a portion of the principal of and interest on the Warrants in the manner and at the times set forth in the Warrants and Section 3.6 of the Warrant Purchase Agreement.

Notwithstanding any other provision of this Ordinance or any Warrant, in the event any determination has been made by any court of proper jurisdiction whereby a finding or ruling is made to the effect that, absent application of this provision, the aggregate amount of any Warrant (whether as to its principal or interest amounts or both) exceeds the maximum amount that is permitted by law to be issued and outstanding for the maturity date stated therein (such excess over any such limitation referred to as the "Excess Amount") and such would otherwise cause a Warrant to be invalid, then the form of the Warrant that was issued shall be deemed to be modified from that stated on its face in such a manner to first deem the Excess Amount to be a separate additional Warrant identical in terms to the original except that it shall have as its "due date" June 29, 2012, and its "principal sum" an amount equal to the maximum remaining permitted amount for all warrants with such a due date (a "Replacement Warrant"), provided, however, if an Excess Amount exceeds the principal amount of such a Replacement Warrant, such remaining balance should be treated as a fee charged by the Bond Bank pursuant to Section 5.9 of its Warrant Purchase Agreement with the Qualified Entity and not treated as part of the principal sum of any Warrant or Replacement Warrant.

Section 12. This Ordinance shall be in full force and effect from and after the time it has been adopted and approved 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 and approval of this Ordinance is intended to be, and for all purposes shall be deemed to be, an ordinance authorizing the sale of obligations within the meaning of Indiana Code 36-4-6-20(c), 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 12th day of Dec., 2011.



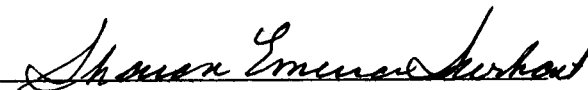
Presiding Officer
Common Council

ATTEST:



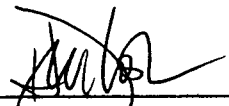
Clerk-Treasurer
City of Valparaiso, Indiana

PRESENTED BY ME, the undersigned Clerk-Treasurer of the City of Valparaiso,
Indiana, to the Mayor, for approval and signature, this 12th day of Dec., 2011.



Clerk-Treasurer
City of Valparaiso, Indiana

APPROVED AND SIGNED BY ME, the undersigned Mayor of the City of Valparaiso,
Indiana, this 12th day of Dec., 2011.



Mayor
City of Valparaiso, Indiana

TAB 2

MINUTES OF THE MEETING
OF THE COMMON COUNCIL
VALPARAISO, INDIANA

November 28, 2011

The Common Council of the City of Valparaiso, Indiana, met on Monday November 28, 2011 at 7:00 p.m. in City Hall. Mayor Costas called the meeting to order. The Pledge of Allegiance was said. Deputy Clerk-Treasurer Conover called roll. Present were Councilmembers Larr, Bowker, Baird, Butterfield, Elwood and Dick. Councilmember Taylor was absent.

MINUTES

Councilmember Dick moved to approve minutes of the November 14, 2011 meeting. Councilmember Bowker seconded the motion. Upon voice vote the motion to adopt the minutes passed with a 6-0 vote.

RESOLUTION NO. 27, 2011

A RESOLUTION FOR THE WAIVER OF NONCOMPLIANCE RELATED TO LATE-FILED ASSESSED VALUATION DEDUCTION DOCUMENTS OF McMILLIAN PARTNERSHIP (D.B.A TASK FORCE TIPS, INC.)

Councilmember Dick moved that Resolution No. 27, 2011 be read a first time and considered on first reading. Councilmember Bowker seconded the motion. Deputy Clerk-Treasurer Conover read the Resolution. Councilmember Dick moved to adopt Resolution No. 27, 2011. Councilmember Bowker seconded the motion.

Matt Murphy addressed the Council. Task Force Tips was granted a ten year tax abatement on real estate in 2008. The company failed to file with the Porter County Auditor, a completed Application for Deduction from Assessed Valuation of Structures in Economic Revitalization Areas. As a result, the Porter County Auditor did not apply an assessed valuation deduction to qualified real property improvements constructed consistent with the Statement of Benefits and Resolution No. 5, 2008. Task Force Tips is asking the Council to move the clock forward and begin their 10 year time period next year. They will pay 100% of the assessment this year.

Councilmember Bowker clarified this will be for 2012 taxes payable in 2013. Therefore, it will not impact the budget already passed.

Councilmember Larr expressed his concern this will set a precedent. He also pointed out that if the Council denies this request, Task Force Tips will essentially lose the first year of 100% tax abatement.

Mayor Costas announced this Resolution requires a Public Hearing and presented Proof of Publication that at tonight's meeting the Council will consider the Waiver of Noncompliance Related to Late-Filed Assessed Valuation Deduction Documents of Task Force Tips. Seeing no one wishing to address the Council, he declared the Public Hearing closed.

Upon roll call vote the motion to adopt Resolution No. 27, 2011 passed with a 6-0 vote.

ORDINANCE NO. 31, 2011

AN ORDINANCE APPROPRIATING FUNDS IN THE UNSAFE BUILDING FUND AND PROVIDING FOR PUBLICATION OF NOTICE

Councilmember Dick moved that Ordinance No. 31, 2011 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 of amendments to said Ordinance. Councilmember Bowker seconded the motion. Deputy Clerk-Treasurer Conover read the Ordinance. Councilmember Dick moved to adopt Ordinance No. 31, 2011. Councilmember Bowker seconded the motion.

Vicki Thrasher addressed the Council. This money will be used for the demolition of a house at Chicago and Napoleon. The bid was awarded for \$16,000. The City will file a lien against the property. Should the property be sold, if there are no mortgages on the property, the City could get this money back.

Mayor Costas announced this Ordinance requires a Public Hearing and presented Proof of Publication that at tonight's meeting the Council will consider the appropriation of \$30,000 in the Unsafe Building Fund. Seeing no one wishing to address the Council, he declared the Public Hearing closed.

Upon roll call vote the motion to adopt Ordinance No. 31, 2011 passed with a 6-0 vote.

ORDINANCE NO. 32, 2011

AN ORDINANCE APPROPRIATING FUNDS IN THE EDIT FUND AND PROVIDING FOR PUBLICATION OF NOTICE

Councilmember Dick moved that Ordinance No. 32, 2011 be read a first time and considered on first reading. Councilmember Bowker seconded the motion. Deputy Clerk-Treasurer Conover read the Ordinance. Councilmember Dick moved that Ordinance No. 32, 2011 be carried to the December 12, 2011 meeting. Councilmember Bowker seconded the motion.

Bill Oeding addressed the Council. The Fire Department has purchased a fire truck. The bank issued the loan money to the City in one lump sum instead of holding money which was to be used to pay for equipping the truck. This money will be used to pay that expense.

Mayor Costas announced this Ordinance requires a Public Hearing. Seeing no one wishing to address the Council, he declared the Public Hearing closed.

Upon voice vote the motion to carry Ordinance No. 32, 2011 to the December 12, 2011 meeting

passed with a 6-0 vote.

ORDINANCE NO. 33, 2011

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 2011, AND COLLECTABLE IN THE YEAR 2012; AUTHORIZING THE ISSUANCE OF TEMPORARY LOAN TAX ANTICIPATION WARRANTS TO EVIDENCE SUCH LOANS AND THE SALE OF SUCH WARRANTS TO THE INDIANA BOND BANK; AND APPROPRIATING AND PLEDGING THE TAXES TO BE RECEIVED IN SUCH FUNDS TO THE PUNCTUAL PAYMENT OF SUCH WARRANTS INCLUDING THE INTEREST THEREON

Councilmember Dick moved that Ordinance No. 33, 2011 be read a first time and considered on first reading. Councilmember Bowker seconded the motion. Deputy Clerk-Treasurer Conover read the Ordinance. Councilmember Dick moved that Ordinance No. 33, 2011 be carried to the December 12, 2011 meeting. Councilmember Bowker seconded the motion.

Deputy Clerk-Treasurer addressed the Council. This year's loan is in the amount of \$3,683,908. The money will be received in January. The City traditionally does this to cover expenses until they start receiving tax money. The interest is 1.31%.

Councilmember Bowker asked if it is assumed tax bills will be on time this year. Karen replied that is the assumption. Councilmember Bowker asked what happens if they are not on time and a payment is due. Karen explained the payments are at year end.

Upon voice vote the motion to carry Ordinance No. 33, 2011 to the December 12, 2011 meeting passed with a 6-0 vote.

ORDINANCE NO. 34, 2011

AN ORDINANCE APPROPRIATING MONEY RECEIVED FROM PARK NON-REVERTING OPERATING SOURCES OF THE CITY OF VALPARAISO FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2012

Councilmember Dick moved that Ordinance No. 34, 2011 be read a first time and considered on first reading. Councilmember Bowker seconded the motion. Deputy Clerk-Treasurer Conover read the Ordinance. Councilmember Dick moved that Ordinance No. 34, 2011 be carried to the December 12, 2011 meeting. Councilmember Bowker seconded the motion.

John Seibert addressed the Council. The Council approved the Park's budget for tax supported funds with the General Budget. This is revenue generated funds for 2012 expenditures. The Park Board has approved this budget.

Upon voice vote the motion to carry Ordinance No. 34, 2011 to the December 12, 2011 meeting passed with a 6-0 vote.

REPORTS

None.

AUDIENCE

Richard Wheeler addressed the Council. He asked that the Police Department be more aware of drivers who are speeding.

The meeting adjourned at 7:30 p.m.

/s/ Sharon Swihart, Clerk-Treasurer

MINUTES OF THE MEETING
OF THE COMMON COUNCIL
VALPARAISO, INDIANA

December 12, 2011

The Common Council of the City of Valparaiso, Indiana, met on Monday December 12, 2011 at 7:00 p.m. in City Hall. Councilmember Dick called the meeting to order. The Pledge of Allegiance was said. Clerk-Treasurer Swihart called roll. Present were Councilmembers Larr, Bowker, Baird, Taylor, Butterfield, Elwood and Dick.

MINUTES

Councilmember Bowker moved to approve minutes of the November 28, 2011 meeting. Councilmember Baird seconded the motion. Upon voice vote the motion to adopt the minutes passed with a 7-0 vote.

ORDINANCE NO. 32, 2011

AN ORDINANCE APPROPRIATING FUNDS IN THE EDIT FUND AND PROVIDING FOR PUBLICATION OF NOTICE

Councilmember Bowker moved that Ordinance No. 32, 2011 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 of amendments to said Ordinance. Councilmember Baird seconded the motion. Clerk-Treasurer Swihart read the Ordinance. Councilmember Bowker moved to adopt Ordinance No. 32, 2011. Councilmember Baird seconded the motion.

Bill Oeding addressed the Council. This money will be used to equip a recently purchased fire truck.

Councilmember Dick announced Ordinance No. 32, 2011 requires a Public Hearing and presented Proof of Publication that at tonight's meeting the Council will consider the appropriation of \$50,000 in the Equipment Lease/Purchase Fund. Seeing no one wishing to address the Council, he declared the Public Hearing closed.

Upon roll call vote the motion to adopt Ordinance No. 32, 2011 passed with a 7-0 vote.

ORDINANCE NO. 33, 2011

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 2011, AND COLLECTABLE IN THE YEAR 2012; AUTHORIZING THE ISSUANCE OF TEMPORARY LOAN TAX ANTICIPATION WARRANTS TO EVIDENCE SUCH LOANS AND THE SALE OF SUCH WARRANTS TO THE INDIANA BOND BANK; AND APPROPRIATING AND PLEDGING THE TAXES TO BE RECEIVED IN SUCH FUNDS TO THE PUNCTUAL PAYMENT OF SUCH WARRANTS INCLUDING THE INTEREST THEREON

Councilmember Bowker moved that Ordinance No. 33, 2011 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 of amendments to said Ordinance. Councilmember Baird seconded the motion. Clerk-Treasurer Swihart read the Ordinance. Councilmember Bowker moved to adopt Ordinance No. 33, 2011. Councilmember Baird seconded the motion.

Clerk-Treasurer Swihart addressed the Council. It is her recommendation that the City continue to borrow tax anticipation warrants for the use of the General Fund. The interest rate is competitive and there are no fees or costs.

Councilmember Larr asked when the funds will be released. Sharon answered the money will be released at the end of January, 2012 and is to be paid back at the end of December, 2012.

Councilmember Larr asked if the County is more on track than in the past. Sharon said they are and this is more precautionary than necessary. As cash flow improves, this will not be necessary.

Upon roll call vote the motion to adopt Ordinance No. 33, 2011 passed with a 7-0 vote.

ORDINANCE NO. 34, 2011

AN ORDINANCE APPROPRIATING MONEY RECEIVED FROM PARK NON-REVERTING OPERATING SOURCES OF THE CITY OF VALPARAISO FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2012

Councilmember Bowker moved that Ordinance No. 34, 2011 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 of amendments to said Ordinance. Councilmember Baird seconded the motion. Clerk-Treasurer Swihart read the Ordinance. Councilmember Bowker moved to adopt Ordinance No. 34, 2011. Councilmember Baird seconded the motion.

John Seibert addressed the Council. This is revenue generated funds for 2012 expenditures.

Councilmember Dick announced Ordinance No. 34, 2011 requires a Public Hearing and presented Proof of Publication that at tonight's meeting the Council will consider the appropriation of \$1,387,000 in the Park Non-Reverting Operating Fund. Seeing no one wishing to address the Council, he declared the Public Hearing closed.

Upon roll call vote the motion to adopt Ordinance No. 34, 2011 passed with a 7-0 vote.

REPORTS

Councilmember Bowker reported the Redevelopment Commission meets Wednesday at 5:30 p.m. in City Hall.

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

Councilmember Butterfield reported the Traffic and Safety Committee meets Tuesday at 1:00 p.m. in City Hall.

Councilmember Dick reported the December 26, 2011 meeting has been cancelled. The next Council meeting is January 9, 2012. He and Councilmember Larr thanked Councilmember Elwood for his service on the Council.

AUDIENCE

No one wished to address the Council.

The meeting adjourned at 7:18 p.m.

/s/ Sharon Swihart, Clerk-Treasurer

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TAB 3

INDIANA BOND BANK

RESOLUTION OF THE BOARD OF DIRECTORS OF THE INDIANA BOND BANK CONCERNING THE ISSUANCE OF ITS ADVANCE FUNDING PROGRAM NOTES, SERIES 2012

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 "Program"), under which the Bond Bank provides funds for the purchase of temporary loan tax or revenue anticipation warrants (the "Warrants") issued by 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, 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 during 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 continue the Program through the issuance of one or more series of Advance Funding Program Notes, Series 2012 (with such other or different designation as may deemed necessary, desirable or appropriate by the Executive Director) (the "2012 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 2012 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 of one or more series of Interim Advance Funding Program Notes, Series 2012 (with such other or different designation as may deemed necessary, desirable or appropriate by the Executive Director) (the "Interim Notes");

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

1. 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 \$300,000,000, and the issuance and sale of one or more series of 2012 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 2012 Notes to be

separately and independently secured from each other and from any other bonds, notes or other obligations of the Bond Bank.

2. 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 \$300,000,000, and the issuance of each series of the 2012 Notes and the use of the proceeds therefrom to purchase Warrants and 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.

3. Subject to and in accordance with the provisions of Section 11 hereof, the form of the Interim Note Indenture, dated as of January 1, 2012, or such other date as may be determined by the Chairman and Executive Director of the Bond Bank (the "2012 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 Advance Funding Program Notes, Series 2012 A (the "2012 A Interim Notes"), is hereby approved substantially in the form submitted to the Bond Bank prior to this meeting, with such changes in form or substance as the officers of the Bond Bank executing the same may hereafter approve, with a copy of the 2012 A Interim Indenture to be attached hereto and incorporated herein and in the minute books of the Bond Bank.

4. Subject to and in accordance with the provisions of Section 11 hereof, the form of the Note Indenture, dated as of January 1, 2012, or such other date as may be determined by the Chairman and Executive Director of 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 Advance Funding Program Notes, Series 2012 A (the "2012 A Notes"), is hereby approved substantially in the form submitted to the Bond Bank prior to this meeting, with such changes in form or substance as the officers of the Bond Bank executing the same may hereafter approve, with a copy of the 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 11 hereof, the forms of (a) the Note Purchase Contract, with respect to the 2012 A Interim Notes (the "2012 A Interim Note Purchase Contract"), between the Bond Bank and the Representative, (b) the Note Purchase Contract, with respect to the 2012 A Notes (the "Note Purchase Contract"), between the Bond Bank and the Representative, on behalf of itself and the other Underwriters, and (c) the Continuing Disclosure Agreement, with respect to the 2012 A Notes (the "Continuing Disclosure Agreement"), between the Bond Bank and the Note Trustee; are each hereby approved substantially in the forms submitted to the Bond Bank prior to this meeting, with such changes in form or substance as the officers of the Bond Bank executing the same may hereafter approve, with copies of the 2012 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.

6. Subject to the provisions of Section 11 hereof, the form of the Preliminary Official Statement of the Bond Bank relating to the 2012 A Notes (the "Preliminary Official Statement"), in substantially the form submitted to the Bond Bank prior to this meeting, with

such changes in form or substance as the officers of the Bond Bank executing the same may hereafter approve, 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 11 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 2012 A Notes to be offered thereby, subject to completion as permitted by 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 2012 A Notes offered thereby as the final official statement of the Bond Bank, as of the date thereof, with respect to the 2012 A Notes (the "Official Statement").

7. The participation in the Program by any or all of the Qualified Entities set forth in Exhibit A to this Resolution, whose applications 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 2012 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.

8. Subject to and in accordance with the provisions of Section 11 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 such changes in form or substance as the officers of the Bond Bank executing the same may hereafter approve, 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.

9. The Interim Notes are hereby authorized to be issued in one or more series under, pursuant to, and in accordance with the Act, the 2012 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 2012 A Interim Indenture and any Additional Interim Indenture, as applicable.

10. The 2012 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 2012 Notes and at a per annum interest rate not to exceed six percent (6.00%). The proceeds of the 2012 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.

11. The forms of the 2012 A Interim Indenture, the Indenture, the 2012 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 2012 A Interim Notes and the 2012 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.

12. In the event the Chairman and the Executive Director deem it necessary or appropriate to issue an additional series of 2012 Notes separately secured from any other series of 2012 Notes (the "Additional 2012 Notes"), which collectively constitute the 2012 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 2012 Notes (collectively, the "Purchaser of the Additional 2012 Notes"), in connection with the issuance of such series of Additional 2012 Notes (an "Additional Note Purchase Contract"), a continuing disclosure agreement with respect to the Additional 2012 Notes, between the Bond Bank and the Note Trustee (an "Additional Continuing Disclosure Agreement"), and an official statement with respect to the Additional 2012 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 2012 Notes, with any such approval to be conclusively evidenced by the authorized execution of such instruments or documents.

13. 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 2012 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.

14. On behalf of the Bond Bank, the Chairman is authorized to execute and deliver and the Executive Director is authorized to attest the 2012 A Interim Notes, any series of Additional Interim Notes, the 2012 A Notes or any series of Additional 2012 Notes by manual or facsimile signature and to direct the Interim Note Trustee to authenticate and deliver the 2012 A Interim Notes and any series of Additional Interim Notes, and the Note Trustee to authenticate and deliver the 2012 A Notes or any series of Additional 2012 Notes, in the manner, in the form and at the place or places requested by the Representative, the Purchaser of the Additional Interim Notes, the Underwriters and the Purchaser of the Additional 2012 Notes, as applicable, consistent with the terms of the 2012 A Interim Indenture, the Additional Interim Indenture, the Indenture or the Additional Indenture, as applicable.

15. On behalf of the Bond Bank, the Chairman is authorized to execute and deliver and the Executive Director is authorized to attest the 2012 A Interim Indenture, the Indenture, the 2012 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 11 hereof.

16. 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 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 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 13 hereof.

18. 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.

19. 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 2012 Notes and the purchase of the Warrants or any Additional Warrants 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 2012 A Interim Indenture, any Additional Interim Indenture, the Indenture and any Additional Indenture.

20. 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 2012 Notes and other available funds, including those remaining available from the Bond Bank's advance funding programs in 2011 and prior years, to implement the Program and, if not necessary therefor, the Bond Bank's advance funding programs in 2012 and subsequent years.

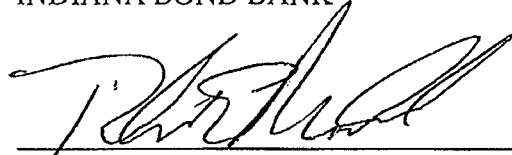
21. The Chairman and the Executive Director of the Bond Bank, together with a financing team consisting of: (a) J.P. Morgan Securities LLC, as senior managing underwriter (the "Representative"), together with any additional underwriters as may be selected by the Chairman or Executive Director; (b) Crowe Horwath LLP, as financial advisor to the Bond Bank (the "Financial Advisor"); (c) Bose McKinney & Evans LLP, as counsel to the Representative and the other underwriters (collectively, the "Underwriters"); (d) Bingham McHale LLP, as bond counsel to the Qualified Entities; (e) Graham & Associates, PC, as general counsel to the Bond Bank with respect to the Program; (f) Barnes & Thornburg LLP, as bond counsel to the Bond Bank with respect to the Program; and (g) 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 2012 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 2012 Notes.

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 2012 A Interim Notes in accordance with the Act and the 2012 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 2012 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 2012 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 2012 Notes.

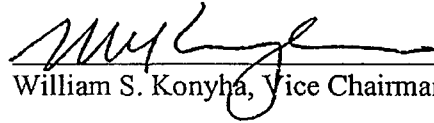
* * * * *

Approved and adopted this 15th day of November, 2011, in Indianapolis, Indiana.

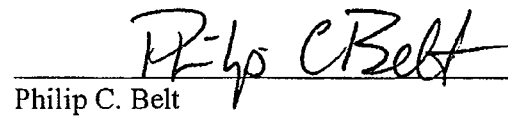
INDIANA BOND BANK



Richard E. Mourdock, Chairman



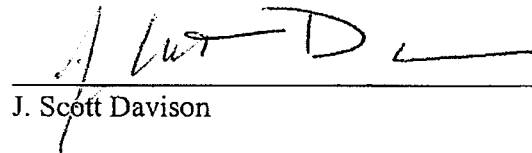
William S. Konyha, Vice Chairman



Philip C. Belt

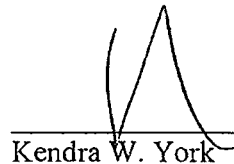


Patrick F. Carr



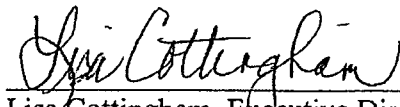
J. Scott Davison

Marni McKinney



Kendra W. York

Attest:



Lisa Cottingham, Executive Director

Exhibit A

Anderson Community Schools
Attica Consolidated School Corp
Baugo Community Schools
Beech Grove City Schools
Brazil Public Library
Brownsburg Community School Corporation
Center Grove Comm. School Corp.
City of Beech Grove
City of Crown Point
City of East Chicago
City of Gary
City of Greenwood
City of Hobart
City of LaPorte
City of Lawrence
City of Portage
City of Valparaiso
Clark-Pleasant Comm School Corp
Cleveland Township - Elkhart County
Crawfordsville Community School Corporation
Danville Community Schools
Decatur Township - Marion County
DeKalb County Central United School District
DeKalb County Eastern Comm. School Dist.
East Chicago Public Library
East Chicago Sanitary District
Elkhart Public Library
Elwood Community School Corporation
Evansville-Vanderburgh School Corporation
Flat Rock-Hawcreek School Corp
Frankton-Lapel Community Schools
Gary Community School Corporation
Greenwood Community Schools
Greenwood Public Library
Hammond Sanitary District
Jay School Corporation
Kokomo Center Township Schools
M.S.D. of Lawrence Township
M.S.D. of New Durham Township
M.S.D. of Steuben County
M.S.D. of Wabash County
M.S.D. of Warren Township

M.S.D. of Washington Township
Merrillville Fire Protection Territory
Michigan City Area Schools
Michigan City Public Library
Michigan Township - LaPorte County
Milan Community Schools
Mishawaka-Penn-Harris Public Library
Monroe Central School Corporation
Monticello-Union Twp Public Library
Mooreville Consolidated School Corporation
Morrison Reeves Public Library
Mt. Vernon Community School Corp
New Albany - Floyd County Schools
New Prairie United School Corp
North Lawrence Comm Schools
Oak Hill United School Corporation
Penn Township - St. Joseph County
Peru Community Schools
Plainfield - Guilford Township Public Library
Plainfield Community School Corporation
Plymouth Community School Corporation
Rensselaer Central School Corporation
School City of Hobart
Shelby Eastern Schools
Smith-Green Community Schools
South Central Community School Corp
South Dearborn Community School Corp
South Henry School Corporation
Southwestern Jefferson County Cons. School Corp
Speedway Public Library
Sunman-Dearborn Comm School Corp
Taylor Community School Corp
Town of Porter
Town of St. John
Washington Township - Hendricks County
Wawasee Community School Corporation
West Clark Community Schools
West Lafayette Comm School Corp
Westfield-Washington Schools
Whitko Community School Corp

TAB 4

WARRANT PURCHASE AGREEMENT

between

INDIANA BOND BANK

and

CITY OF VALPARAISO, INDIANA

Relating to

**INDIANA BOND BANK
ADVANCE FUNDING PROGRAM NOTES,
SERIES 2012**

WARRANT PURCHASE AGREEMENT

THIS WARRANT PURCHASE AGREEMENT has been executed as of December 1, 2011, 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 and continues an Advance 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 (with such additional or alternative designations as the Bond Bank may add thereto) (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 2012, 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 dated as of or about January 26, 2012 (the "Indenture"), between the Bond Bank and The Bank of New York Trust Company, N.A. (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 the Credit Facility Provider (as hereinafter defined) to repay amounts due and owing under the 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 the Credit Facility Provider pursuant to the Credit Facility Agreement.

“Credit Facility Agreement” means any agreement to provide a Credit Facility between the Bond Bank and the Credit Facility Provider dated as of or about January 26, 2012, as amended and supplemented from time to time.

“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 2011 and collectable in 2012 with respect to the fund in anticipation of which each Warrant is issued.

“First Settlement Payment Due Date” means the earlier of December 31, 2012, or 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 2012 and terminates on the last day of December of 2012 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 business day of June of the following calendar year.

“Indenture” means the Note Indenture dated as of or about January 26, 2012, 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 are assigned by the Bond Bank and assumed by the Trustee to secure the Notes.

“Notes” means the Indiana Bond Bank Program Notes (with such additional designations as the Bond Bank may add thereto) designated by the Bond Bank, in its discretion, for the purchase of the Warrants.

“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 program established by the Bond Bank to which the Warrants are pledged by the Bond Bank as conclusively established by operation of the terms and provisions of the Indenture; the Qualified Entity acknowledges that (a) the Bond Bank may in its discretion establish more than one (1) program operated at or about the same time under which it proposes

to and/or does purchase temporary loan tax anticipation warrants from political subdivisions of the State, which may or may not be referred to as the 2012 Advance Funding Program, and (b) the existence of any such other program shall in no way determine (i) how (or under what terms) the Warrants are purchased or (ii) the program to which any Warrant is pledged.

“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 the Credit Facility Provider for funds borrowed or advanced under the 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).

“Rule” means Securities and Exchange Commission Rule 15c2-12, as amended, promulgated under the Securities and Exchange Act of 1934, as amended, regarding municipal securities disclosure.

“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. (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 June 29, 2012, the First Settlement Payment Due Date, and/or December 31, 2012, and any temporary interim warrants, as set forth in Attachment A attached hereto; issued by the Qualified Entity in anticipation of the receipt of ad valorem taxes levied and in the course of collection; and sold to the Bond Bank in accordance with the provisions of the Indenture and this Agreement; and any additional 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 most recent Fiscal Years, achieved an average 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. 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 2012 (that is, the first) and December 2012 (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 29, 2012 (or if applicable by the terms of any Warrant, the First Settlement Payment Due Date), and payable from the June (that is, the first) settlement and distribution and/or maturing on December 31, 2012, 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 2010, 2011, and 2012 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. Prior to the execution and delivery of any supplemental agreement relating to the purchase of additional warrants authorized under Section 3.1 hereof, the Qualified Entity shall file with the Bond Bank a certificate updating such information to show actual figures for 2011 and revised estimates for 2012.

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 29, 2012, the First Settlement Payment Due Date, and/or December 31, 2012, in the principal amounts set forth in Attachment A attached hereto, and the Qualified Entity hereby approves and agrees to issue and sell such Warrants to the Bond Bank.

In the event that the Qualified Entity has notified the Bond Bank in writing that it requires funding as a result of cash flow deficits expected to be incurred prior to January 26, 2012 (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 29, 2012 (or if applicable by the terms of any Warrant, the First Settlement Payment Due Date), and December 31, 2012, 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, that 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.

Further, in the event that the Qualified Entity requires additional funding as a result of cash flow deficits expected to be incurred after the last business day of June 2012, and prior to December 31, 2012, the Qualified Entity may sell and the Bond Bank may purchase additional warrants maturing by December 31, 2012, in principal amounts set forth in a supplemental agreement entered into by the Bond Bank and the Qualified Entity pursuant to Section 6.1 hereof. The additional warrants shall be issued and sold on substantially the same terms and conditions set forth in this Agreement for the sale and purchase of the Warrants; provided, however, that the additional warrants shall bear interest prior to their due date at the per annum rate determined by the Bond Bank and set forth in a supplemental agreement.

The term "Warrants" as used in this Agreement shall be deemed to include the temporary interim warrants and the additional 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 Attachment A attached hereto, prior to the date of issuance and delivery of the Warrants to the Bond Bank, with such rates not to exceed 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 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 at 12:00 noon (Indianapolis time) on January 26, 2012, or such other date and time, and at a location, agreed upon by the Bond Bank, the Qualified Entity, and the Trustee; provided, however, that if the Bond Bank does not execute a note purchase agreement for the sale of the Notes prior to January 26, 2012, and deliver the Notes and receive payment therefore, on or before January 26, 2012, 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. 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 29, 2012 (or if applicable by the terms of any Warrant, the First Settlement Payment Due Date), and/or December 31, 2012. The principal of and interest on the Warrants shall be due on the due date. The Qualified Entity agrees to provide for the timely payment of the principal of 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.

3.6 Prepayment. (a) Except as set forth in this Section, the Qualified Entity shall not be permitted to prepay or effect the prepayment of all or any portion of the principal amount of Outstanding Warrants without the express written consent of the Bond Bank. Interim warrants, if any, shall be prepaid with the proceeds of Warrants as described in Section 3.1 hereof.

(b) In the event the First Semi-Annual Settlement shall occur in more than one installment to the Qualified Entity to be made after June 29, 2012, 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.

3.7 Request for Advance Distributions. The Qualified Entity shall, not later than May 15, 2012, if the Qualified Entity issues Warrants maturing on June 29, 2012 (or if applicable by the terms of any Warrant, the First Settlement Payment Due Date), and November 15, 2012, 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.

3.8 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, 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 June 29, 2012 (or the date fixed for prepayment of Warrants in accordance with Section 3.6 hereof), with respect to amounts for payment of Outstanding Warrants due June 29, 2012 (or if applicable by the terms of any Warrant, the First Settlement Payment Due Date), and mature no later than December 31, 2012 (or the date fixed for prepayment of Warrants in accordance with Section 3.6 hereof), with respect to amounts for payment of Outstanding Warrants due December 31, 2012, 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 2012

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 2012 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) was (were) adopted and approved, 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 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 the Credit Facility Provider under the provisions of the 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. Only with the written consent of the Bond Bank may the Qualified Entity hereafter issue warrants on a parity with the Warrants issued pursuant to the ordinance and purchased under this Agreement.

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 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 the Credit Facility Provider, issue any warrant or comparable obligation for the then-current Fiscal Year; provided that the prohibition contained in this Section 5.4 shall not be violated by the Qualified Entity having issued warrants for a fund in anticipation of revenues that were originally anticipated for collection in the prior Fiscal Year but due to reassessment and related delays are now anticipated for collection in the Fiscal Year ending December 31, 2012, or by issuing warrants with the Bond Bank's consent, to refund any such warrant if such revenues remain in the course of collection.

5.5 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 April 2012, 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.

5.6 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.

5.7 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.

5.8 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 the Credit Facility Provider under the provisions of the Credit Facility Agreement, to the extent that amounts are owed to the Credit Facility Provider under the 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 the Credit Facility Provider under the provisions of the Credit Facility Agreement, if amounts are owed to the Credit Facility Provider under the Credit Facility Agreement), and to the extent permitted by law, assign to the Bond Bank (and the Credit Facility Provider under the provisions of the Credit Facility Agreement, if amounts are owed to the Credit Facility Provider under the Credit Facility Agreement), the right to pursue such cause of action in the name of the Qualified Entity.

5.9 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 the Credit Facility 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.

5.10 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 5.10. 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 5.10 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:

- 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) mergers, consolidations or acquisitions;
- 13) the appointment of a successor (trustee or co-trustee);
- 14) tender offers; and
- 15) bankruptcy, insolvency, receivership or similar event.

(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, not in excess of ten (10) business days of the occurrence, notify the Bond Bank in writing. Such notice shall be submitted on the 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.

(e) 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.

(f) 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 on the Electronic Municipal Market Access (“EMMA”) portal maintained by the Municipal Securities Rulemaking Board or 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 the Rule to provide annual reports or notices of material events. Section 5.21 of the Indenture is hereby made applicable to this Section 5.10 as if this Section 5.10 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 5.10 and any provision of this Section 5.10 may be waived, provided that the following conditions are satisfied:

- i. If the amendment or waiver relates to the provisions of Section 5.10(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;
- ii. 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
- iii. 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 West Lincolnway
Valparaiso, Indiana 46383
Attention: Financial Officer

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

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

6.6 Expenses. Except to the extent 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.

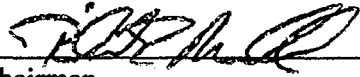
6.9 Term. This Agreement shall terminate at such time as the Qualified Entity has fully met and discharged all of its obligations hereunder.

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

[Remainder of this 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.

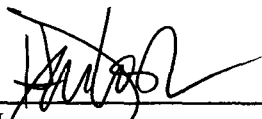
INDIANA BOND BANK
("Bond Bank")

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 2012 ADVANCE FUNDING PROGRAM
SCHEDULE OF WARRANT MATURITIES AND INTEREST RATES**

Fund	Principal Amount Maturing June 29, 2012~	Principal Amount Maturing December 31, 2012
General	\$-0-	\$3,683,908

~ or if applicable by the terms of any Warrant, the First Settlement Payment Due Date.

	<u>Interest Rate</u>
Warrant, Series 2012	1.02%

Dated Date of, and "Closing Date" for, Warrants: January 26, 2012.

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

CITY OF VALPARAISO, INDIANA

By:

Sharon Emerson Swihart

Printed:

Sharon Emerson Swihart

Title:

Clerk-Treasurer

INDIANA BOND BANK
2012 ADVANCE FUNDING PROGRAM

Cash Flow Worksheet

Q/E -	Name	City of Valparaiso	Revised Date	12/19/11
	Contact	Sharon Swihart	Cash Flow Year	Estimated 2012
	Telephone	(219) 462-1161	Fund Name	General
			Fund Levy*	\$13,981,000
			Less: Estimated Circuit Breaker	\$686,806
			Estimated Adjusted Levy	\$13,294,194
			% Property Tax Collections	100.14%

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Beginning Balance:	\$2,671,333	\$944,463	\$44,463	(\$855,537)	(\$2,323,784)	(\$3,683,908)	\$2,662,262	\$1,562,262	\$512,262	(\$305,652)	(\$1,355,652)	(\$2,605,652)	\$2,671,333
Receipts:													
2012 Property Tax*	0	0	0	0	0	7,000,000	0	0	0	0	0	7,000,000	14,000,000
2011 Property Tax (If Applicable)	0	0	0	0	0	0	0	0	0	0	0	0	0
State Aid	0	0	0	0	0	0	0	0	0	0	0	0	0
All Other Receipts	250,000	250,000	250,000	250,000	250,000	1,100,000	300,000	350,000	350,000	350,000	350,000	900,000	4,950,000
Total Receipts	250,000	250,000	250,000	250,000	250,000	8,100,000	300,000	350,000	350,000	350,000	350,000	7,900,000	18,950,000
Expenditures:													
Wages & Salaries	1,228,870	850,000	850,000	1,418,247	1,310,124	1,453,830	1,100,000	1,100,000	867,914	1,100,000	1,250,000	1,200,000	13,728,985
2011 Indiana Bond Bank (If Applicable)	0	0	0	0	0	0	0	0	0	0	0	0	0
2011 Temporary Loans (If Applicable)	0	0	0	0	0	0	0	0	0	0	0	0	0
All Other Expenditures	750,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	350,000	200,000	4,000,000
Total Expenditures	1,978,870	1,150,000	1,150,000	1,718,247	1,610,124	1,753,830	1,400,000	1,400,000	1,167,914	1,400,000	1,600,000	1,400,000	17,728,985
Cumulative Fund Balance	\$944,463	\$44,463	(\$855,537)	(\$2,323,784)	(\$3,683,908)	\$2,662,262	\$1,562,262	\$512,262	(\$305,652)	(\$1,355,652)	(\$2,605,652)	\$3,894,348	\$3,894,348

80% of 1/2 of the Annual Gross Levy	\$5,317,677	IBB Permitted Borrowing:	80% of 1/2 Levy	Largest Deficit
Largest Deficit of First 6 Months	\$3,683,908			
Largest Deficit of Second 6 Months	\$2,605,652	Lesser of 80% of 1/2 Levy or Largest Deficit	\$0	\$3,683,908
		Additional Short Warrant Permitted	0	

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

Warrant Fund: _____ Fund
Dated Date: _____, 2012
Due Date: [June 29, 2012, provided that, if the First Semi-Annual Settlement occurs after June 29, 2012, then on the First Settlement Payment Due Date (as defined in the below referenced Agreement)]
[December 31, 2012]
Principal Sum: \$ _____
Interest Rate: _____ percent per annum

FOR VALUE RECEIVED, on or before the Due Date set forth above (the "Due Date"), the City of Valparaiso, Indiana (the "Issuer"), shall pay to the Indiana Bond Bank (the "Bond Bank") the Principal Sum set forth above pursuant to a certain Warrant Purchase Agreement between the Bond Bank and the Issuer, dated as of December 1, 2011 (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 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 the 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 Due 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). This Warrant may not be prepaid prior to the Due Date except as permitted by the Agreement.

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 adopted and approved 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 2011, 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. The principal amount of all Warrants maturing on the Due Date and payable from the Fund does not exceed forty percent (40%) of the 2012 annual budget levy for the Fund as estimated or certified 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 Dated Date set forth above.

CITY OF VALPARAISO, INDIANA

By: _____
Its Mayor

ATTEST:

Its Clerk-Treasurer

ATTACHMENT C
TO WARRANT PURCHASE AGREEMENT

FORM OF REQUEST FOR ADVANCE DISTRIBUTION

[May 15] [November 15], 2012

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 [June] [December] 2012 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 [June] [December], 2012 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 and approved 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 **[Names of Officers]** 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) 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

EVENT NOTICE COVER SHEET

Indiana Bond Bank Advanced Funding Program Notes, Series 2012

This cover sheet and 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(d) of the Warrant Purchase Agreement between the Qualified Entity and the Indiana Bond Bank.

Qualified Entity's Name: _____

Number of pages of attached event notice: _____

Description of Events Notice (check all that apply):

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. _____ Mergers, consolidations or acquisitions
13. _____ The appointment of a successor (trustee or co-trustee)
14. _____ Tender offers
15. _____ Bankruptcy, insolvency, receivership or similar event
16. _____ Failure to provide annual financial information as required
17. _____ Other 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: _____

Voice Telephone Number (____) _____

Contact the Executive Director of the Indiana Bond Bank at (317) 233-0888 or (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 (hereinafter 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 2012 (the "Warrants"), of the Issuer under and pursuant to the Ordinance (as hereinafter defined) and a Warrant Purchase Agreement between the Issuer and the Indiana Bond Bank (the "Bond Bank") dated as of December 1, 2011 (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 and approved by the Fiscal Body, authorizing the making of temporary loans for the General Fund (the "Fund(s)") 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 approved, and all other proceedings in any way relating to the authorization, issuance, and sale of the Warrants.

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

5. That notice of regular meetings was given (i) by mailing an appropriate notice to news media (which delivered by the first day of January of such year, an annual written request for such notices for the calendar year), and (ii) by posting such notice as

required pursuant to Indiana Code 5-14-1.5; and that notice of special meetings was given (a) by mailing or other personal delivery, not less than forty-eight (48) hours (excluding Saturdays, Sundays, and legal holidays) prior to the meeting, to each member of the Fiscal Body and to each of the above described news media, and (b) by posting, not less than forty-eight (48) hours (excluding Saturdays, Sundays, and legal holidays) prior to the meeting, at the principal office of the agency or at the building at which the meeting was 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 and approved 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 2012, 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 2012, 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, there are no outstanding temporary loan tax anticipation warrants with respect to the Funds of the Issuer.

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 received in 2012 (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 Attachment A to the Agreement.

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

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

16. That all information provided by the Issuer on any application, including any attachments or correspondence related thereto, heretofore delivered to the Bond Bank in connection with the Issuer's participation in the Bond Bank's 2012 Advance Funding Program, 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 Advance Funding Program Notes, Series 2012 (with such additional or alternative designations as the Bond Bank may designate), 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 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 (assuming the due authorization, execution, and delivery by the Bond Bank) 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.

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")

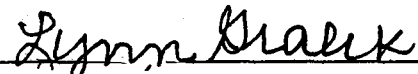
By: 
Mayor

By: 
Clerk-Treasurer

- * This date will be the Closing Date recited in Attachment A to the Warrant Purchase Agreement, dated as of December 1, 2011, between the Indiana Bond Bank and City of Valparaiso, Indiana. Attachment A is prepared by bond counsel and delivered by fax or email to a representative of the City of Valparaiso, Indiana, prior to the Closing Date (currently expected to be January 26, 2012).

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 the foregoing General Certificate.

By:  **

Printed: Lynn Gralik

Title: Human Resources Spec . . . +

(Seal)

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

Commission Expires 9-26-16
Porter County

TAB 6

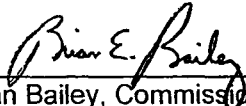
STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE
Indiana Government Center North
100 North Senate Avenue, Room N1058
Indianapolis, IN 46204

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 provides the certified property tax levies for the most recently available calendar year, for the funds and in the amounts set forth on the attachment hereto.

Dated this day of December 19th, 2011

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



Brian Bailey, Commissioner

INDIANA BOND BANK
Advance Funding Program Notes, Series 2012 A
Certified Levies

County Code	Unit Type Code	Unit Code	Qualified Entity	County or Counties	Fund Code	Fund	QE Estimated Pay 2012 Property Tax Levy	Primary County DLGF Certified Levy	Pay Year	County #2 DLGF Certified Levy	Pay Year
<u>School Corporations</u>											
23	4	2435	Attica Consolidated School Corporation	Fountain	6301 1214	T CP	244,522 552,899	244,522 552,899	2011 2011		
32	4	3305	Brownsburg Community School Corporation	Hendricks	0180	DS	19,000,000	17,589,905	2011		
41	4	4205	Center Grove Community School Corporation	Johnson	6301 1214	T CP	2,994,133 6,213,765	2,644,352 5,506,424	2011 2011		
32	4	3325	Darville Community School Corporation	Hendricks	6301 1214	T CP	1,139,186 1,664,008	1,139,186 1,664,008	2011 2011		
17/76	4	1835	DeKalb County Central United School District	DeKalb/Steuben	6301	T	2,140,000	2,130,677	2011	16,379	2011
17	4	1805	DeKalb County Eastern C.S.D.	DeKalb	6301 0180 1214 6302	T DS CP TB	1,854,019 4,537,856 2,000,000 95,479	1,079,333 2,448,561 2,483,261 206,035	2011 2011 2011 2011		
48	4	5280	Elwood Community School Corporation	Madison	0180	DS	1,500,000	1,365,259	2011		
82	4	7995	Evansville-Vanderburgh School Corporation	Vanderburgh	6301 1214	T CP	13,622,930 14,270,444	12,474,876 15,384,529	2011 2011		
03	4	0370	Flatrock-Hawcreek School Corporation	Bartholomew	6301 0187	T REF DS	370,000 1,450,000	322,698 1,519,991	2011 2011		
48	4	5245	Frankton-Lapel Community Schools	Madison	0180	DS	3,567,966	3,792,966	2011		
41	4	4245	Greenwood Community School Corporation	Johnson	1214	CP	3,200,000	2,920,187	2011		
38/05	4	3945	Jay School Corporation	Jay/Blackford	1214	CP	3,034,906	2,921,571	2011	4,933	2011
34	4	3500	Kokomo-Center Township Cons. School Corp.	Howard	6301	T	2,600,000	2,373,136	2011		
76	4	7615	M.S.D. of Steuben County	Steuben	1214	CP	2,665,000	2,687,153	2011		
85	4	8050	M.S.D. of Wabash County	Wabash	6301 1214	T CP	995,000 1,900,000	992,635 1,867,230	2011 2011		
49	4	5360	M.S.D. of Warren Township	Marion	6301 1214 0186	T CP PDS	6,625,000 10,500,000 1,166,962	6,483,671 8,913,553 1,810,453	2011 2011 2011		
49	4	5370	M.S.D. of Washington Township	Marion	6301 1214	T CP	6,626,927 9,159,506	6,372,045 9,159,506	2011 2011		
69	4	6910	Milan Community School Corporation	Ripley	6301 1214	T CP	695,726 596,017	695,726 596,017	2011 2011		
68	4	6820	Monroe Central School Corporation	Randolph	6301 1214 6302	T CP TB	826,098 694,915 184,076	718,742 571,635 159,870	2011 2011 2011		
55	4	5930	Mooresville Consolidated School Corporation	Morgan	0180 1214	DS CP	2,700,000 2,500,000	2,845,039 2,776,581	2011 2011		
27/52	4	5625	Oak Hill United School Corporation	Grant/Miami	6301 1214	T CP	609,661 1,033,513	477,332 692,196	2011 2011	132,448 192,068	2011 2011
52	4	5635	Peru Community Schools	Miami	0186	PDS	259,608	259,608	2011		
32	4	3330	Plainfield Community School Corporation	Hendricks	6301 1214	T CP	1,795,446 4,418,461	1,589,078 3,859,420	2011 2011		

INDIANA BOND BANK
Advance Funding Program Notes, Series 2012 A
Certified Levies

County Code	Unit Type Code	Unit Code	Qualified Entity	County or Counties	Fund Code	Fund	QE Estimated Pay 2012 Property Tax Levy	Primary County DLGF Certified Levy	Pay Year	County #2 DLGF Certified Levy	Pay Year
50	4	5485	Plymouth Community School Corporation	Marshall	6301 1214 0186	T CP PDS	\$ 878,666 2,647,019 285,034	924,612 2,647,019 294,670	2011 2011 2011		
37	4	3815	Rensselaer Central School Corporation	Jasper	6301	T	525,000	549,421	2011		
57/92	4	8625	Smith-Green Community Schools	Noble/Whitley	6301 1214	T CP	410,000 810,000	117,254 238,879	2011 2011	256,587 517,630	2011 2011
15	4	1600	South Dearborn Community Schools	Dearborn	6301 0180 1214	T DS CP	1,550,000 3,522,340 2,040,000	1,427,806 3,840,026 1,351,680	2011 2011 2011		
33	4	3415	South Henry School Corporation	Henry	6301 1214	T CP	424,699 483,764	424,699 483,764	2011 2011		
39	4	4000	Southwestern Jefferson Co. Consol. School Co	Jefferson	6301	T	1,100,000	1,075,542	2011		
34	4	3460	Taylor Community School Corporation	Howard	6301 1214	T CP	580,000 570,000	580,024 919,108	2011 2011		
43	4	4345	Wawasee Community School Corporation	Kosciusko	6301	T	1,700,000	1,694,703	2011		
43/92	4	4455	Whitko Community School Corporation	Kosciusko/Whitley	6301 1214 6302	T CP TB	760,000 1,550,000 180,000	404,846 817,386 99,822	2011 2011 2011	342,449 691,330 84,362	2011 2011 2011
<u>Libraries</u>											
11	5	0026	Brazil Public Library	Clay	0101	O	252,656	\$ 247,024	2011		
20	5	0045	Elkhart Public Library	Elkhart	0101	O	4,900,000	4,486,678	2011		
71	5	0203	Mishawaka-Penn-Harris Public Library	St. Joseph	0101 0180 188 382	O DS EDS EDS #2	3,598,500 972,923	3,489,489 420,200 541,997	2011 2011 2011		
91	5	0247	Monticello Union Township Public Library	White	0101	O	345,781	334,019	2011		
49	5	0143	Speedway Public Library	Marion	0101 1220	O CP	891,643 113,507	661,367 92,257	2011 2011		
<u>Cities, Towns and Townships</u>											
41	3	0318	City of Greenwood	Johnson	1111	F	4,688,322	4,525,808	2011		
45	3	0202	City of Hobart	Lake	0101	G	12,507,895	11,258,644	2011		
49	3	0306	City of Lawrence	Marion	0101	G	8,758,570	8,451,969	2011		
64	3	0204	City of Valparaiso	Porter	0101	G	14,400,000	13,981,000	2011		
20	2	0003	Cleveland Township	Elkhart	1111 1187	F EFL	170,000	162,448 488,483	2011 2011		
71	2	0010	Penn Township	St. Joseph	0101 0840 1482	G TA FDS	160,000 443,754 291,797	\$ 155,331 312,706 325,617	2011 2011 2011		
64	3	0833	Town of Porter	Porter	0101 1301	G P&R	1,451,080 100,596	1,257,077 106,524	2011 2011		
45	3	0733	Town of St. John	Lake	0101	G	3,282,190	3,131,171	2011		

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 2012, for the General Fund of the Issuer (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 and approved by the Fiscal Body relating to the Warrants, including without limitation the Ordinance and all related proceedings, comply with all (i) laws of the State of Indiana, including without limitation the Indiana Open Door Law, and (ii) 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 (i) the corporate existence, legal capacity, or boundaries of the Issuer, (ii) the title of any officers of the Issuer or the Fiscal Body relating to the Ordinance or the Warrant Purchase Agreement dated as of December 1, 2011 (the "Agreement"), between the Issuer and the Indiana Bond Bank (the "Bond Bank"), (iii) 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 (iv) contesting the powers or authority of the Issuer with respect to the Warrants or the Agreement.

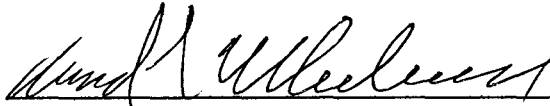
4. I have reviewed the Warrants and all certificates of any or all of the officers and officials of the Issuer executed and delivered in connection with the Warrants, and nothing has come to my attention that would render the representations in any such certificate untrue, inaccurate, or in any way misleading, 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 legal, 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]

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

By: 
Attorney
CITY OF VALPARAISO, INDIANA

- * This date will be the Closing Date recited in Attachment A to the Warrant Purchase Agreement, dated as of December 1, 2011, between the Indiana Bond Bank and City of Valparaiso, Indiana. Attachment A is prepared by bond counsel and delivered by fax or email to a representative of the City of Valparaiso, Indiana, prior to the Closing Date (currently expected to be January 26, 2012).

TAB 8

**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 2012 (the "Warrants"), we further certify as follows:

1. In our official capacities we are familiar with (a) an ordinance adopted and approved 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 (the "Fund(s)"), in anticipation of property taxes levied and in the course of collection for each Fund in the year 2012; (b) the financial condition and needs of the Issuer for the fiscal year ending on the last day of December 2012, 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 Attachment A 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 December 1, 2011 (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 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 2012, and mature and are payable no later than December 31, 2012.

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 2012. 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 Bond Bank's 2012 Advance Funding Program (with such additional or alternative program designations as the Bond Bank may designate). 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 2012.

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, 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 equal to five percent

(5%) of the actual working capital expenditures for the prior fiscal year. The Issuer's working capital reserve for each Fund does not exceed five percent (5%) of the actual working capital expenditures for such Fund in fiscal year 2011.

15. On the basis of the foregoing, it is expected that the investment of the proceeds of the Warrants in acquired obligations will be an investment for a temporary period and, accordingly, the proceeds of all such Warrants and the earnings thereon will not be used in a manner that would cause the Warrants to be "arbitrage bonds" within the meaning of Sections 103 and 148 of the Code and the regulations promulgated thereunder and pertaining thereto.

16. Pursuant to the ordinance adopted and approved by the Fiscal Body for the purpose of authorizing and issuing the Warrants, the Issuer has covenanted, among other covenants, not to take any action or fail to take any action with respect to the proceeds of any of the Warrants or any investment earnings thereon which would result in constituting the Warrants as "arbitrage bonds" under the Code or any and all final or proposed regulations or rulings applicable thereto, or which would otherwise cause the interest on any of the Warrants to cease to be excludable from gross income for purposes of federal income taxation; provided, further, that the Issuer has authorized and directed the fiscal officer thereof and all other appropriate officers to take any and all actions and to make and deliver any and all reports, filings, and certifications as may be necessary or appropriate to evidence, establish, or ensure such continuing excludability of the interest on the Warrants.

Additionally, on behalf of the Issuer, we shall not take or permit the taking of any action or fail to take or permit the failure to take any action with respect to proceeds of any of the Warrants or any investment earnings thereon that would result in constituting any of the Warrants as an "arbitrage bond" under the Code, or which would otherwise cause or have the possible effect of causing the interest on the Warrants to cease to be excludable from gross income for purposes of federal income taxation, and that the Issuer shall comply with all "arbitrage" rebate requirements under Section 148 of the Code, if any, to the extent applicable.

17. There are no governmental obligations issued at substantially the same time as any of the Warrants, or sold pursuant to a common plan of financing with the Warrants, or payable out of substantially the same source of funds or having substantially the same claim to be paid out of substantially the same source of funds as will be used to pay the Warrants.

18. To the best of our knowledge and belief, there are no other facts, estimates, or circumstances that would change the conclusions set forth in this Certificate.

19. For purposes of Section 148(f)(4)(D) of the Code:

(a) The Issuer is a governmental unit with general taxing powers;

(b) The Warrants are not "private activity bonds" within the meaning of Section 141 of the Code;

(c) Ninety-five percent (95%) or more of the net proceeds of the Warrants are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and

(d) The aggregate face-amount of all tax-exempt obligations (other than "private activity bonds" and obligations defined in Section 148(f)(4)(D)(iii) of the Code) issued by the Issuer (including entities which issue bonds on behalf of the Issuer and entities subordinate to the Issuer, all within the meaning of Section 148(f)(4)(D)(ii) of the Code) during the calendar year 2012 is not reasonably expected to exceed \$5,000,000; and

(e) With respect to any Warrants issued to refund other obligations, such Warrants satisfy the requirements of Section 148(f)(4)(D)(v) of the Code.

Therefore the Issuer meets the requirements of Section 148(f)(4)(D) of the Code and expects to be exempt from the requirement to rebate any arbitrage profits to the United States unless otherwise directed by the Bond Bank.

20. Bingham McHale LLP, as bond counsel in connection with the issuance and sale of the Warrants, may rely on the above and any and all other representations, warranties, and covenants made by or on behalf of the Issuer, contained in any instrument, ordinance, or other document executed, adopted, approved or delivered in connection with the authorization, sale, or delivery of the Warrants.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, this Certificate Regarding Certain Federal Tax Matters and Arbitrage 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 to the Warrant Purchase Agreement, dated as of December 1, 2011, between the Indiana Bond Bank and City of Valparaiso, Indiana. Attachment A is prepared by bond counsel and delivered by fax or email to a representative of the City of Valparaiso, Indiana, prior to the Closing Date (currently expected to be January 26, 2012).

TAB 9

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)

► See separate instructions.

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

OMB No. 1545-0720

Part I Reporting AuthorityIf Amended Return, check here ► ☐

1 Issuer's name CITY OF VALPARAISO, INDIANA		2 Issuer's employer identification number (EIN) 35-6001217
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) Sue A. Beesley		3b Telephone number of other person shown on 3a 317.635.8900
4 Number and street (or P.O. box if mail is not delivered to street address) 166 W. LINCOLNWAY	Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code VALPARAISO, IN 46383		7 Date of issue January 26, 2012
8 Name of issue Temporary Loan Tax Anticipation Warrants, Series 2012		9 CUSIP number N/A
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Sharon Emerson Swihart, Clerk-Treasurer		10b Telephone number of officer or other employee shown on 10a 219-462-1161

Part II Type of Issue (enter the issue price). See the 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 ► Tax Ant. Warrants to meet current expenses of various funds	18	3,683,908
19 If obligations are TANs or RANs, check only box 19a	► ☐	
19 If obligations are BANs, check only box 19b	► ☐	
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	12/31/2012	\$ 3,683,908	\$ 3,683,908	.9290 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	3,683,908
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	3,683,908

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 (MM/DD/YYYY)	► N/A	
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	► N/A	

For Paperwork Reduction Act Notice, see separate instructions.

Form **8038-G** (Rev. 9-2011)

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 (GIC) (see instructions) **36a** N/A
- b** Enter the final maturity date of the GIC ▶ _____
- c** Enter the name of the GIC provider ▶ _____
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units **37** 0.00
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box ☐ and enter the following information:
- b** Enter the date of the master pool obligation ▶ _____
- c** Enter the EIN of the issuer of the master pool obligation ▶ _____
- d** Enter the name of the issuer of the master pool obligation ▶ _____
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ☐
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ☐
- 41a** If the issuer has identified a hedge, check here ☐ and enter the following information:
- b** Name of hedge provider ▶ _____
- c** Type of hedge ▶ _____
- d** Term of hedge ▶ _____
- 42** If the issuer has superintegrated the hedge, check box ☐
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ☒
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box ☒
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here ☐ and enter the amount of reimbursement ▶ _____
- b** Enter the date the official intent was adopted ▶ _____

Signature and Consent

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. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Signature of issuer's authorized representative Sharon Emerson Swihart 1/26/12 Sharon Emerson Swihart, Clerk-Treas.
Date Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Sue A. Beesley	<u>Sue A. Beesley</u>	1/26/12		P01241646
Firm's name ▶ Bingham McHale LLP	Firm's EIN ▶ 35-0854235			
Firm's address ▶ 2700 Market Tower, Indpls., IN 46204	Phone no. 317.635.8900			

TAB 10

UNITED STATES OF AMERICA

STATE OF INDIANA **COUNTY OF PORTER**

CITY OF VALPARAISO, INDIANA
TEMPORARY LOAN TAX ANTICIPATION WARRANT, SERIES 2012

Warrant Fund: General Fund
Dated Date: January 26, 2012
Due Date: December 31, 2012
Principal Sum: \$3,683,908
Interest Rate: 1.02 percent per annum

FOR VALUE RECEIVED, on or before the Due Date set forth above (the "Due Date"), the City of Valparaiso, Indiana (the "Issuer"), shall pay to the Indiana Bond Bank (the "Bond Bank") the Principal Sum set forth above pursuant to a certain Warrant Purchase Agreement between the Bond Bank and the Issuer, dated as of December 1, 2011 (the "Agreement").

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

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 adopted and approved 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.

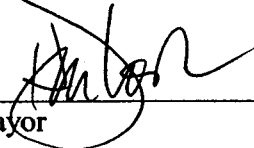
This Warrant is issued in anticipation of the tax levy which has been made for the Fund in the year 2011, which tax levy is now in the course of collection. There has been irrevocably appropriated and pledged to the payment in full of the principal of and interest on this Warrant a sufficient amount of the revenues to be derived from the Fund tax levy. The principal amount of all Warrants maturing on the Due Date and payable from the Fund does not exceed forty percent (40%) of the 2012 annual budget levy for the Fund as estimated or certified 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 Dated Date set forth above.

CITY OF VALPARAISO, INDIANA

By:


Its Mayor

ATTEST:


Its Clerk-Treasurer

TAB 11

**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 2012, dated on and as of the "Closing Date" recited in Attachment A to the Warrant Purchase Agreement, dated as of December 1, 2011, between the Indiana Bond Bank and the Issuer, bearing interest to maturity at a per annum rate established in such Attachment A, 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.

IN WITNESS WHEREOF, this Receipt for Delivery of Warrants has been executed to be made on and as of the "Closing Date"*.

INDIANA BOND BANK

By: 
Executive Director

- * This date will be the Closing Date recited in Attachment A to the Warrant Purchase Agreement, dated as of December 1, 2011, between the Indiana Bond Bank and City of Valparaiso, Indiana. Attachment A is prepared by bond counsel and delivered by fax or email to a representative of the City of Valparaiso, Indiana, prior to the Closing Date (currently expected to be January 26, 2012).

CITY OF VALPARAISO, INDIANA
TEMPORARY LOAN TAX ANTICIPATION WARRANTS, SERIES 2012
SCHEDULE A

General Fund: \$-0- maturing on June 29, 2012 (or if applicable by the terms of any Warrant, the First Settlement Payment Due Date) and \$3,683,908 maturing on December 31, 2012.

TAB 12

January 26, 2012

Indiana Bond Bank
Indianapolis, Indiana

City of Valparaiso
Valparaiso, Indiana

Re: City of Valparaiso
Temporary Loan Tax Anticipation Warrants, Series 2012

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by City of Valparaiso (the "Issuer"), of its Temporary Loan Tax Anticipation Warrants, Series 2012 (the "Warrants"), originally dated as of the date first above written, maturing on the identified date, in the identified principal amounts and for the respective identified funds as set forth on the attached Schedule A. The Warrants have been authorized and issued pursuant to a resolution adopted by the Issuer's Board of School Trustees and are being sold to the Indiana Bond Bank (the "Bond Bank") pursuant to a Warrant Purchase Agreement between the Bond Bank and the Issuer, dated as of December 1, 2011 (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 thereon 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. In addition, the Issuer has reserved the right to pay interest on the Warrants from funds available for that purpose in the Issuer's Debt Service Fund.

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

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. 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 Bruneau", followed by a stylized flourish or set of initials.

CITY OF VALPARAISO, INDIANA
TEMPORARY LOAN TAX ANTICIPATION WARRANTS, SERIES 2012
SCHEDULE A

General Fund: \$-0- maturing on June 29, 2012 (or if applicable by the terms of any Warrant, the First Settlement Payment Due Date) and \$3,683,908 maturing on December 31, 2012.

TAB 13

**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 2012 (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 and as of the "Closing Date" recited in Attachment A to the Warrant Purchase Agreement, dated as of December 1, 2011, between the Bond Bank and the Issuer, bearing interest to maturity at the per annum rate established in such Attachment A and maturing and payable on or before December 31, 2012, in the principal amount(s) and bearing interest as set forth in such Attachment A.

The undersigned further certify that on behalf of the Issuer the fiscal officer thereof has received payment from the Bond Bank for the Warrants, in the amounts described in the aforementioned Attachment A.

IN WITNESS WHEREOF, this Certificate of Delivery of Warrants and Receipt of Payment 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 to the Warrant Purchase Agreement, dated as of December 1, 2011, between the Indiana Bond Bank and City of Valparaiso, Indiana. Attachment A is prepared by bond counsel and delivered by fax or email to a representative of the City of Valparaiso, Indiana, prior to the Closing Date (currently expected to be January 26, 2012).

February 6, 2012

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

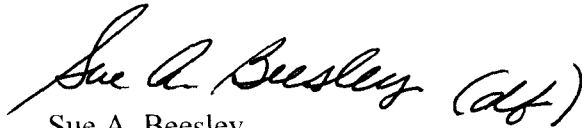
Re: Indiana Bond Bank's 2012 Advance Funding Program
Our File No. 3390-95157

Dear Ms. Swihart:

Enclosed is a transcript of documents related to your participation in the Indiana Bond Bank's 2012 Advance Funding Program.

We appreciate the opportunity to work with you. If we can be of any further assistance, please do not hesitate to contact us.

Sincerely,


Sue A. Beesley

SB1/df/1650106

Enclosure