

ORDINANCE 36, 2002

Indiana Bond Bank's 2003 Advance Funding Program

Bingham ● McHale LLP

a t t o r n e y s a t l a w

February 12, 2003

Ms. Sharon Emerson
City of Valparaiso
166 West Lincolnway
Valparaiso, Indiana 46383

Re: Indiana Bond Bank's 2003 Advance Funding Program
City of Valparaiso

Dear Ms. Emerson:

Enclosed is a Transcript of documents related to the City of Valparaiso participation in the Indiana Bond Bank's 2003 Advance Funding Program.

We appreciate the opportunity to work with you and the City of Valparaiso in the Indiana Bond Bank's 2003 Advance Funding Program.

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

Sincerely,

James P. McGoff

Enclosures

CITY OF VALPARAISO
TEMPORARY LOAN TAX ANTICIPATION TIME WARRANTS, SERIES 2003 A
(GENERAL FUND)

Delivery Date: January 30, 2003

Closing Transcript

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File: 3390-40396

Document No.:675897

TAB 1

ORDINANCE 36, 2002

AN ORDINANCE authorizing the City of Valparaiso, 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 2002, and collectable in the year 2003 (including property tax replacement revenues); authorizing the issuance of temporary loan tax anticipation warrants to evidence such loans and the sale of such warrants to the Indiana Bond Bank; and appropriating and pledging the taxes to be received in such funds to the punctual payment of such warrants including the interest thereon.

WHEREAS, the Common Council (the "Fiscal Body") of the City of Valparaiso (the "Issuer") has determined that there will be an insufficient amount of money in the General Fund of the Issuer (the "Funds") to meet the current running expenses of the Issuer payable from such Funds during the fiscal year ending on the last day of December 2003, and prior to the respective June 2003 (that is, the first) and December 2003 (that is, the second and final) settlements and distribution of taxes levied for such Funds (including property tax replacement revenues); 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 2003 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 2003 by the Indiana Department of Local Government Finance; and

WHEREAS, the levy (including property tax replacement revenues) proposed for collection for the Funds in 2003 is estimated to produce in the aggregate, with respect to such Funds, an amount equal to or in excess of the principal of and interest on the temporary loans for such Funds; and

WHEREAS, a necessity exists for the making of temporary loans evidenced by temporary loan tax anticipation warrants for the Funds in anticipation of the receipt of current revenues for such Funds levied for the year 2002 and in the course of collection in 2003

(including property tax replacement revenues) 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 2003 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 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 2002 and in the course of collection for such Funds in 2003 (including property tax replacement revenues), which loans shall be evidenced by temporary loan tax anticipation time warrants of the Issuer (the "Warrants") issued pursuant to the provisions of Indiana Code 36-4-6-20 as in effect on the date of their respective issuance. A separate Warrant or Warrants shall be issued for each Fund and each maturity date and all Warrants shall be dated as of the date of delivery thereof to the Bond Bank. 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, 2003, in aggregate amounts not to exceed the following for the respective identified funds:

General Fund: \$8,100,000.

The Warrants shall bear interest prior to maturity at a rate or rates per annum not to exceed a maximum of 6.5%. The exact rate or rates are to be determined under the terms of a warrant purchase agreement between the Bond Bank and the Issuer to be entered into prior to the sale of the Warrants to the Bond Bank (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 form of Warrant Purchase Agreement available to the Issuer as of the date of the adoption of this Ordinance and incorporated by reference into this Ordinance), conforming changes may be made by the Issuer's officers to the form of any Warrant and the Warrant Purchase Agreement prior to the

"Bond Bank") the Principal Sum set forth above pursuant to a certain Warrant Purchase Agreement between the Bond Bank and the Borrower, dated as of December 1, 2002 (the "Agreement"). [This Warrant is issued in anticipation of the First Semi-Annual Settlement (as defined in the Agreement).]

In addition, the Borrower 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 Borrower 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 Borrower 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 Borrower to the Bond Bank shall be made by paying the amount due in funds that are available for immediate transfer or investment on or before 12:00 noon (Indianapolis time) on the payment date to the Trustee in St. Louis, Missouri (or to such other place of payment as may be specified in notice given by the Trustee or Bond Bank). 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 passed and adopted by the Common Council of the City of Valparaiso, 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 2002, which tax levy is now in the course of collection (including property tax replacement revenues). There has been irrevocably appropriated and pledged to the payment in full of the principal of and interest on this Warrant a sufficient amount of the revenues to be derived from the Fund tax levy (including property tax replacement revenues). The principal amount of all Warrants maturing on the Due Date and payable from the Fund does not exceed forty percent (40%) of the 2003 annual budget levy for the Fund (including property tax replacement revenues) 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 (including property tax replacement revenues) from which (together with other amounts in the Fund) this Warrant is

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

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

CITY OF VALPARAISO

By: _____
Its Mayor

ATTEST:

Its Clerk-Treasurer

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 bond counsel for the Warrants on the engagement terms set forth in such firm's letter to the Issuer; certification and guarantee 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.

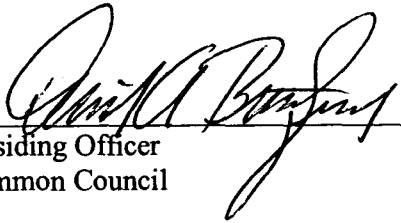
Section 9. Each of the executive officers of the Issuer (including, without limitation, the Fiscal Officer), or such other officers as may be permitted by law are hereby authorized and directed to make such filings and requests, deliver such certifications, execute and deliver such documents and instruments, 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.

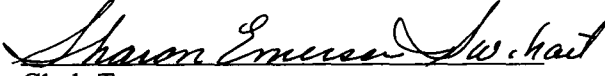
Section 11. Notwithstanding any other provision of this Ordinance to the contrary, by the entry into the Warrant Purchase Agreement through the execution of the Warrant Purchase Agreement, on behalf of the Issuer by any of the executive officers of the Issuer, or such other officers as may be permitted by law, the Issuer may elect to receive payment from the Bond Bank on account of the Warrants in installments in accordance with the terms of the Warrant Purchase Agreement. Under such circumstance, notwithstanding any other provision of this Ordinance to the contrary, the Warrant Purchase Agreement and the form of the Warrants may provide that: (a) principal shall be advanced under the Warrants and the Warrant Purchase Agreement in the manner and at the times set forth therein, as conclusively evidenced by the records of the Bond Bank and the Trustee; (b) interest shall accrue on the amount from time to time outstanding under the Warrants as evidenced by the records of the Bond Bank and the Trustee; and (c) the Issuer may, at its option, 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 the Warrant Purchase Agreement.

Section 12. This Ordinance shall be in full force and effect from and after the time it has been adopted by the Fiscal Body. All resolutions and ordinances in conflict herewith are, to the extent of such conflict, hereby repealed.

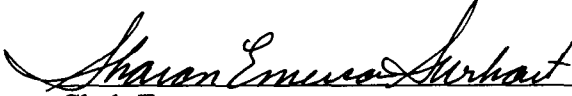
ADOPTED AND APPROVED BY the Common Council of the City of Valparaiso,
this 25th day of November 2002.


Presiding Officer
Common Council

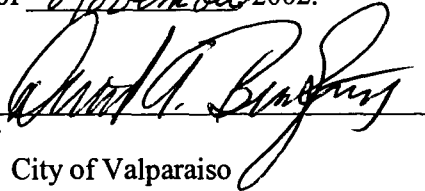
ATTEST:


Clerk-Treasurer
City of Valparaiso

PRESENTED BY ME, the undersigned Clerk-Treasurer of the City of
Valparaiso, to the Mayor, for approval and signature, this 25th day of November
2002.


Clerk-Treasurer
City of Valparaiso

APPROVED AND SIGNED BY ME, the undersigned Mayor of the City of
Valparaiso, this 25th day of November 2002.


Mayor
City of Valparaiso

TAB 2

MINUTES OF THE
COMMON COUNCIL OF THE
CITY OF VALPARAISO, INDIANA
November 25, 2002

Mayor Butterfield called the meeting of the Common Council of the City of Valparaiso to order at 7:00 p.m. on Monday, November 25, 2002 at City Hall. The Pledge of Allegiance was said. Clerk-Treasurer Swihart called roll. Present were Councilmembers Larr, Kruger, Carlberg, Ragsdale, Dick, Eisenmenger and Dorris.

MINUTES

Councilmember Ragsdale moved to approve the minutes as presented. Seconded by Councilmember Dick. Upon voice vote the motion passed 7-0.

REPORTS

Councilmember Kruger asked for a report on the Streamwood situation. The City attorney reported that bids have been received and the attorneys are reviewing them. Hopefully by the end of the year they will have some idea of who agrees to what. Councilmember Dorris asked how much time before they will make a decision. The attorney replied that it is in litigation. He does not believe there is a trial date set. If the parties cannot agree then the Court will tell them who is responsible. They have been through the deposition phase. They are now trying to mediate and settle the matter rather than have the Court tell them what to do. He will check with attorney Tabor to see if a trial date has been set.

Mayor Butterfield announced that the laboratory at the Wastewater Treatment Plant has again received the Laboratory Excellence Award for the sixth year in a row. He introduced Ruth Gorski. Ruth has been at the treatment plant since 1986. She has been a resident of this country since 1982. Ruth is one of the primary reasons why the treatment plant keeps receiving this award. The Mayor called Ruth up front and presented her with a plaque for the award.

Mayor Butterfield announced that Ordinances 35, 36 and 37, 2002 are all monetary ordinances with a request for suspension of the rules. Clerk-Treasurer Swihart addressed the Council. Ordinance No. 35, 2002 is a small appropriation of \$4,000.00 in the Park Non-Reverting Capital Improvement Fund. This was the only item that would have been on the Agenda two weeks ago. Rather than have a meeting for a \$4,000.00 appropriation, she is asking to have the rules suspended tonight. It has been published for a Public Hearing tonight. Ordinance No. 36, 2002 is an Ordinance authorizing the City to again make temporary loans from the Indiana Bond Bank in anticipation of taxes. The Council passed the same Ordinance last November and she is asking for suspension of the rules on this so that the paper work can be sent to the Bond Bank. Ordinance No. 37, 2002 is a transfer within the General Fund-Board of Public Works in order to shore up the health insurance to get the City through the end of the year. A payment is due on the first and therefore she is asking for this also to be considered under suspension of the rules.

ORDINANCE NO. 35, 2002

**AN ORDINANCE APPROPRIATING FUNDS IN THE PARK NON-REVERTING
CAPITAL IMPROVEMENT FUND AND PROVIDING FOR PUBLICATION OF
NOTICE**

Councilmember Eisenmenger moved that Ordinance No. 35, 2002 be read a first time and considered on first reading. Upon voice vote the motion passed. Clerk- Treasurer Swihart read the Ordinance.

Mayor Butterfield announced that this Ordinance requires a Public Hearing and presented Proof of Publication that at this meeting the Council will consider the appropriation of \$4,000.00 in the Park Non-Reverting Capital Improvement Fund for improvements to be

made to the Forest Park shelter. Seeing no one wishing to address the Council regarding this Ordinance, he declared the Public Hearing closed.

Mayor Butterfield stated that there is a request for this Ordinance to be considered under suspension of the rules. So moved by Councilmember Ragsdale. Seconded by Councilmember Dick. Upon roll call vote the motion to suspend the rules passed 7-0. Clerk-Treasurer Swihart read the ordinance again.

Councilmember Eisenmenger moved that Ordinance No. 35, 2002 be read a second time by title and a third time in full and be considered for adoption and the opportunity be given for offering amendments to said Ordinance. Seconded by Councilmember Ragsdale. Upon voice vote the motion passed 7-0. Clerk-Treasurer Swihart read the Ordinance.

Councilmember Ragsdale moved for adoption of Ordinance No. 35, 2002. Seconded by Councilmember Carlberg. Upon roll call vote the motion to adopt under suspension of the rules passed 7-0.

Ordinance No. 35, 2002 having been adopted under suspension of the rules by a majority of the Council, Mayor Butterfield declared the Ordinance duly passed and adopted by the City Council.

ORDINANCE NO. 36, 2002

AN ORDINANCE AUTHORIZING THE CITY OF VALPARAISO, 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 2002, AND COLLECTABLE IN THE YEAR 2003 (INCLUDING PROPERTY TAX REPLACEMENT REVENUES); AUTHORIZING THE ISSUANCE OF TEMPORARY LOAN TAX ANTICIPATION WARRANTS TO EVIDENCE SUCH LOANS AND THE SALE OF SUCH WARRANTS TO THE INDIANA BOND BANK; AND APPROPRIATING AND PLEDGING THE TAXES TO BE RECEIVED IN SUCH FUNDS TO THE PUNCTUAL PAYMENT OF SUCH WARRANTS INCLUDING THE INTEREST THEREON

Councilmember Eisenmenger moved that Ordinance No. 36, 2002 be read a first time and considered on first reading. Upon voice vote the motion passed. Clerk- Treasurer Swihart read the Ordinance.

Mayor Butterfield stated that there is a request for this Ordinance to be considered under suspension of the rules. So moved by Councilmember Ragsdale. Seconded by Councilmember Dick. Upon roll call vote the motion to suspend the rules passed 7-0. Clerk-Treasurer Swihart read the ordinance again.

Councilmember Eisenmenger moved that Ordinance No. 36, 2002 be read a second time by title and a third time in full and be considered for adoption and the opportunity be given for offering amendments to said Ordinance. Seconded by Councilmember Ragsdale. Upon voice vote the motion passed 7-0. Clerk-Treasurer Swihart read the Ordinance.

Councilmember Kruger stated this is the second year for this type of ordinance. He asked if there is any idea what this has cost in the way of interest. Clerk-Treasurer Swihart said she should be able to give him that information at the next meeting. It should be somewhere in the neighborhood of \$40,000.00.

Councilmember Ragsdale moved for adoption of Ordinance No. 36, 2002. Seconded by Councilmember Dick. Upon roll call vote the motion to adopt under suspension of the rules passed 7-0.

Ordinance No. 36, 2002 having been adopted under suspension of the rules by a majority of the Council, Mayor Butterfield declared the Ordinance duly passed and adopted by the City Council.

ORDINANCE NO. 37, 2002

AN ORDINANCE TRANSFERRING FUNDS IN THE GENERAL FUND

Councilmember Eisenmenger moved that Ordinance No. 37, 2002 be read a first time and considered on first reading. Upon voice vote the motion passed. Clerk- Treasurer Swihart read the Ordinance.

Mayor Butterfield stated that there is a request for this Ordinance to be considered under suspension of the rules. So moved by Councilmember Ragsdale. Seconded by Councilmember Dick. Upon roll call vote the motion to suspend the rules passed 7-0. Clerk-Treasurer Swihart read the ordinance again.

Councilmember Eisenmenger moved that Ordinance No. 37, 2002 be read a second time by title and a third time in full and be considered for adoption and the opportunity be given for offering amendments to said Ordinance. Seconded by Councilmember Ragsdale. Upon voice vote the motion passed 7-0. Clerk-Treasurer Swihart read the Ordinance.

Councilmember Ragsdale moved for adoption of Ordinance No. 37, 2002. Seconded by Councilmember Dick. Upon roll call vote the motion to adopt under suspension of the rules passed 7-0.

Ordinance No. 37, 2002 having been adopted under suspension of the rules by a majority of the Council, Mayor Butterfield declared the Ordinance duly passed and adopted by the City Council.

ORDINANCE NO. 38, 2002

AN ORDINANCE AMENDING CHAPTER 118 OF THE MUNICIPAL CODE ENTITLED "HISTORIC PRESERVATION"

Councilmember Eisenmenger moved that Ordinance No. 38, 2002 be read a first time and considered on first reading. Seconded by Councilmember Ragsdale. Upon voice vote the motion passed 7-0. Clerk-Treasurer Swihart read the Ordinance.

Councilmember Ragsdale moved to carry Ordinance No. 38, 2002 to the next meeting. Seconded by Councilmember Dick.

The Chairman of the Historic Preservation Commission addressed the Council. The Commission is asking for a delay of demolition when someone has asked for a demolition permit for a structure that is listed in the Porter County Interim Report – The Indiana Historic Sites and Structure Inventory. This will allow 90 days before demolition can begin once a permit has been issued. During that time the Commission would be notified of the permit and a sign will be placed in front of the property notifying the public that an historic structure is slated for demolition. The purpose of this is to educate community members and to have a more organized time to discuss other possible options for the structure. Other communities have done this with a lot of success.

Councilmember Larr stated that the Commission has studied this issue. This does not stop the property owner from doing whatever he wishes to do with the property. If the structure is damaged beyond repair or in a dangerous state this Ordinance would not apply.

Councilmember Kruger said he is in favor of this Ordinance. However, he is concerned about posting a sign on someone's property. The Chairman of the Commission responded that the sign will be within the City sign ordinance just like a building permit

has to be posted. They had a public hearing on this issue before coming to the Council. Every member of the public who attended asked for a more obvious sign. The Ordinance has been written as a compromise to what the Commission heard at their Public Hearing. She also stated that right now within the City limits there are no established historic districts. When an historic district is established this demolition delay will not apply to that district because they will have their own guidelines for demolition of historic structures. While waiting for a district to be established this Ordinance gives an opportunity for discussion about structures before they are torn down.

Upon roll call vote the motion to carry to the next meeting passed 7-0.

ORDINANCE NO. 39, 2002

PART IV ARTICLE XXXI TREE AND LANDSCAPING ORDINANCE SECTION 3100 PURPOSE AND GOALS

Councilmember Eisenmenger moved that Ordinance No. 39, 2002 be read a first time and considered on first reading. Seconded by Councilmember Ragsdale. Upon voice vote the motion passed 7-0. Clerk-Treasurer Swihart read the Ordinance.

Mayor Butterfield stated that this Ordinance needs to go to the Plan Commission for Public Hearing because it amends the Master Plan of the City. What this Ordinance does is help the Tree Committee in their efforts to establish Valparaiso as a Tree City USA which will enable the City to get money for some of the programs they want to add. This Ordinance is not in its final form. It simply is presented so it can be transferred to the Plan Commission for their review and Public Hearing.

Councilmember Ragsdale moved to refer Ordinance No. 39, 2002 to the Plan Commission. Seconded by Councilmember Dick. Upon voice vote the motion passed 7-0.

RESOLUTION NO. 7, 2002

A RESOLUTION REGARDING EXISTING TAX INCREMENT FINANCING DISTRICTS

Councilmember Eisenmenger moved that Resolution No. 7, 2002 be read a first time and considered on first reading. Seconded by Councilmember Ragsdale. Upon voice vote the motion passed 7-0. Clerk-Treasurer Swihart read the Resolution.

Attorney Jim Jorgensen addressed the Council. Because of the Tax Reform Act adopted by the legislature last spring the revenues flowing to TIFs will decrease. As a result of this the TIFs suffer. For those TIFs that have borrowed money to fund projects, which is a majority of the TIFs in Indiana, they will not be able to pay their bond holders and those bonds will fall in default. Valparaiso is unique in that they do project by project and pay as they go. With a decrease in revenue the pay as you go method will either cause delay or elimination of projects. If that occurs there are two detriments. One, if a project is delayed then the benefit of that project is delayed. Two, if a project is delayed, when it finally comes time to implement it, it will cost more. Even for TIFs like the Valparaiso TIFs that are not bonded, there is a hardship that occurs because of the loss of revenue. The Legislature provided a method for TIFs to make themselves whole. They can ask the local government finance authority to implement a special levy throughout the entire City to make up just the shortfall. This is not a new tax; it is a reduction in the reduction that we would all enjoy as a result of the Tax Reform Act. The end result is to keep the TIFs on an even keel. This way they will not loose money and they can continue to implement projects as planned. The statute provides that the Redevelopment Commission can ask for the special levy and gives the City Council a role in that process. By statute the Council can do one of three things. They can rescind the action of the Redevelopment Commission in its entirety. That means the Redevelopment Commission would loose on a yearly basis that source of revenue. The Council can modify the Resolution to reduce

the levy request. The Council could also do nothing. If they do nothing then the action of the Redevelopment Commission would continue as stated. There is a fourth option, not by statute, and that is for the Council to affirm the proposal of the Redevelopment Commission. The affect of this is to make them partners.

John Bowker, President of the Commission, addressed the Council. The Redevelopment Commission, at their last meeting, passed the authorization to proceed with a \$320,000.00 assessment based on available numbers. The numbers they are using are assessed value as of March, 2001 payable in 2002. There has been a lot of growth in the TIFs so the base number is somewhat flawed. Another assumption is a 13% replacement tax credit. They received forms this afternoon and apparently the 13% tax is actually 20% which will reduce the amount they might need. The form the Commission received today states that they must give the State the amount requested, fill out this form and return it no later than December 31, 2002. The Redevelopment Commission has one week to respond to final reassessment numbers or the levy will stand as presented. The Commission is asking the Council to go with one of the options Attorney Jorgensen proposed with the understanding that if the number on reassessment is drastically different, they will be getting back to the Council on a real short string to get the notice changed.

Mayor Butterfield asked if this number were to change would it more than likely be downward. He was told that is correct.

Councilmember Larr asked about money received from gambling boats. Part of that money can be applied to a TIF district. Will this be actual cash coming back or a reduction? Mr. Bowker said he is not sure. Mr. Stu Summers addressed the Council. In regards to this matter there are a lot of "ifs". If the river boat revenue sharing program is implemented he does not think the counties or cities will see money until 2004. Tonight's Resolution is a 2003 issue. The other "if" is that there is a legislative session going before the revenue sharing bill kicks in. The river boat had a lot of lobbyists and he is not sure that the revenue sharing tax would stay in place.

Clerk-Treasure Swihart said as far as she knows the City will be receiving river boat revenue sharing. She does not think it will be a great amount of money and the limitations on the money are pretty stringent.

Councilmember Dorris asked if the \$320,000 is to make up the shortfall in anticipated revenue. The answer was yes. She asked what would happen if there was money left over. She was guaranteed that there would not be money left over. The purpose of the levy is not to increase money to go to TIFs it is to make sure that there is not a reduction.

Mayor Butterfield explained that originally the State was not going to replace TIF money, just cut the property tax. There were so many communities that had bonds outstanding that they had to find a way to fix the problem.

Mr. Bowker stated that there are 100 TIF districts in the State of Indiana and 75 of them had bonding. The Tax Reform Act meant that 75% of the TIFs would be in default. The legislators knew they had to find a way to fix the problem and this levy is the solution. The process of coming before the Council has to be done by July 1st of every year.

Councilmember Eisenmenger asked about the Washington Township TIF district. Mr. Stu Summers said he has met with the East Porter County School Superintendent and explained the proposal. They do not object to the Council's approval of the Redevelopment Commission's actions.

Councilmember Ragsdale moved for adoption of Resolution No. 7, 2002. Seconded by

Councilmember Dick. Upon roll call vote the motion passed 7-0.

AUDIENCE

Richard Wheeler addressed the Council. It seems that quite a bit of money has been spent on studies with consultants. He hopes that since the cutting back on spending, that they focuses more on expertise within the community and government leaders and not spend money unnecessarily bringing in outside consultants on projects.

Councilmember Kruger moved to adjourn the meeting.

TAB 3

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE INDIANA BOND BANK**

CONCERNING THE ISSUANCE OF

THE INDIANA BOND BANK

ADVANCE FUNDING PROGRAM NOTES, SERIES 2003

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 Title 5, Article 1.5 of the Indiana Code, 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 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: (a) school corporations, may be also issued in anticipation of the receipt of State of Indiana tuition support distributions in the course of collection; or (b) townships, may be also issued in anticipation of other revenues to be collected in the remainder of the calendar year of the issuance of such Warrants), thereby alleviating cash flow difficulties through the financing of cash flow deficits of such Qualified Entities; and

WHEREAS, in order to provide the funds for the purchase of the Warrants under the Program, the Bond Bank has previously issued several series of its advance funding program notes; and

WHEREAS, the Bond Bank has received from numerous Qualified Entities a substantial indication of continuing 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 Indiana Bond Bank Advance Funding Program Notes, Series 2003 (the "2003 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 2003 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 Indiana Bond Bank Interim Advance Funding Program Notes, Series 2003 (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 2003 Notes, in an aggregate principal amount not to exceed \$750,000,000, and the issuance and sale of one or more

series of Interim Notes in an aggregate principal amount not to exceed \$300,000,000, are hereby authorized and approved, with the 2003 Notes and the Interim 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 Chairman and the Executive Director of the Bond Bank, together with a financing team (the "Financing Team") consisting of: the Executive Director; J.P. Morgan Securities Inc., as senior managing underwriter (the "Representative"); Crowe, Chizek and Company LLP, financial advisor for the Bond Bank; Mayer, Brown, Rowe & Maw, counsel to the Representative and the other underwriters; Bingham McHale LLP, bond counsel for the Qualified Entities; Baker & Daniels, special counsel to the Bond Bank with respect to the Program; Barnes & Thornburg, bond counsel for the Bond Bank with respect to the Program; and such other staff members, service providers, firms and other participants as may be designated by the Executive Director, are hereby authorized and directed to take any and all such actions as may be necessary, appropriate or advisable to carry out the purposes of this Resolution and the issuance of the 2003 Notes and the Interim Notes in accordance herewith, including, without limitation, the preparation of all financing documents and instruments necessary or appropriate with respect to the Program and the 2003 Notes and the Interim Notes, and undertaking any and all actions necessary or appropriate for arranging for credit enhancement and otherwise obtaining the highest possible credit rating for the 2003 Notes from one or more national credit rating agencies.

3. The issuance of the 2003 Notes and the Interim Notes and the use of the proceeds therefrom to purchase Warrants from certain Qualified Entities are hereby determined to be consistent with the public purposes set forth in the Act.

4. Subject to and in accordance with the provisions of Section 12 of this Resolution, the Note Indenture dated as of January 1, 2003 (the "Indenture"), between the Bond Bank and BNY Trust Company of Missouri (the "Trustee"), is hereby approved substantially in the form submitted to this meeting, with a copy of the Indenture to be attached hereto and incorporated herein and in the minute books of the Bond Bank.

5. Subject to and in accordance with the provisions of Section 12 of this Resolution, the Note Purchase Contract with respect to the Interim Notes (the "Interim Note Purchase Contract") and the Note Purchase Contract with respect to the 2003 Notes (the "Note Purchase Contract"), each between the Representative on behalf of itself and the other underwriters, and the Bond Bank, and the Continuing Disclosure Agreement with respect to the 2003 Notes between the Bond Bank and the Trustee (the "Continuing Disclosure Agreement") are each hereby approved substantially in the respective forms submitted to this meeting, with copies of the 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 12 of this Resolution, the Preliminary Official Statement of the Bond Bank relating to the 2003 Notes (the "Preliminary Official Statement"), in substantially the form submitted to this meeting, is hereby (i) authorized and approved, together with such changes in form and substance as may be deemed necessary or appropriate by the

Chairman or the Executive Director pursuant to Section 12 of this Resolution, (ii) 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, (iii) 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 2003 Notes to be offered thereby, subject to completion as permitted by and otherwise pursuant to the provisions of Rule 15c2-12 of the Securities and Exchange Commission (the "SEC Rule"), and (iv) 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 2003 Notes authorized hereby and offered thereby as the final official statement of the Bond Bank, as of the date thereof, with respect to such 2003 Notes (the "Official Statement").

7. Subject to and in accordance with the provisions of Section 12 of this Resolution, with respect to the Interim Notes, the Interim Note Indenture dated as of January 1, 2003 (the "Interim Indenture"), between the Bond Bank and the Trustee is hereby approved substantially in the form submitted to this meeting, with a copy of the Interim Indenture to be attached hereto and incorporated herein and in the minute books of the Bond Bank.

8. 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 its financial advisor, and any other Qualified Entities who submit applications and who are approved by the Chairman or the Executive Director, and the purchase of Warrants from such Qualified Entities with the proceeds of the 2003 Notes and/or the Interim 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 Bond Bank's financial advisor and subject to the terms and conditions set forth in the applicable Warrant Purchase Agreement (as hereinafter defined) and all of the applicable terms and conditions established for the Program by the Bond Bank, as implemented by the Executive Director.

9. Subject to and in accordance with the provisions of Section 12 of this Resolution, 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 this meeting, with a copy of the form of Warrant Purchase Agreement to be attached hereto and incorporated herein and in the minute books of the Bond Bank.

10. The 2003 Notes, issued in one or more series in an aggregate principal amount not to exceed \$750,000,000, are hereby authorized to be issued under, pursuant to, and in accordance with the Act and the Indenture and are hereby authorized to be sold at a price not less than ninety-nine and one-quarter percent (99.25%) of the par amount of the 2003 Notes and at a per annum interest rate not to exceed six percent (6.00%). The proceeds of the 2003 Notes shall be delivered to the Trustee and applied by the Trustee in accordance with the Indenture.

11. The Interim Notes, issued in one or more series in an aggregate principal amount not to exceed \$300,000,000, are hereby authorized to be issued under, pursuant to, and in accordance with the Act and the Interim Indenture 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 thereof and at a per annum interest rate not to exceed six percent (6.00%).

12. The forms of the Indenture, Interim Note Purchase Contract, Note Purchase Contract, Continuing Disclosure Agreement, Preliminary Official Statement, Official Statement, Interim Indenture and 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 2003 Notes and the Interim Notes, with any such approval to be conclusively evidenced by such authorized execution of such instruments or documents, and, with respect to the Preliminary Official Statement, by the certification of the Chairman or the Executive Director.

13. The Chairman and the Executive Director are each authorized to execute and deliver the 2003 Notes and the Interim Notes by manual or facsimile signature and to direct the Trustee to authenticate and deliver the 2003 Notes and the Interim Notes in the manner, in the form and at the place or places requested by the Representative.

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

15. The Chairman and the Executive Director, together and/or individually, are hereby authorized and directed to execute such documents and instruments as may be necessary for the issuance of the 2003 Notes and the Interim Notes and the purchase of the Warrants, and the Executive Director is hereby authorized to act as the Authorized Officer required to act on behalf of the Bond Bank under the Indenture and the Interim Indenture.

16. The Executive Director, together with such other staff members, service providers and firms as the Executive Director may direct, are hereby authorized and directed to use the proceeds of the 2003 Notes and the Interim Notes and other available funds, including those remaining available from the Bond Bank's advance funding programs in 2001 and prior years, to implement the Program and, if not necessary therefor, the Bond Bank's advance funding programs in 2003 and subsequent years.

17. 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 and the issuance and sale of the 2003 Notes in accordance with the Act and the Indenture and the issuance and sale of the Interim Notes in accordance with the Act and the Interim Indenture, including, without limitation, securing, to the extent deemed desirable, (a) a rating on any or all series of the 2003 Notes from

one or more national credit rating agencies and (b) municipal bond insurance or any other form of credit enhancement on all or any portion of any series of the 2003 Notes.

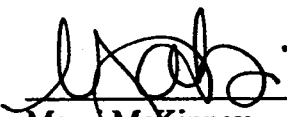
Approved and adopted this 12th day of November, 2002, in Indianapolis, Indiana.

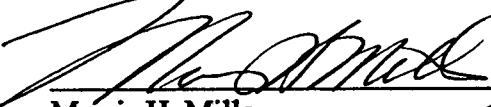
INDIANA BOND BANK

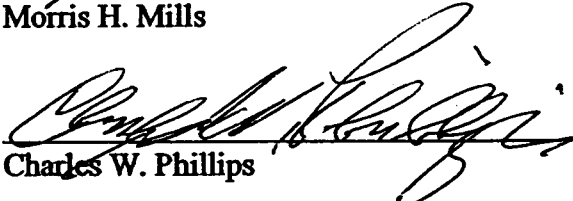

Tim Berry, Chairman


Clark H. Byrum, Vice Chairman


Russell Breeden, III


Marni McKinney


Morris H. Mills


Charles W. Phillips


C. Kurt Zorn

Attest:

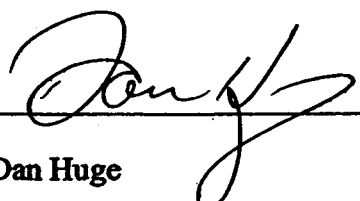

Dan Huge
Executive Director

Exhibit A

Anderson Community Schools	Anderson Public Library
City of Anderson	Argos Community Schools
Attica Consolidated School Corp	Town of Avon
Avon - Washington Township Public Library	Baugo Community Schools
Bedford Public Library	Beech Grove City Schools
Beech Grove Public Library	Benton Community School Corp
Blackford County Schools	Brazil Public Library
Bremen Public Schools	Brown County School Corporation
Brownsburg Community School Corporation	Calumet Township Trustee
Cannelton City Schools	Caston School Corporation
Center Grove Comm. School Corp.	Centerville-Abington Community Schools
Central Noble Comm School Corp	Clark-Pleasant Comm School Corp
Clinton Public Library	Cowan Community School Corporation
Crawfordsville Community School Corporation	City of Crown Point
Crown Point Community Schools	Crown Point Public Library
Culver Community Schools Corp	Danville Community Schools
Decatur Township - Marion County	DeKalb Co. Eastern Comm. School Dist.
East Allen County School Corporation	City of East Chicago
East Chicago Public Library	East Chicago Sanitary District
School City of East Chicago	East Gibson School Corporation
East Porter County School Corp	Eastern Howard School Corp
Elkhart Public Library	Elwood Community School Corporation
Evansville-Vanderburgh School Corporation	Fayette County School Corporation
Flat Rock-Hawcreek School Corp	Fort Wayne Community Schools
Franklin Community Schools	Franklin Township Community School Corporation
Frankton-Lapel Community Schools	Fremont Community Schools
Frontier School Corporation	City of Gary
Gary Community School Corporation	Gary Public Library
Gary Public Transportation Corporation	Gary Regional Airport
Gary Sanitary District	City of Goshen
Grant County	Greencastle Community Schools
Greenfield-Central Community School Corporation	Greenwood Community Schools
Hamilton Heights School Corporation	Hammond Public Library
School City of Hammond	Hanover Community Schools
Harrison County Public Library	Harrison-Washington Community School Corporation
Hendricks County	School Town of Highland
City of Hobart	School City of Hobart
Indianapolis Public Schools	Jay School Corporation
Jeffersonville Township Public Library	Jennings County Schools
John Glenn School Corp	Kankakee Valley School Corp
Kokomo Center Township Schools	Lake Central School Corporation
Lake County	Lake County Public Library
Lake Ridge Schools	Lake Station Community Schools
Lakeland School Corporation	LaPorte Community School Corporation
Lawrenceburg Community School Corporation	M.S.D. of Lawrence Township
Madison Consolidated Schools	Madison County
Madison-Grant United School Corp	Manchester Community Schools
Marion County	Marion Community Schools

Exhibit A

Marion-Adams Schools
M.S.D. of Martinsville
Michigan City Public Library
Milan Community Schools
Mishawaka - Penn - Harris Public Library
Monroe-Gregg School District
M.S.D. of Mount Vernon
School Town of Munster
City of New Albany
New Castle Community School Corporation
North Gibson School Corporation
North Miami Community Schools
North White School Corp
Penn-Harris-Madison School Corp
Peru Community Schools
Plainfield - Guilford Township Public Library
Plymouth Community School Corporation
Portage Township Schools
Randolph County
Town of Schererville
South Central Community School Corp
South Gibson School Corp
South Montgomery School Corporation
Southeastern School Corp
M.S.D. of Southwest Allen County Schools
Speedway Public Library
M.S.D. of Steuben County
Switzerland County School Corp
Tipton Community Schools
Triton School Corporation
Union-North United School Corp
Vincennes Community School Corporation
M.S.D. of Wabash County
Warrick County School Corporation
M.S.D. of Washington Township
M.S.D. of Wayne Township
West Lafayette Comm School Corp
West Washington School Corporation
Western School Corp
School City of Whiting
Whitley County Cons Schools

Marshall County
Town of Merrillville
Middlebury Community Schools
Mill Creek Community School Corp.
Monroe County Community School Corporation
Mooretsville Consolidated School Corporation
Mt. Vernon Community School Corp
Town of Munster
New Albany - Floyd County Schools
Nineveh-Hensley-Jackson United School Corporation
North Judson-San Pierre School Corp
North Montgomery Community Schools
Oak Hill United School Corporation
M.S.D. of Perry Township
M.S.D. of Pike Township
Plainfield Community School Corporation
City of Portage
Porter Township School Corporation
Rensselaer Central School Corporation
South Bend Community School Corporation
South Dearborn Community School Corp
South Henry School Corporation
South Vermillion Community School Corp
Southern Hancock Co Comm School Corp
Southwestern Jefferson County Cons. School Corp
Spencer County
Sunman-Dearborn Comm School Corp
Taylor Community School Corp
Tri-County School Corp
Twin Lakes School Corp
City of Valparaiso
Wa-Nee Community Schools
M.S.D. of Warren Township
Warsaw Community Schools
Washington Township - Marion County
West Central School Corp
West Lafayette Public Library
Western Boone County Community Schools
Western Wayne Schools
Whitko Community School Corp
Zionsville Community Schools

TAB 4

WARRANT PURCHASE AGREEMENT

between

INDIANA BOND BANK

and

CITY OF VALPARAISO

Relating to

INDIANA BOND BANK
ADVANCE FUNDING PROGRAM NOTES,
SERIES 2003

WARRANT PURCHASE AGREEMENT

THIS WARRANT PURCHASE AGREEMENT has been executed as of December 1, 2002, by 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 (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 continued its 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 Advance Funding Program Notes, Series 2003 (with such additional 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 (including property tax replacement revenues). Pursuant to such authority the Qualified Entity has duly authorized the issuance of (a) its temporary loan tax anticipation warrants designated City of Valparaiso Temporary Loan Tax Anticipation Time Warrants, Series 2003, and (b) in the event that cash flow shortfalls are anticipated prior to the delivery of the Notes, its interim temporary loan tax anticipation time 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 January 30, 2003 (the "Indenture"), between the Bond Bank and BNY Trust Company of Missouri (or if BNY Trust Company of Missouri 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 (including property tax replacement revenues) from its County Auditor in advance of final settlement and distribution of such tax collections for such fund or funds.

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

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

"Authorized Official" means the duly elected or appointed Treasurer, Controller, Clerk-Treasurer, School Superintendent, School Business Manager, Township Trustee 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 January 30, 2003, 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 2002 and collectable in 2003 (including property tax replacement revenues) with respect to the fund in anticipation of which each Warrant is issued.

"First Settlement Payment Due Date" means the earlier of December 31, 2003 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 2003 and terminates on the last day of December of 2003 and, when applied to the Bond Bank, the fiscal year of the Bond Bank which commences on the first day of July and terminates on the last day of June of the following calendar year.

"Indenture" means the Note Indenture dated as of January 30, 2003, between the Bond Bank and the Trustee, as amended or supplemented from time to time, pursuant to which the Notes will be issued and rights of the Bond Bank under this Agreement will be assigned to and assumed by the Trustee to secure the Notes.

"Notes" means the Indiana Bond Bank Advance Funding Program Notes, Series 2003 (with such additional designations as the Bond Bank may add thereto).

"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 Bond Bank's Advance Funding Program.

"Qualified Entity" means the City of Valparaiso, 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 Credit Facility, then at a blended rate sufficient to equal the defined rate or index specified for use in fixing or setting the per annum rate charged by all such Credit Facility Providers for funds borrowed or advanced under any Credit Facility Agreement with the Bond Bank).

"State" means the State of Indiana.

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

"Trustee" means BNY Trust Company of Missouri (or if BNY Trust Company of Missouri 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 Time Warrants to be dated the date of delivery thereof, maturing June 30, 2003, the First Settlement Payment Due Date, and/or December 31, 2003, and any temporary interim warrants, as set forth in Attachment A attached hereto; issued by the Qualified Entity in anticipation of the receipt of ad valorem taxes levied and in the course of collection (including property tax replacement revenues); and sold to the Bond Bank in accordance with the provisions of the Indenture and this Agreement; and any additional warrants.

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

SECTION 2. Representations.

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

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

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

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

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

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

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

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

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

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

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

g. Unless otherwise disclosed in writing to the Bond Bank, the Qualified Entity has, during its three most recent Fiscal Years, achieved an ad valorem property

tax collection rate (including property tax replacement revenues) of at least 85% of net assessed property taxes (including property tax replacement revenues);

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

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

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

k. The Qualified Entity has not issued any other obligations in anticipation of the receipt of ad valorem property taxes levied and in the course of collection (including property tax replacement revenues) for a fund upon which warrants are to be issued;

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 (including property tax replacement revenues) with respect to the June 2003 (that is, the first) and December 2003 (that is, the second and final) settlement and distribution in an amount estimated to equal at least 125% of the respective amount of the Warrants maturing on June 30, 2003 (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, 2003, 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 2001, 2002, and 2003 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 2002 and revised estimates for 2003.

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

SECTION 3. Purchase and Sale of Warrants.

3.1 Agreement to Purchase and Sell. Subject to Section 3.4 hereof, the Bond Bank hereby agrees to purchase the Warrants to be issued by the Qualified Entity maturing on June 30, 2003, the First Settlement Payment Due Date, and/or December 31, 2003, 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 30, 2003 (or the date on which proceeds of the Notes are expected to be disbursed to the Qualified Entity), the Qualified Entity may sell and the Bond Bank may purchase interim temporary loan tax anticipation warrants in a principal amount not to exceed the principal amount of Warrants authorized to be issued and to mature on June 30, 2003 (or if applicable by the terms of any Warrant, the First Settlement Payment Due Date) and December 31, 2003, for each fund. The interim warrants shall be issued and sold on substantially the same terms and conditions set forth in this Agreement for the sale and purchase of Warrants; provided, however, such interim warrants will be repaid with the proceeds of the Warrants on the date on which proceeds of the Notes are disbursed to the Qualified Entity. If any interim warrants are purchased by the Bond Bank pursuant to this Agreement, notwithstanding the stated maturity date of the interim warrants to the contrary, the Qualified Entity agrees to cause its Warrants to be issued in an amount at least sufficient to permit it to prepay all such interim warrants (including interest thereon) as otherwise provided for herein.

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 day of June 2003, and prior to December 31, 2003, the Qualified Entity may sell and the Bond Bank may purchase additional warrants maturing by December 31, 2003, 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, 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 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 on Attachment A attached hereto, prior to the date of issuance and delivery of the Warrants to the Bond Bank, with such rates not to exceed 6.5% per annum. Interest on the Warrants shall be computed on the basis of a 360-day year comprised of twelve 30-day months. To the extent permitted by law and in accordance with Section 3.5 of this Agreement or otherwise by the determination of the Bond Bank, any Warrant upon which principal and interest at its stated rate is not paid on or before the due date shall bear interest on such past due principal and accrued interest at the Reinvestment Rate thereafter until paid.

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

The Warrants shall be deemed purchased by the Bond Bank and sold by the Qualified Entity as of the date that the closing described in Section 3.4 hereof is consummated. Payment for the Warrants may be made in installments subject to and in accordance with the terms of this Section. The initial payment installment by the Bond Bank shall be made on the day of the closing of the Warrants and shall be in the amount or amounts set forth on Attachment A attached hereto, which shall, in aggregate, be at least \$50,000 unless otherwise consented to by the Bond Bank. On the first Business Day of each month thereafter through and including May 2003 (each an "Installment Date"), the Bond Bank shall cause the Trustee to advance all or a portion of the then remaining principal balance of each Warrant to the Qualified Entity in the same manner as the initial payment installment; provided that, if the full principal amount of any Warrant has not been paid to the Qualified Entity prior to the first Business Day of May 2003, then a final payment installment by the Bond Bank shall be made on such first Business Day of May in respect of each such Warrant in an amount, which together with all prior payment installments, aggregate the principal amount of each Warrant set forth on Attachment A attached hereto.

Notwithstanding anything in this Agreement (including Attachment A) to the contrary, funds shall be deemed borrowed in respect of any Warrant if a payment installment has been made by the Bond Bank to the Qualified Entity.

In respect of the Warrants issued against a particular fund of the Qualified Entity, payment installments by the Bond Bank shall first be deemed made in respect of any such Warrant maturing on June 30, 2003 (or if applicable by the terms of any Warrant, the First Settlement Payment Due Date) and then, after such Warrant has been fully paid for, in respect of any such Warrant maturing on December 31, 2003. To cause a principal installment to be paid to the Qualified Entity on an Installment Date other than the first Business Day of May 2003, the Qualified Entity shall cause notice in the form set forth on Attachment F attached hereto to be given, by facsimile transmission, to the Bond Bank and the Trustee, on or before the twentieth (20th) day of the month preceding the Installment Date on which such an installment is requested.

The Warrants shall bear interest on the principal amount thereof, or so much thereof as may be advanced from time to time and be outstanding as specifically and conclusively evidenced by the records of the Bond Bank and the Trustee.

3.4 Closing on Warrants. The purchase and sale of the Warrants shall be consummated at 12:00 noon on January 30, 2003, or such other date and time, and at a location, agreed upon by the Bond Bank, the Qualified Entity, and the Trustee; provided, however, if the Bond Bank does not execute a note purchase agreement for the sale of the Notes prior to January 30, 2003, and deliver the Notes and receive payment therefor, in accordance with Section 3.3 hereof, on or before January 30, 2003, 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 30, 2003 (or if applicable by the terms of any Warrant, the First Settlement Payment Due Date) and/or December 31, 2003. Principal 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 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. 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, may be prepaid with the proceeds of Warrants as described in Section 3.1 hereof. On May 30, 2003, the Qualified Entity may prepay all (but not a portion) of the Warrants of the Qualified Entity scheduled to mature on June 30, 2003 (or if applicable by the terms of any Warrant, the First Settlement Payment Due Date); provided that it shall cause notice in the form set forth on Attachment G attached hereto to be given, by facsimile transmission, to the Bond Bank and the Trustee, on or before May 20, 2003. On December 1, 2003, the Qualified Entity may prepay all (but not a portion) of the Warrants of the Qualified Entity scheduled to mature on December 31, 2003; provided that it shall cause notice in the form set forth on Attachment G attached hereto to be given, by facsimile transmission, to the Bond Bank and the Trustee, on or before November 21, 2003. No Warrant (including the interest thereon) may be prepaid in part pursuant to this Section. Upon the giving of the notice of prepayment in accordance with this Section, unless otherwise consented to by the Bond Bank, such Warrants (including the interest thereon) of the Qualified Entity shall be due and payable on the permitted prepayment date to which such notice relates.

3.7 Request for Advance Distributions. The Qualified Entity shall, not later than May 15, 2003, if the Qualified Entity issues Warrants maturing on June 30, 2003 (or if applicable by the terms of any Warrant, the First Settlement Payment Due Date), and November 15, 2003, submit a request in the form attached hereto as Attachment C and in accordance with Indiana law to the County Treasurer for an Advance Distribution of not less than ninety-five percent (95%) of the tax collections (including property tax replacement revenues) for each fund in anticipation of which its Warrants have been issued and sold to the Bond Bank under the Program.

3.8 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 30, 2003 (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 30, 2003 (or if applicable by the terms of any Warrant, the First Settlement Payment Due Date), and mature no later than December 31, 2003 (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, 2003, 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 2003 calendar year (including property tax replacement revenues) 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 2003 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, 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 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 (including property tax replacement revenues) 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.

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 in anticipation of the revenues budgeted for such fund for the then-current Fiscal Year.

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 2003, 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 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, 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.

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 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. 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, if material:

- 1) principal and interest payment delinquencies;
- 2) non-payment related defaults;
- 3) unscheduled draws on debt service reserves reflecting financial difficulties;
- 4) unscheduled draws on credit enhancements reflecting financial difficulties;

- 5) substitution of credit or liquidity providers, or their failure to perform;
- 6) adverse tax opinions or events affecting the tax-exempt status of the Warrants;
- 7) modifications to rights of holders of the Warrants;
- 8) Warrant calls;
- 9) defeasances;
- 10) release, substitution or sale of property securing repayment of the Warrants; and
- 11) rating changes.

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

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

(e) If the Qualified Entity has determined that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the Qualified Entity shall promptly notify the Bond Bank in writing. Such notice shall be submitted on the Material Event Notice Cover Sheet attached hereto as Attachment E, duplicated on yellow paper, so as to make such notice easily recognizable by the Bond Bank. Additional copies of the cover sheet may be obtained from the Bond Bank.

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

(g) If the Qualified Entity reports the occurrence of a Listed Event, the Bond Bank shall determine pursuant to its Continuing Disclosure Agreement whether or not it must file a notice of such occurrence with the Municipal Securities Rulemaking Board 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 S.E.C. Rule 15c2-12 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:

(a) 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;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Notes in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders, or (ii) in the opinion of the nationally recognized bond counsel or the Trustee, (1) does not materially impair the interests of the Holders or Beneficial Owners of the Notes or (2) such amendment or waiver is permitted by law.

SECTION 6. Miscellaneous.

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

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

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

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

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

To the Bond Bank:

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

To the Qualified Entity:

City of Valparaiso
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.

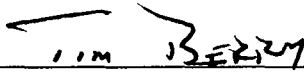
6.9 Term. This Agreement shall terminate at such time as the Qualified Entity has fully met and discharged all of its obligations hereunder.

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

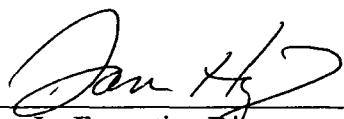
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IN WITNESS WHEREOF, the Bond Bank and the Qualified Entity have caused this Agreement to be signed and attested by their respective duly authorized officers, all as of the day and year first above written.

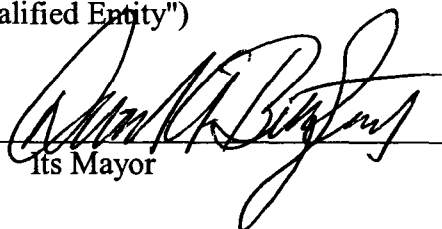
INDIANA BOND BANK
("Bond Bank")

By: 
Its Chairman

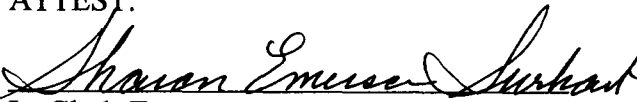
Attest:


Its Executive Director

CITY OF VALPARAISO
("Qualified Entity")

By: 
Its Mayor

ATTEST:


Its Clerk-Treasurer

**ATTACHMENT A
TO WARRANT PURCHASE AGREEMENT**

**CITY OF VALPARAISO
SCHEDULE OF WARRANT MATURITIES AND INTEREST RATES**

Fund	Principal Amount Interim Warrant	Principal Amount Maturing June 30, 2003*	Principal Amount Maturing December 31, 2003	Initial Installment
General	\$0	\$0	\$2,227,843.00	\$ 700,000
	\$0	\$	\$	\$

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

Maturity Date	Interest Rate
Interim Warrants	0%
June 30, 2003 (or if applicable by the terms of any Warrant, the First Settlement Payment Due Date)	0%
December 31, 2003	1.42%

The undersigned has reviewed the principal amount(s) and interest rate(s) set forth in the schedule above and hereby acknowledges that the Qualified Entity will issue its Warrants in the respective principal amounts and at the respective interest rates set forth above. By facsimile or other transmission of this signed schedule to Bond Counsel in connection with the issuance of the Warrants, the Qualified Entity approves such terms and authorizes the delivery of the originally signed documents to the Bond Bank.

CITY OF VALPARAISO

By: Sharon Emerson Siobart

Printed: Sharon Emerson Siobart

Title: Clerk - Treasurer

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 passed and adopted by the Common Council of the City of Valparaiso, 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 2002, which tax levy is now in the course of collection (including property tax replacement revenues). There has been irrevocably appropriated and pledged to the payment in full of the principal of and interest on this Warrant a sufficient amount of the revenues to be derived from the Fund tax levy (including property tax replacement revenues). The principal amount of all Warrants maturing on the Due Date and payable from the Fund does not exceed forty percent (40%) of the 2003 annual budget levy for the Fund (including property tax replacement revenues) 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 (including property tax replacement revenues) from which (together with other amounts in the Fund) this Warrant is payable is a valid and legal levy; and that the Borrower will reserve a sufficient amount of the proceeds of the Fund tax levy (including property tax replacement revenues) currently in the course of collection for the timely payment of the principal of and interest on this Warrant in accordance with its terms.

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

CITY OF VALPARAISO

By: _____
Its Mayor

ATTEST:

Its Clerk-Treasurer

ATTACHMENT C
TO WARRANT PURCHASE AGREEMENT

FORM OF REQUEST FOR ADVANCE DISTRIBUTION

[May 15] [November 15], 2003

Porter County Treasurer

_____, Indiana _____

Dear _____:

On behalf of the City of Valparaiso, I hereby request pursuant to Indiana Code 5-13-6-3(b) that the Porter County Treasurer advance to the [list names of Funds] (the "Fund[s]") of the City of Valparaiso the taxes collected for the [June] [December] 2003 distribution to the Fund[s] in an amount equal to the lesser of (1) 95% of the total amount currently collected for the Fund[s], or (2) 95% of the amount to be distributed to the Fund[s] at the [June] [December], 2003, distribution. Please notify the Porter County Auditor of the amount to be advanced.

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

Very truly yours,

[Fiscal Officer of
Qualified Entity]

cc: Indiana Bond Bank

ATTACHMENT D
TO WARRANT PURCHASE AGREEMENT

FORM OF CERTIFICATE OF COUNSEL TO THE QUALIFIED ENTITY

- (i) The Qualified Entity is a duly constituted political subdivision of the State of Indiana, validly existing under the constitution and statutes of the State of Indiana, and has the power and authority to carry out and consummate all transactions to issue the warrant(s).
- (ii) All actions, resolutions, and ordinances adopted by the **[Name of Governing Body]** relating to the warrant(s), including without limitation, the resolution(s) or ordinance(s) authorizing the issuance of the warrant(s), and all related proceedings comply with all laws of the State of Indiana, including without limitation, the Indiana Open Door Law, and all ordinances, resolutions, by-laws, rules, and regulations of the Qualified Entity and the **[Name of Governing Body]**, and none of the proceedings had or actions taken with regard to the warrants have been repealed, rescinded or revoked.
- (iii) To the best of my knowledge, as of the date of this certificate, no notice has been received by the Qualified Entity and no litigation has been filed or threatened in any way affecting the corporate existence, legal capacity, or boundaries of the Qualified Entity, or the title of any of the officers of the Qualified Entity or the **[Name of Governing Body]**; relating to the resolution(s) or ordinance(s) authorizing the issuance of the warrant(s), the Warrant Purchase Agreement, the proceedings of the **[Name of Governing Body]** with respect to the warrant(s) or the Warrant Purchase Agreement, the authorization and issuance of the warrant(s), or the sale and delivery of the warrant(s) to the Indiana Bond Bank pursuant to the Warrant Purchase Agreement; or contesting the power or authority of the Qualified Entity with respect to the warrants or the Warrant Purchase Agreement.
- (iv) I have reviewed the warrant(s) and all certificates of any or all of the **[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) (a) valid and binding obligation(s) of the Qualified Entity enforceable in accordance with its terms, subject to bankruptcy laws, insolvency laws, and other laws affecting creditors' rights.

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

ATTACHMENT E
WARRANT PURCHASE AGREEMENT

MATERIAL EVENT NOTICE COVER SHEET
Indiana Bond Bank Advanced Funding Program Notes, Series 2003

This cover sheet and material event notice should be immediately faxed to the Indiana Bond Bank at 317-233-0894 and, duplicated on yellow paper, then promptly mailed to the Indiana Bond Bank pursuant to Section 5.10(e) of the Warrant Purchase Agreement between the Qualified Entity and the Indiana Bond Bank.

Qualified Entity's Name: _____

Number of pages of attached material event notice: _____

Description of Material Events Notice (Check One):

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

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

Signature: _____

Name: _____ Title: _____

Employer: _____

Address: _____

City, State, Zip Code: _____

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.

ATTACHMENT F
WARRANT PURCHASE AGREEMENT

REQUEST FOR AN INSTALLMENT NOTICE COVER SHEET

Indiana Bond Bank Advanced Funding Program Notes, Series 2003

This notice should be faxed to the Indiana Bond Bank at 317-233-0894, on or before the twentieth (20th) day of the month preceding the Installment Date on which such an installment is requested, and then promptly mailed to the Indiana Bond Bank pursuant to Section 3.3 of the Warrant Purchase Agreement between the Qualified Entity and the Indiana Bond Bank.

Qualified Entity's Name: **CITY OF VALPARAISO**

Enter the first Business Day of the month when payment is requested:

Installment Date: _____

Fund	Amount of Installment Requested

The undersigned has reviewed the installment(s) set forth in the schedule above and, on behalf of the Qualified Entity, hereby requests that the Bond Bank cause such payment installment(s) to be made to the Qualified Entity on the above date in accordance with the Warrant Purchase Agreement. In the event the principal amount of this request when aggregated with the principal installment(s) heretofore paid by the Bond Bank to the Qualified Entity, shall exceed any of the Warrant amounts set forth on Attachment A attached to the Warrant Purchase Agreement, then this request shall only be deemed to be a request for the remaining balance of each such Warrant.

CITY OF VALPARAISO

By: _____

Printed: _____

Title: _____

Date: _____

ATTACHMENT G
WARRANT PURCHASE AGREEMENT

PREPAYMENT NOTICE COVER SHEET
Indiana Bond Bank Advanced Funding Program Notes, Series 2003

This notice should be faxed to the Indiana Bond Bank at 317-233-0894, on or before May 20, 2003 to cause a prepayment to be made on May 30, 2003 for all Warrants due on June 30, 2003 and on or before November 21, 2003 to cause a prepayment to be made on December 1, 2003 for all Warrants due on December 31, 2003, and then promptly mailed to the Indiana Bond Bank, all pursuant to and in accordance with Section 3.6 of the Warrant Purchase Agreement between the Qualified Entity and the Indiana Bond Bank.

Qualified Entity's Name: **CITY OF VALPARAISO**

Mark (*) the Maturity Date of the Warrants to be Prepaid:

Warrants Maturing June 30, 2003: _____ (Prepaid on May 30, 2003)

or

Warrants Maturing December 31, 2003: _____ (Prepaid on December 1, 2003)

The Qualified Entity hereby elects, and agrees, to prepay the Warrants indicated above on the permitted prepayment date.

CITY OF VALPARAISO

By: _____

Printed: _____

Title: _____

Date: _____

TAB 5

**CITY OF VALPARAISO
GENERAL CERTIFICATE**

This Certificate is delivered on behalf of the City of Valparaiso (the "Issuer") by the undersigned officers or officials (hereafter each referred to as an "officer") of the City of Valparaiso in connection with the issuance of its Temporary Loan Tax Anticipation Time Warrants, Series 2003 A and any interim temporary loan tax anticipation time warrants (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, 2002 (the "Agreement"). As one of the inducements for the Bond Bank to purchase the Warrants and enter into the Agreement, the Issuer hereby certifies, warrants, and represents, with respect to the Warrants issued on the date hereof, as follows:

1. That the undersigned officers are duly qualified officers of the Issuer authorized to execute and deliver this Certificate on behalf of the Issuer and, as such, are familiar with the books and records of the Issuer and the proceedings of the Common Council of the Issuer (the "Fiscal Body") relating to the authorization, issuance, sale, and delivery of the Warrants.
2. That the undersigned were on the date of execution of the Warrants and are on the date hereof the duly qualified and acting incumbents of the offices set forth below their respective signatures, and the signatures appearing are the true and genuine signatures of such officers. The persons signing the Agreement, including all exhibits and schedules thereto, were, on the execution thereof, the duly qualified and acting incumbents of the offices set forth below their respective signatures, and the signatures appearing thereon are the true and genuine signatures of such persons.
3. That the transcript (the "Transcript") to which this Certificate is attached contains a full, true, complete, and correct copy of all proceedings had by the Fiscal Body, including a full, true, complete, and correct copy of an ordinance adopted by the Fiscal Body, authorizing the making of temporary loans for the General Fund and the issuance and sale of the Warrants (the "Ordinance"), and the related minutes of the meeting of the Fiscal Body held on the date of the Ordinance was adopted, and all other proceedings in any way relating to the authorization, issuance, and sale of the Warrants.
4. That all actions taken by the Fiscal Body concerning the issuance and sale of the Warrants were taken at meetings open to the public which complied in all respects with Indiana Code 5-14-1.5. No such actions were taken by secret ballot or by reference to agenda number or item only. The agenda was posted at the entrance to the meeting room.
5. That notice of regular meetings was given (i) by mailing an appropriate notice to news media (which delivered by the first day of January of such year, an annual written request for such notices for the calendar year), and (ii) by posting such

notice as required pursuant to Indiana Code 5-14-1.5; and that notice of special meetings was given (a) by mailing or other personal delivery, not less than forty-eight (48) hours (excluding Saturdays, Sundays, and legal holidays) prior to the meeting, to each member of the Fiscal Body and to each of the above described news media, and (b) by posting, not less than forty-eight (48) hours (excluding Saturdays, Sundays, and legal holidays) prior to the meeting, at the principal office of the agency or at the building at which the meeting is to be held.

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

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

8. That the Issuer has duly, regularly, and properly adopted a budget for the fiscal year ending on the last day of December 2003, which budget sets forth expected revenues and probable expenditures of the Issuer; that the Issuer has complied with all statutory and regulatory requirements with respect to the adoption of such budget; and that the Issuer will expend the proceeds of the Warrants for lawful purposes provided for in the budget.

9. That the Indiana Department of Local Government Finance, pending the final certifications of assessed valuations and tax rates, has estimated or certified that the rates of taxation for the respective Funds is expected to produce net local property tax revenues (including property tax replacement revenues), now in the course of collection and payable to the Issuer to be distributed to the respective Funds during the fiscal year ending on the last day of December 2003, 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 2003 including property tax replacement revenues (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 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 Appendix A and in the Official Statement of the Bond Bank relating to its Advance Funding Program Notes, Series 2003 A (the "Official Statement"), as of the date of the Official Statement and as of the date hereof, did not and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

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

19. That the Issuer had and has full legal right, power, and authority (a) to adopt the Ordinance; (b) to enter into the Agreement; (c) to issue, sell, and deliver the

Warrants; and (d) to carry out and consummate all other transactions contemplated by each of the aforesaid documents; and that the Issuer has complied with the provisions of Indiana Code 36-4-6-20 and all other acts amendatory thereof or supplemental thereto (the "Act"), pursuant to which the Warrants are issued, and Indiana Code 5-1.5 (the "Bond Bank Statute"), pursuant to which the Warrants are delivered and sold to the Bond Bank, in all matters relating to such transactions.

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

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

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

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

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

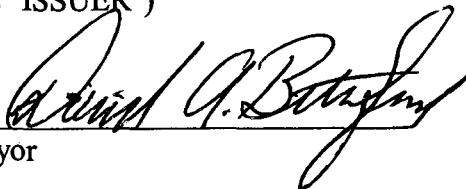
25. That the representations and warranties of the Issuer set forth in the Agreement or otherwise made in writing in connection with the issuance of the Warrants and the purchase thereof by the Bond Bank are true, correct, accurate, and complete as of the date hereof with the same effect as if made on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

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

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, we have hereunto set our hands on this General Certificate
this 30th day of January, 2003.

CITY OF VALPARAISO
(THE "ISSUER")

By: 
Mayor

By: 
Clerk-Treasurer

I hereby certify that the above signed persons, who are duly qualified and acting
officers or officials of the City of Valparaiso 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 Certificate.

Dated this 30th day of January, 2003.

By: 

Printed: Marilyn A. Buczkowski

Title: AVP

(Seal)

INDIANA BOND BANK
Qualified Entities Borrowing Information for Notes

Qualified Entity	Fund (1)	County	Estimated 2003 Ad Valorem Property Tax Levy (2)	Maximum Allowable Borrowing (3)	Principal Amount of Warrant (December)	Principal Amount of Warrant (June) (4)	Warrants as a Percentage of Note Issue Size	Total 2003 Estimated Fund Revenues (5)	Average Tax Collections % for 1999, 2000, and 2001 (6)
Cities, Towns and Townships									
City of Anderson	G	Madison	\$ 17,178,427	\$ 6,871,371	\$ 6,871,371	\$ 1,284	0.94 %	\$ 31,390,224	97.96 %
	P&R		1,954,787	781,915	781,915	8,183		2,761,364	
	FP		1,303,191	521,276	287,709	-		2,623,706	
	PP		1,161,025	464,410	252,998	-		2,416,210	
Town of Avon	G	Hendricks	993,891	397,556	311,028	-	0.04	1,942,687	96.49
Calumet Township	CT	Lake	1,111,608	444,643	243,170	-	0.58	1,258,400	94.11
	PS		475,843	190,337	61,229	-		626,650	
	P&R		381,123	152,449	57,788	-		439,600	
	CS		282,313	112,925	63,439	-		332,460	
	PR		10,242,675	4,097,070	4,600,000	-		15,406,000	
City of Crown Point	G	Lake	5,695,198	2,278,079	2,278,079	1,053,157	0.38	9,226,405	97.59
Decatur Township	F	Marion	1,228,270	491,308	491,308	127,521	0.07	2,310,922	101.39
City of Gary	G		49,950,375	19,980,150	19,980,150	7,148,903	3.26	72,593,273	95.63
	P&R		3,901,541	1,560,616	1,266,797	-		5,761,525	
City of Goshen	G	Elkhart	5,673,367	2,269,347	2,269,347	549,482	0.33	11,808,270	100.23
	P&R		604,105	241,642	75,843	-		955,643	
City of Hartford City	G	Blackford	1,027,728	411,091	219,965	-	0.03	1,901,000	99.94
	MV		273,875	109,550	27,649	-		335,000	
City of Hobart	G	Lake	10,513,236	4,205,294	4,205,294	1,737,368	0.68	13,238,666	94.22
Town of Lowell	G	Lake	1,605,686	642,274	642,274	170,291	0.10	1,994,113	97.41
	P&R		166,886	66,754	51,090	-		222,723	
Town of Merrillville	G	Lake	5,166,950	2,066,780	1,400,000	-	0.16	7,825,000	101.76
City of Portage	P&R	Porter	777,599	311,040	311,040	115,960	0.55	932,069	98.95
	G		7,082,605	2,833,042	2,833,042	912,958		9,717,507	
	MV		738,972	295,589	103,000	-		1,405,549	
	I		716,371	286,548	217,000	-		696,788	
	HI		922,607	369,043	329,277	3,723		1,045,073	
City of Valparaiso	G	Porter	8,243,631	3,297,452	2,227,843	-	0.26	10,570,000	100.81
Total Cities, Towns and Townships			\$ 139,373,885	\$ 55,749,554	\$ 52,459,645	\$ 11,828,830	7.38 %		

The footnotes, numbered (1) through (8) as referenced above and shown on page A-23 of this Appendix, are a material part of this table and should be reviewed carefully.

TAB 6

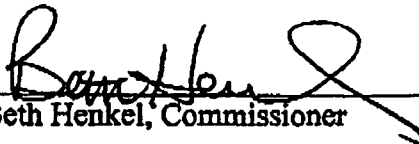
**STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE
INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE, ROOM N1058
INDIANAPOLIS IN 46204**

**DEPARTMENT OF LOCAL GOVERNMENT FINANCE
ESTIMATE REGARDING TAX LEVIES**

Pending the final certification of tax rates and tax levies, the Indiana Department of Local Government Finance hereby estimates that the rates of taxation, when applied to the net assessed valuation of the property located within the boundaries of the qualified entities set forth on the attachment hereto, will produce net local property tax revenues (including the estimated distributions from the Property Tax Replacement Fund pursuant to IC 6-1.1-21) during the fiscal year ending December 31, 2003, for the funds and in the amounts set forth on the attachment hereto.

Dated this 15th day of January, 2003.

DEPARTMENT OF LOCAL GOVERNMENT FINANCE


Beth Henkel, Commissioner

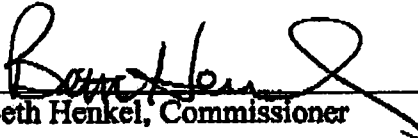
**STATE OF INDIANA
DEPARTMENT OF LOCAL GOVERNMENT FINANCE
INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE, ROOM N1058
INDIANAPOLIS IN 46204**

**DEPARTMENT OF LOCAL GOVERNMENT FINANCE
ESTIMATE REGARDING TAX LEVIES**

Pending the final certification of tax rates and tax levies, the Indiana Department of Local Government Finance hereby estimates that the rates of taxation, when applied to the net assessed valuation of the property located within the boundaries of the qualified entities set forth on the attachment hereto, will produce net local property tax revenues (including the estimated distributions from the Property Tax Replacement Fund pursuant to IC 6-1.1-21) during the fiscal year ending December 31, 2003, for the funds and in the amounts set forth on the attachment hereto.

Dated this 15th day of January, 2003.

DEPARTMENT OF LOCAL GOVERNMENT FINANCE


Beth Henkel, Commissioner

**Indiana Bond Bank
2003 Advanced Funding Program**

			DLGF Estimated 2003 Ad Valorem Property
<u>Qualified Entity</u>	<u>Fund</u>	<u>County</u>	<u>Tax Levy</u>
Schools:			
** - Anderson Community Schools	G	Madison	\$ 16,411,732
	CP		5,339,647
	T		3,484,395
Argos Community Schools	G	Marshall	884,169
	TB		55,532
	T		216,817
	DS		582,557
Antica Consolidated School Corp.	G	Fountain	1,418,849
	T		174,873
	CP		497,479
Baugo Community Schools	G	Elkhart	2,996,996
	CP		1,118,976
	TB		41,309
	T		590,469
Beech Grove City Schools	G	Marion	3,739,506
	T		577,078
	CP		972,599
	DS		2,198,541
	TB		156,466
Blackford County Schools	G	Blackford	3,281,513
Bremen Public Schools	G	Marshall	2,562,382
	T		356,228
	CP		712,999
	DS		1,310,332
** Brown County School Corp.	CP	Brown	1,364,333
	G		3,450,110
Brownsburg Community School Corp.	G	Hendricks	7,840,077
	TB		954,795
	T		1,780,995
	DS		10,039,635
** Cannelton City Schools	G	Perry	358,560
Caston School Corp.	G	Fulton	1,634,740
	CP		602,095
	TO		455,856
** Center Grove Community School Corp.	G	Johnson	11,269,351
	TB		769,672
	DS		7,477,439
	T		1,350,455
Centerville-Abington Schools	T	Wayne	567,143
	G		1,791,727
	DS		1,483,399
	CP		603,900
	TB		141,828

DLGF
Estimated 2003
Ad Valorem Property

Qualified Entity	Fund	County	Tax Levy
Central Noble Community School Corp.	G	Noble	1,985,543
** Clark-Pleasant Community School Corp.	G	Johnson	5,466,074
	CP		2,014,369
	DS		4,561,806
	TB		526,574
	TO		1,477,304
	PRS		15,487
Cowan Community School Corp.	G	Delaware	818,875
	TB		48,603
	T		1,914
	CP		250,947
** Crawfordsville Community School Corp	DS	Montgomery	4,357,234
	CP		1,288,664
	G		3,827,049
Crown Point Schools	G	Lake	8,816,456
	DS		6,920,991
	CP		2,590,295
	TO		1,987,848
Culver Community School Corp	G	Marshall	2,356,075
	DS		1,292,610
Danville Community Schools	TB	Hendricks	277,701
	CP		1,283,384
	DS		2,624,732
	G		2,934,854
	T		805,267
DeKalb County Eastern C.S.D	G	Dekalb	\$ 3,272,155
	CP		1,324,700
	TB		108,212
	DS		
	TO		767,874
East Allen County School Corp	G	Allen	16,508,461
	TB		1,042,624
** School City of East Chicago	G	Lake	11,449,718
East Gibson School Corp	DS	Gibson	916,055
	T		305,216
	G		2,047,461
East Porter County Schools	G	Porter	4,917,439
	CP		1,558,249
	TB		343,660
	DS		2,811,728
Eastbrook Community School Corp	G	Grant	1,995,182
** Eastern Howard Community School	G	Howard	1,808,842
	DS		2,079,210
Elwood Community School Corp.	G	Madison	1,874,025
	T		293,276
** Evansville-Vanderburgh School Corp	G	Vanderburgh	47,299,078
	T		8,969,837

no levy issued, can't participate

DLGF
Estimated 2003
Ad Valorem Property

<u>Qualified Entity</u>	<u>Fund</u>	<u>County</u>	<u>Tax Levy</u>
	CP		13,149,065
Fayette County School Corp	G	Fayette	6,365,059
	T		1,479,008
	CP		2,331,347
	DS		1,087,268
** Flat Rock Hawcreek Schools	T	artholomew	168,185
	G		966,194
Fort Wayne Community Schools	G	Allen	55,822,843
	TB		2,623,556
	TO		12,095,128
Franklin Community School Corp.	G	Johnson	7,471,976
	DS		5,710,320
	T		1,181,371
Franklin Township Community School Corp	G	Marion	9,945,144
	TO		1,854,650
Frankton-Lapel Community Schools	G	Madison	2,552,811
	DS		2,553,622
** Fremont Community Schools	G	Steuben	3,683,677
	T		751,125
	DS		1,211,584
	CP		1,443,459
Frontier School Corp	G	White	1,389,870
	TO		185,466
	DS		850,042
	CP		456,706
	TB		62,043
** Gary Community Schools	DS	Lake	2,957,449
	CP		4,891,849
	T		8,160,274
	PRS		41,887
	G		19,844,100
Greencastle Community Schools	G	Putnam	4,397,618
Greenfield Central Community School Corp	G	Hancock	5,996,870
	DS		3,595,501
	TO		924,724
	PRS		22,572
** Greenwood Community Schools	G	Johnson	6,347,421
	T		720,146
Hamilton Heights School Corp	G	Hamilton	3,746,418
	TO		850,816
	TB		249,002
** School City of Hammond	G	Lake	16,082,985
	T		3,904,556
	DS		15,252,023
	CP		3,448,493
Hanover Community Schools	G	Lake	1,953,052
	CP		509,930
	TB		147,514

DLGF
Estimated 2003
Ad Valorem Property

Qualified Entity	Fund	County	Tax Levy
Harrison-Washington Community Schools	G	Delaware	1,372,998
School Town of Highland	G	Lake	6,736,206
	DS		2,613,792
	T		\$ 646,552
	CP		1,357,620
** School City of Hobart	CP	Lake	879,383
	T		786,278
	TB		191,329
	G		4,533,894
	DS		1,467,508
Indianapolis Public Schools	G	Marion	85,164,230
	T		21,999,997
** Jay School Corp.	CP	Jay	1,949,129
	G		3,439,636
	DS	Jennings	2,094,371
Jennings County Schools	TO		1,745,502
	DS		1,745,502 3094371
	G		5,541,405
John Glenn School Corp	G	St. Joseph	1,952,038
	DS		1,592,941
	CP		-725,570 pay 02'
	T		374,063
	TB		118,088
Kankakee Valley School Corp.	G	Jasper	7,423,584
	CP		2,178,986
	TB		229,660
	DS		2,114,263
	TO		876,188
** Kokomo-Center Township Consolidated Sch	G	Howard	22,989,905
	TO		1,643,978
Lakeland School Corp.	G	LaGrange	3,787,463
	TO		757,412
	DS		919,425
** Lake Central School Corp.	G	Lake	16,045,638
	TO		3,163,714
	CP		5,769,451
	DS		5,542,384
Lake Ridge Schools	G	Lake	1,975,493
** Lake Station Community Schools	G	Lake	832,910
	T		113,263
	DS		344,576
	CP		200,760
	TB		62,246
LaPorte Community School Corp.	G	LaPorte	8,922,871
	T		1,764,400
	DS		3,083,023
Lawrenceburg Community Schools	G	Dearborn	5,559,989
	T		542,940

DLGF
Estimated 2003
Ad Valorem Property

<u>Qualified Entity</u>	<u>Fund</u>	<u>County</u>	<u>Tax Levy</u>
	DS		1,714,006
	CP		1,770,640
	PRS		15,446
Madison Consolidated Schools	G	Jefferson	6,931,711
	DS		1,685,778
	T		1,204,853
Madison-Grant United School Corp	T	Grant	500,030
** Manchester Community Schools	G	Wabash	2,469,266
Marion Community Schools	G	Grant	12,911,941
	T		1,374,478
** Marion-Adams Schools	G	Hamilton	1,671,365
Middlebury Community Schools	CP	Elkhart	2,428,970
	TB		203,618
	TO		1,228,279
	G		6,496,740
Milan Community School Corp	G	Ripley	947,291
** Mill Creek Community Schools	G	Hendricks	1,796,973
	CP		660,539
	DS		1,770,270
** Monroe County Community Schools	G	Monroe	23,548,891
	T		3,511,939
Monroe Gregg School District	G	Morgan	1,536,352
Mooreville Consolidated School Corp.	T	Morgan	891,386
	CP		2,092,052
	DS		3,449,920
	G		5,074,350
** M.S.D.- Lawrence Township	G	Marion	31,627,951
	T		6,838,832
M.S.D.- Martinsville	DS	Morgan	\$ 1,379,943
** M.S.D.- Mt. Vernon	G	Posey	14,677,301
	DS		3,908,768
** M.S.D.- Perry Township	G	Marion	22,250,107
M.S.D.- Pike Township	G	Marion	37,936,553
	TO		5,031,162
	TB		890,974
** M.S.D. Steuben County	G	Steuben	5,707,949
	DS		4,566,856
	T		1,078,458
** M.S.D. Southwest Allen County	G	Allen	17,124,397
M.S.D. Wabash County	G	Wabash	4,053,526
	DS		1,283,406
	T		668,981
MSD Warren Township	T	Marion	4,582,058
	G		25,584,010
** MSD Washington Township	G	Marion	35,227,092
	T		4,989,951
MSD Wayne Township	G	Marion	23,933,454

DLGF
Estimated 2003
Ad Valorem Property

<u>Qualified Entity</u>	<u>Fund</u>	<u>County</u>	<u>Tax Levy</u>
	CP		10,175,583
	TO		5,335,433
	TB		2,615,306
Mt. Vernon Community School Corp	DS	Hancock	3,050,376
	G		3,795,906
	CP		1,238,871
** School Town of Munster	G	Lake	7,547,125
	CP		2,050,925
	DS		5,389,885
	TB		79,443
	TO		1,135,574
** New Albany Floyd School Corp.	G	Floyd	17,580,619
	CP		6,795,008
	DS		9,900,011
New Castle Community School Corp.	DS	Henry	2,295,815
	T		1,399,374
	G		5,622,833
** Nineveh-Hensley-Jackson	G	Johnson	2,482,561
	TB		103,775
	DS		1,682,165
	CP		901,484
	T		662,733
North Gibson Schools	G	Gibson	4,650,925
	DS		752,055
	T		1,337,277
** North Judson-San Pierre School Corp.	G	Starks	1,406,288
North Miami Community Schools	G	Miami	1,441,052
	CP		507,427
** North Montgomery School Corp	G	Montgomery	4,426,442
	T		1,662,254
	TB		290,363
	DS		3,933,718
** North White Schools	G	White	2,258,283
	CP		747,450
Oak Hill United School Corp.	G	Grant	1,961,204
	T		382,709
Peru-Harris-Madison School Corp.	G	St. Joseph	13,921,757
	TB		1,764,924
	CP		4,973,041
	DS		12,673,134
	T		2,619,809
** Peru Community Schools	G	Miami	3,024,709
	TB		90,453
	TO		481,073
	DS		1,597,623
** Plymouth Community Schools	TB	Marshall	155,926
	DS		2,597,409
	G		5,153,083

DLGF
Estimated 2003
Ad Valorem Property

Qualified Entity	Fund	County	Tax Levy
	T		692,101
Plainfield Community School Corp	G	Handricks	7,066,908
	T		1,063,240
	TB		451,719
	CP		2,949,225
Portage Township Schools	G	Porter	7,876,057
	CP		\$ 3,276,400
Porter Township School Corp.	G	Porter	2,291,194
	CP		935,702
Randolph Southern School Corp	T	Randolph	221,160
	G		895,731
	CP		214,240
Rensselaer Central School Corp.	G	Jasper	3,224,593
	TO		358,665
	DS		778,648
** School City of Whiting	G	Lake	4,268,208
	T		333,702
	CP		1,142,594
	DS		726,358
Seymour Community School Corp	T	Jackson	864,912
	G		9,791,107
** Shelby Eastern Schools	G	Shelby	2,524,777
** South Bend Community School Corp.	G	St. Joseph	33,861,402
	T		9,593,897
South Central Community School Corp.	G	LaPorte	1,235,238
	T		299,106
	TB		134,290
	DS		592,458
South Dearborn Community School Corp	TB	Dearborn	205,334
	DS		1,670,147
	TO		955,816
	G		3,504,417
South Gibson School Corp	T	Gibson	859,800
	DS		1,799,582
	G		4,832,967
South Henry School	G	Henry	1,070,107
** Southeastern School Corp.	G	Cass	2,436,852
Community School Corp of Southern Hanco	G	Hancock	3,962,654
South Montgomery Community School	G	Montgomery	4,769,578
	DS		1,932,104
** South Vermillion Community School Corp	G	Vermillion	3,886,574
Southwestern Jefferson County Schools	G	Jefferson	1,599,436
	DS		411,269
	T		677,404
Sunman Dearborn Community School Corp	CP	Dearborn	729,572
	DS		3,344,295
	G		5,619,189

DLGF
Estimated 2003
Ad Valorem Property

<u>Qualified Entity</u>	<u>Fund</u>	<u>County</u>	<u>Tax Levy</u>
	TB		81,842
	T		1,402,299
Switzerland County School Corp.	G	Switzerland	1,730,244
	T		714,378
Taylor Community School Corp.	G	Howard	2,312,858
	T		342,532
** Tipton Community Schools	G	Tipton	3,102,521
Tri-County School Corp	G	White	3,342,398
	DS		1,044,441
	CP		901,351
	TO		403,362
	TB		133,216
Triton School Corporation	G	Marshall	1,500,551
	DS		480,494
Twin Lakes School Corporation	G	White	5,311,996
	DS		2,613,454
** Union-North United School Co	G	Marshall	1,575,505
	DS		758,262
	T		390,785
Vincennes Community School Corp	T	Knox	907,728
	DS		2,110,822
	CP		1,133,598
	G		4,017,760
Wa-Nee Community Schools	G	Elkhart	6,219,152
	T		1,113,538
	TB		201,746
Warrick County School Corp	G	Warrick	18,098,299
	TB		381,445
	CP		6,898,924
	DS		6,542,650
	T		4,215,256
Warsaw Community Schools	G	Kosciusko	\$ 13,927,837
West Central School Corp.	G	Pulaski	1,745,332
	DS		486,876
	TO		304,192
** West Lafayette Community School Corp.	G	Tippecanoe	7,648,525
	T		390,465
West Washington School Corp	DS	Washington	240,338
	T		278,756
Western School Corporation	G	Howard	3,530,326
	T		612,057
Western Boone County Comm	G	Boone	2,370,637
	T		687,387
Western Wayne Schools	T	Wayne	162,616
	G		1,186,963
** Whitko-Community School Corp.	G	Kosciusko	2,735,212
	CP		922,884
	TB		285,084

Qualified Entity

Whitley County Consolidated Schools

Zionsville Community Schools

Cities, Towns, and Townships:

City of Anderson	G	17,178,427	01p02
	P&R	1,954,787	01p02
	FP	1,303,191	01p02
	FP	1,161,025	01p02
Town of Avon	G	993,891	01p02
	CT	1,111,608	01p02
	PS	475,843	01p02
	P&R	381,123	01p02
	CS	282,313	01p02
	PR	10,242,675	01p02
City of Crown Point	G	5,695,198	01p02
	F	593,270	01p02
	G	31,907,361	01p02
City of East Chicago	T	744,610	01p02
	CCD	333,542	01p02
	P&R	1,712,384	01p02
	G	49,950,375	01p02
City of Gary	P&R	3,901,541	01p02
	G	5,673,367	01p02
City of Goshen	G	604,105	01p02
	P&R	1,027,728	01p02
City of Hartford City	MV	273,875	01p02
	G	10,513,236	01p02
City of Hobart	Lake	1,605,686	01p02
	G	166,886	01p02
Town of Lowell	P&R	5,166,950	01p02
	G	209,170	01p02
Town of Merrillville	CCD	1,102,332	01p02
	CL	812,474	01p02
	P&RDS	1,016,058	01p02
	MV	3,184,102	01p02
	G	589,649	01p02
	P&R	950,886	01p02
City of Portage	DS	777,599	01p02
	P&R	7,082,605	01p02
	G	738,972	01p02
	MV	716,371	01p02
	CLPD		01p02

DLGF
Estimated 2003
Ad Valorem Property
Tax Levy

County

Whitley

Boone

Madison

Hendricks

Lake

Marion

Lake

Elkhart

Blackford

Lake

Porter

DLGF

Estimated 2003

Ad Valorem Property

Fund County Tax Levy

City of Valparaiso Washington Civil Township, Marion Co.

Libraries:

Anderson Public Library Avon Washington Township Public Library

Bedford Public Library Beech Grove Public Library

Brazil Public Library Clinton Public Library

Crown Point Community Library East Chicago Public Library

Elkhart Public Library Gary Public Library

Hammond Public Library CP Lake

LR Lake Harrison County Public Library

Jeffersonville Township Pub. Libr. Lake County Public Library

Michigan City Public Library Mishawaka-Penn Public Libr

Plainfield Guilford Public Library Speedway Public Library

West Lafayette Public Library

Countries and Other:

Gary Public Transportation Gary Sanitary District

Gary Storm Water Management Gary/Chicago Airport

Grant County Hendricks County

Lake County

Marshall County Madison County

Randolph County

2,838,546

4,806,425

4,213,775

53,497,709

79,252,006

690,346

365,678

379,348

6,493,350

7,139,671

1,146,770

186,455

2,492,063

3,371,615

2,168,769

\$

372,543

504,683

557,726

2,566,292

1,911,779

520,853

7,426,976

1,161,974

790,534

1,429,186

3,011,929

223,188

5,728,039

2,858,646

4,314,412

902,964

243,557

180,082

605,653

777,698

293,961

261,746

2,915,821

\$

8,263,635

8,243,631

922,607

TAB 7

**CITY OF VALPARAISO
CERTIFICATE OF COUNSEL**

The undersigned hereby certifies as follows. I am the duly appointed and acting counsel for the City of Valparaiso (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 Time Warrants, Series 2003 A and any interim temporary loan tax anticipation time warrants, for the General Fund of the Issuer (collectively, the "Warrants") issued in accordance with the approving ordinance (the "Ordinance") adopted by the Common Council of the Issuer (the "Fiscal Body").

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

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

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

3. To the best of my knowledge, as of the date of this Certificate, no notice has been received by the Issuer and no litigation has been filed or threatened in any way affecting the corporate existence, legal capacity, or boundaries of the Issuer or the title of any officers of the Issuer or the Fiscal Body relating to the Ordinance or the Warrant Purchase Agreement dated as of December 1, 2002 (the "Agreement"), between the Issuer and the Indiana Bond Bank (the "Bond Bank"), the proceedings of the Fiscal Body with respect to the Warrants, the Agreement, or the authorization and issuance of the Warrants or the sale and delivery of the Warrants to the Bond Bank pursuant to the Agreement, or contesting the powers or authority of the Issuer with respect to the Warrants or the Agreement.

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

5. The Warrants have been duly authorized, executed, and delivered by the Issuer in accordance with the laws of the State of Indiana and constitute the valid and binding

obligations of the Issuer enforceable in accordance with their respective terms, subject to bankruptcy laws, insolvency laws, and other laws affecting creditors' rights.

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

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Dated this 30th day of January, 2003.

By: 
Attorney
City of Valparaiso

TAB 8

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

The undersigned officers or officials (hereafter each referred to as an "officer") of the City of Valparaiso (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 Time Warrants, Series 2003 A and any interim temporary loan tax anticipation time warrants (the "Warrants"), we further certify as follows:

1. In our official capacities we are familiar with (a) an ordinance adopted by the Common Council of the City of Valparaiso (the "Fiscal Body") authorizing the Issuer to make temporary loans for the General Fund of the Issuer ("Fund[s]"), in anticipation of property taxes levied and in the course of collection for each such Fund in the year 2003 (including property tax replacement revenues); (b) the financial condition and needs of the Issuer for the fiscal year ending on the last day of December 2003, 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, 2002 (the "Agreement"), at a per annum interest rate for the Warrants set forth in the Agreement.

5. The proceeds of the sale of the Warrants are being used for the purpose of providing money to pay the ordinary and necessary lawful expenses of the Issuer (or for the

purpose of currently refunding interim temporary loan tax anticipation warrants) and all of such proceeds are needed for such purpose.

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

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

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

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

10. The Warrants will not be outstanding after a period ending thirteen (13) months after the date on which such obligations are issued because the Warrants are issued on or after the first day of January 2003, and mature and are payable no later than December 31, 2003.

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 2003. The entries in Exhibit A have been prepared with the assistance of Crowe Chizek and Company LLP, the financial advisor to the Bond Bank in connection with the Bond Bank's Advance Funding Program. 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 2003.

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

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

14. Based on the projections set forth in Exhibit A hereto, the working capital expenditures to be financed with the proceeds of the Warrants exceed, or will exceed at the time such proceeds are spent, "available amounts" as defined in the Treasury Regulations. "Available amounts" include any amount available to the Issuer for working capital expenditures of the type financed with the proceeds of the Warrants but excludes a reasonable working capital reserve 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 2002.

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 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 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 has authorized and directed the fiscal officer of the Issuer 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 2003 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.

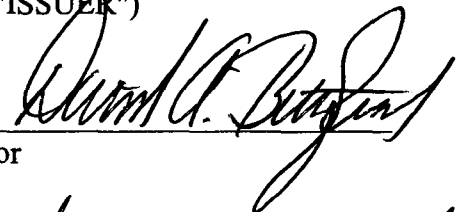
Therefore the Issuer meets the requirements of Section 148(f)(4)(D) of the Code and will be exempt from the requirement to rebate any arbitrage profits to the United States.

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, or delivered in connection with the authorization, sale, or delivery of the Warrants.

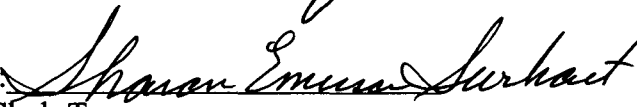
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IN WITNESS WHEREOF, we have hereunto set our hands on this Tax Matters
Certificate this 30th day of January, 2003.

CITY OF VALPARAISO
(THE "ISSUER")

By: 

Mayor

By: 

Clerk-Treasurer

INDIANA BOND BANK 2003 CASH FLOW FUNDING PROGRAM

Cash Flow Worksheet

Q/E - Name: CITY OF VALPARAISO
Contact: SHARON EMERSON SWIHART
Telephone: (219)-462-1161

Revised Date: 10/24/02
Cash Flow Year: 2003
Fund Name: GENERAL
Gross Fund Levy: \$8,100,000

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Beginning Balance:	\$815,799	(\$154,524)	(\$868,522)	(\$1,557,520)	(\$2,227,843)	(\$1,011,841)	\$749,161	(\$191,162)	(\$905,160)	(\$1,649,158)	(\$2,559,481)	(\$1,468,479)	\$815,799
Receipts:													
Property Tax*					1,620,000	2,430,000					1,620,000	2,430,000	8,100,000
State Aid													0
All Other	200,000	115,000	110,000	370,000	350,000	110,000	180,000	140,000	85,000	160,000	300,000	350,000	2,470,000
Total Receipts	200,000	115,000	110,000	370,000	1,970,000	2,540,000	180,000	140,000	85,000	160,000	1,920,000	2,780,000	10,570,000
Expenditures:													
Wages & Salaries	870,323	628,998	628,998	870,323	628,998	628,998	870,323	628,998	628,998	870,323	628,998	628,998	8,513,276
Other Expenditures	300,000	200,000	170,000	170,000	125,000	150,000	250,000	225,000	200,000	200,000	200,000	200,000	2,390,000
Total Expenditures	1,170,323	828,998	798,998	1,040,323	753,998	778,998	1,120,323	853,998	828,998	1,070,323	828,998	828,998	10,903,276
Cumulative Fund Balance	(\$154,524)	(\$868,522)	(\$1,557,520)	(\$2,227,843)	(\$1,011,841)	\$749,161	(\$191,162)	(\$905,160)	(\$1,649,158)	(\$2,559,481)	(\$1,468,479)	\$482,523	\$482,523

80% of 1/2 of the Annual Gross Levy	\$3,240,000	IBB Permitted Borrowing:	80% of 1/2 Levy	Largest Deficit
Largest Deficit Through June 30	\$2,227,843			
Largest Deficit Through July 31	\$2,227,843	Lesser of 80% of 1/2 Levy or Largest Deficit	\$0	\$2,227,843
Largest Deficit August Through December 31	\$2,559,481	Additional Short Warrants Permitted	0	

* Gross Fund Levy prior to any deduction for PTRC.

TAB 9

Information Return for Tax-Exempt Governmental Obligations

(Rev. November 2000)

► Under Internal Revenue Code section 149(e)

► See separate instructions.

OMB No. 1545-0720

Department of the Treasury
Internal Revenue Service

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

Reporting Authority		If Amended Return, check here ☐	
1 Issuer's name <u>City of Valparaiso</u>		2 Issuer's employer identification number <u>35-6001217</u>	
3 Number and street (or P.O. box if mail is not delivered to street address) <u>166 W. Lincolnway</u>		Room/suite	4 Report number <u>3 2003- 1</u>
5 City, town, or post office, state, and ZIP code <u>Valparaiso, IN 46383</u>		6 Date of issue <u>1/30/03</u>	
7 Name of issue <u>Tempoary Loan Tax Anticipation Warrants, Series 2003A</u>		8 CUSIP number <u>NONE</u>	
9 Name and title of officer or legal representative whom the IRS may call for more information <u>Sharon Emerson Swihart, Clerk/Treasurer</u>		10 Telephone number of officer or legal representative <u>219-462-1161</u>	

Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule	
11 ☐ Education	11
12 ☐ Health and hospital	12
13 ☐ Transportation	13
14 ☐ Public safety	14
15 ☐ Environment (including sewage bonds)	15
16 ☐ Housing	16
17 ☐ Utilities	17
18 ☒ Other. Describe ► <u>Tax Anticipation Warrants to meet Current Expnses of Various Funds</u>	18 <u>2,227,843.00</u>
19 If obligations are TANs or RANs, check box ☐ If obligations are BANs, check box ☐	
20 If obligations are in the form of a lease or installment sale, check box ☐	

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 <u>12/31/03</u>	<u>\$ 2,227,843.00</u>	<u>\$ 2,227,843.00</u>	<u>0.91</u> years	<u>1.2826</u> %

Uses of Proceeds of Bond Issue (including underwriters' discount)	
22 Proceeds used for accrued interest	22 <u>-0-</u>
23 Issue price of entire issue (enter amount from line 21, column (b))	23 <u>2,227,843.00</u>
24 Proceeds used for bond issuance costs (including underwriters' discount)	24 <u>-0-</u>
25 Proceeds used for credit enhancement	25 <u>-0-</u>
26 Proceeds allocated to reasonably required reserve or replacement fund	26 <u>-0-</u>
27 Proceeds used to currently refund prior issues	27 <u>-0-</u>
28 Proceeds used to advance refund prior issues	28 <u>-0-</u>
29 Total (add lines 24 through 28)	29 <u>0.00</u>
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30 <u>2,227,843.00</u>

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	_____ years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	_____ years
33 Enter the last date on which the refunded bonds will be called	_____
34 Enter the date(s) the refunded bonds were issued	_____

Miscellaneous	
35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35 <u>-0-</u>
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a <u>-0-</u>
b Enter the final maturity date of the guaranteed investment contract	_____
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a <u>-0-</u>
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box ☒ and enter the name of the issuer ► <u>Indiana Bond Bank</u> and the date of the issue ► <u>1/30/03</u>	
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ☐	
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ☐	
40 If the issuer has identified a hedge, check box ☐	

Sign Here	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.	
	 Signature of issuer's authorized representative	<u>1/30/03</u> Date
	Type or print name and title	

TAB 10

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF PORTER

CITY OF VALPARAISO

TEMPORARY LOAN TAX ANTICIPATION TIME WARRANT, SERIES 2003 A

Warrant Fund: General Fund

Dated Date: January 30, 2003

Due Date: December 31, 2003

Principal Sum: \$2,227,843.00

Interest Rate: 1.42 percent per annum

FOR VALUE RECEIVED, on or before the Due Date set forth above (the "Due Date"), the City of Valparaiso (the "Borrower"), 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 Borrower, dated as of December 1, 2002 (the "Agreement").

In addition, the Borrower 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 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 Borrower 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 Borrower 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 Borrower to the Bond Bank shall be made by paying the amount due in funds that are available for immediate transfer or investment on or before 12:00 noon (Indianapolis time) on the payment date to the Trustee in St. Louis, Missouri (or to such other place of payment as may be specified in notice given by the Trustee or Bond Bank). 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 passed and adopted by the Common Council of the City of Valparaiso, in accordance with Indiana Code 36-4-6-20 and all other acts amendatory thereof or supplemental thereto.

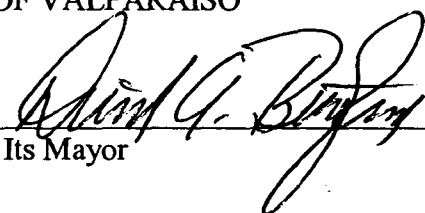
This Warrant is issued in anticipation of the tax levy which has been made for the Fund in the year 2002, which tax levy is now in the course of collection (including property tax replacement revenues). There has been irrevocably appropriated and pledged to the payment in full of the principal of and interest on this Warrant a sufficient amount of the revenues to be derived from the Fund tax levy (including property tax replacement revenues).

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

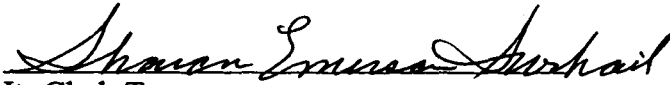
IN WITNESS WHEREOF, the City of Valparaiso, has caused this Warrant to be executed in its corporate name by the Mayor of the City of Valparaiso and attested by the Clerk-Treasurer of the City of Valparaiso, all as of the Dated Date set forth above.

CITY OF VALPARAISO

By:


Its Mayor

ATTEST:


Its Clerk-Treasurer

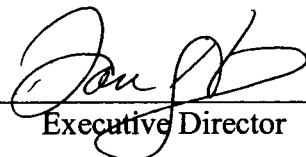
TAB 11

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

The undersigned hereby certifies receipt from the City of Valparaiso (the "Issuer"), of its Temporary Loan Tax Anticipation Time Warrants, Series 2003 A, dated January 30, 2003, bearing interest to maturity at a per annum rate established in a certain Warrant Purchase Agreement dated as of December 1, 2002, between the Issuer and the Indiana Bond Bank, and maturing on the identified date, in the identified principal amounts and for the respective identified funds as set forth on the attached Schedule A.

Dated this 30th day of January, 2003.

INDIANA BOND BANK

By: 
Executive Director

CITY OF VALPARAISO
TEMPORARY LOAN TAX ANTICIPATION TIME WARRANTS, SERIES 2003 A
SCHEDULE A

General Fund : \$0 maturing on June 30, 2003 (or if applicable by the terms of any Warrant, the First Settlement Payment Due Date) and \$2,227,843 maturing on December 31, 2003.

TAB 12

Bingham ● McHale LLP

a t t o r n e y s a t l a w

January 30, 2003

Indiana Bond Bank
Indianapolis, Indiana

City of Valparaiso,
Valparaiso, Indiana

Re: City of Valparaiso
Temporary Loan Tax Anticipation Time Warrants, Series 2003 A

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 Time Warrants, Series 2003 A originally dated January 30, 2003, maturing on the identified date, in the identified principal amounts and for the respective identified funds as set forth on the attached Schedule A (collectively, the "Warrants"). The Warrants have been authorized and issued pursuant to an ordinance adopted by the Issuer's Common Council, and are being sold to the Indiana Bond Bank (the "Bond Bank") pursuant to a Warrant Purchase Agreement between the Bond Bank and the Issuer, dated as of December 1, 2002 (the "Agreement").

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

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

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

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

amount of the tax revenues with respect to each above-referenced Fund has been legally pledged and appropriated by the Issuer to pay when due the principal of and interest on the Warrants issued with respect to such Fund.

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; however, it should be noted that with respect to corporations (as defined for federal income tax purposes), interest on the Warrants is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Warrants in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the interest on the Warrants to cease to be excludable from gross income for federal income tax purposes retroactive to the date of issuance of the Warrants. We express no opinion regarding any other federal tax consequences arising with respect to the Warrants.

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

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

Very truly yours,

Bingham McHale LLP

CITY OF VALPARAISO
TEMPORARY LOAN TAX ANTICIPATION TIME WARRANTS, SERIES 2003 A
SCHEDULE A

General Fund : \$0 maturing on June 30, 2003 (or if applicable by the terms of any Warrant, the First Settlement Payment Due Date) and \$2,227,843 maturing on December 31, 2003.

TAB 13

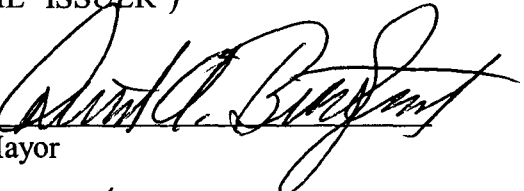
**CITY OF VALPARAISO
CERTIFICATE OF DELIVERY OF WARRANTS
AND RECEIPT OF PAYMENT**

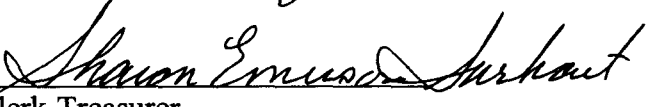
The undersigned hereby certify that the fiscal officer of the City of Valparaiso (the "Issuer") is authorized by law to deliver the Temporary Loan Tax Anticipation Time Warrants, Series 2003 A (the "Warrants"), of the Issuer, and receive payment thereon, and that the Warrants have been duly delivered to the Indiana Bond Bank (the "Bond Bank") so as to cause the Warrants to be issued on January 30, 2003, and maturing and payable on or before December 31, 2003, in the principal amount(s) and bearing interest as set forth in Attachment A to the Warrant Purchase Agreement dated as of December 1, 2002, between the Bond Bank and the Issuer.

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

Dated this 30th day of January, 2003.

CITY OF VALPARAISO
(THE "ISSUER")

By: 
Mayor

By: 
Clerk-Treasurer