

RESOLUTION NO. 08-11-2016

RESOLUTION OF THE CITY OF VALPARAISO REDEVELOPMENT
COMMISSION AUTHORIZING THE ISSUANCE OF BONDS FOR THE
PURPOSE OF REFUNDING CERTAIN OUTSTANDING BONDS AND
PAYING THE COSTS OF ISSUING THE BONDS; AND APPROPRIATING
THE PROCEEDS THEREOF

WHEREAS, within the City of Valparaiso, Indiana, a governmental unit and political subdivision of the State (the "City"), there has been created the City of Valparaiso Redevelopment District (the "District"), governed by the City of Valparaiso Redevelopment Commission (the "Commission"); and

WHEREAS, the Commission has previously created an economic development area designated as the Consolidated Valparaiso Economic Development Area (the "Consolidated Valparaiso Area"), designated a portion of the Consolidated Valparaiso Area as an allocation area (the "Consolidated Valparaiso Allocation Area") under I.C. 36-7-14 and I.C. 36-7-25 (collectively, the "Act"), and created the Consolidated Valparaiso Allocation Area Fund (the "Consolidated Valparaiso Allocation Fund"); and

WHEREAS, the Commission has adopted the Consolidated Valparaiso Area Economic Development Plan (as amended from time to time, the "Plan"), which sets forth various economic development projects for the Consolidated Valparaiso Area; and

WHEREAS, the Commission has previously created an area needing redevelopment designated as the North Central Redevelopment Area (the "North Central Area"), designated a portion of the North Central Area as an allocation area (the "North Central Allocation Area") under the Act, and created the North Central Allocation Area Fund (the "North Central Allocation Fund"); and

WHEREAS, the Act authorizes the Commission to issue bonds of the District, in the name of the City, in anticipation of revenues of the District and to use the proceeds of such bonds to finance or refinance property in or serving the respective economic development area or area needing redevelopment; and

WHEREAS, pursuant to Resolution No. 02-23-2006-1, adopted by the Commission on February 23, 2006, the Commission has heretofore pledged tax increment revenues generated by the Consolidated Valparaiso Allocation Area (the "Consolidated Tax Increment") to the City of Valparaiso Redevelopment District Special Taxing District Bonds, Series 2006A (the "2006 Bonds"); and

WHEREAS, pursuant to Resolution No. 10-20-2005-1, adopted by the Commission on October 20, 2005 (the "2009 Bond Resolution"), the Commission has heretofore additionally pledged the Consolidated Tax Increment to the City of Valparaiso Redevelopment District Tax Increment Revenue Bonds, Series 2009 (North Central Area Project) (the "2009 Bonds") (in addition to the pledge thereto of tax increment revenues generated by the North Central

Allocation Area (the "North Central Tax Increment")), which 2009 Bonds rank on a parity basis with the 2006 Bonds with respect to the Consolidated Tax Increment; and

WHEREAS, pursuant to Amended and Restated Resolution No. 2014-3, adopted by the Commission on October 8, 2014, the Commission has heretofore additionally pledged the Consolidated Tax Increment to the City of Valparaiso Redevelopment District Bonds, Series 2014A (the "2014A Bonds") and the City of Valparaiso Redevelopment District Tax Increment Revenue Bonds, Series 2014B (the "2014B Bonds"), which 2014A Bonds and 2014B Bonds rank on a parity basis with the 2006 Bonds and the 2009 Bonds with respect to the Consolidated Tax Increment; and

WHEREAS, pursuant to Resolution No. 2015A-2, adopted by the Commission on May 14, 2015, the Commission has heretofore additionally pledged the Consolidated Tax Increment to the City of Valparaiso, Indiana, Redevelopment District Tax Increment Revenue Bonds, Series 2015A (the "2015A Bonds" and, together with the 2014A Bonds and the 2015B Bonds, the "Prior Bonds"), which 2015A Bonds rank on a parity basis with the 2006 Bonds, the 2009 Bonds, the 2014A Bonds and the 2014B Bonds with respect to the Consolidated Tax Increment; and

WHEREAS, the Commission desires to refund the 2006 Bonds in order to achieve a savings in debt service payments; and

WHEREAS, the Commission also desires to refund the 2009 Bonds in order to achieve a savings in debt service payments;

WHEREAS, the Commission deems it advisable to issue the "City of Valparaiso, Indiana, Redevelopment District Tax Increment Revenue Refunding Bonds, Series 2016A" (the "2016A Bonds") in an original principal amount not to exceed Two Million Seventy-Five Thousand Dollars (\$2,075,000) (the "2016A Authorized Amount") for the purpose of providing for (i) the refunding of the 2006 Bonds (the "2006 Refunding"), (ii) funding a debt service reserve account for the 2016A Bonds (unless determined not to be necessary prior to the sale of the 2016A Bonds, as set forth in Section 7 below), (iii) all incidental expenses incurred in connection therewith, and (iv) the costs of selling and issuing the 2016A Bonds; and

WHEREAS, the Commission deems it advisable to issue the "City of Valparaiso, Indiana, Redevelopment District Tax Increment Revenue Refunding Bonds, Series 2016B" (the "2016B Bonds" and, together with the 2016A Bonds, the "2016 Bonds") in an original principal amount not to exceed Two Million One Hundred Twenty-Five Thousand Dollars (\$2,125,000) (the "2016B Authorized Amount" and, together with the 2016A Authorized Amount, the "Authorized Amounts") for the purpose of providing for (i) the refunding of the 2009 Bonds (the "2009 Refunding" and, together with the 2006 Refunding, the "Refundings"), (ii) funding a debt service reserve account for the 2016B Bonds (unless determined not to be necessary prior to the sale of the 2016B Bonds, as set forth in Section 7 below), (iii) all incidental expenses incurred in connection therewith, and (iv) the costs of selling and issuing the 2016B Bonds; and

WHEREAS, the projects originally financed by the 2006 Bonds and to be refinanced by the 2016A Bonds are located in or serve the Consolidated Valparaiso Allocation Area; and

WHEREAS, the projects originally financed by the 2009 Bonds and to be refinanced by the 2016B Bonds are located in or serve both the North Central Allocation Area and the Consolidated Valparaiso Allocation Area; and

WHEREAS, it would be of public utility and benefit and in the best interests of the District and its citizens to provide for the costs of the Refundings and of the sale and issuance of the 2016 Bonds, such 2016 Bonds to be issued as tax increment revenue bonds of the District (on a parity with the Prior Bonds with respect to the Consolidated Tax Increment, and, solely with respect to the 2016B Bonds, also to be payable from the North Central Tax Increment, as described more fully herein, and, solely with respect to the 2016A Bonds, to the extent that the Consolidated Tax Increment is insufficient for such purpose, also to be payable from *ad valorem* taxes to be levied on all taxable property on the District, as described more fully herein); and

WHEREAS, the amount of proceeds of the 2016 Bonds allocated to pay costs of the Refundings, together with estimated investment earnings thereon, does not exceed the cost of the Refundings, as estimated by the Commission; and

WHEREAS, under the governing statutes it is necessary to make an appropriation to provide for the Refundings, and it has been determined that said appropriation be made at this time; and

WHEREAS, notice has been given and this date a public hearing has been conducted regarding such appropriation; and

WHEREAS, all conditions precedent to the adoption of a resolution authorizing the issuance of the 2016 Bonds have been complied with in accordance with the applicable provisions of the Act;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF VALPARAISO REDEVELOPMENT COMMISSION, GOVERNING BODY OF THE DISTRICT, AS FOLLOWS:

SECTION 1. Authorization for Bonds and Appropriation of Proceeds. In order to provide for the costs of the Refundings as described above and the costs of selling and issuing the 2016 Bonds, the District shall borrow money, and the City, acting for and on behalf of the District, shall issue the 2016 Bonds as herein authorized. An appropriation in an amount not to exceed the respective Authorized Amounts, together with all investment earnings thereon, shall be made to pay for the costs of the respective Refundings, and the funds to meet said appropriation shall be provided out of the proceeds of the respective series of 2016 Bonds in the original principal amount of not to exceed the respective Authorized Amounts and such investment earnings. Said appropriation shall be in addition to all other appropriations provided for in the existing budget and tax levy.

SECTION 2. General Terms of Bonds.

(a) **Issuance of 2016 Bonds.** In order to procure said loan for such purposes, the Commission hereby authorizes the issuance of the 2016 Bonds, in two series, as described herein. The Clerk-Treasurer of the City (the "Clerk-Treasurer") is hereby authorized and

directed to have prepared and to issue and sell each series of the 2016 Bonds as negotiable, fully registered bonds of the District in an amount not to exceed the respective Authorized Amounts.

The 2016 Bonds shall be signed in the name of the City, acting for and on behalf of the District, by the manual or facsimile signature of the Mayor of the City (the "Mayor") and attested by the manual or facsimile signature of the Clerk-Treasurer, who shall affix the seal of the City to each of the 2016 Bonds manually or shall have the seal imprinted or impressed thereon by facsimile or other means. In case any officer whose signature or facsimile signature appears on the 2016 Bonds shall cease to be such officer before the delivery of 2016 Bonds, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until delivery thereof. The 2016 Bonds also shall be, and will not be valid or become obligatory for any purpose or entitled to any benefit under this Resolution unless and until, authenticated by the manual signature of the Registrar (as defined in Section 4 hereof).

The 2016 Bonds of a series shall be numbered consecutively from AR-1 or BR-1 upward, as appropriate, shall be issued in denomination of \$5,000 or integral multiples thereof (or such other denomination as the President of the Commission shall determine prior to the sale of such series of the 2016 Bonds), shall be originally dated as of the date of issuance of such series of the 2016 Bonds, and shall bear interest payable semiannually on January 15 and July 15 of each year, beginning not sooner than January 15, 2017, as determined by the President of the Commission prior to the sale of such series of the 2016 Bonds, at a rate not to exceed four percent (4.0%) calculated on the basis of a 360-day year comprised of twelve 30-day months. The 2016B Bonds may be issued on a taxable basis. The 2016 Bonds of a series shall be sold at a price not less than 97% of par (or such higher percentage of par as the President of the Commission shall determine prior to the sale thereof). The 2016 Bonds of a series shall mature serially on January 15 and July 15 of each year, beginning not sooner than January 15, 2017, as determined by the President of the Commission prior to the sale of the 2016 Bonds of such series, over a period ending not later than January 15, 2022 (with respect to the 2016A Bonds) or January 15, 2025 (with respect to the 2016B Bonds), each serial maturity to be in such principal amount as determined by the President of Commission, with the advice of the Commission's financial advisor.

All or a portion of the 2016 Bonds of a series may be aggregated into and issued as one or more term bonds. The term bonds will be subject to mandatory sinking fund redemption with sinking fund payments and final maturities corresponding to the serial maturities described above. Sinking fund payments shall be applied to retire a portion of the term bonds as though it were a redemption of serial bonds, and, if more than one term bond of any maturity is outstanding, redemption of such maturity shall be made by lot. Sinking fund redemption payments shall be made in a principal amount equal to such serial maturities, plus accrued interest to the redemption date, but without premium or penalty. For all purposes of this Resolution, such mandatory sinking fund redemption payments shall be deemed to be required payments of principal which mature on the date of such sinking fund payments. Appropriate changes shall be made in the definitive form of 2016 Bonds of a series, relative to the form of 2016 Bonds of a series contained in this Resolution, to reflect any mandatory sinking fund redemption terms.

(b) Source of Payment. Each series of the 2016 Bonds and any bonds ranking on a parity therewith, as to both principal and interest shall be payable from and secured by an irrevocable pledge of the Consolidated Tax Increment. Each series of the 2016 Bonds shall rank on a parity basis with each other and with the Prior Bonds with respect to the Consolidated Tax Increment; provided, however, that the 2016B Bonds shall be additionally secured by the North Central Tax Increment, which shall be applied to the payment of the 2016B Bonds prior to the payment thereof from the Consolidated Tax Increment, as provided below; provided, further, however, that the 2016A Bonds shall, to the extent that the Consolidated Tax Increment is insufficient for such purpose, be payable from *ad valorem* taxes to be levied on all taxable property in the District.

(c) Payments. All payments of interest on the 2016 Bonds shall be paid by check mailed one business day prior to the interest payment date to the registered owners thereof as of the first (1st) day of the month of the interest payment date (the "Record Date") at the addresses as they appear on the registration and transfer books of the Commission kept for that purpose by the Registrar (the "Registration Record") or at such other address as is provided to the Paying Agent (as defined in Section 4 hereof) in writing by such registered owner. All principal payments and premium payments, if any, on the 2016 Bonds shall be made upon surrender thereof at the principal office of the Paying Agent, in any U.S. coin or currency which on the date of such payment shall be legal tender for the payment of public and private debts.

Interest on the 2016 Bonds shall be payable from the interest payment date to which interest has been paid next preceding the authentication date thereof unless such 2016 Bonds are authenticated after the Record Date for an interest payment and on or before such interest payment date in which case they shall bear interest from such interest payment date, or unless authenticated on or before the Record Date for the first interest payment date, in which case they shall bear interest from the original date, until the principal shall be fully paid.

(d) Transfer and Exchange. Each 2016 Bond of a series shall be transferable or exchangeable only upon the Registration Record, by the registered owner thereof in writing, or by the registered owner's attorney duly authorized in writing, upon surrender of such 2016 Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or such attorney, and thereupon a new fully registered 2016 Bond or Bonds of such series in the same aggregate principal amount, and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. The costs of such transfer or exchange shall be borne by the Commission, except for any tax or governmental charges required to be paid in connection therewith, which shall be payable by the person requesting such transfer or exchange. The City, the Commission, the Registrar and the Paying Agent may treat and consider the persons in whose names such 2016 Bonds are registered as the absolute owners thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest and premium, if any, due thereon.

(e) Mutilated, Lost, Stolen or Destroyed Bonds. In the event any 2016 Bond is mutilated, lost, stolen or destroyed, the City may execute and the Registrar may authenticate a new bond of like series, date, maturity and denomination as that mutilated, lost, stolen or destroyed, which new bond shall be marked in a manner to distinguish it from the bond for

which it was issued, provided that, in the case of any mutilated bond, such mutilated bond shall first be surrendered to the Registrar, and in the case of any lost, stolen or destroyed bond there shall be first furnished to the Registrar evidence of such loss, theft or destruction satisfactory to the Clerk-Treasurer and the Registrar, together with indemnity satisfactory to them. In the event any such bond shall have matured, instead of issuing a duplicate bond, the City and the Registrar may, upon receiving indemnity satisfactory to them, pay the same without surrender thereof. The City and the Registrar may charge the owner of such 2016 Bond with their reasonable fees and expenses in this connection. Any 2016 Bond issued pursuant to this paragraph shall be deemed an original, substitute contractual obligation of the City, acting for and on behalf of the District, whether or not the lost, stolen or destroyed 2016 Bond shall be found at any time, and shall be entitled to all the benefits of this Resolution, equally and proportionately with any and all other 2016 Bonds of such series issued hereunder.

SECTION 3. Terms of Redemption. The 2016 Bonds of a series may be made redeemable at the option of the Commission, in whole or in part, in any order of maturities selected by the Commission and by lot within a maturity, on dates and with premiums, if any, and other terms as determined by the President of the Commission with the advice of the Commission's financial advisor, as evidenced by delivery of the form of 2016 Bonds of such series to the Clerk-Treasurer.

The exact redemption dates and premiums shall be established by the President of the Commission, with the advice of the City's financial advisor, prior to the sale of the 2016 Bonds of such series.

Notice of redemption shall be mailed by first-class mail to the address of each registered owner of a 2016 Bond to be redeemed as shown on the Registration Record not more than sixty (60) days and not less than thirty (30) days prior to the date fixed for redemption except to the extent such redemption notice is waived by owners of 2016 Bonds redeemed, provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any 2016 Bond of a series shall not affect the validity of any proceedings for the redemption of any other 2016 Bonds of such series. The notice shall specify the date and place of redemption, the redemption price and the CUSIP numbers, if any, of the 2016 Bonds called for redemption. The place of redemption may be determined by the Commission. Interest on the 2016 Bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named, and thereafter, such 2016 Bonds shall no longer be protected by this resolution and shall not be deemed to be outstanding hereunder, and the holders thereof shall have the right only to receive the redemption price.

All 2016 Bonds which have been redeemed shall be canceled and shall not be reissued; provided, however, that one or more new registered bonds shall be issued for the unredeemed portion of any 2016 Bond without charge to the holder thereof.

No later than the date fixed for redemption, funds shall be deposited with the Paying Agent or another paying agent to pay, and such agent is hereby authorized and directed to apply such funds to the payment of, the 2016 Bonds or portions thereof called for redemption, including accrued interest thereon to the redemption date and any premium. No payment shall

be made upon any 2016 Bond or portion thereof called for redemption until such bond shall have been delivered for payment or cancellation or the Registrar shall have received the items required by this Resolution with respect to any mutilated, lost, stolen or destroyed bond.

SECTION 4. Appointment of Registrar and Paying Agent. The Clerk-Treasurer is hereby appointed to serve as registrar and paying agent and is hereby authorized to appoint a registrar and paying agent for the 2016 Bonds of a series (together with any successor, the "Registrar" or "Paying Agent"). The Registrar is hereby charged with the responsibility of authenticating the 2016 Bonds of such series, and shall keep and maintain the Registration Record at its office. The Mayor or the Clerk-Treasurer is hereby authorized to enter into such agreements or understandings with an institution as will enable the institution to perform the services required of the Registrar and Paying Agent with respect to the 2016 Bonds of such series. The Clerk-Treasurer is authorized to pay such fees as an institution may charge for the services it provides as Registrar and Paying Agent with respect to the 2016 Bonds of such series.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent for a series of 2016 Bonds by giving thirty (30) days' written notice to the Commission and to each registered owner of the 2016 Bonds of such series then outstanding, and such resignation will take effect at the end of such thirty (30) days or upon the earlier appointment of a successor Registrar and Paying Agent by the Commission. Such notice to the Commission may be served personally or be sent by first-class or registered mail. The Registrar and Paying Agent may be removed at any time as Registrar and Paying Agent by the Commission, in which event the Commission may appoint a successor Registrar and Paying Agent. The Commission shall notify each registered owner of the 2016 Bonds of such series then outstanding of the removal of the Registrar and Paying Agent. Notices to registered owners of the 2016 Bonds of such series shall be deemed to be given when mailed by first-class mail to the addresses of such registered owners as they appear on the Registration Record. Any predecessor Registrar and Paying Agent shall deliver all the 2016 Bonds of such series, cash and investments related thereto in its possession and the Registration Record to the successor Registrar and Paying Agent. At all times, the same entity shall serve as Registrar and as Paying Agent for a series of 2016 Bonds.

SECTION 5. Form of 2016 Bonds. The form and tenor of the 2016 Bonds shall be substantially as follows, all blanks to be filled in properly and all necessary additions and deletions to be made prior to delivery thereof:

[A/B]R-_____

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF PORTER

CITY OF VALPARAISO, INDIANA

REDEVELOPMENT DISTRICT [TAXABLE] TAX INCREMENT REVENUE REFUNDING
BOND, SERIES [2016A/2016B]

Maturity
Date

Interest
Rate

Original
Date

Authentication
Date

CUSIP

REGISTERED OWNER:

PRINCIPAL SUM: _____ Dollars (\$ _____)

The City of Valparaiso, Indiana (the "City"), acting for and on behalf of the City of Valparaiso Redevelopment District, for value received, hereby promises to pay to the Registered Owner set forth above, the Principal Sum set forth above on the Maturity Date set forth above (unless this bond is subject to and is called for redemption prior to maturity as hereinafter provided), and to pay interest thereon until the Principal Sum shall be fully paid at the Interest Rate per annum specified above from the interest payment date to which interest has been paid next preceding the Authentication Date of this bond unless this bond is authenticated after the first day of the month of the interest payment date (the "Record Date") and on or before such interest payment date, in which case it shall bear interest from such interest payment date, or unless this bond is authenticated on or before _____ 1, 201_, in which case it shall bear interest from the Original Date, which interest is payable semiannually on January 15 and July 15 of each year, beginning on _____ 15, 201_. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

This bond and all other bonds of this issue, and any other bonds issued hereafter on a parity therewith are payable from the sources described in the Resolution (as hereinafter defined), which consist primarily of allocated incremental taxes on certain real and depreciable property located in the Consolidated Valparaiso Allocation Area (the "Consolidated Valparaiso Allocation Area") of the District received by the District in accordance with I.C. 36-7-14-39 (the "Consolidated Tax Increment") [for the 2016B Bonds: and also from certain real and depreciable property located in the North Central Allocation Area (the "North Central Allocation Area") of the District received by the District in accordance with I.C. 36-7-14-39]. With respect to the Consolidated Tax Increment, this bond and all other bonds of this issue shall rank on a parity basis with the Prior Bonds (as defined in the Resolution) and the 2016[A/B] Bonds. The District irrevocably pledges the Consolidated Tax Increment to the prompt payment of the principal of and interest on the bonds authorized by the Resolution, of which this is one, and any bonds ranking on a parity therewith, to the extent necessary for such purposes. [for the 2016B Bonds: The District further irrevocably pledges the North Central Tax Increment to the prompt payment of the principal of and interest on the 2016B Bonds authorized by the Resolution, of which this is one, and any bonds ranking on a parity therewith, which North Central Tax Increment shall be applied to the payment of the 2016B Bonds prior to the application of the Consolidated Tax Increment for such purpose.] [The 2016A Bonds shall, to the extent that the Consolidated Tax Increment is insufficient for such purpose, also be payable from *ad valorem* taxes to be levied on all taxable property in the District.]

Reference is made to the Resolution for a more complete statement of the revenues from which and conditions under which this bond is payable, a statement of the conditions on which obligations may hereafter be issued on parity with this bond, the manner in which the Resolution

may be amended and the general covenants and provisions pursuant to which this bond has been issued.

The principal of and premium, if any, on this bond are payable at the principal office of _____ (the "Registrar" or "Paying Agent"), in _____, Indiana. All payments of interest on this bond shall be paid by check mailed one business day prior to the interest payment date to the Registered Owner as of the Record Date at the address as it appears on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by the Registered Owner. All payments of principal of and premium, if any, on this bond shall be made upon surrender thereof at the principal office of the Paying Agent in any U.S. coin or currency which on the date of such payment shall be legal tender for the payment of public and private debts.

This bond is one of an authorized issue of bonds of the District of like series, original date, tenor and effect, except as to denomination, numbering, interest rates, redemption terms and dates of maturity, in the total amount of _____ Dollars (\$ _____), numbered consecutively from [A/B]R-1 upward, issued for the purpose of providing funds for the refunding of certain outstanding bonds of the District, and for the purpose of paying incidental expenses to be incurred in connection therewith and on account of the sale and issuance of bonds therefor, as authorized by Resolution No. ____ adopted by the City of Valparaiso Redevelopment Commission (the "Commission") on the ____ day of _____, 2016, entitled "Resolution of the City of Valparaiso Redevelopment Commission Authorizing the Issuance of Bonds for the Purpose of Refunding Certain Outstanding Bonds and Paying the Costs of Issuing the Bonds; and Appropriating the Proceeds Thereof" (the "Resolution"), and in accordance with the provisions of Indiana law, including without limitation Indiana Code 36-7-14, Indiana Code 36-7-25 and other applicable laws, as amended (collectively, the "Act"), all as more particularly described in the Resolution. The owner of this bond, by the acceptance hereof, agrees to all the terms and provisions contained in the Resolution and the Act.

THIS BOND IS AN OBLIGATION OF THE DISTRICT AND IS PAYABLE OUT OF ALLOCATED INCREMENTAL TAXES ON CERTAIN REAL AND DEPRECIABLE PERSONAL PROPERTY LOCATED IN THE CONSOLIDATED VALPARAISO ALLOCATION AREA AND DEPOSITED INTO THE ALLOCATION FUND ESTABLISHED BY THE DISTRICT FOR SUCH AREA (THE "CONSOLIDATED TAX INCREMENT"), AS DESCRIBED IN THE RESOLUTION. WITH RESPECT TO THE CONSOLIDATED TAX INCREMENT, THIS BOND SHALL RANK ON A PARITY BASIS WITH THE PRIOR BONDS AND THE [2016A/2016B] BONDS ISSUED PURSUANT TO THE RESOLUTION. [FOR 2016B BONDS: ; PROVIDED, HOWEVER, THAT THIS BOND SHALL BE FURTHER SECURED BY ALLOCATED INCREMENTAL TAXES ON CERTAIN REAL PROPERTY LOCATED IN THE NORTH CENTRAL ALLOCATION AREA AND DEPOSITED INTO THE ALLOCATION FUND ESTABLISHED BY THE DISTRICT FOR SUCH AREA (THE "NORTH CENTRAL TAX INCREMENT"), WHICH SHALL BE APPLIED TO THE PAYMENT OF THE 2016B BONDS PRIOR TO THE PAYMENT THEREOF FROM THE CONSOLIDATED TAX INCREMENT.] [FOR 2016A BONDS: ; PROVIDED, HOWEVER, THAT THIS BOND SHALL, TO THE EXTENT THAT THE CONSOLIDATED TAX INCREMENT IS INSUFFICIENT FOR SUCH PURPOSE, BE PAYABLE FROM AD

VALOREM TAXES TO BE LEVIED ON ALL TAXABLE PROPERTY IN THE DISTRICT,
AS DESCRIBED IN THE RESOLUTION.]

The bonds of this issue are redeemable at the option of the Commission, in whole or in part, in any order of maturities selected by the Commission and by lot within a maturity, at 100% of face value, plus accrued interest to the date fixed for redemption, on the following dates and at the following prices:

[INSERT REDEMPTION TERMS]

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

This bond is subject to defeasance prior to payment or redemption as provided in the Resolution.

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

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

The bonds maturing on any maturity date are issuable in denomination of \$ _____ or integral multiples thereof.

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

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

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

CITY OF VALPARAISO, INDIANA

By:

Mayor

(SEAL)

ATTEST:

Clerk-Treasurer

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

By: _____
as Registrar

Authorized Representative

The following abbreviations, when used in the inscription on the face of this bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN. COM.	as tenants in common
TEN. ENT.	as tenants by the entireties
JT. TEN.	as joint tenants with right of survivorship and not as tenants in common

UNIF. TRANS.
MIN. ACT

(Cust) Custodian (Minor)

under Uniform Transfers to Minors Act _____
(State)

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

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ (Please Print or Typewrite Name and Address and Social Security or Other Identifying Number) \$_____ principal amount (must be a multiple of \$_____) of the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the within bond on the books kept for the registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

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

SECTION 6. Sale of 2016 Bonds. The President of the Redevelopment Commission is authorized to select one or more purchasers of the 2016 Bonds of a series (collectively, the "Purchaser"), and to enter into a bond purchase contract in customary form with the Purchaser of such series.

After the 2016 Bonds of a series have been properly sold and executed, the Clerk-Treasurer shall receive from the purchaser's payment for the 2016 Bonds of such series and shall provide for delivery of the 2016 Bonds of such series to the purchasers.

The Clerk-Treasurer is hereby authorized and directed to obtain a legal opinion as to the validity of the 2016 Bonds of a series from Barnes & Thornburg LLP, and to furnish such opinion to the purchasers of the 2016 Bonds of such series or to cause a copy of said legal opinion to be printed on each 2016 Bond of such series. The cost of such opinion shall be paid out of the proceeds of the 2016 Bonds of such series.

SECTION 7. Funds and Accounts.

(a) Consolidate Valparaiso Allocation Fund. There are hereby continued in the Consolidated Valparaiso Allocation Fund heretofore established by the Commission and continued hereby, a Consolidated Tax Increment Revenue Account (into which all Consolidated Tax Increment received shall be deposited for payment of debt service on obligations payable

from the Consolidated Tax Increment, including the 2016 Bonds, pursuant to this Resolution and Indiana Code 36-7-14-39), a Bond Principal and Interest Account (including a "2016A Subaccount" and a "Series 2016B Subaccount" hereby created), a Reserve Account (including a "2016A Subaccount" and a "Series 2016B Subaccount" hereby created), and a General Account, each of which the Clerk-Treasurer, the Commission and the Department hereby covenant and agree to cause to be kept and maintained. On or before the first January 1 or July 1 after the issuance of the 2016 Bonds of a series, and on or before each July 1 and January 1 thereafter, all moneys in the Consolidated Tax Increment Revenue Account shall be set aside in the following accounts within the Consolidated Valparaiso Allocation Fund, in the following order of priority, and having due regard for the parity or junior status of other obligations payable from the Consolidated Tax Increment:

(i) Bond Principal and Interest Account. There shall be set aside within the Consolidated Valparaiso Allocation Fund and deposited into the Bond Principal and Interest Account from the Consolidated Tax Increment, to the extent available and on deposit in the Consolidated Tax Increment Revenue Account, an amount of money which, together with any money contained therein, is equal to the aggregate amount of the principal and interest due during that bond year with respect to the 2016 Bonds and other obligations payable from the Consolidated Tax Increment.

For this purpose, a "bond year" shall be deemed to be a year to and including January 15. No deposit need be made into the Bond Principal and Interest Account if the amount contained therein is at least equal to the aggregate amount of principal and interest due and payable with respect to the 2016 Bonds and other obligations payable from the Consolidated Tax Increment during the remainder of that bond year. All money in the 2016A Subaccount and the 2016B Subaccount of the Bond Principal and Interest Account shall be used and withdrawn solely for the purpose of paying the interest on and the principal of the respective series of the 2016 Bonds as it shall become due and payable to the extent it is required therefor (including accrued interest on any 2016 Bonds of such series purchased or redeemed prior to maturity).

(ii) Reserve Account. Except as provided below in this Section 7(a)(ii), there shall be set aside from the Consolidated Valparaiso Allocation Fund and deposited into the 2016A Subaccount and the Series 2016B Subaccount, as appropriate, of the Reserve Account from the Consolidated Tax Increment Revenue Account an amount of money that shall be required to maintain such respective subaccount of the Reserve Account in the full amount of the applicable Debt Service Reserve Requirement (as defined below) (having due regard for the parity or junior status of other obligations payable from the Consolidated Tax Increment). No deposit need be made into the respective subaccounts of the Reserve Account so long as there shall be on deposit therein a sum equal to the least of (i) the maximum annual debt service on the applicable series of 2016 Bonds, or (ii) one hundred twenty-five percent (125%) of the average annual debt service on the applicable series of 2016 Bonds, or (iii) ten percent (10%) of the proceeds of the applicable series of 2016 Bonds, within the meaning of Section 148(d) of the Internal Revenue Code of 1986, as amended (the "Code") (the "Debt Service Reserve Requirement"). Amounts in the respective subaccounts of the Reserve Account shall secure the applicable series of 2016 Bonds.

All money in a subaccount of the Reserve Account shall be used and withdrawn by the Commission solely for the purpose of making deposits into the applicable subaccount of the Bond Principal and Interest Account, in the event of any deficiency at any time in such subaccount, or for the purpose of paying the interest on or principal of or redemption premiums, if any, on the applicable series of the 2016 Bonds in the event that no other money is lawfully available therefor, except that so long as there is no default hereunder any amount in the Reserve Account in excess of the Debt Service Reserve Requirement for a series of 2016 Bonds shall be withdrawn from the Reserve Account and deposited into the applicable General Account. Money in the applicable subaccount of the Reserve Account shall also be available to make the final payments of interest and principal on the applicable series of the 2016 Bonds.

Notwithstanding anything in this Resolution to the contrary, the Clerk-Treasurer, upon the advice of the President of the Commission, the Commission's financial advisor and bond counsel, may determine prior to the sale of the 2016 Bonds of a series not to fund a reserve for such series of the 2016 Bonds, in which case all provisions of this Resolution relating to the Reserve Account with respect to such series shall be of no force. Any such determination by the Clerk-Treasurer shall be set forth in the Clerk-Treasurer's Certificate applicable to such series.

The Commission is hereby authorized to satisfy all or any portion of its obligation to maintain an amount at least equal to the Debt Service Reserve Requirement for a series of 2016 Bonds by depositing a debt service reserve fund surety bond into the applicable subaccount of the Reserve Account. The premium for such debt service reserve fund surety bond may be paid from proceeds of such series of the 2016 Bonds or from Consolidated Tax Increment (or, with respect to the 2016B Bonds, from North Central Tax Increment).

(iii) General Account. The remaining amounts in the Consolidated Tax Increment Revenue Account shall be deposited into the General Account of the Consolidated Valparaiso Allocation Fund and be available for any purpose permitted by law.

All money in each of the accounts or subaccounts in the Consolidated Valparaiso Allocation Fund shall be held in trust for the benefit of the holders of the applicable series of the 2016 Bonds and shall be applied, used and withdrawn only for the purposes authorized in this Section 7. The proceeds of the Consolidated Valparaiso Allocation Fund shall be deposited with a legally qualified depository or depositories for funds of the City as now provided by law and shall be segregated and kept separate and apart from all other funds of the City and may be invested as permitted by law. Interest earned in each account or fund established under this Resolution shall be credited thereto, except that the amount of funds in a subaccount of the Reserve Account shall not exceed the Debt Service Reserve Requirement for the applicable series of 2016 Bonds, and any such excess shall be deposited into the applicable General Account.

(b) North Central Allocation Fund.

(i) There is hereby continued in the North Central Allocation Fund heretofore established by the Commission and continued hereby, a North Central Tax Increment Revenue Account (into which all North Central Tax Increment received shall be deposited for payment of debt service on obligations payable from the North Central Tax Increment, including the 2016B

Bonds, pursuant to this Resolution and Indiana Code 36-7-14-39), which the Clerk-Treasurer, the Commission and the Department hereby covenant and agree to cause to be kept and maintained. On or before the first January 1 or July 1 after the issuance of the 2016B Bonds, and on or before each July 1 and January 1 thereafter, there shall be set aside within the North Central Allocation Fund and deposited into the Series 2016B Subaccount of the Bond Principal and Interest Account from the North Central Tax Increment, to the extent available and on deposit in the North Central Tax Increment Revenue Account, an amount of money which, together with any money contained therein, is equal to the aggregate amount of the principal and interest due during that bond year with respect to the 2016B Bonds, having due regard for the parity or junior status of other obligations payable from the North Central Tax Increment. Such deposit shall be made prior to any deposit thereto from the Consolidated Tax Increment.

(ii) There shall next be set aside from the North Central Allocation Fund and deposited into the Series 2016B Subaccount of the Reserve Account from the North Central Tax Increment Revenue Account an amount of money that shall be required to maintain such subaccount of the Reserve Account in the full amount of the applicable Debt Service Reserve Requirement, having due regard for the parity or junior status of other obligations payable from the North Central Tax Increment. Such deposit shall be made prior to any deposit thereto from the Consolidated Tax Increment.

(iii) The remaining amounts in the North Central Tax Increment Revenue Account shall be deposited into the General Account of the North Central Allocation Fund and be available for any purpose permitted by law.

SECTION 8. Use of Bond Proceeds; Redemption Fund; Costs of Issuance Fund. Any accrued interest and capitalized interest and any premium received at the time of delivery of the 2016 Bonds of a series will be deposited into the 2016A Subaccount or the 2016B Subaccount, as appropriate, of the Principal and Interest Account of the Consolidated Valparaiso Allocation Fund and applied to payments on the applicable series of 2016 Bonds on the first interest payment date. If recommended by the financial advisor to the Commission, an amount equal to the applicable Debt Service Reserve Requirement may be deposited into the 2016A Subaccount and/or the Series 2016B Subaccount, as appropriate, of the Reserve Account. A sufficient amount of the proceeds of the 2016A Bonds and the 2016B Bonds to provide for the 2006 Refunding and the 2009 Refunding, respectively, shall be deposited into the fund hereby created and designated as the "City of Valparaiso Redevelopment District Redemption Fund." The proper officers of the City and the District are hereby authorized to enter into an Escrow Agreement on behalf of the City and/or the District having such terms relating to the 2006 Refunding and the 2009 Refunding as such officers shall deem appropriate. The remaining proceeds received from the sale of the 2016 Bonds shall be deposited into the fund hereby created and designated as the "City of Valparaiso Redevelopment District 2016 Bonds Costs of Issuance Fund" (the "Costs of Issuance Fund"). The proceeds deposited in the Costs of Issuance Fund, together with all investment earnings thereon, shall be expended by the Commission only for the purpose of paying the costs of issuance of the 2016 Bonds. Any balance remaining in the Costs of Issuance Fund which is not required to meet unpaid obligations incurred on account of the sale and issuance of the 2016 Bonds may be (i) used to pay debt service on the 2016 Bonds, or (ii) otherwise used as permitted by law.

SECTION 9. Defeasance. If, when the 2016 Bonds of a series or any portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the 2016 Bonds of such series or any portion thereof for redemption have been given, and the whole amount of the principal, premium, if any, and the interest so due and payable upon such bonds or any portion thereof then outstanding shall be paid, or (i) cash, or (ii) direct non-callable obligations of or unconditionally guaranteed by (including obligations issued or held in book entry form on the books of) the U.S. Department of the Treasury, the principal of and the interest on which when due without reinvestment will provide sufficient money, or (iii) any combination of the foregoing, shall be held irrevocably in trust for such purpose, and provision shall also be made for paying all fees and expenses for the payment, then and in that case the 2016 Bonds of such series or such designated portion thereof shall no longer be deemed outstanding or secured by this Resolution.

SECTION 10. Amendments. Subject to the terms and provisions contained in this section, and not otherwise, the owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the 2016 Bonds of a series then outstanding shall have the right, from time to time, to consent to and approve the adoption by the Commission of such resolution or resolutions supplemental hereto as shall be deemed necessary or desirable by the Commission for the purpose of amending in any particular any of the terms or provisions contained in this resolution, or in any supplemental resolution; provided, however, that nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest or premium, if any, on any 2016 Bond of such series or an advancement of the earliest redemption date on any 2016 Bond of such series, without the consent of the holder of each 2016 Bond of such series so affected; or

(b) A reduction in the principal amount of any 2016 Bond of such series or the redemption premium or rate of interest thereon, or a change in the monetary medium in which such amounts are payable, without the consent of the holder of each 2016 Bond of such series so affected; or

(c) A preference or priority of any 2016 Bond of such series over any other 2016 Bond of such series, without the consent of the holders of all 2016 Bonds of such series then outstanding; or

(d) A reduction in the aggregate principal amount of the 2016 Bonds of such series required for consent to such supplemental resolution, without the consent of the holders of all 2016 Bonds of such series then outstanding.

If the Commission shall desire to obtain any such consent, it shall cause the Registrar to mail a notice, postage prepaid, to the addresses appearing on the Registration Record. Such notice shall briefly set forth the nature of the proposed supplemental resolution and shall state that a copy thereof is on file at the office of the Registrar for inspection by all owners of the 2016 Bonds of such series. The Registrar shall not, however, be subject to any liability to any owners of the 2016 Bonds of such series by reason of its failure to mail such notice, and any such failure

shall not affect the validity of such supplemental resolution when consented to and approved as herein provided.

Whenever at any time within one year after the date of the mailing of such notice, the Commission shall receive any instrument or instruments purporting to be executed by the owners of the 2016 Bonds of a series of not less than sixty-six and two-thirds per cent (66-2/3%) in aggregate principal amount of the 2016 Bonds of such series then outstanding, which instrument or instruments shall refer to the proposed supplemental resolution described in such notice, and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice as on file with the Registrar, thereupon, but not otherwise, the Commission may adopt such supplemental resolution in substantially such form, without liability or responsibility to any owners of the 2016 Bonds of such series, whether or not such owners shall have consented thereto.

No owner of any 2016 Bond of a series shall have any right to object to the adoption of such supplemental resolution or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Commission or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental resolution pursuant to the provisions of this section, this resolution shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this resolution of the Commission and the City and all owners of 2016 Bonds of such series then outstanding shall thereafter be determined, exercised and enforced in accordance with this Resolution, subject in all respects to such modifications and amendments.

Notwithstanding anything contained in the foregoing provisions of this Resolution, the rights, duties and obligations of the Commission and the City and of the owners of the 2016 Bonds of a series, and the terms and provisions of the 2016 Bonds of such series and this Resolution, or any supplemental resolution, may be modified or amended in any respect with the consent of the Commission and the consent of the owners of all the 2016 Bonds of such series then outstanding.

Without notice to or consent of the owners of the 2016 Bonds of a series, the Commission may, from time to time and at any time, adopt such resolutions supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental resolutions shall thereafter form a part hereof),

(a) To cure any ambiguity or formal defect or omission in this resolution or in any supplemental resolution; or

(b) To grant to or confer upon the owners of the 2016 Bonds of a series any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners of the 2016 Bonds of such series; or

(c) To procure a rating on the 2016 Bonds of such series from a nationally recognized securities rating agency designated in such supplemental resolution, if such supplemental resolution will not adversely affect the owners of the 2016 Bonds of such series; or

(d) To obtain or maintain bond insurance with respect to the 2016 Bonds of such series; or

(e) To provide for the refunding or advance refunding of the 2016 Bonds of such series; or

(f) To make any other change which, in the determination of the Commission in its sole discretion, is not to the prejudice of the owners of the 2016 Bonds of such series.

SECTION 11. Additional Bonds.

(a) The Commission reserves the right to authorize and issue additional obligations, payable out of the Consolidated Tax Increment (a "Consolidated TIF Parity Pledge"), ranking on a parity with the 2016 Bonds authorized by this Resolution and payable ratably from the Consolidated Tax Increment for the purpose of raising money for future property acquisition, economic development or redevelopment in accordance with the Plan, or to refund such obligations, subject to the following conditions:

(i) All interest and principal payments with respect to all obligations payable from the Consolidated Tax Increment shall be current to date with no payment in arrears;

(ii) Unless there is a determination that no reserve will be held for the obligations, the balance in the Reserve Account shall equal the Debt Service Reserve Requirement;

(iii) Payments on any Consolidated TIF Parity Pledges or junior obligations payable from Consolidated Tax Increment (either principal maturities, mandatory sinking fund payments or otherwise) shall be payable semiannually on January 15 and July 15 of each year; and

(iv) The Commission shall have received a certificate prepared by an independent certified public accountant or an independent financial consultant (the "Certifier") certifying that the Consolidated Tax Increment estimated to be received in each succeeding year, adjusted as provided below, is estimated to be equal to at least one hundred twenty-five percent (125%) of the principal and interest and lease rental requirements of all obligations of the City of Valparaiso Redevelopment District payable from the Consolidated Tax Increment for each respective year during the term of the 2016 Bonds, the Prior Bonds and the Consolidated TIF Parity Pledges. In estimating the Consolidated Tax Increment to be received in any future year, the Certifier shall base its calculation on assessed valuation actually assessed or to be assessed as of the assessment date immediately preceding the making of the Consolidated TIF Parity Pledges; provided, that the Certifier shall adjust assessed values for the property tax abatements granted to property owners in the Consolidated Allocation Area and may take into account the effect of reassessment on Consolidated Tax Increment to the extent it can be reasonably estimated. No increase in Consolidated Tax Increment to be received in any future year shall be estimated which results from projected inflation in property values or tax rates. Notwithstanding the foregoing, if Consolidated TIF Parity Pledges are to be made for the purpose of refunding bonds, then the requirement of this section (iv) need not be satisfied so long as (1) the North Central Tax Increment is also pledged to the payment of such Consolidated TIF Parity Pledges,

(2) the refunding bonds do not have a maturity longer than the bonds being refunded, and (3) the debt service of the refunding bonds is less than or equal to the debt service on the bonds being refunded in each year. The Commission shall approve and confirm the findings and estimates set forth in the above-described certificate in any supplemental resolution authorizing the making of Consolidated TIF Parity Pledges.

(b) The Commission reserves the right to authorize and issue additional obligations, payable out of the North Central Tax Increment (a "North Central TIF Parity Pledge"), ranking on a parity with the 2016B Bonds authorized by this Resolution and payable ratably from the North Central Tax Increment for the purpose of raising money for future property acquisition, economic development or redevelopment in accordance with the redevelopment plan for the North Central Redevelopment Area, or to refund such obligations, subject to the following conditions:

(i) All interest and principal payments with respect to all obligations payable from the North Central Tax Increment shall be current to date with no payment in arrears;

(ii) Unless there is a determination that no reserve will be held for the obligations, the balance in the Reserve Account shall equal the Debt Service Reserve Requirement;

(iii) Payments on any North Central TIF Parity Pledges or junior obligations payable from North Central Tax Increment (either principal maturities, mandatory sinking fund payments or otherwise) shall be payable semiannually on January 15 and July 15 of each year; and

(iv) The Commission shall have received a certificate prepared by an independent certified public accountant or an independent financial consultant (the "Certifier") certifying that the North Central Tax Increment estimated to be received in each succeeding year, adjusted as provided below, is estimated to be equal to at least one hundred twenty-five percent (125%) of the principal and interest and lease rental requirements of all obligations of the City of Valparaiso Redevelopment District payable from the North Central Tax Increment for each respective year during the term of the 2016B Bonds and the North Central TIF Parity Pledges. In estimating the North Central Tax Increment to be received in any future year, the Certifier shall base its calculation on assessed valuation actually assessed or to be assessed as of the assessment date immediately preceding the making of the North Central TIF Parity Pledges; provided, that the Certifier shall adjust assessed values for the property tax abatements granted to property owners in the North Central Allocation Area and may take into account the effect of reassessment on North Central Tax Increment to the extent it can be reasonably estimated. No increase in North Central Tax Increment to be received in any future year shall be estimated which results from projected inflation in property values or tax rates. The Commission shall approve and confirm the findings and estimates set forth in the above-described certificate in any supplemental resolution authorizing the making of North Central TIF Parity Pledges.

SECTION 12. Approval of Official Statement and Continuing Disclosure Undertaking. If legally required as part of a public offering of the 2016 Bonds of a series, the Clerk-Treasurer is hereby authorized to deem final an official statement with respect to the 2016

Bonds of such series, as of its date, in accordance with the provisions of Rule 15c2-12 of the United States Securities and Exchange Commission, as amended (the "SEC Rule"), subject to completion as permitted by the SEC Rule, and the Commission further authorizes the distribution of the deemed final official statement, and the execution, delivery and distribution of such document as further modified and amended with the approval of the Clerk-Treasurer in the form of a final official statement. The officers of the Commission and the City are further authorized to approve the form and distribution of any other offering materials that may be recommended by the Commission's financial advisor in connection with a private placement of the 2016 Bonds of such series.

In order to assist any underwriter of the 2016 Bonds of a series in complying with paragraph (b)(5) of the SEC Rule by undertaking to make available appropriate disclosure about the Commission and the City and the 2016 Bonds of such series to participants in the municipal securities market, the Commission may, in accordance with the SEC Rule, unless excluded from the applicability of the SEC Rule or otherwise exempted from the provisions of paragraph (b)(5) of the SEC Rule, execute and deliver any continuing disclosure contract with respect to such series of 2016 Bonds. The execution and delivery by the Commission of the continuing disclosure contract, and the performance by the Commission of its obligation thereunder by or through any employee or agent of the Commission or the City, are hereby approved.

SECTION 13. Tax Covenants. In order to preserve the exclusion of interest on the 2016 Bonds of a series from gross income for federal income tax purposes and as an inducement to purchasers of the 2016 Bonds of such series, the Commission represents, covenants and agrees that:

(a) The Commission will not take any action or fail to take any action with respect to the 2016 Bonds of such series that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the 2016 Bonds of such series pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder as applicable to the 2016 Bonds of such series, including, without limitation, the taking of such action as is necessary to rebate or cause to be rebated arbitrage profits on proceeds of the 2016 Bonds of such series or other monies treated as proceeds of the 2016 Bonds of such series to the federal government as provided in Section 148 of the Code, and will set aside such monies, which may be paid from investment income on funds and accounts notwithstanding anything else to the contrary herein, in trust for such purposes.

(b) The Commission will file an information report on Form 8038-G with the Internal Revenue Service as required by Section 149 of the Code with respect to the 2016 Bonds of such series.

(c) The Commission will not make any investment or do any other act or thing during the period that any 2016 Bond of such series is outstanding hereunder which would cause any 2016 Bond of such series to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations thereunder as applicable to the 2016 Bonds of such series.

Notwithstanding any other provisions of this Resolution, the foregoing covenants and authorizations (the "Tax Sections") which are designed to preserve the exclusion of interest on

the 2016 Bonds of a series from gross income under federal income tax law (the "Tax Exemption") need not be complied with if the Commission receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

SECTION 14. Other Action. The Mayor and the Clerk-Treasurer and any officer of the Commission may take such other actions or deliver such other certificates and documents needed for the Refundings as they deem necessary or desirable in connection therewith.

SECTION 15. No Conflict. All resolutions and orders or parts thereof in conflict with the provisions of this Resolution are to the extent of such conflict hereby repealed. After the issuance of the 2016 Bonds of a series and so long as any of the 2016 Bonds of such series or interest or premium, if any, thereon remains unpaid, except as expressly provided herein, this Resolution shall not be repealed or amended in any respect which will adversely affect the rights of the holders of the 2016 Bonds of such series, nor shall the Commission adopt any law or resolution which in any way adversely affects the rights of such holders.

SECTION 16. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 17. Non-Business Days. If the date of making any payment or the last date for performance of any act or the exercising of any right, as provided in this Resolution, shall be a legal holiday or a day on which banking institutions in the City or the jurisdiction in which the Registrar or Paying Agent is located are typically closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are typically closed, with the same force and effect as if done on the nominal date provided in this Resolution, and no interest shall accrue for the period after such nominal date.

SECTION 18. Interpretation. Unless the context or law clearly requires otherwise, references herein to statutes or other laws include the same as modified, supplemented or superseded from time to time.

SECTION 19. Depository Trust Company. The 2016 Bonds of a series may, in compliance with all applicable laws, initially be issued and held in book-entry form on the books of the central depository system, The Depository Trust Company, its successors, or any successor central depository system appointed by the City from time to time (the "Clearing Agency"), without physical distribution of bonds to the purchasers. The following provisions of this section apply in such event.

One definitive 2016 Bond of each maturity of such series shall be delivered to the Clearing Agency (or its agent) and held in its custody. The City and the Registrar and Paying Agent may, in connection therewith, do or perform or cause to be done or performed any acts or things not adverse to the rights of the holders of the 2016 Bonds as are necessary or appropriate to accomplish or recognize such book-entry form 2016 Bonds.

During any time that the 2016 Bonds of a series remain and are held in book-entry form on the books of a Clearing Agency, (1) any such 2016 Bond may be registered upon the books kept by the Registrar in the name of such Clearing Agency, or any nominee thereof, including Cede & Co., as nominee of The Depository Trust Company; (2) the Clearing Agency in whose name such 2016 Bond is so registered shall be, and the City and the Registrar and Paying Agent may deem and treat such Clearing Agency as, the absolute owner and holder of such 2016 Bond for all purposes of this Resolution, including, without limitation, the receiving of payment of the principal of and interest on such 2016 Bond, the receiving of notice and giving of consent; (3) neither the City nor the Registrar or Paying Agent shall have any responsibility or obligation hereunder to any direct or indirect participant, within the meaning of Section 17A of the Securities Exchange Act of 1934, as amended, of such Clearing Agency, or any person on behalf of which, or otherwise in respect of which, any such participant holds any interest in any 2016 Bond, including, without limitation, any responsibility or obligation hereunder to maintain accurate records of any interest in any 2016 Bond or any responsibility or obligation hereunder with respect to the receiving of payment of principal of or interest or premium, if any, on any 2016 Bond, the receiving of notice or the giving of consent; and (4) the Clearing Agency is not required to present any 2016 Bond called for partial redemption prior to receiving payment so long as the Registrar and Paying Agent and the Clearing Agency have agreed to the method for noting such partial redemption.

If either the City receives notice from the Clearing Agency which is currently the registered owner of the 2016 Bonds of a series to the effect that such Clearing Agency is unable or unwilling to discharge its responsibility as a Clearing Agency for the 2016 Bonds of such series, or the City elects to discontinue its use of such Clearing Agency as a Clearing Agency for the 2016 Bonds of such series, then the City and Registrar and Paying Agent each shall do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the 2016 Bonds of such series, as are necessary or appropriate to discontinue use of such Clearing Agency as a Clearing Agency for the 2016 Bonds of such series and to transfer the ownership of each of the 2016 Bonds of such series to such person or persons, including any other Clearing Agency, as the holders of the 2016 Bonds may direct in accordance with this Resolution. Any expenses of such discontinuance and transfer, including expenses of printing new certificates to evidence the 2016 Bonds of such series, shall be paid by the City.

During any time that the 2016 Bonds of a series are held in book-entry form on the books of a Clearing Agency, the Registrar shall be entitled to request and rely upon a certificate or other written representation from the Clearing Agency or any participant or indirect participant with respect to the identity of any beneficial owner of 2016 Bonds of such series as of a record date selected by the Registrar. For purposes of determining whether the consent, advice, direction or demand of a registered owner of a 2016 Bond has been obtained, the Registrar shall be entitled to treat the beneficial owners of the 2016 Bonds as the bondholders and any consent, request, direction, approval, objection or other instrument of such beneficial owner may be obtained in the fashion described in this Resolution.

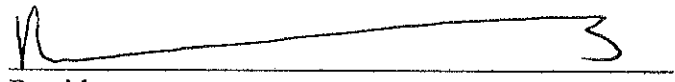
During any time that the 2016 Bonds of a series are held in book-entry form on the books of a Clearing Agency, the City Clerk-Treasurer and/or the Registrar are authorized to execute and deliver a Letter of Representations agreement with the Clearing Agency, or a Blanket Issuer Letter of Representations, and the provisions of any such Letter of Representations or any

successor agreement shall control on the matters set forth therein. The Registrar, by accepting the duties of Registrar under this Resolution, agrees that it will (i) undertake the duties of agent required thereby and that those duties to be undertaken by either the agent or the issuer shall be the responsibility of the Registrar, and (ii) comply with all requirements of the Clearing Agency, including without limitation same day funds settlement payment procedures. Further, during any time that the 2016 Bonds of a series are held in book-entry form, the provisions of this Section 19 of this Resolution shall control over conflicting provisions in any other section of this Resolution.

SECTION 20. Effectiveness. This Resolution shall be in full force and effect from and after its passage.

Adopted this 11 day of August, 2016.

CITY OF VALPARAISO REDEVELOPMENT
COMMISSION



President

ATTEST:



Secretary