RESOLUTION NO. 3-10-16

A RESOLUTION OF THE VALPARAISO REDEVELOPMENT COMMISSION APPROVING A FORM OF LEASE AND IRREVOCABLY PLEDGING CERTAIN TAX INCREMENT REVENUES FROM THE CONSOLIDATED VALPARAISO ALLOCATION AREA TO THE PAYMENT OF LEASE PAYMENTS UNDER THE LEASE

WHEREAS, the Commission has heretofore created the Consolidated Valparaiso Economic Development Area, has designated the Consolidated Valparaiso Economic Development Area as an allocation area (the "Allocation Area") for purposes of the allocation and distribution of property taxes under IC 36-7-14, and has created the Consolidated Valparaiso Allocation Area Allocation Fund (the "Allocation Fund") pursuant to IC 36-7-14-39; and

WHEREAS, subject to the completion of all procedures required by law, the Commission contemplates entering into a lease (the "Lease"), substantially in the form of Exhibit A hereto, whereby the Commission would lease a shell building (the "Project") to be constructed in Valparaiso, Indiana (the "City") by or on behalf of the Valparaiso Economic Development Corporation ("VEDC") in accordance with an Economic Development Agreement to be entered into by and among the Commission, the City, VEDC, and Garmong Development Company, LLC (the "Company"), substantially in the form of Exhibit B hereto; and

WHEREAS, the Commission caused to be published a notice of public hearing with respect to the Lease in accordance with law; and

WHEREAS, at the hearing (the "Public Hearing") held by the Commission on March 10, 2016, the Commission heard all persons interested in the proceedings and considered any written remonstrances that were filed and all evidence presented;

NOW, THEREFORE, BE IT RESOLVED by the Valparaiso Redevelopment Commission, as follows:

1. After considering the evidence presented at the Public Hearing, the Commission hereby finds and determines that the lease payments required under Lease do not exceed the value of the facilities leased; and that the service to be provided throughout the term of the Lease will serve the public purposes of the Commission and the City and is in the best interests of the residents of the City. The proper officers of the Commission are hereby authorized and directed to enter into the Lease in the form presented at this meeting, with such changes as said officers shall approval, such approval to be evidenced by their execution thereof.

2. All tax increment revenues generated from the Allocation Area and deposited into the Allocation Fund pursuant to IC 36-7-14 (the "TIF Revenues") shall be set aside and used only as set forth in this Resolution.

3. On or before July 15, 2016 (or such other dates as the proper officers of the Commission may approve), and each six month anniversary thereafter during the term of the Lease, there shall be transferred to an account hereby created and designated as the "2016 Shell Building Lease Payment Account," for application solely to the payment of lease rentals under

the Lease, an amount from available TIF Revenues, sufficient in the aggregate to make the next following semiannual lease payment due under the Lease.

4. There is hereby created and established the "2016 Shell Building Lease Payment Reserve Account," from which the Commission shall withdraw funds for deposit into the 2016 Shell Building Lease Payment Account to the extent that amounts therein are insufficient for the payment of lease rentals under the Lease. Upon execution of the Lease, there shall be deposited to the 2016 Shell Building Lease Payment Reserve Account an amount equal to the maximum annual lease payment under the Lease (the "Reserve Requirement"). On or before July 15, 2016 (or such other dates as the proper officers of the Commission may approve), and each six month anniversary thereafter during the term of the Lease, after the deposit required pursuant to section 3 above, there shall be transferred to the 2016 Shell Building Lease Payment Reserve Account an amount from available TIF Revenues, sufficient to restore the amount therein to the Reserve Requirement. The President of the Commission is hereby authorized to enter into an Account Control Agreement with VEDC transferring control of the 2016 Shell Building Lease Payment Reserve Account for application as provided in this Resolution.

5. The required deposits to the 2016 Shell Building Lease Payment Account and the 2016 Shell Building Lease Payment Reserve Account shall rank on a junior basis to the following outstanding obligations of the Commission payable from the TIF Revenues: (a) City of Valparaiso Redevelopment District Tax Increment Revenue Bonds, Series 2006 (North Central Area Project) (the "2006 Bonds"); (b) the City of Valparaiso Redevelopment District Tax Increment Revenue Bonds, Series 2009 (North Central Area Project) (the "2009 Bonds"); (c) the City of Valparaiso, Indiana, Redevelopment District Bonds, Series 2014A (the"2014A Bonds"); (d) the City of Valparaiso, Indiana, Redevelopment District Tax Increment Revenue Bonds, Series 2014B (the "2014B Bonds"); and (e) the City of Valparaiso, Indiana, Redevelopment District Tax Increment Revenue Bonds, Series 2015A (the "2015A Bonds" and, together with the 2006 Bonds, the 2009 Bonds, the 2014A Bonds and the 2014B Bonds, the "Senior Obligations").

6. Following each semiannual deposit required pursuant to Sections 3 and 4 above, the Commission shall be permitted to apply any excess TIF Revenues for any other purpose permitted by law.

7. The Commission reserves the right to authorize and issue additional bonds, payable from the TIF Revenues, or otherwise to pledge the TIF Revenues to secure lease rental payments or other obligations, ranking on a senior basis to the lease payments under the Lease (the "Additional Senior Obligations"). The authorization and issuance of Additional Senior Obligations shall be subject to the following conditions precedent:

a. All interest and principal payments with respect to all obligations payable from the TIF Revenues shall be current to date with no payment in arrears, and the balance in the 2016 Shell Building Lease Payment Reserve Account shall equal the Reserve Requirement;

b. Payments on any obligations payable from TIF Revenues (either principal maturities, mandatory sinking fund payments or otherwise) shall be payable semiannually on January 15 and July 15 of each year; and

c. The Commission shall have received a certificate prepared by an independent certified public accountant or an independent financial consultant (the "Certifier") certifying that the TIF Revenues estimated to be received in each succeeding year, adjusted as provided below, are 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 TIF Revenues for each respective year during the term of such obligations. In estimating the TIF Revenues 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 issuance of the Additional Senior Obligations; provided, that the Certifier shall adjust assessed values for the property tax abatements granted to property owners in the Allocation Area and may take into account the effect of reassessment on TIF Revenues to the extent it can be reasonably estimated. No increase in TIF Revenues 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 issuance of the Additional Senior Obligations.

8. The proper officers of the Commission are hereby authorized to take such further actions and enter into such agreements as they deem necessary or appropriate in furtherance of the matters approved hereby.

9. This resolution shall take effect immediately upon adoption by the Commission.

Adopted the 10th day of March, 2016.

VALPARAISO REDEVELOPMENT COMMISSION

President

Vice President

Jon D. Dixton

Secretary

Member

Member

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