

**TOWN OF ST. JOHN, LAKE COUNTY, INDIANA  
INDIANA BOND BANK'S 2009 YEAR-END WARRANT ASSISTANCE PROGRAM**

**ORDINANCE NO. 1504**

**AN ORDINANCE AUTHORIZING THE TOWN OF ST. JOHN, INDIANA, TO MAKE EMERGENCY TEMPORARY LOANS TO REFUND THOSE MADE TO MEET CURRENT RUNNING EXPENSES FOR THE USE OF THE GENERAL FUND AND THE LEASE RENTAL FUND OF THE ISSUER, IN ANTICIPATION OF AND NOT IN EXCESS OF CURRENT TAXES LEVIED IN THE YEAR 2008, AND COLLECTABLE IN THE 2009 (WHICH WERE ORIGINALLY ANTICIPATED FOR COLLECTION IN 2009 BUT DUE TO REASSESSMENT AND RELATED DELAYS, ARE NOW ANTICIPATED FOR COLLECTION IN 2010); AUTHORIZING THE ISSUANCE OF TAXABLE TEMPORARY LOAN TAX ANTICIPATION WARRANTS TO EVIDENCE SUCH LOANS AND THE SALE OF SUCH WARRANTS TO THE INDIANA BOND BANK; APPROPRIATING AND PLEDGING THE TAXES TO BE RECEIVED IN SUCH FUNDS TO THE PUNCTUAL PAYMENT OF SUCH WARRANTS INCLUDING THE INTEREST THEREON; AND ALL MATTERS RELATED HERETO.**

**WHEREAS**, the Town Council (the "Fiscal Body") of the Town of St. John, Lake County, Indiana (the "Issuer") has determined that there will be an insufficient amount of money in the General Fund and the Lease Rental Fund of the Issuer (the "Funds") to meet the current running expenses of the Issuer payable from such Funds during the fiscal year ending on the last day of December, 2009 (including payment on warrants previously issued and outstanding related thereto, which are anticipated to become due and payable on or before December 31, 2009), and prior to the settlements and distribution of taxes levied for such Funds, which were originally anticipated for collection in 2009 but due to reassessment and related delays are now anticipated for collection in 2010; and

**WHEREAS**, the Fiscal Body now finds that an emergency exists for the borrowing of money to pay and refund warrants heretofore issued and outstanding and that temporary loans for the Funds for such purposes should be made and that taxable 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 applicable provisions of Indiana law; and

**WHEREAS**, the Fiscal Body has determined to participate in a year-end warrant assistance program (the "Program") established by the Indiana Bond Bank (the "Bond Bank") for 2009 whereby the Bond Bank will purchase the taxable temporary loan tax anticipation warrants and/or temporary interim warrants of the Issuer; and

**WHEREAS**, the levy proposed for collection for the Funds in 2009 (which was originally anticipated for collection in 2009 but due to reassessment and related delays are now anticipated for collection in 2010) 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 taxable temporary loan tax anticipation warrants for the Funds in anticipation of the receipt of current revenues for such Funds levied for the year 2008 and in the course of collection in 2009 (which were originally anticipated for collection in 2009, but due to reassessment and related delays are now anticipated for collection in 2010) 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 (including payment on warrants previously issued and outstanding related thereto, which are anticipated to become due and payable on or before December 31, 2009) and to pay necessary costs incurred in connection with the issuance and sale of taxable temporary loan tax anticipation warrants to evidence such temporary loans; and

**WHEREAS**, except as disclosed in writing to the Bond Bank, the Issuer has not previously issued taxable temporary loan tax anticipation warrants payable from 2009 tax revenue with respect to the Funds and the proceeds of the Warrants purchased under the Program shall be applied to refund, pay and discharge each such previously issued warrant; and

**WHEREAS**, the Fiscal Body seeks to authorize the issuance of such taxable 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 TOWN COUNCIL OF THE TOWN OF ST. JOHN, LAKE COUNTY, INDIANA AS FOLLOWS:**

**Section 1.** It is hereby found and declared that an emergency exists for the borrowing of money and therefore the Issuer is hereby authorized to make temporary loans to meet current running expenses (including payment of the warrants previously issued and outstanding related thereto, which are anticipated to become due and payable on or before December 31, 2009) for the use and benefit of each of the Funds of the Issuer in anticipation of estimated current tax revenues levied for the year 2008 and in the course of collection for such Funds in 2009 (which were originally anticipated for collection in 2009 but due to reassessment and related delays are now anticipated for collection in 2010), which loans shall be evidenced by taxable temporary loan tax anticipation time warrants of the Issuer (the "Warrants") issued pursuant to the provisions of Indiana Code 36-5-2-12 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 or as of any date on which any outstanding warrants to be refunded with the proceeds of the Warrants were originally issued, as hereafter set out in the Warrant Purchase Agreement and the Warrants. Subject to the provisions of Indiana Code 36-5-2-12 as in effect on the date of their respective issuance, the Issuer is authorized to issue Warrants maturing and payable on or before June 30, 2010 in aggregate amounts not to exceed the following for the respective identified funds:

General Fund: \$1,062,830;

Lease Rental Fund: \$287,812.

Provided, however, the principal amount of the Warrants for each Fund shall not exceed the principal amount of the outstanding warrants for such Fund that are refunded with the proceeds of the Warrants.

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 (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 issuance of Warrants to provide (i) the due date of the Warrants, which may be any date no later than June 30, 2010 or a date fixed by reference to the Issuer's receipt of its settlement of the funds in anticipation of which any Warrant is issued, or any combination thereof, and (ii) the dated date and issuance date of the Warrants, which may, but need not, include pre-issuance accrued interest.

The Issuer is authorized to make payments of principal and interest on the Warrants by paying the amount due from funds that are available for immediate transfer or investment on or before 12:00 noon (Indianapolis time) on the due date to the corporate trust entity selected or determined by the Bond Bank to serve as the "trustee" under a Note Indenture (the "Trustee") through which notes are issued by the Bond Bank and the Warrants are purchased and pledged by the Bond Bank thereunder as designated by the Bond Bank. In the event that the principal of and interest on the Warrants are not paid in full on the Due Date (as defined in the Warrant Purchase Agreement and in each warrant), the total amount due and owing on such due date (equal to the unpaid principal and accrued interest thereon to such due date) shall thereafter bear interest at the per annum rate equal to the Reinvestment Rate (as defined in the Warrant Purchase Agreement) until paid. In addition, the Issuer shall be responsible for payment to the Bond Bank of its allocable portion of all fees and expenses attributable to a request for payment under any Credit Facility Agreement (as defined in the Warrant Purchase Agreement) resulting from a failure by the Issuer to pay in full the principal of and interest on the Warrants on their due date.

With the force and effect provided for in Indiana Code 5-1-5-9 and 5-1-5-10, the Qualified Entity hereby irrevocably pledges and appropriates the proceeds of the Warrants, or other legally available monies as are required to provide for the payment of all outstanding

warrants (including interest thereon) with any maturity date on or before December 31, 2009 related to any Fund against which a Warrant is issued pursuant to this Ordinance; the Qualified Entity hereby covenants and agrees on and as of the issuance of the Warrants, to so apply the proceeds of the Warrants to their full and timely payment.

Notwithstanding any provision in this Ordinance to the contrary, any purchase of Warrants by the Bond Bank may be made from any source of funds and held under any arrangement designated by the Bond Bank (either as designated initially when they are purchased or at any time thereafter prior to their full payment), regardless of whether the Warrants are (a) held by a Trustee under an Indenture or otherwise, (b) purchased with the proceeds of notes issued by the Bond Bank under an Indenture or from other funds made available by the Bond Bank, (c) held, pledged or assigned by the Bond Bank under any Indenture or other arrangement designated by the Bond Bank, or (d) payable to the Bond Bank as a nominal owner, servicing agent, beneficial party, registered owner, or otherwise. If any part of the Warrants are purchased by the Bond Bank from any source of funds other than proceeds of any notes issued under a Note Indenture: (A) any usage of the term "Note Indenture" in this Ordinance or any Warrant shall also mean and include each such arrangement as may from time to time be designated by the Bond Bank through which the Warrants are held, pledged or assigned by the Bond Bank, whether the Warrants are payable to the Bond Bank as a nominal owner, servicing agent, beneficial party, registered owner, or otherwise; (B) any usage in this Ordinance or any Warrant of (i) "Notes" shall also mean and include each such source of other available funds as may from time to time be designated by the Bond Bank through which the Warrants are purchased and held by the Bond Bank, whether the Warrants are payable to the Bond Bank as a nominal owner, servicing agent, beneficial party, registered owner, or otherwise, (ii) proceeds of the Notes shall also mean and include such designated source of other available funds used to effectuate any such purchase of Warrants under the Agreement, and (iii) an issuance of the Notes shall also mean and include the time and manner designated by the Bond Bank to make any such source of other available funds available to effectuate any such purchase of Warrants under the Agreement; and (C) any usage in this Ordinance or any Warrant to the term "Trustee" shall also mean and include any counterparty to any arrangement as may from time to time be designated by the Bond Bank by whom the Warrants may be held, whether the Warrants are payable to the Bond Bank as a nominal owner, servicing agent, beneficial party, registered owner, or otherwise.

**Section 2.** With respect to each Fund and each maturity, the Officers of the Issuer are authorized to deliver a principal amount of the Warrants up to or less than the maximum amount established for any such Fund and maturity date in Section 1 hereof in order to comply with all applicable laws and any requirements of the Bond Bank. The Warrants will be delivered on or before December 31, 2009, or otherwise as appropriate and in accordance with the terms of the Warrant Purchase Agreement.

In the event that the Issuer anticipates incurring cash flow deficits prior to the issuance and sale of the Warrants to the Bond Bank, the Issuer is hereby authorized to issue and sell temporary interim warrants to the Bond Bank. The issuance and sale of the temporary interim warrants shall be on substantially the same terms as the issuance and sale of the Warrants to the

Bond Bank, all as set forth in the Warrant Purchase Agreement. In the event that temporary interim warrants are issued, all or a portion of the proceeds of the Warrants may be used to repay the temporary interim warrants. Provisions of this Ordinance relating to the issuance of Warrants shall also relate to the issuance of temporary interim warrants to the extent applicable. The Warrants may be issued in one (1) or more series on one (1) or more dates.

**Section 3.** The principal of and interest on the Warrants shall be payable from tax revenues to be received in the respective Fund upon which such Warrant is issued. There is hereby appropriated and pledged to the payment of the Warrants issued with respect to each Fund, including interest and all necessary costs incurred in connection with the issuance and sale of the Warrants, a sufficient amount of the taxes, levied for 2008, and payable in 2009 (which were originally anticipated for collection in 2009 but due to reassessment and related delays are now anticipated for collection in 2010), for such Fund and in anticipation of which the Warrants are issued, for the punctual payment of the principal of and interest on the Warrants evidencing such temporary loans, together with such issuance costs, if any, subject to the application of the tax revenues to be received in the respective Fund to any long term lease or debt obligations due contemporaneously with such Warrants; provided that the appropriation of moneys to the repayment of Warrants shall not cause the Issuer to violate the provisions of Indiana law or any contract, grant or other agreement to which the Issuer is a party; provided further that as a condition to participation in the Program, the Issuer will represent, that upon issuance of the Warrants, it will have no warrants issued in anticipation of the Settlement for 2009 Taxes (as defined in the Agreement) for the Funds other than the Warrants issued pursuant to the Agreement (or other warrant arrangements consented to in writing by the Bond Bank in its discretion) remain outstanding, and the Warrants will not in any respect to be subject to the prior payment of any outstanding warrants. The Issuer consents to the assignment by the Bond Bank to the Trustee under the Indenture of all the Bond Bank's right, title and interest granted by the Issuer to the Bond Bank under the Warrant Purchase Agreement. The Issuer covenants and agrees that it shall, if it fails to make any payment required herein when due, promptly undertake all actions, including the issuance of warrants issued to refund the unpaid Warrants that: (i) are necessary to cure such nonpayment, (ii) are legally available to cure such nonpayment, and (iii) do not, in the opinion of bond counsel, cause any of the Warrants to be considered debt of the Issuer within the meaning of Article 13, Section 1 of the Indiana Constitution or laws of the State of Indiana.

**Section 4.** The Warrants issued hereunder with respect to the Fund shall be executed in the name of the Issuer by the manual or facsimile signature of the President of the Town Council of the Town of St. John, Indiana and attested by the Clerk-Treasurer of the Town of St. John, Indiana, or such other officers of the Issuer as may be permitted by law, provided at least one of such signatures is manually affixed. All Warrants shall be payable in lawful money of the United States of America at the principal corporate trust office of the Trustee.

Notwithstanding any provision of this Ordinance to the contrary, if directed by the Bond Bank, the Issuer may issue all or a portion of the Warrants as a separate series to refund those warrants, if any, that were purchased by the Indiana Bond Bank in 2009 (the "2009 Warrants"), which Warrant issuance, sale and purchase would be on terms substantially similar to (a) those

provided for the Warrants otherwise issued under this Ordinance under any other series and (b) the original ordinance by which the 2009 Warrants were issued, provided that in lieu of an issuance, sale and purchase of such Warrants under the terms contained in the Warrant Purchase Agreement approved by this Ordinance, such would be undertaken under the warrant purchase agreement under which the 2009 Warrants were issued, sold and purchased as further amended and supplemented (which is hereby authorized) to effectuate a dated date, due date and other payment terms deemed necessary or desirable by the Issuer's officer executing any such warrants and agreements, and as would generally be in conformity with those terms otherwise provided for Warrants issued under this Ordinance.

**Section 5.** The Warrants with respect to each Fund shall be issued in substantially the following form (with all blanks, changes, additions and deletions, including the appropriate amounts, dates and other information to be properly completed prior to the execution and delivery thereof, as conclusively evidenced by the signatures of the Officers of the Issuer affixed thereon):

[Form of Warrant]

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF LAKE

TOWN OF ST. JOHN, INDIANA

TAXABLE TEMPORARY LOAN TAX ANTICIPATION TIME WARRANT,  
SERIES 2009 \_\_

Warrant Fund: \_\_\_\_\_ Fund  
Dated Date: \_\_\_\_\_, 2009  
Due Date: \_\_\_\_\_, 2010  
Principal Sum: \$ \_\_\_\_\_  
Interest Rate: \_\_\_\_\_ percent per annum

FOR VALUE RECEIVED, on or before the Due Date set forth above (the "Due Date"), the Town of St. John, Indiana (the "Issuer"), shall pay to the Indiana Bond Bank (the "Bond Bank") the Principal Sum set forth above pursuant to a certain Warrant Purchase Agreement between the Bond Bank and the Issuer, dated as of December 15, 2009 (the "Agreement"). This Warrant is issued in anticipation of the Settlement for 2009 Taxes (as defined in the Agreement).

In addition, the Issuer on the Due Date hereof shall pay to the Bond Bank interest at the per annum Interest Rate set forth above pursuant to the Agreement, with such interest to be computed on the basis of a 360-day year comprised of twelve 30-day months. In the event that the principal of and interest on this Warrant are not paid in full to the Bond Bank at the principal corporate trust office of the Trustee (as defined in the Agreement) in immediately available funds on or before 12:00 noon (Indianapolis time) on the Due Date, the total amount due and owing on

the Due Date (the unpaid principal and accrued interest to the Due Date) shall thereafter bear interest at the per annum rate equal to the Reinvestment Rate (as defined in the Agreement) until paid. In addition, the Issuer shall pay to the Bond Bank its allocable portion of all fees and expenses attributable to a request for payment under any Credit Facility Agreement (as defined in the Agreement) resulting from a failure by the Issuer to pay in full the principal of and interest on this Warrant on the Due Date.

All payments of principal and interest to be made by the Issuer to the Bond Bank shall be made by paying the amount due in funds that are available for immediate transfer or investment on or before 12:00 noon (Indianapolis time) on the payment date to the Trustee in St. Louis, Missouri (or to such other place of payment as may be specified in notice given by the Trustee or Bond Bank). The Issuer reserves the right to prepay this Warrant at any time prior to the Due Date upon giving the Trustee at least four (4) Business Days prior notice.

This Warrant evidences a temporary loan to provide funds to meet current expenses of the Warrant Fund set forth above (the "Fund") and has been authorized by an ordinance passed and adopted by the Town Council of the Town of St. John, Indiana, in accordance with Indiana Code 36-5-2-12 and all other acts amendatory thereof or supplemental thereto.

This Warrant is issued in anticipation of the tax levy which has been made for the Fund in the year 2008, which tax levy is now in the course of collection (which was originally anticipated for collection in 2009 but due to reassessment and related delays are now anticipated for collection in 2010). There has been irrevocably appropriated and pledged to the payment in full of the principal of and interest on this Warrant a sufficient amount of the revenues to be derived from the Fund tax levy, subject to the application of the tax revenues to be received in the Fund to any long term lease or debt obligations due contemporaneously with such Warrants; provided that the appropriation of moneys to the repayment of Warrants shall not cause the Issuer to violate the provisions of Indiana law or any contract, grant or other agreement to which the Issuer is a party; provided further that as a condition to participation in the Program, the Issuer represents, that upon issuance of this Warrant, it will have no warrants issued in anticipation of the Settlement for 2009 Taxes (as defined in the Agreement) for the Fund other than this Warrant (or other warrant arrangements consented to in writing by the Bond Bank in its discretion) remain outstanding, and this Warrant shall not in any respect to be subject to the prior payment of any outstanding warrants. The principal amount of all Warrants maturing on the Due Date and payable from the Fund does not exceed eighty percent (80%) of the 2009 annual budget levy for the Fund, as certified by the Indiana Department of Local Government Finance, that remains in the course of collection as of the issuance date of this Warrant.

It is further hereby certified, recited, and declared that all acts, conditions, and things required by law precedent to the issuance and execution of this Warrant have been properly done, have happened, and have been performed in the manner required by the constitution and statutes of the State of Indiana relating thereto; that the Fund tax levy from which (together with other amounts in the Fund) this Warrant is payable is a valid and legal levy; and that the Issuer will reserve a sufficient amount of the proceeds of the Fund tax levy currently in the course of

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

IN WITNESS WHEREOF, the Town of St. John, Indiana, has caused this Warrant to be executed in its corporate name by the President of the Town Council of the Town of St. John, Indiana and attested by the Clerk-Treasurer of the Town of St. John, Indiana, all as of the above Dated Date.

TOWN OF ST. JOHN, INDIANA

By: \_\_\_\_\_  
Its President of the Town Council

ATTEST:

\_\_\_\_\_  
Its Clerk-Treasurer

[End of Form of Warrant]

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

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

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



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

**Section 10.** Intentionally left blank.

**Section 11.** Notwithstanding any other provision of this Ordinance or any Warrant, in the event any determination has been made by any court of proper jurisdiction whereby a finding or ruling is made to the effect that, absent application of this provision, the aggregate amount of any Warrant (whether as to its principal or interest amounts or both) exceeds the maximum amount that is permitted to law to be issued and outstanding for the maturity date stated therein (such excess over any such limitation referred to as the "Excess Amount") and such would otherwise cause a Warrant to be invalid, then the form of the Warrant that was issued shall be deemed to be modified from that stated on its face in such a manner to first deem the Excess Amount to be a separate additional Warrant identical in terms to the original except that it shall have as its "due date" December 31, 2009 and its "principal sum" an amount equal to the maximum remaining permitted amount for all warrants with such a due date (a "Replacement Warrant"), provided, however, if an Excess Amount exceeds the principal amount of such a Replacement Warrant, then such remaining balance should be treated as a fee charged by the Bond Bank pursuant to Section 5.10 of its Warrant Purchase Agreement with the Qualified Entity and not treated as part of the principal sum of any Warrant or Replacement Warrant.

**Section 12.** This Ordinance shall be in full force and effect from and after the time it has been adopted by the Fiscal Body. All Resolutions and Ordinances in conflict herewith are, to extent of such conflict, hereby repealed. For the benefit of the Bond Bank, the Fiscal Body hereby finds and determines that the adoption of this Ordinance is intended to be, and for all purposes shall be deemed to be, a resolution authorizing the sale of obligations within the meaning of Indiana Code 5-1-14-13, and accordingly no action to contest the validity of any Warrants authorized herein, and hereafter issued, may be brought more than fifteen (15) days after the date set forth below.

ALL OF WHICH IS APPROVED AND ADOPTED THIS 17<sup>th</sup> DAY OF DECEMBER, 2009, BY THE TOWN COUNCIL OF THE TOWN OF ST. JOHN, LAKE COUNTY, INDIANA.


TOWN OF ST. JOHN,  
LAKE COUNTY, INDIANA,  
TOWN COUNCIL

  
MARK BARENIE, President


  
MICHAEL S. FORBES, Vice President

  
GREGORY J. VOLK, Member

  
JERRI A. TEIBEL, Member

  
MICHAEL S. FRYZEL, Member

ATTEST:

  
SHERRY P. SURY, IAMC, CMC,  
Clerk-Treasurer