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CITY CLERK

RESOLUTION NO. 5, 2010

A RESOLUTION OF THE TERRE HAUTE COMMON COUNCIL AUTHORIZING THE ISSUANCE OF BONDS AND PLEDGING ECONOMIC DEVELOPMENT INCOME TAX

WHEREAS, the Terre Haute Redevelopment Commission ("Commission") has determined to issue its Redevelopment District Bond Anticipation Notes ("Notes") in an amount not to exceed $10,000,000 and Redevelopment District Tax Increment Revenue Bonds of 20__ (to be completed with the year in which issued) ("Bonds") to pay off the Notes issued for the construction of certain local public improvements in the Area, including the construction of New Margaret Avenue and other road infrastructure improvements ("Project"), in, serving or benefiting the S.R. 46 Economic Development Area and to pay issuance expenses pursuant to Resolution No. 51-09 approved by the Commission on January 4, 2010 ("Bond Resolution"); and

WHEREAS, the Common Council ("Council) of the City of Terre Haute ("City") is required by IC 36-7-14-25.1(p) to approve the issuance of bonds of the Commission; and

WHEREAS, Vigo County has imposed the economic development income tax ("EDIT") pursuant to IC 6-3.5-7 and the City is a recipient of an annual distributive share of EDIT ("EDIT Revenues"); and

WHEREAS, the Council has determined to pledge EDIT Revenues (on a parity with the Pledged EDIT (as defined in the Bond Resolution)) to be used to pay debt service on the Bonds to the extent incremental real property taxes levied and collected ("Tax Increment") in the S.R. 46 Economic Development Area ("Area") are not sufficient to pay debt service on the Bonds; and

WHEREAS, the Project and the payment of debt service on the Bonds from the EDIT Revenues has been or will be included in the capital improvement plan of the City regarding the use of the EDIT Revenues;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF TERRE HAUTE, INDIANA, THAT:

Section 1. The Council hereby approves the issuance of the Notes and the issuance of the Bonds to pay off the Notes in an amount not to exceed $10,000,000 to apply on the costs of the Project.

Section 2. In consideration of the Commission's desire to proceed with the financing of the Project, the Council hereby pledges the EDIT Revenues (on a parity with the Pledged EDIT) for payment of debt service on the Bonds if the Tax Increment collected in the Area is not sufficient.

Section 3. The Council further covenants that it will take no action to rescind or repeal EDIT nor take any action that would result in the City receiving a smaller certified share of EDIT than the certified share of EDIT to which it was entitled on the effective date of this

resolution. The Council further covenants that it will take no action to rescind EDIT or reduce the EDIT rates as long as debt service is payable on the Bonds.

Section 4. Except for the Pledged EDIT, the City has not pledged or otherwise encumbered its EDIT Revenues, and there are no prior liens, encumbrances or other restrictions on the EDIT Revenues or on the City's ability to pledge EDIT Revenues to the payment of debt service on the Bonds.

Section 5. The City reserves the right to authorize and issue additional Bonds at any time ranking on a parity with the Bonds subject to the conditions set forth in the Bond Resolution.

Section 6. This resolution shall be in full force and effect from and after its passage.

Introduced by: _____ Rich Dunkin, Councilman

Passed in open Council this 4th day of February, 2010.

_____ Neil Garrison, President

ATTEST: _____ Charles P. Hanley, City Clerk

Presented by me to the Mayor this 5th day of February, 2010.

_____ Charles P. Hanley, City Clerk

Approved by me, the Mayor, this 5TH day of FEBRUARY, 2010.

_____ Duke A. Bennett, Mayor

ATTEST: _____ Charles P. Hanley, City Clerk