SPONSOR: Michael Opinker
Councilman 5th District

RESOLUTION NO. R12

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF HAMMOND, INDIANA, RELATED TO CERTAIN WATER CONTRACT REVENUES

WHEREAS, on November 17, 2014, the Common Council (the "Common Council") of the City of Hammond, Indiana (the "City") adopted its Ordinance No. 9277 (the "Bond Ordinance"), authorizing the issuance of the City of Hammond, Indiana, Revenue Bonds (the "Bonds"), in one or more series, in an aggregate principal amount not to exceed Thirty-Six Million Five Hundred Thousand Dollars ($36,500,000), which Bonds are payable from certain Water Contract Revenues (as defined in the Bond Ordinance) generated from water purchase contracts with the City of Chicago Heights, Illinois, and, to the extent that the Water Contract Revenues are insufficient for such purpose, from certain Gaming Revenues (as defined in the Bond Ordinance), for the purpose of procuring funds to be used in the exercise of the powers of the City or for the payment of City debts, including, without limitation, payment of working capital for City operations, together with expenses incidental thereto, including capitalized interest on the Bonds, if necessary, and all expenses incurred in connection with or on account of the issuance of the Bonds therefor; and

WHEREAS, the Bonds are expected to be purchased by The Hammond Local Public Improvement Bond Bank (the "Bond Bank") with the proceeds of the Bond Bank's Bonds, Series 2015 A (the "Bond Bank Bonds"), which Bond Bank Bonds are primarily payable from principal and interest payments made by the City to the Bond Bank related to the Bonds; and

WHEREAS, the City and/or the Waterworks Department of the City (the "Waterworks") have heretofore entered into agreements with the City of Calumet City, Illinois and the Village of Lansing, Illinois, with respect to the purchase of water, pursuant to which the City and/or the Waterworks will receive certain water contract revenues (the "Calumet City and Lansing Water Contract Revenues"); and

WHEREAS, the purchaser of the Bond Bank Bonds is requiring that the City make certain covenants with respect to the Calumet City and Lansing Water Contract Revenues in connection with its purchase of the Bond Bank Bonds; and

WHEREAS, the Common Council hereby finds that it is necessary and appropriate for the City to make certain covenants with respect to the Calumet City and Lansing Water Contract Revenues, as more particularly described herein;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF HAMMOND, INDIANA, AS FOLLOWS:

SECTION 1. The Common Council hereby covenants that, so long as the Bond Bank Bonds are outstanding, it will not pledge or permit to be pledged any of the Calumet City and Lansing Water Contract Revenues (except as described in Section 3 below), without the consent of the holder of the Bond Bank Bonds.

SECTION 2. The Controller shall, within ninety (90) days of each December 31, determine the amount of the Water Contract Revenues (as defined in the Ordinance) received in the immediately preceding calendar year.

SECTION 3. The Common Council hereby covenants that, so long as the Bond Bank Bonds are outstanding, in the event that (a) the City of Chicago Heights gives one (1)-year advance notice of its intent to withdraw from its water purchase contract with the City and the

Waterworks, or (b) the amount of the annual Water Contract Revenues (as defined in the Bond Ordinance) determined by the Controller in accordance with Section 2 hereof shall be less than one hundred twenty-five percent (125%) of the maximum annual debt service due on the then outstanding Bonds, then the Calumet City and Lansing Water Contract Revenues shall be automatically be deemed to be pledged to the Bonds. Such pledge shall be effective as of the date either subparagraph (a) or (b) of this Section 3 occurs, in accordance with Indiana Code 5-1-14-4, without any further action by the Common Council or the City.

SECTION 4. The Mayor and the Controller of the City and the members of the Common Council are, and each of them is, hereby authorized and directed to take all such further action or execute such agreements as are necessary or appropriate to effectuate this Resolution, including, without limitation, (a) one or more agreements with the Waterworks related to the Calumet City and Lansing Water Contract Revenues and related documents, instruments and certificates, and (b) one or more agreements with the purchaser of the Bond Bank Bonds and/or the Bond Bank related to the covenants under this Resolution and related documents, instruments and certificates.

SECTION 5. This Resolution shall be in full force and effect from and after its passage by the Common Council.

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ADOPTED AND APPROVED by the Common Council of the City of Hammond, Indiana, this 21st day of May, 2015.

Michael Opinker, President /s/
Hammond Common Council

ATTEST:

Robert J. Golec, City Clerk /s/
City of Hammond, Indiana

PRESENTED BY ME, the undersigned City Clerk of the City of Hammond, Indiana, to the Mayor, for approval and signature, this 26th day of May, 2015.

Robert J. Golec, City Clerk /s/
City of Hammond, Indiana

APPROVED AND SIGNED BY ME, the undersigned Mayor of the City of Hammond, Indiana, this 26th day of May, 2015.

Thomas M. McDermott, Jr., Mayor /s/
City of Hammond, Indiana

PASSED by the Common Council on the 21st day of May, 2015, and approved by the Mayor on the 26th day of May, 2015.

Robert J. Golec, City Clerk /s/
City of Hammond, Indiana