

EXCERPTS FROM THE MINUTES OF A
[REGULAR/SPECIAL] MEETING OF THE COMMON COUNCIL
OF THE CITY OF ROCKPORT

The Common Council of the City of Rockport met in the City Hall, Rockport, Indiana, on the 23rd day of February, 2005, at the hour of 7:00 p.m., in [regular/special] meeting pursuant to call in accordance with the rules of the Council.

The meeting was called to order by Mayor Beth Packer, who presided.

On call of the roll the members of the Council were shown to be present or absent as follows:

Present:

Absent:

Mr. John G. Wetherill, City Attorney, was also present at the meeting.

Mayor Beth Packer stated that Ice Miller, attorneys of Indianapolis, employed by the City as bond counsel; had prepared a form of bond ordinance for consideration by the Council in the matter of the financing of the refunding of certain outstanding waterworks revenue bonds of the City.

Mayor Beth Packer then stated that it would now be in order for the Council to consider said ordinance. Attn. John Wetherill then introduced the bond ordinance, entitled "An Ordinance authorizing the refunding by the City of Rockport of its Waterworks Revenue Bonds of 1986; authorizing the issuance of waterworks refunding revenue bonds for such purpose; providing for the collection, segregation and distribution of the revenues of the waterworks and the safeguarding of the interests of the owners of the waterworks refunding

revenue bonds authorized herein; other matters connected therewith; and repealing ordinances inconsistent herewith," and moved that said ordinance be numbered and placed on first reading, and that the same be read by title at this time.

Said motion was seconded by Dean Frakes, and on call of the roll was carried by the following vote:

Ayes: 6

Nays: 0

The ordinance having been numbered 2005-2, and having been read by title, Robbie Kelly moved that the ordinance be read a second time by title and opportunity be given for the offering of amendments. This motion was seconded by Dean Frakes, and on call of the roll was carried by the following vote:

Ayes: 6

Nays: 0

Ordinance No. 2005-2 was then read a second time by title and no amendments were offered.

DuWayne Keenan moved that any applicable local rules be suspended and that unanimous consent of the members present be given for consideration of Ordinance No. 2005-2 on the day or at the meeting at which said ordinance was introduced and for third reading of Ordinance No. 2005-2 at this meeting without further consideration. This

motion was seconded by Dean Frakes, and on call of the roll the vote on said motion was as follows:

Ayes: 6

Nays: 0

The Presiding Officer stated that the motion for the suspension of the rules and such consideration of Ordinance No. 2005-2 having been carried by unanimous vote of the members present, final action on said ordinance would now be in order. He then directed the Clerk-Treasurer to read said ordinance a third time by title.

Said ordinance having been read a third time by title, Jerald Payne then moved that the ordinance be adopted as read. This motion was seconded by Dean Frakes, and on call of the roll was carried by the following vote:


Ayes: 6

Nays: 0

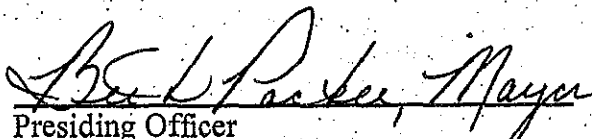
The Presiding Officer announced that there being at least two-thirds of the members elect of the Council present at the meeting and the motion for adoption having been carried by a two-thirds vote of all such elected members, Ordinance No. 2005-2 had been duly passed and adopted.

***** (Other Business) *****

There being no further business presented to the meeting, on motion duly made, seconded and unanimously carried, the meeting thereupon adjourned.


Clerk-Treasurer

Approved:


Presiding Officer

CONTINUING DISCLOSURE
UNDERTAKING AGREEMENT

This CONTINUING DISCLOSURE UNDERTAKING AGREEMENT ("Agreement") is made as of February 23, 2005 between the City of Rockport, Indiana ("Obligor") and _____ ("Counterparty"), for the purpose of permitting City Securities Corporation, as underwriter ("Underwriter") of the Bonds to purchase the Bonds in compliance with the Securities and Exchange Commission ("SEC") Rule 15c2-12 ("SEC Rule") as published in the Federal Register on November 17, 1994.

Section 1. Definitions. The words and terms defined in this Agreement shall have the meanings herein specified unless the context or use clearly indicates another or different meaning or intent. Those words and terms not expressly defined herein and used herein with initial capitalization where rules of grammar do not otherwise require capitalization, shall have the meanings assigned to them in the SEC Rule.

- (1) "Bondholder" or "holder" or any similar term, when used with reference to a Bond or Bonds, means any person who shall be the registered owner of any outstanding Bond, including the holders of beneficial interests in the Bonds.
- (2) "Final Official Statement" means the Official Statement, dated as of February 23, 2005, relating to the Bonds, including any document or set of documents included by specific reference to such document or documents previously provided to each NRMSIR and to the SID, or filed with the Municipal Securities Rulemaking Board ("MSRB").
- (3) "NRMSIR" means, at any point in time, a nationally recognized municipal securities information repository which is then recognized as such by the SEC, initially including but not limited to each of those entities listed on the attached Exhibit A.
- (4) "Obligated Person" means any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), for which Annual Information (as defined in Section 5 hereof) is presented in the Official Statement. All Obligated Persons with respect to the Bonds are identified in Section 4 below.
- (5) "SID" means the Indiana state information depository, if any, in existence from time to time.

Section 2. Bonds. This Agreement applies to the Waterworks Refunding Revenue Bonds of 2005 in the principal amount of \$ _____ ("Bonds").

Section 3. Term. The term of this Agreement is from the date of delivery of the Bonds by the Obligor to the earlier of (i) the date of the last payment of principal or redemption price, if any, of, and interest to accrue on, all the Bonds, (ii) the date the Bonds are defeased under Section 16 of the Ordinance adopted by the Obligor on Feb 23, 2005 ("Ordinance"), or (iii) the date of rescission as described in Section 14.

Section 4. Obligated Persons. The Obligor hereby represents and warrants as of the date hereof that it is the only Obligated Person with respect to the Bonds. If the Obligor, at its sole discretion, determines that it is no longer an Obligated Person, this Agreement shall no longer apply to the Obligor.

Section 5. Provision of Annual Information. (a) The Obligor hereby undertakes to provide the following financial information:

- (1) To each NRMSIR and to the SID, when and if available, the audited financial statements of the Obligor as prepared and examined by the State Board of Accounts for each twelve-month period ending December 31, beginning with the twelve month period ending December 31, 200__, together with the opinion of such accountants and all notes thereto, within sixty (60) days of receipt from the State Board of Accounts; and
- (2) To each NRMSIR and to the SID, within 180 days of each December 31, beginning with the calendar year ending December 31, 200__, unaudited annual financial information for the Obligor for such calendar year including (i) unaudited financial statements of the Obligor if audited financial statements are not available, and (ii) operating data of the type included under the following headings in Appendix A to the Final Official Statement (collectively, "Annual Information"):

APPENDIX A

INSERT TO COME

(b) If any Annual Information or audited financial statements relating to the Obligor referred to in paragraph (a) of this Section 5 no longer can be generated because the operations to which they related have been materially changed or discontinued, a statement to that effect, provided by the Obligor to each NRMSIR and to the SID, along with any other Annual Information or audited financial statements required to be provided under this Agreement, shall satisfy the undertaking to provide such Annual Information or audited financial statements. To

the extent available, the Obligor shall cause to be filed along with the other Annual Information or audited financial statements operating data similar to that which can no longer be provided.

(c) The disclosure may be accompanied by a certificate of an authorized representative of the Obligor in the form of Exhibit B attached hereto.

(d) The Obligor agrees to make a good faith effort to obtain Annual Information. However, failure to provide audited financial statements or Annual Information because it is not available to the Obligor shall not be deemed to be a breach of this Agreement. The Obligor further agrees to supplement the Annual Information filing when such data is available.

(e) Annual Information or audited financial statements required to be provided pursuant to this Section 5 may be provided by a specific reference to such Annual Information or audited financial statements already prepared and previously provided to each NRMSIR and the SID, or filed with the SEC; however, if such document is a final official statement, it must also be available from the MSRB.

Section 6. Accounting Principles. The financial information will be prepared on a cash basis as prescribed by the State Board of Accounts, as in effect from time to time, as described in the auditors' report and notes accompanying the audited financial statements of the Obligor or those principles mandated by state law from time to time. The audited financial statements of the Obligor, as described in Section 5(a)(1) hereof, will be prepared in accordance with generally accepted accounting standards and Government Auditing Standards issued by the Comptroller General of the United States.

Section 7. Material Events. The Obligor undertakes to disclose in a timely manner the occurrence of only the following events, if material (which determination of materiality shall be made by the Obligor in accordance with the standards established by federal securities laws), to each NRMSIR or to the MSRB, and to the SID:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (7) modifications to the rights of Bondholders;
- (8) Bond calls (other than scheduled mandatory sinking fund redemptions for which notice is given in accordance with the Ordinance);
- (9) defeasances;

- (10) release, substitution or sale of property securing repayment of the Bonds; and
- (11) rating changes.

The Obligor may from time to time choose to provide notice of the occurrence of any other event, in addition to those listed above, if, in the judgment of the Obligor, such other event is material with respect to the Bonds and should be disclosed, but the Obligor does not commit to provide any such notice of the occurrence of any material event except those events set forth above. The disclosure may be accompanied by a certificate of an authorized representative of the Obligor in the form of Exhibit C attached hereto.

Section 8. Notice to Counterparty. The Obligor hereby agrees to provide to the Counterparty a copy of any Annual Information, audited financial statements, material event notice, or notice of failure to disclose Annual Information which it files or causes to be filed pursuant to Sections 5, 7 and 10 hereof, respectively, concurrently with or prior to such filing.

Section 9. Use of Agent. The Obligor may, at its sole discretion, utilize an agent ("Dissemination Agent") in connection with the dissemination of any information required to be provided by the Obligor pursuant to the terms of the SEC Rule and this Agreement. If a Dissemination Agent is selected for these purposes, the Obligor shall provide prior written notice thereof (as well as notice of replacement or dismissal of such agent) to the Counterparty and to each NRMSIR, the SID, and the MSRB.

Further, the Obligor may, at its sole discretion, retain counsel or others with expertise in securities matters for the purpose of assisting the Obligor in making judgments with respect to the scope of its obligations hereunder and compliance therewith, all in order to further the purposes of this Agreement as set forth in the preamble and Section 11 hereof.

Section 10. Failure to Disclose. If, for any reason, the Obligor fails to provide the audited financial statements or Annual Information as required by this Agreement, the Obligor shall provide notice of such failure in a timely manner to each NRMSIR or to the MSRB, and to the SID.

Section 11. Remedies.

(a) The purpose of this Agreement is to enable the Underwriter to purchase the Bonds by providing for an undertaking by the Obligated Persons in satisfaction of the SEC Rule. This Agreement is solely for the benefit of the Bondholders and creates no new contractual or other rights for, nor can it be relied upon by, the SEC, underwriters, brokers, dealers, municipal securities dealers, potential customers, other Obligated Persons or any other third party. The sole remedy against the Obligor for any failure to carry out any provision of this Agreement shall be for specific performance of the Obligor's disclosure obligations hereunder and not for money damages of any kind or in any amount or for any other remedy. The Obligor's failure to honor its covenants hereunder shall not constitute a breach or default of the Bonds, the Ordinance or any other agreement to which the Obligor is a party.

(b) Subject to paragraph (e) of this Section 11, in the event the Obligor fails to provide any information required of it by the terms of this Agreement, any Bondholder may pursue the remedy set forth in the preceding paragraph in any court of competent jurisdiction in the county in which the Obligor is located. An affidavit to the effect that such person is a Bondholder supported by reasonable documentation of such claim shall be sufficient to evidence standing to pursue this remedy.

(c) Subject to paragraph (e) of this Section 11, any challenge to the adequacy of the information provided by the Obligor by the terms of this Agreement may be pursued only by holders of not less than 25% in principal amount of Bonds then outstanding in any court of competent jurisdiction in the county in which the Obligor is located. An affidavit to the effect that such persons are Bondholders supported by reasonable documentation of such claim shall be sufficient to evidence standing to pursue the remedy set forth in the preceding paragraph.

(d) The Counterparty, upon satisfactory indemnification and demand by those persons it reasonably believes to be Bondholders, may also pursue the remedy set forth above in any court of competent jurisdiction in the county in which the Obligor is located. The Counterparty shall have no obligation to pursue any remedial action in the absence of a valid demand from Bondholders and satisfactory indemnification.

(e) Prior to pursuing any remedy under this Agreement, a Bondholder shall give notice to the Obligor, via registered or certified mail, of such breach and its intent to pursue such remedy. Fifteen (15) days after the mailing of such notice, and not before, a Bondholder may pursue such remedy under this Agreement. The Obligor's failure to honor its covenants hereunder shall not constitute a breach or default of the Bonds, the Ordinance or any other agreement to which the Obligor is a party.

Section 12. Counterparty's Obligations. The Counterparty hereto shall have no obligation to take any action whatsoever with respect to information provided by the Obligor under this Agreement (or by any Obligated Persons covered hereby), except (i) as set forth in this Section 12 and (ii) any obligations arising from the Counterparty serving as a Dissemination Agent, and no implied covenants or obligations shall be read into this Agreement against the Counterparty. Further, except as set forth in this Section 12, the Counterparty hereto shall have no responsibility to ascertain the truth, completeness, accuracy, or timeliness of the information provided as required hereunder by the Obligor or any Obligated Person, nor as to its sufficiency for purposes of compliance with the SEC Rule or the requirements of this Agreement.

The Counterparty may, at its sole discretion, retain counsel or others with expertise in continuing disclosure matters for the purpose of assisting the Counterparty in making judgments with respect to the scope of its obligations hereunder and compliance therewith.

If the Counterparty has not received the Annual Information by the date which is ten (10) days before the date set forth in Section 5(a)(2) of this Agreement, the Counterparty shall notify the Obligor, via registered or certified mail, that it has not received such Annual Information.

However, a failure by the Counterparty to provide (or any delay in providing) any notice required by this paragraph shall not: (i) operate to relieve the Obligor of its obligation to provide the Annual Information in the manner and within the time specified in this Agreement; or (ii) constitute a defense for the Obligor, or the basis for any claim, counterclaim, cross-claim or third-party claim by the Obligor, in any action brought pursuant to Section 11 of this Agreement or otherwise. Nothing contained in this paragraph shall operate to grant any additional rights or remedies to any holder of Bonds.

The Counterparty hereto shall be obligated to, and hereby agrees that it will, on the fifth business day after the date required by Section 5(a)(2) of this Agreement, forward to those persons or entities scheduled to receive Annual Information a notice substantially in the form of Exhibit D attached hereto in the event that the Counterparty has not received a copy of such Annual Information; provided, however, that the Counterparty shall not give such notices as described in this paragraph and the immediately preceding paragraph if the Obligor has provided the Counterparty with notice that the Obligor has issued notice pursuant to Section 10 hereof.

Section 13. Resignation and Removal of Counterparty. The Counterparty may resign in its capacity under this Agreement at any time by giving written notice thereof to the Obligor. So long as the Obligor has not failed to honor its obligations as set forth in Sections 5, 7 and 10 hereof, the Obligor may remove the Counterparty in its capacity under this Agreement at any time by giving written notice thereof to the Counterparty. Upon such resignation or removal, the Obligor shall promptly appoint a successor Counterparty.

Section 14. Modification of Agreement. The Obligor and the Counterparty may, from time to time, amend or modify this Agreement without the consent of or notice to the Bondholders if either (a)(i) such amendment or modification is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Obligor, or type of business conducted, (ii) this Agreement, as so amended or modified, would have complied with the requirements of the SEC Rule on the date hereof, after taking into account any amendments or interpretations of the SEC Rule, as well as any change in circumstances, and (iii) such amendment or modification does not materially impair the interests of the Bondholders, as determined either by (A) the Counterparty or nationally recognized bond counsel or (B) an approving vote of the holders of the requisite percentage of outstanding Bonds as required under Section 20 of the Ordinance at the time of such amendment or modification; or (b) such amendment or modification (including an amendment or modification which rescinds this Agreement) is permitted by the SEC Rule, as then in effect.

Section 15. Interpretation Under Indiana Law. It is the intention of the parties hereto that this Agreement and the rights and obligations of the parties hereunder shall be governed by and construed and enforced in accordance with, the law of the State of Indiana.

Section 16. Severability Clause. In case any provision in this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 17. Successors and Assigns. All covenants and agreements in this Agreement made by the Obligor and the Counterparty shall bind their successors, whether so expressed or not.

Section 18. Notices. All notices required to be given under this Agreement shall be made at the following addresses:

If to the Obligor:

City of Rockport, Indiana
c/o Clerk-Treasurer
501 E. Court Avenue
City-County Building
Rockport, Indiana 47130-4029

If to the Counterparty:

Attn: Corporate Trust Department

IN WITNESS WHEREOF, the Obligor and the Counterparty have caused this Agreement to be executed as of the 23 day of February, 2005.

CITY OF ROCKPORT, INDIANA, as Obligor



Mayor

ATTEST:



Clerk-Treasurer

as Counterparty

EXHIBIT A

NATIONALLY RECOGNIZED MUNICIPAL
SECURITIES INFORMATION REPOSITORIES

Bloomberg Municipal Repositories
P.O. Box 840
Princeton, NJ 08542 -0840
Phone: (609) 279-3225
Fax: (609) 279-5962
E-Mail: Munis@Bloomberg.com

Interactive Data
Attn: Repository
100 Williams Street
New York, NY 10038
Phone: (212) 771-6899
Fax: (212) 771-7390
E-mail: NRMSIR@interactivedata.com
Website: <http://www.InteractiveData.com>

Standard & Poor's Securities Evaluations, Inc.
55 Water Street, 45th Floor
New York, New York 10041
Phone: (212) 438-4595
Fax: (212) 438-3975
Email: nrmsir_repository@sandp.com

DPC Data, Inc.
One Executive Drive
Fort Lee, NJ 07024
Phone: (201) 346-0701
Fax: (201) 947-0107
E-Mail: nrmsir@dpcdata.com

EXHIBIT B

Municipal Secondary Market Disclosure Information Cover Sheet

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board, Nationally Recognized Municipal Securities Information Repositories, and any applicable State Information Depository, whether the filing is voluntary or made pursuant to Securities and Exchange Commission Rule 15c2-12 or any analogous state statute.

See www.sec.gov/info/municipal/nrmsir.htm for list of current NRMSIRs and SIDs

IF THIS FILING RELATES TO A SINGLE BOND ISSUE:

Provide name of bond issue exactly as it appears on the cover of the Official Statement
(please include name of state where issuer is located):

Provide nine-digit CUSIP* numbers if available, to which the information relates:

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IF THIS FILING RELATES TO ALL SECURITIES ISSUED BY THE ISSUER OR ALL SECURITIES OF A SPECIFIC CREDIT OR ISSUED UNDER A SINGLE INDENTURE:

Issuer's Name (please include name of state where Issuer is located): _____

Other Obligated Person's Name (if any): _____
(Exactly as it appears on the Official Statement Cover)

Provide six-digit CUSIP number(s), if available, of Issuer: _____

*(Contact CUSIP 's Municipal Disclosure Assistance Line at (212) 438-6518 for assistance with obtaining the proper CUSIP numbers.)

TYPE OF FILING:

Electronic (number of pages attached) _____ Paper (number of pages attached) _____

If information is also available on the Internet, give URL: _____

WHAT TYPE OF INFORMATION ARE YOU PROVIDING? (Check all that apply)

A. **Annual Financial Information and Operating Data pursuant to Rule 15c2-12**

(Financial information and operating data should not be filed with the MSRB.)

Fiscal Period Covered: _____

B. **Audited Financial Statements or CAFR pursuant to Rule 15c2-12**

Fiscal Period Covered: _____

C. **Notice of a Material Event pursuant to Rule 15c2-12 (Check as appropriate)**

- | | |
|--|--|
| 1. <input type="checkbox"/> Principal and interest payment delinquencies | 6. <input type="checkbox"/> Adverse tax opinions or events affecting the tax-exempt status of the security |
| 2. <input type="checkbox"/> Non-payment related defaults | 7. <input type="checkbox"/> Modifications to the rights of security holders |
| 3. <input type="checkbox"/> Unscheduled draws on debt service reserves reflecting financial difficulties | 8. <input type="checkbox"/> Bond calls |
| 4. <input type="checkbox"/> Unscheduled draws on credit enhancements reflecting financial difficulties | 9. <input type="checkbox"/> Defeasances |
| 5. <input type="checkbox"/> Substitution of credit or liquidity providers, or their failure to perform | 10. <input type="checkbox"/> Release, substitution, or sale of property securing repayment of the securities |
| | 11. <input type="checkbox"/> Rating changes |

D. **Notice of Failure to Provide Annual Financial Information as Required**

E. **Other Secondary Market Information (Specify):** _____

I hereby represent that I am authorized by the issuer or obligor or its agent to distribute this information publicly:

Issuer Contact:

Name _____ Title _____

Employer _____

Address _____ City _____ State _____ Zip Code _____

Telephone _____ Fax _____

Email Address _____ Issuer Web Site Address _____

Dissemination Agent Contact, if any:

Name _____ Title _____

Employer _____

Address _____ City _____ State _____ Zip Code _____

Telephone _____ Fax _____

Email Address _____ Relationship to Issuer _____

Obligor Contact, if any:

Name _____ Title _____

Employer _____

Address _____ City _____ State _____ Zip Code _____

Telephone _____ Fax _____

Email Address _____ Obligor Web Site Address _____

Investor Relations Contact, if any:

Name _____ Title _____

Telephone _____ Email Address _____

EXHIBIT C

CERTIFICATE RE: MATERIAL EVENT DISCLOSURE

The undersigned, on behalf of the City of Rockport, Indiana, as the Obligor under the Continuing Disclosure Undertaking Agreement, dated February 23, 2005 ("Agreement"), between the Obligor and _____, as Counterparty, hereby certifies that the information enclosed herewith constitutes notice of the occurrence of a material event which is required to be provided pursuant to Section 7 of the Agreement.

Dated: _____

CITY OF ROCKPORT, INDIANA

By: Terri Payton

Printed: Terri Payton

Title: Clerk Treasurer

EXHIBIT D

NOTICE TO REPOSITORIES OF FAILURE TO FILE INFORMATION

Notice is hereby given that the City of Rockport, Indiana ("Obligor") has not provided to _____, as Counterparty to the Continuing Disclosure Undertaking Agreement, dated _____, 2005 ("Agreement"), between the Obligor and the Counterparty, the Annual Information as required by Section 5(a)(2) of the Agreement.

Dated: _____

By: _____

Printed: _____

Title: _____