

SPECIAL ORDINANCE NO. 33, 2020

ORDINANCE AUTHORIZING THE CITY OF TERRE HAUTE, INDIANA TO ISSUE ITS "ECONOMIC DEVELOPMENT REVENUE BONDS, SERIES 2020" AND APPROVING AND AUTHORIZING OTHER ACTIONS IN RESPECT THERETO.

WHEREAS, the City of Terre Haute, Indiana ("City") Economic Development Commission ("Commission") conducted a public hearing and adopted a resolution, which resolution has been transmitted hereto, finding that the financing of certain economic development facilities to be constructed by [Garmong] ("Developer") complies with the purposes and provisions of IC 36-7-11.9 and -12 ("Act") and that such financing will be of benefit to the health and welfare of the City and its citizens;

WHEREAS, the Terre Haute Redevelopment Commission ("Redevelopment Commission") has determined to pledge TIF Revenues (as defined in the hereinafter defined Financing Agreement) to be used to pay debt service on the hereinafter defined Bonds pursuant to a Financing and Covenant Agreement between the Developer and the City, dated as of the first day of the month in which sold or issued ("Financing Agreement");

WHEREAS, the City shall issue its Economic Development Revenue Bonds, Series 2020 ("Bonds") pursuant to this ordinance to finance the acquisition of a police headquarters facility, together with all necessary appurtenances, related improvements and equipment ("Project"), in or physically connected to the 2020 Consolidated Economic Development Area, and costs of issuance and related expenses, including, if necessary, funding capitalized interest, a debt service reserve, municipal bond insurance and a debt service reserve surety;

WHEREAS, the City is a recipient of proceeds from a local income tax imposed for public safety in Vigo County distributed pursuant to IC 6-3.6-6-4(1)("Public Safety LIT");

WHEREAS, to the extent required by the purchaser of the bonds ("Bond Purchaser") to improve the marketability of the Bonds, the Common Council will pledge the Public Safety LIT to pay debt service on the Bonds, to the extent the TIF Revenues are not sufficient; and

WHEREAS, the Commission has heretofore approved and recommended the adoption of this form of ordinance by this Common Council, has considered the issue of adverse competitive effect and has approved the forms of and has transmitted for approval by the Common Council the Financing Agreement; the Trust Indenture (including form of Bonds) between the City and a financial institution serving as trustee, dated as of the first day of the month in which sold or issued ("Indenture"); and the Bond Purchase Agreement between the Issuer and the purchaser of the Bonds;

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

It is hereby found that: (i) the financing of the Project referred to in the Financing Agreement approved by the Commission and presented to this Common Council; (ii) the issuance and sale of the Bonds; (iii) the payment of the Bonds from TIF Revenues and, if required by the Bond Purchaser, Public Safety LIT, under the Financing Agreement; and (iv) the securing of the Bonds by granting a security interest in the Trust Estate (as defined in the

Indenture) to the Trustee under the Indenture; complies with the purposes and provisions of IC 36-7-11.9, -12, -14 and -25 (collectively, "Act"), and will be of benefit to the health and welfare of the City and its citizens.

The Common Council hereby finds that public safety plays a critical role in supporting economic growth and vitality by reducing the cost of crime and enhancing the desirability of communities as places to live and locate businesses. Public safety affects the well-being, quality of life and economic prosperity and the economic development facilities will consist of the Project as permitted by the Act.

At the public hearing held before the Commission, the Commission considered whether the Project would have an adverse competitive effect on any similar facilities located in the City as required by IC 36-7-12-21. The Commission also considered, after consideration of the evidence presented, whether the Project would be of benefit to the public health and welfare of the City and found that financing the Project would be of benefit to the public health and welfare of the City and the Common Council hereby confirms that finding.

The substantially final forms of the Financing Agreement, the Indenture and the Bond Purchase Agreement approved by the Commission are hereby approved (collectively, "Financing Documents," referred to in the Act), and the Financing Documents shall be incorporated herein by reference and shall be inserted in the minutes of the Common Council and kept on file by the City Clerk. In accordance with the provisions of IC 36-1-5-4, two (2) copies of the Financing Documents are on file in the office of the City Clerk for public inspection.

The City may issue its Bonds, maturing no later than twenty-five (25) years from their date of issuance, in the aggregate principal amount not to exceed \$13,000,000. The Bonds are to be issued for the purpose of procuring funds to pay the costs of acquisition of the Project, and costs of issuance and related expenses, including, if necessary, funding capitalized interest, a debt service reserve, municipal bond insurance and a debt service reserve surety, all as more particularly set out in the Indenture and the Financing Agreement, incorporated herein by reference. The Bonds will be payable as to principal, premium, if any, and interest from TIF Revenues and, if required by the Bond Purchaser, the Public Safety LIT Revenues pursuant to the Financing Agreement or as otherwise provided in the Indenture. The Bonds shall be issued in fully registered form in denominations of \$5,000 and integral multiples thereof or as otherwise provided in the Indenture. The Bonds shall be subject to optional redemption prior to maturity at the option of the City, on any date, upon thirty (30) days' written notice, no sooner than five (5) years after their date of issuance, at face value, plus in each case accrued interest, if any, to the date fixed for redemption, with no premium, as further provided in the Indenture. The Bonds may be issued as term bonds subject to mandatory sinking fund redemption. Payments on the Bonds are payable in lawful money of the United States of America by check mailed or delivered to the registered owners or by wire transfer as provided in the Indenture. If the Bonds are payable solely from TIF Revenues, they shall never constitute a general obligation of, an indebtedness of, or a charge against the general credit of the City as described in the Indenture. If the Bonds are payable from TIF Revenues and Public Safety LIT Revenues, the Bonds and any outstanding indebtedness of the City shall not exceed the City's two percent constitutional debt limit; the City's certified assessed valuation of taxable property made in year 2020 for taxes collectible in year 2021 and outstanding indebtedness amounts shall be verified at the time of the payment for and delivery of the Bonds.

To the extent required by the Bond Purchaser, which requirement shall be set forth in the Bond Purchase Agreement, the Common Council hereby irrevocably pledges the Public Safety LIT to pay debt service on the Bonds, to the extent the TIF Revenues are not sufficient, which pledge shall be valid and binding in accordance with IC 5-1-14-4.

The Common Council further covenants that it will take no action to rescind or repeal the Public Safety LIT or to take any action that would result in the City receiving a smaller distributive share of the Public Safety LIT than the distributive share of the Public Safety LIT to which it was entitled on the effective date of this ordinance. The Common Council further covenants that it will take no action to rescind the Public Safety LIT or reduce the Public Safety LIT as long as the debt service is due on the Bonds.

The City has not pledged or otherwise encumbered the Public Safety LIT, and there are no prior liens, encumbrances or other restrictions on the Public Safety LIT or on the City's ability to pledge Public Safety LIT to the payment of debt service on the Bonds.

The City reserves the right to enter into bonds, leases or other obligations entitled to the pledge of Public Safety LIT on a parity with the Bonds in accordance with the requirements set forth below ("Public Safety LIT Parity Obligations") for the purpose of raising money for future projects of the City. The authorization and issuance of Public Safety LIT Parity Obligations shall be subject to the following conditions precedent:

All debt service payments due on the Bonds and all payments on any Public Safety LIT Parity Obligations shall be current to date in accordance with the terms thereof, with no payment in arrears;

For Public Safety LIT Parity Obligations the City shall have received a certificate prepared by an independent, qualified accountant or feasibility consultant ("Certifier") certifying that the amount of the Public Safety LIT estimated to be received in each succeeding year, adjusted as provided, below, shall be at least equal to one hundred twenty-five percent (125%) of the debt service requirements with respect to the Bonds, any outstanding Public Safety LIT Parity Obligations and the proposed Public Safety LIT Parity Obligations, for each respective year during the term of the outstanding Bonds, any outstanding Public Safety LIT Parity Obligations and the proposed Public Safety LIT Parity Obligations. In calculating this coverage, the Certifier may take into account any increase in the Public Safety LIT which has been approved by the City, but which has not yet been collected or distributed to the City. The City shall approve and confirm the figures and estimates set forth in the above-described certificate in any resolution or ordinance authorizing the Public Safety LIT Parity Obligations; and

Payments of any Public Safety LIT Parity Obligations or junior obligations shall be payable semiannually on February 1 and August 1. The terms and conditions of any Public Safety LIT Parity Obligations shall be set forth in the resolution or ordinance authorizing such Public Safety LIT Parity Obligations.

The Mayor and the Controller are authorized and directed to sell the Bonds to the Bond Purchaser at a price not less than 99% of the par value thereof and shall accrue interest at a rate not to exceed 6% per annum.

The Mayor and the Controller are authorized and directed to execute, attest, affix or imprint by any means the City seal to the documents constituting the Financing Documents approved herein on behalf of the City and any other document which may be necessary or desirable to consummate the transaction, including the Bonds authorized herein. The Mayor and the Controller are hereby expressly authorized to approve any modifications or additions to the documents constituting the Financing Documents which take place after the date of this ordinance with the review and advice of the counsel; it being the express understanding of this Common Council that the terms of the Financing Documents are in substantially final form as of the date of this ordinance. The approval of said modifications or additions shall be conclusively evidenced by the execution and attestation thereof and the affixing of the seal thereto or the imprinting of the seal thereon; provided, however, that no such modification or addition shall change the maximum issuance amount of, interest rate, if any, on or term of the Bonds as approved by the Common Council by this ordinance without further consideration by the Common Council. The signatures of the Mayor and the Controller on the Bonds may be either manual or facsimile signatures. The Controller is authorized to arrange for delivery of such Bonds to the trustee named in the Indenture. Payment for the Bonds will be made by the Bond Purchaser to the trustee named in the Indenture, and after such payment the Bonds will be delivered by the Trustee to the Bond Purchaser. The Bonds shall be originally dated as of the issue date.

Subject to the provisions of this ordinance, if necessary or desirable, a preliminary official statement of the City relating to the Bonds (a "Preliminary Official Statement"), in a form acceptable to the Mayor and the Controller, is hereby (a) authorized and approved, together with such changes in form and substance as may be deemed necessary or appropriate by the Mayor and the Controller pursuant to this ordinance, (b) authorized and approved, as the same may be appropriately confirmed, modified and amended pursuant hereto, for distribution as the Preliminary Official Statement of the City, (c) authorized to be deemed and determined by the Controller on behalf of the City, as of its date, to constitute the "final" official statement of the City with respect to the Bonds, subject to completion as permitted by and otherwise pursuant to the provisions of Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934 (the "SEC Rule"), and (d) authorized and approved, consistent with the provisions of the Purchase Agreement and the SEC Rule, to be placed into final form and distributed and delivered to purchasers and potential purchasers of the Bonds offered thereby as the final official statement of the City, as of the date thereof, with respect to the Bonds (the "Official Statement"). The Mayor and the Controller are each authorized to execute the Official Statement and by such execution approve its distribution on behalf of the City. Further, if necessary in connection with the sale of the Bonds, the Mayor and Controller are each authorized to execute a continuing disclosure undertaking with respect to the Bonds in accordance with the SEC Rule.

The provisions of this ordinance and the Indenture securing the Bonds shall constitute a contract binding between the City and the holders of the Bonds, and after the issuance of the Bonds, this ordinance shall not be repealed or amended in any respect which would adversely affect the rights of such holders so long as the Bonds or the interest thereon remains unpaid.

This ordinance shall be in full force and effect from and after its passage and signing by the Mayor.

Introduced by: O. Earl Elliott O. Earl Elliott, Councilman

Passed in open Council this 12TH day of NOVEMBER, 2020.

[Signature] George Azar, President

ATTEST: Michelle L. Edwards Michelle L. Edwards, City Clerk

Presented by me to the Mayor this 13TH day of NOVEMBER, 2020.

Michelle L. Edwards Michelle L. Edwards, City Clerk

Approved by me, the Mayor, this 13TH day of NOVEMBER, 2020.

[Signature] Duke A. Bennett, Mayor

ATTEST: Michelle L. Edwards Michelle L. Edwards, City Clerk