ORDINANCE NO. 9, 2025

ORDINANCE AUTHORIZING THE CITY OF VALPARAISO, INDIANA TO ISSUE ITS "REVENUE BONDS, SERIES 2025 (VALPARAISO UNIVERSITY PROJECT)" AND APPROVING AND AUTHORIZING OTHER ACTIONS IN RESPECT THERETO

WHEREAS, the Valparaiso Economic Development Commission has rendered its Project Report to the Valparaiso Plan Commission regarding the financing and refinancing of economic development facilities for Lutheran University Association, Inc. d/b/a Valparaiso University; and

WHEREAS, the Valparaiso Economic Development Commission conducted a public hearing and adopted a resolution on May 28, 2025, which Resolution has been transmitted hereto, finding that the financing and refinancing of certain economic development facilities of Lutheran University Association, Inc. d/b/a Valparaiso University, an Indiana nonprofit corporation (the "Applicant"), complies with the purposes and provisions of I.C. §§ 36-7-11.9 and 12 and that such financing and refinancing will be of benefit to the welfare of the City of Valparaiso and its citizens; and

WHEREAS, the Valparaiso Economic Development 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 Trust Indenture; Loan Agreement; Note; Bond Purchase Agreement; and the Official Statement; now therefore,

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF VALPARAISO THAT:

Section 1. It is hereby found that the financing and refinancing of the economic development facilities referred to in the Loan Agreement approved by the Valparaiso Economic Development Commission and presented to this Common Council, the issuance and sale in one or more series of the City of Valparaiso, Indiana, Revenue Bonds, Series 2025 (Valparaiso University Project) (the "Bonds"), the loan of the proceeds of the Bonds to the Applicant for the financing and refinancing of the Project (as defined herein), the payment of the Bonds by the note payments of the Applicant under the Loan Agreement and Note, and the securing of said Bonds under the Trust Indenture complies with the purposes and provisions of I.C. §§ 36-7-11.9 and 12, and will be of benefit to the welfare of the City of Valparaiso and its citizens.

Section 2. The economic development facilities to be financed and refinanced consist of a nonprofit university generally located at 1700 Chapel Drive in the City of Valparaiso, Indiana and includes (a) the construction of certain capital projects on the campus of the Borrower located at 1700 Chapel Drive in Valparaiso, Indiana; (b) the current refunding in whole or in part of the Indiana Finance Authority Educational Facilities Revenue Bonds, Series 2014 (Valparaiso University Project) (the "Series 2014

Bonds"); (c) the payment of capitalized interest; (d) the repayment of certain lines of credit and a term loan of the Applicant, (e) the funding of working capital for the operations of the Borrower, (f) the funding of a debt service reserve fund, if any, and (g) the funding of certain costs associated with the economic development financing (collectively, the "Project").

Section 3. At the public hearing and meeting held by the Valparaiso Economic Development Commission, the Commission considered whether the economic development facilities would have an adverse competitive effect on any similar facilities located in or near the City of Valparaiso, and subsequently found, based on special findings of fact set forth in the Resolution transmitted hereto, that the facilities would not have an adverse competitive effect. This Common Council hereby confirms the findings set forth in the Commission's Resolution, and concludes that the economic development facilities will not have an adverse competitive effect on any other similar facilities in or near the City of Valparaiso, and the facilities will be of benefit to the health and welfare of the citizens of the City of Valparaiso.

Section 4. The substantially final forms of the Trust Indenture; Loan Agreement; Note; Bond Purchase Agreement; and Official Statement approved by the Valparaiso Economic Development Commission are hereby approved (herein collectively referred to as the "Financing Agreement" referred to in I.C. §§ 36-7-11.9 and 12), and the Financing Agreement 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 copies of the Financing Agreement are on file in the office of the City Clerk for public inspection.

Section 5. The City of Valparaiso shall issue its Bonds, in one or more series, in the total principal amount not to exceed $117,000,000, on a taxable and/or tax-exempt basis and maturing no later than 40 years after the date of issuance of the Bonds. Said Bonds are to be issued for the purpose of financing costs of the Project, as more particularly set out in the Trust Indenture and Loan Agreement, incorporated herein by reference, which Bonds will be payable as to principal, premium, if any, and interest from the note payments made by the Applicant under the Loan Agreement and Note or as otherwise provided in the above described Trust Indenture. The Bonds shall initially be issued as fully registered bonds in the denominations of $5,000 or any integral multiple thereof (or as otherwise provided in the Trust Indenture) and shall be redeemable as provided in the Trust Indenture. Payments of principal and interest are payable in lawful money of the United States of America by check or draft mailed or delivered to the registered owners as provided in the Trust Indenture. The Bonds shall never constitute a general obligation of, an indebtedness of, or a charge against the general credit of the City of Valparaiso, nor are the Bonds payable in any manner from revenues raised by taxation.

Section 6. The Mayor and City Clerk are authorized and directed to sell the Bonds to the original purchaser (or purchasers) thereof with a maximum underwriter's discount not to exceed two percent (2%). The Bonds shall bear interest at a rate per annum not to exceed 12%.

Section 7. The Mayor and City Clerk are authorized and directed to execute, attest, affix or imprint by any means the City seal to the documents constituting the Financing Agreement 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 City Clerk are hereby expressly authorized to deem the Official Statement relating to the issuance of the Bonds as nearly final, and the distribution of the nearly final Official Statement is hereby approved. The Mayor and City Clerk are hereby expressly authorized to approve any modifications or additions to the documents constituting the Financing Agreement which take place after the date of this Ordinance with the review and advice of the City Attorney; it being the express understanding of this Common Council that said Financing Agreement is 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 principal amount of, interest rate 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 City Clerk on the Bonds may be either manual or facsimile signatures. The City Clerk is authorized to arrange for delivery of such Bonds to the Trustee named in the Trust Indenture, and payment for the Bonds will be made to the Trustee named in the Trust Indenture, and after such payment, the Bonds will be delivered by the Trustee to the purchasers thereof. The Bonds shall be originally dated as of their date of delivery, and shall bear interest from their date of delivery.

Section 8. The provisions of this Ordinance and the Trust Indenture securing the Bonds shall constitute a contract binding between the City of Valparaiso and the holders of the Bonds, and after the issuance of said Bonds, this Ordinance shall not be repealed or amended in any respect which would adversely affect the rights of such holders so long as any of said Bonds or the interest thereon remains unpaid.

Section 9. This resolution constitutes an approval given by this Common Council as required by Section 147(f) of the Internal Revenue Code of 1986, and by Indiana Code §§ 36-7-11.9 and 12.

Section 10. This Ordinance shall be in full force and effect from and after its passage and signing by the Mayor.

PASSED by the Common Council of the City of Valparaiso, Indiana, by a 6 - 0 vote of all members present and voting on this 30th day of May, 2025.

Jon Costas, Mayor

Attest:

Holly Taylor, Clerk-Treasurer

Presented to me by the Mayor of Valparaiso, Indiana, this 30th day of May, 2025 at the hour of 3:00 o'clock pm.

Holly Taylor, Clerk-Treasurer

This Ordinance was approved and signed by me this 30th day of May, 2025 at the hour of 3:00 o'clock pm.

Jon Costas, Mayor