

24-03

Sponsors: Councilman-at-Large Spitale and Councilman Woerpel

ORDINANCE NO. 9627

AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF HAMMOND, INDIANA, AUTHORIZING THE ISSUANCE OF BONDS TO FINANCE THE COSTS OF A NEW FIRE STATION IN THE CITY OF HAMMOND, INDIANA, APPROPRIATING THE PROCEEDS DERIVED FROM THE SALE OF SUCH BONDS, AND OTHER MATTERS RELATED THERETO

WHEREAS, the Common Council of the City of Hammond, Indiana (the "Council") adopted the provisions of Indiana Code 5-23 (the "BOT Statute") by Resolution No. 23R-03 (the "Resolution"), which was adopted and approved by the Council on April 24, 2023; and

WHEREAS, the City of Hammond Redevelopment Commission (the "RDC"), pursuant to the BOT Statute, is authorized to issue requests for proposals and qualifications for public-private projects and agreements related thereto; and

WHEREAS, as authorized by Resolution No. 10-2021, and in accordance with the BOT Statute, the RDC, on behalf of the City of Hammond, Indiana (the "City"), issued a request for proposals and qualifications (the "RFPQ") for the acquisition, design and construction of a new fire station (the "Project") at the commonly known address of 2403 Calumet Avenue, Hammond, Indiana 46320 (the "Project Site"); and

WHEREAS, the City is the owner of the Project Site; and

WHEREAS, the City desires to approve, authorize and ratify the development, financing, construction, operation and transfer of the Project by a developer, the acquisition by the City of the completed Project, and the necessary or reasonably appropriate actions taken to complete the foregoing (collectively, the "BOT Transaction"); and

WHEREAS, pursuant to the BOT Statute, the RDC, on behalf of the City, published public notice of the RFPQ two times in a newspaper of general circulation within the City; and

WHEREAS, the RDC established a committee on behalf of the City to review all proposals received as a result of the issuance of the RFPQ and, thereafter, to make a recommendation to the Council as to which proposal to accept for the Project (the "RFPQ Committee"); and

WHEREAS, after the RFPQ Committee received and reviewed all of the responses to the RFPQ, accorded fair and equal treatment for all respondents, and further negotiated best and final offers, the RFPQ Committee recommended that a public-private agreement known as a build-operate-transfer agreement (the "BOT Agreement") be awarded by the City to Hasse Construction Company, Inc. or a to-be-formed affiliate or assignee thereof (the "Developer") based upon the proposal that the Developer submitted in response to the RFPQ; and

WHEREAS, not fewer than seven (7) days before the date of the public hearing on the RFPQ Committee's recommendation to award the BOT Agreement to the Developer, and as required by the BOT Statute: (a) notice of the public hearing occurring on April 24, 2023 was published in accordance with Indiana Code 5-3-1; and (b) all proposals, together with the recommendation letter, were made available for inspection and copying in accordance with Indiana Code 5-14-3; and

WHEREAS, the Council held such public hearing on April 24, 2023 and considered all public comments with respect to the RFPQ Committee's recommendation; and

WHEREAS, following such public hearing, the Council adopted the Resolution, which approved the award of the BOT Transaction to the Developer subject to final agreement on the terms and conditions of the BOT Agreement and authorized the execution of any and all other documents and certificates to be executed by the City and the RDC necessary or reasonably appropriate to effectuate the BOT Transaction (collectively, the "Transaction Documents"), each in a form to be negotiated, finalized, approved and executed by the Mayor of the City (the "Mayor"), acting in consultation with counsel and the RDC on behalf of the City; and

WHEREAS, following the Council's adoption of the Resolution, Hasse Construction Company, Inc. assigned its right, title and interest in, to and under the award of the BOT Transaction (the "BOT Assignment") to Hammond Fire Station 2 LLC; and

WHEREAS, Hammond Fire Station 2 LLC has accepted the BOT Assignment from Hasse Construction Company, Inc.; and

WHEREAS, the Developer will construct the Project pursuant to the BOT Agreement and the City will purchase the completed Project with proceeds of City ARPA Funds, County ARPA Funds and Bonds (each as defined below); and

WHEREAS, the Council has determined and found that it will be of public utility and benefit and in the best interests of the residents in the City to enter into the BOT Transaction to construct the Project; and

WHEREAS, the City has previously allocated funds that the City received from the American Rescue Plan Act of 2021 (the "City ARPA Funds") in an amount not to exceed Two Million Dollars (\$2,000,000) towards paying costs and expenses that will be incurred in connection with the Project; and

WHEREAS, the City received from Lake County, Indiana (the "County") a portion of the County's distribution of funds received from the American Rescue Plan Act of 2021 (the "County ARPA Funds") in an amount not to exceed One Million Eight Hundred Thousand Dollars (\$1,800,000) towards paying costs and expenses that will be incurred in connection with the Project; and

WHEREAS, the Project is under construction and the City is currently using the City ARPA Funds and County ARPA Funds on hand to fund the initial phases of the Project; and

WHEREAS, the entire Project is estimated to be in an amount not to exceed Nine Million Dollars (\$9,000,000); and

WHEREAS, to provide funds for the remaining costs of the Project, the Council now desires to authorize the issuance, in one or more series, of taxable or tax-exempt bonds of the City, payable from legally available revenues of the City, subject to annual appropriation as described herein, pursuant to Indiana Code 36-4-6-19, as amended (the "Act"), designated as the "City of Hammond, Indiana, General Revenue Annual Appropriation Bonds of 2024" (with such different or additional series or name designations determined to be necessary or appropriate) (collectively, the "Bonds") in an aggregate principal amount not to exceed Five Million Dollars (\$5,000,000) for the purpose of providing funds to be applied to: (a) paying a portion of the costs of the Project; (b) paying capitalized interest on the Bonds, if determined to be necessary and appropriate; (c) funding a debt service reserve for the Bonds, if determined to be necessary and appropriate; and (d) paying the costs incurred in connection with the issuance and sale of the Bonds, and all incidental expenses therewith; and

WHEREAS, the amount of proceeds of the Bonds authorized herein to finance the Project, together with the City ARPA Funds, the County ARPA Funds and estimated investment earnings on all such amounts, does not exceed the cost of such financing as estimated by the Council; and

WHEREAS, the Council reasonably expects the Bonds to be paid from an annual appropriation of legally available revenues of the City; however, the City has no legal obligation to make any such appropriations and the City is not legally pledging revenues to pay the principal of and interest on the Bonds; and

WHEREAS, although not formally pledged, the City expects to pay the Bonds from certain water contract revenues received by the City consisting of: (a) an Agreement for the Sale of Water between the City and the City's Department of Waterworks; and (b) certain purchase agreements between the City and each of seven Illinois municipalities (collectively, the "Water Revenues"); and

WHEREAS, the City expects the Water Revenues will be legally available in sufficient amounts and at the times necessary to timely pay the Bonds; and

WHEREAS, the Council has found that there are insufficient funds available or provided for in the existing budget and tax levy which may be applied to the costs of the Project and that it is necessary for the making of the additional appropriation hereinafter set forth; and

WHEREAS, notice of a hearing on said appropriation has been duly given by publication as required by law, and the hearing on said appropriation has been held, at which all taxpayers and other interested persons had an opportunity to appear and express their views as to such appropriation; and

WHEREAS, the Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of the Bonds of the City have been complied with in accordance with the Act;

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

1. Additional Appropriation. There is hereby appropriated the sum of Five Million Dollars (\$5,000,000), together with all investment earnings thereon, to be provided for out of the proceeds of the Bonds for the purpose of providing funds to pay a portion of the costs of the Project, pay capitalized interest on the Bonds (if determined to be necessary and appropriate), fund a debt service reserve for the Bonds (if determined to be necessary and appropriate), and pay incidental expenses incurred in connection therewith and on account of the issuance of the Bonds. Such appropriation shall be in addition to all appropriations provided for in the existing City budget and shall continue in effect until the completion of the described purposes.

2. Authorization of Bonds. In order to provide financing for the Project, pay capitalized interest on the Bonds (if determined to be necessary and appropriate), fund a debt service reserve for the Bonds (if determined to be necessary and appropriate), and pay incidental expenses incurred in connection therewith and on account of the issuance of the Bonds, the City shall borrow money and issue the Bonds as herein authorized and as approved by certain authorized officers of the City pursuant to the provisions of Section 21 hereof. Such incidental expenses shall include, without limitation, all expenses of every kind incurred preliminarily to the financing of the Project, including the costs of issuing the Bonds. The City covenants that the proceeds of the Bonds will not be used for any purpose except as described in this Ordinance. Where used in this Ordinance, the term "City" shall be construed also to include any department, board, commission, or officer or officers of the City or of any City department, board or commission.

3. General Terms of Bonds. In accordance with the Act and in order to procure said loan for such purposes, the Mayor and the Controller of the City (the "Controller") are hereby authorized and directed to have prepared and to issue and sell, in one or more taxable or tax-exempt series, obligations of the City, designated "City of Hammond, Indiana, General Revenue Annual Appropriation Bonds of 2024" (with any such further or different series or name designation as determined by the Controller to be necessary or appropriate), in an aggregate principal amount not to exceed Five Million Dollars (\$5,000,000) (collectively, the "Bonds"), for the purpose of providing funds to (a) pay costs of the Project; (b) pay capitalized interest on the Bonds, if determined to be necessary and appropriate; (c) fund a debt service reserve for the Bonds, if determined to be necessary and appropriate; and (d) pay the costs incurred on account of the issuance and sale of the Bonds.

The principal of, interest on, and premium, if any, on the Bonds is payable solely from legally available revenues of the City, but subject to and conditioned upon the appropriation on an annual basis by the Council of the necessary funds to pay the principal of, interest on, and premium, if any, on the Bonds from one or more funds or accounts of the City and the transfer

and deposit of any amounts so appropriated to the Sinking Fund (as defined herein), as determined by the Council in its sole discretion (the "Available Revenues"). The principal of, interest on, and premium, if any, on the Bonds shall never be paid from "property taxes," as such term is defined under Indiana Code 6-1.1-20-1.6, which are exempt from the levy limitations of Indiana Code 6-1.1-18.5. The Bonds and the interest thereon do not and shall not constitute an indebtedness of the City, the State of Indiana (the "State") or any political subdivision thereof within the meaning of any constitutional limitation but shall be special and limited obligations of the City, payable solely from any revenues annually appropriated and deposited into the Sinking Fund (as defined herein) as determined by the Council in its sole discretion. Each Bond must state plainly on its face that it is payable solely from any amounts annually appropriated for such purpose and deposited into the Sinking Fund and that it does not constitute a general obligation of, an indebtedness of, or charge against the general credit of, the City, the State or any political subdivision thereof. Neither the faith and credit nor the taxing power of the City is or may be pledged for the payment of the principal of, premium (if any) on, or interest on the Bonds. An owner of the Bonds is not entitled to compel the exercise of the taxing power by the City or the forfeiture of any of its property in connection with any default on the Bonds.

The Bonds shall be issued in one or more series as fully registered bonds in denominations of: (i) Five Thousand Dollars (\$5,000) or any integral multiple thereof, or (ii) if sold through a private placement, in denominations of One Hundred Thousand Dollars (\$100,000), plus any integral multiple of Five Thousand Dollars (\$5,000) in excess thereof, or the aggregate principal amount of such Bonds maturing in any year if less than \$100,000; in either case not exceeding the aggregate principal amount of the Bonds maturing in any one year. The Bonds shall be numbered consecutively from 24R-1 upward, and shall bear interest at a rate or rates not to exceed eight percent (8.0%) per annum (the exact rate or rates to be determined by bidding or through negotiations, as determined by the Controller). Interest on the Bonds shall be payable semiannually on January 15 and July 15 of each year (each, an "Interest Payment Date"), commencing not earlier than July 15, 2024. The principal of the Bonds shall mature on January 15 and/or July 15 of each year, or be subject to mandatory sinking fund redemption on such dates, commencing not earlier than July 15, 2024, and ending no later than January 15, 2029. Interest on the Bonds shall be calculated according to a three hundred sixty (360)-day calendar year containing twelve (12) thirty (30)-day months. Subject to the terms and conditions herein, the Bonds shall mature on such dates and amounts as determined by the City Controller prior to the sale of the Bonds with the advice of Cender Dalton Municipal Advisors, as municipal advisor to the City (the "Municipal Advisor").

All payments of interest on the Bonds shall be paid by check mailed one (1) business day prior to the interest payment date to the registered owners thereof as of the last day of the calendar month immediately preceding an Interest Payment Date at the addresses as they appear on the registration books kept by the Registrar (as hereinafter defined) (the "Registration Record") or at such other address as is provided to the Paying Agent (as hereinafter defined) in writing by such registered owner. Each registered owner of \$1,000,000 or more in principal amount of Bonds shall be entitled to receive interest payments by wire transfer by providing written wire instructions to the Paying Agent before the record date for any payment. All principal payments on the Bonds shall be made upon surrender thereof at the principal corporate

trust office of the Paying Agent, in any coin or currency of the United States of America which on the date of such payment shall be legal tender for the payment of public and private debts.

The Bonds shall bear an original issue date which shall be the date of delivery and each Bond shall also bear the date of its authentication. Any Bond authenticated on or before the last day of the calendar month immediately preceding the first Interest Payment Date, shall pay interest from its original date. Any Bond authenticated thereafter shall pay interest from the Interest Payment Date next preceding the date of authentication of such Bond to which interest thereon has been paid or duly provided for, unless such Bond is authenticated after the last day of the calendar month immediately preceding an Interest Payment Date and on or before such Interest Payment Date, in which case interest thereon shall be paid from such Interest Payment Date.

Each Bond shall be transferable or exchangeable only on the books of the City maintained for such purpose at the designated corporate trust operations office of the Registrar, by the registered owner thereof in person, or by his or her attorney duly authorized in writing, upon surrender of such Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner or his or her attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. Each Bond may be transferred or exchanged without cost to the registered owner or his or her attorney duly authorized in writing, except for any tax or other governmental charge which may be required to be paid with respect to such transfer or exchange. The Registrar shall not be obligated to make any transfer or exchange of any Bond (i) during the fifteen (15) days immediately preceding an Interest Payment Date or (ii) after the mailing of notice calling such Bond for redemption. The City, the Registrar and the Paying Agent may treat and consider the person in whose name any Bond is registered as the absolute owner thereof for all purposes including the purpose of receiving payment of, or on account of, the principal thereof and redemption premium, if any, and interest thereon.

In the event any Bond is mutilated, lost, stolen or destroyed, the City may cause to be executed and the Registrar may authenticate a new Bond of like date, maturity and denomination as the mutilated, lost, stolen or destroyed Bond, which new Bond shall be marked in a manner to distinguish it from the Bond for which it was issued; provided, that in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Registrar, and in the case of any lost, stolen or destroyed Bond there shall be first furnished to the Registrar evidence of such loss, theft or destruction satisfactory to the City and the Registrar, together with indemnity satisfactory to them. In the event that any such mutilated, lost, stolen or destroyed Bond shall have matured or been called for redemption, instead of causing to be issued a duplicate Bond, the Registrar and Paying Agent may pay the same upon surrender of the mutilated Bond or satisfactory indemnity and proof of loss, theft or destruction in the case of a lost, stolen or destroyed Bond. The City and the Registrar and Paying Agent may charge the owner of any such Bond with their reasonable fees and expenses in connection with the above. Every substitute Bond issued by reason of any Bond being lost, stolen or destroyed shall, with respect to such Bond, constitute a

substitute contractual obligation of the City pursuant to this Ordinance, whether or not the lost, stolen or destroyed Bond shall be found at any time, and shall be entitled to all the benefits of this Ordinance, equally and proportionately with any and all other Bonds duly issued hereunder.

4. Terms of Redemption. The Bonds shall not be subject to optional redemption prior to maturity. The Mayor and the Controller, upon consultation with the Municipal Advisor, may designate maturities of Bonds (or portion thereof in integral multiples of Five Thousand Dollars (\$5,000) principal amount each) that shall be subject to mandatory sinking fund redemption, and the corresponding redemption dates, amounts and prices (including premium, if any). Except as otherwise set forth in this Ordinance, the Mayor and the Controller, upon consultation with the Municipal Advisor, are hereby authorized and directed to determine the terms governing any such mandatory sinking fund redemption, as evidenced by the delivery of the Bonds.

If any Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for the Bonds maturing as term bonds, and corresponding mandatory redemption obligation, in the order determined by the City, any Bonds maturing as term bonds which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Registrar for cancellation or purchased for cancellation by the Paying Agent and not theretofore applied as a credit against any redemption obligation. Each Bond maturing as a term bond so delivered or cancelled shall be credited by the Paying Agent at one hundred percent (100%) of the principal amount thereof against the mandatory sinking fund obligation on such mandatory sinking fund date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of the Bonds to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Paying Agent shall credit only such Bonds maturing as term bonds to the extent received on or before forty-five (45) days preceding the applicable mandatory redemption date. No notice of mandatory sinking fund redemption is required.

All Bonds which have been redeemed shall be canceled and shall not be reissued; provided, however, that one or more new registered Bonds shall be issued for the unredeemed portion of any Bond without charge to the holder thereof.

5. Appointment of Registrar and Paying Agent. The Controller is hereby authorized to serve, or to appoint a qualified financial institution to serve, as the registrar and paying agent for the Bonds (the "Registrar" or "Paying Agent"). The Registrar is hereby charged with the responsibility of authenticating the Bonds, and shall keep and maintain at its principal office or corporate trust office books for the registration and transfer of the Bonds. The Controller is hereby authorized to enter into such agreements or understandings with such institution as will enable the institution to perform the services required of the Registrar and Paying Agent. The Controller is hereby authorized to pay such fees as the institution may charge for the services it provides as Registrar and Paying Agent.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent by giving thirty (30) days written notice to the Controller and to each registered owner of the Bonds

then outstanding, and such resignation will take effect at the end of such thirty (30) days or upon the earlier appointment of a successor Registrar and Paying Agent by the City. Such notice to the Controller may be served personally or be sent by first-class or registered mail. The Registrar and Paying Agent may be removed at any time as Registrar and Paying Agent by the City, in which event the Controller may appoint a successor Registrar and Paying Agent. The City shall notify each registered owner of the Bonds then outstanding of the removal of the Registrar and Paying Agent. Notices to registered owners of the Bonds shall be deemed to be given when mailed by first-class mail to the addresses of such registered owners as they appear on the Bond register. Any predecessor Registrar and Paying Agent shall deliver all the Bonds, cash and investments in its possession and the Bond register to the successor Registrar and Paying Agent. At all times, the same entity shall serve as Registrar and as Paying Agent.

6. Form of Bonds; Authorization of Book-Entry System.

(a) The form and tenor of the Bonds shall be substantially as follows, all blanks to be filled in properly and all necessary additions and deletions to be made prior to delivery thereof:

UNITED STATES OF AMERICA
STATE OF INDIANA COUNTY OF LAKE

No. 24R-___

CITY OF HAMMOND, INDIANA,
GENERAL REVENUE ANNUAL APPROPRIATION BOND OF 2024

| <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Original Date</u> | <u>Authentication Date</u> | <u>[CUSIP]</u> |
|--------------------------|--------------------------|--------------------------|--------------------------------|----------------|
|--------------------------|--------------------------|--------------------------|--------------------------------|----------------|

REGISTERED OWNER: _____

PRINCIPAL SUM: _____ DOLLARS (\$ _____)

The City of Hammond, Indiana, in Lake County, Indiana (the "City"), for value received, hereby promises to pay to the Registered Owner set forth above, or registered assigns, the Principal Sum set forth above, solely out of the sinking fund hereinafter referred to, on the Maturity Date set forth above (unless this bond be subject to and be called for redemption prior to maturity as hereinafter provided), and to pay interest thereon until the Principal Sum shall be fully paid upon redemption or at maturity, at the Interest Rate per annum specified above from the interest payment date to which interest has been paid next preceding the Authentication Date of this bond, unless this bond is authenticated after the last day of the calendar month immediately preceding an interest payment date (the "Record Date") and on or before the next such interest payment date, in which case it shall bear interest from such next interest payment date, or unless this bond is authenticated on or before _____, 202__, in which case it shall bear interest from the Original Date specified above, with such interest payable

semiannually on January 15 and July 15 of each year, commencing _____ 15, 202__.
Interest shall be calculated on the basis of a three hundred sixty (360)-day year comprised of twelve (12) thirty (30)-day months.

The principal of and premium, if any, on this bond is payable at the designated office of _____ (the "Registrar" or "Paying Agent"), in the City of _____, _____. All payments of interest on this bond shall be paid by check mailed one (1) business day prior to the interest payment date to the registered owner hereof as of the Record Date at the address as it appears on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by the Registered Owner prior to the Record Date. Each registered owner of \$1,000,000 or more in principal amount of Bonds shall be entitled to receive interest payments by wire transfer by providing written wire instructions to the Paying Agent before the Record Date for any payment. All payments of principal of and premium, if any, on this bond shall be made upon surrender thereof at the principal corporate trust office of the Paying Agent in any coin or currency of the United States of America which on the dates of such payment shall be legal tender for the payment of public and private debts.

This bond is one of an authorized series of bonds of like date, tenor and effect, except as to denomination, numbering, rates of interest, redemption terms and dates of maturity, aggregating _____ Dollars (\$ _____), numbered and lettered consecutively from 24R-1 upward (the "Bonds"), issued for the purpose of providing funds to pay costs of the Project (as defined in the hereinafter-defined Ordinance), [pay capitalized interest,] [fund a debt service reserve,] and pay the costs of issuance of the Bonds. This bond is issued pursuant to Ordinance No. _____ adopted by the Common Council of the City (the "Council") on the ____ day of _____, 2024 (the "Ordinance"), and in accordance with the provisions of Indiana law, including, without limitation, Indiana Code 36-4-6-19, as amended, and other applicable provisions of the Indiana Code, as amended (collectively, the "Act").

THE PRINCIPAL OF, INTEREST ON, AND PREMIUM, IF ANY, ON THE BONDS IS PAYABLE SOLELY FROM LEGALLY AVAILABLE REVENUES OF THE CITY DEPOSITED INTO THE SINKING FUND (AS DEFINED IN THE ORDINANCE), BUT SUBJECT TO AND CONDITIONED UPON THE APPROPRIATION ON AN ANNUAL BASIS BY THE COUNCIL OF THE NECESSARY FUNDS TO PAY THE PRINCIPAL OF, INTEREST ON, AND PREMIUM, IF ANY, ON THE BONDS FROM ONE OR MORE FUNDS OR ACCOUNTS OF THE CITY AND THE TRANSFER AND DEPOSIT OF ANY AMOUNTS SO APPROPRIATED TO THE SINKING FUND, AS DETERMINED BY THE COUNCIL IN ITS SOLE DISCRETION. The principal of, interest on, and premium, if any, on the Bonds shall never be paid from "property taxes," as such term is defined under Indiana Code 6-1.1-20-1.6, which are exempt from the levy limitations of Indiana Code 6-1.1-18.5. The Bonds and the interest thereon do not and shall not constitute an indebtedness of the City, the State of Indiana (the "State"), or any political subdivision thereof within the meaning of any constitutional limitation, but shall be special and limited obligations of the City, payable solely from revenues and other amounts annually appropriated and deposited into the Sinking Fund created and established under the Ordinance. The Bonds do not constitute a general obligation of, an indebtedness of, or charge against the general credit of, the City, the State or any political subdivision thereof. Neither the faith and credit nor the taxing power of the City is or may be

pledged for the payment of the principal of, premium (if any) on, or interest on the Bonds. An owner of the Bonds is not entitled to compel the exercise of the taxing power by the City or the forfeiture of any of its property in connection with any default on the Bonds. BY ITS PAYMENT FOR AND ACCEPTANCE OF THIS BOND (OR ANY INTEREST THEREIN), THE REGISTERED OWNER AND BENEFICIAL OWNER OF THIS BOND HEREBY AGREES TO ALL OF THE TERMS AND PROVISIONS CONTAINED IN THIS BOND, THE ORDINANCE AND THE ACT.

This bond is not subject to optional redemption prior to maturity.

[The bonds maturing on _____ 15, 20__ are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest, on the dates and in the amounts set forth below:

| <u>Date</u> | <u>Amount</u> |
|-------------|---------------|
|-------------|---------------|

*

*Final Maturity]

[Each Five Thousand Dollars (\$5,000) principal amount shall be considered a separate bond for purposes of mandatory redemption. If less than an entire maturity is called for redemption, the bonds to be redeemed shall be selected by lot by the Registrar.]

If this bond shall not be presented for payment or redemption on the date fixed therefor, the City may deposit in trust with the Paying Agent, an amount sufficient to pay such Bond or the redemption price, as the case may be, and thereafter the Registered Owner shall look only to the funds so deposited in trust for payment and the City shall have no further obligation or liability with respect thereto.

This Bond is transferable or exchangeable only upon the books of the City kept for that purpose at the office of the Registrar by the Registered Owner in person, or by his attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the Registered Owner or his attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount, and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or the Registered Owner, as the case may be, in exchange therefor. The City, any registrar and any paying agent for this bond may treat and consider the person in whose name this bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

The Bonds maturing in any one year are issuable only in fully registered form in the denomination of [\$5,000 or any integral multiple thereof][\$100,000 plus integral multiples of \$5,000 in excess thereof].

[A Continuing Disclosure Agreement from the City to each registered owner or holder of any Bond, dated as of the date of initial issuance of the Bonds (the "Agreement"), has been

executed by the City, a copy of which is available from the City and the terms of which are incorporated herein by this reference. The Agreement contains certain promises of the City to each registered owner or holder of any Bond, including a promise to provide certain continuing disclosure. By its payment for and acceptance of this bond, the registered owner or holder of this bond assents to the Agreement and to the exchange of such payment and acceptance for such promises.]

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the execution, issuance and delivery of this bond have been done and performed in regular and due form as provided by law.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been executed by an authorized representative of the Registrar.

IN WITNESS WHEREOF, the City of Hammond, Indiana has caused this bond to be executed in its corporate name by the manual, facsimile or electronic signature of the Mayor of the City, countersigned by the manual, facsimile or electronic signature of the Controller of the City, and attested by the manual, facsimile or electronic signature of the Clerk of the City, who has caused the official corporate seal of the City to be impressed or a facsimile thereof to be printed or otherwise reproduced hereon.

CITY OF HAMMOND, INDIANA

By: _____
Mayor

By: _____
Controller

(SEAL)

ATTEST:

Clerk

CERTIFICATE OF AUTHENTICATION

It is hereby certified that this bond is one of the Bonds described in the within-mentioned Ordinance duly authenticated by the Registrar.

_____,
as Registrar

By: _____
Authorized Representative

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN. COM. as tenants in common
TEN. ENT. as tenants by the entireties
JT. TEN. as joint tenants with right of survivorship and
not as tenants in common

UNIF. TRANS. _____ Custodian _____
MIN. ACT (Cust.) (Minor)

under Uniform Transfers to Minors Act of

(State)

Additional abbreviations may also be used, although not contained in the above list.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ (Please Print or Typewrite Name and Address) \$ _____ principal amount (must be a multiple of \$5,000) of the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the within Bond on the books kept for the registration thereof with full power of substitution in the premises.

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

(End of Form of Bonds)

(b) The Bonds may, in compliance with all applicable laws and as determined by the Controller based upon the advice of the Municipal Advisor, initially be issued and held in book-entry form on the books of the central depository system, The Depository Trust Company, its successors, or any successor central depository system appointed by the City from time to time (the "Clearing Agency"), without physical distribution of Bonds to the purchasers. The following provisions of this Section 6(b) apply in such event.

One definitive Bond of each maturity shall be delivered to the Clearing Agency (or its agent) and held in its custody. The City and the Registrar and Paying Agent may, in connection therewith, do or perform or cause to be done or performed any acts or things not adverse to the rights of the holders of the Bonds as are necessary or appropriate to accomplish or recognize such book-entry form Bonds.

During any time that the Bonds remain and are held in book-entry form on the books of a Clearing Agency, (i) any such Bond may be registered upon the books kept by the Registrar in the name of such Clearing Agency, or any nominee thereof, including Cede & Co., as nominee of The Depository Trust Company; (ii) the Clearing Agency in whose name such Bond is so registered shall be, and the City and the Registrar and Paying Agent may deem and treat such Clearing Agency as, the absolute owner and holder of such Bond for all purposes of this Ordinance, including, without limitation, the receiving of payment of the principal of and interest on such Bond, the receiving of notice and the giving of consent; (iii) neither the City nor the Registrar or Paying Agent shall have any responsibility or obligation hereunder to any direct or indirect participant, within the meaning of Section 17A of the Securities Exchange Act of 1934, as amended, of such Clearing Agency, or any person on behalf of which, or otherwise in respect of which, any such participant holds any interest in any Bond, including, without limitation, any responsibility or obligation hereunder to maintain accurate records of any interest in any Bond or any responsibility or obligation hereunder with respect to the receiving of payment of principal of or interest or premium, if any, on any Bond, the receiving of notice or the giving of consent;

and (iv) the Clearing Agency is not required to present any Bond called for partial redemption prior to receiving payment so long as the Registrar and Paying Agent and the Clearing Agency have agreed to the method for noting such partial redemption.

If either the City receives notice from the Clearing Agency which is currently the registered owner of the Bonds to the effect that such Clearing Agency is unable or unwilling to discharge its responsibility as a Clearing Agency for the Bonds, or the City elects to discontinue its use of such Clearing Agency as a Clearing Agency for the Bonds, then the City and the Registrar and Paying Agent each shall do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the Bonds, as are necessary or appropriate to discontinue use of such Clearing Agency as a Clearing Agency for the Bonds and to transfer the ownership of each of the Bonds to such person or persons, including any other Clearing Agency, as the holders of the Bonds may direct in accordance with this Ordinance. Any expenses of such discontinuance and transfer, including expenses of printing new certificates to evidence the Bonds, shall be paid by the City.

During any time that the Bonds are held in book-entry form on the books of a Clearing Agency, the Registrar shall be entitled to request and rely upon a certificate or other written representation from the Clearing Agency or any participant or indirect participant with respect to the identity of any beneficial owner of Bonds as of a record date selected by the Registrar. For purposes of determining whether the consent, advice, direction or demand of a registered owner of a Bond has been obtained, the Registrar shall be entitled to treat the beneficial owners of the Bonds as the Bondholders and any consent, request, direction, approval, objection or other instrument of such beneficial owner may be obtained in the fashion described in this Ordinance.

During any time that the Bonds are held in book-entry form on the books of a Clearing Agency, the Mayor, the Controller, and/or the Registrar are authorized to execute and deliver a Letter of Representations agreement with the Clearing Agency, or a Blanket Issuer Letter of Representations, and the provisions of any such Letter of Representations or any successor agreement shall control on the matters set forth therein. The Registrar, by accepting the duties of Registrar under this Ordinance, agrees that it will (i) undertake the duties of agent required thereby and that those duties to be undertaken by either the agent or the City shall be the responsibility of the Registrar, and (ii) comply with all requirements of the Clearing Agency, including without limitation same day funds settlement payment procedures. Further, during any time that the Bonds are held in book-entry form, the provisions of this Section 6(b) shall control over conflicting provisions in any other section of this Ordinance.

7. Execution and Authentication of the Bonds. In accordance with the terms hereof and the provisions of Indiana Code 5-1-3 and Indiana Code 5-1-14-18, the Bonds shall be executed in the name of the City by the manual, facsimile or electronic signature (as defined in Indiana Code 26-2-8-102(10), as amended) of the Mayor, countersigned by the manual, facsimile or electronic signature of the Controller, and attested by the manual, facsimile or electronic signature of the Clerk of the City (the "Clerk"), with the seal of the City, if any, or a facsimile thereof to be affixed to each of the Bonds. The Bonds shall be authenticated by the manual, facsimile or electronic signature of the Registrar, and no Bonds shall be valid or become

obligatory for any purpose until the certificate of authentication thereon has been so executed. In case any official whose signature appears on any Bonds shall cease to be such official before the delivery of such Bonds, the signature of such official shall nevertheless be valid and sufficient for all purposes, the same as if such official had been in office at the time of such delivery. Subject to the provisions of this Ordinance regarding the registration of the Bonds, the Bonds shall be fully negotiable instruments under the laws of the State of Indiana.

8. Issuance, Sale and Delivery of the Bonds. The Controller is hereby authorized and directed to have the Bonds prepared, and the Mayor and the Controller are hereby authorized and directed to execute or to cause the execution of the Bonds in the form and manner herein provided, and the Clerk is hereby authorized and directed to attest the Bonds in the form and manner herein provided. The Controller is hereby authorized and directed to deliver the Bonds to the purchaser or purchasers thereof, including but not limited to the Indiana Bond Bank, upon compliance with the requirements established hereunder and under the Act for the sale thereof, and to collect the full amount which the purchaser or purchasers have agreed to pay therefor, plus accrued interest thereon to the date of delivery. The Bonds, when fully paid for and delivered to the purchaser or purchasers, shall be binding special and limited obligations of the City subject to an annual appropriation, payable out of any legally available revenues of the City annually appropriated for such purpose and transferred into the Sinking Fund as herein provided; however, the Council has no legal obligation to appropriate any such legally available revenues from any fund or account of the City for such purpose, and the decision whether to make an appropriation in its annual budget for such purpose is within the sole discretion of the Council. The proceeds derived from the sale of the Bonds shall be and are hereby set aside for the application to the costs of the Project and the expenses necessarily incurred in connection therewith, including the expenses incurred in the issuance of the Bonds on account of the financing thereof. The authorized officers of the City are hereby authorized and directed to draw all proper and necessary warrants and to do whatever other acts and things that may be necessary or appropriate to carry out the provisions of this Ordinance.

The Controller may negotiate the sale of said Bonds at an interest rate or rates not exceeding eight percent (8.0%) per annum. The Mayor and/or the Controller are hereby authorized to (i) execute a purchase agreement and/or term sheet with the purchaser, along with any other related document or certificate necessary to complete the issuance of the Bonds authorized herein; and (ii) sell such Bonds upon such terms as are acceptable to the Mayor and the Controller consistent with the terms of this Ordinance. The final form of the purchase agreement and/or term sheet shall be approved by the Mayor and the Controller, upon the advice of the City's bond counsel and Municipal Advisor, and the Mayor and the Controller are hereby authorized and directed to complete, execute and attest the same on behalf of the City so long as its provisions are not inconsistent with this Ordinance.

Prior to the delivery of the Bonds, the Controller (i) shall be authorized, but not required, to investigate and to obtain insurance, surety bonds and/or credit ratings on the Bonds and (ii) shall obtain a legal opinion as to the validity of the Bonds from counsel, and such opinion shall be furnished to the purchasers of the Bonds at the expense of the City. The costs of obtaining any such insurance, surety bonds and/or credit ratings, together with bond counsel's

fee in preparing and delivering a tax opinion and in the performance of related services in connection with the issuance, sale and delivery of the Bonds, shall be considered as a part of the cost of issuance of the Bonds and shall be paid out of the proceeds of the sale of the Bonds.

By its payment for and acceptance of any Bonds (or any interest therein), each registered or beneficial owner of such Bonds hereby agrees to all of the terms and provisions contained in the Bonds, this Ordinance and the Act.

9. Use of Bond Proceeds. Proceeds of the Bonds shall be applied as follows and in the following order of priority:

(a) *First*, if proceeds of the Bonds will be used to fund all or a portion of the Reserve Account (as hereinafter defined), the Controller shall transfer such proceeds to the Reserve Account (if applicable) of the Sinking Fund, as hereinafter described.

(b) *Second*, if proceeds of the Bonds will be used to fund any capitalized interest with respect to the Bonds, the Controller shall transfer such proceeds to the Revenues Account (as hereinafter defined) of the Sinking Fund, as hereinafter described.

(c) *Third*, the remaining proceeds received from the sale of the Bonds shall be deposited in a separate construction fund designated as the City of Hammond, Indiana, 2024 Fire Station Project Construction Fund (the "Construction Fund"). The proceeds deposited in the Construction Fund shall be expended only for the purpose of paying expenses incurred in connection with the Project together with the costs and expenses incidental thereto and on account of the issuance of the Bonds. The Controller is authorized to pay costs of issuance from the proceeds of the Bonds deposited into the Construction Fund. Any balance remaining in the Construction Fund after the completion of the Project which is not required to meet unpaid obligations incurred in connection therewith and on account of the issuance of the Bonds may be used to pay debt service on the Bonds or otherwise used as permitted by law.

10. Funds and Accounts.

(a) *Sinking Fund.* There is hereby created a separate fund, designated as the "City of Hammond, Indiana, 2024 Fire Station Project Sinking Fund" (the "Sinking Fund"), which shall consist of an account created and designated as the "Revenues Account" (the "Revenues Account"). Prior to the sale of the Bonds, the Controller, with the advice of the Municipal Advisor, is authorized to create an account within the Sinking Fund designated as the "Debt Service Reserve Account" (the "Reserve Account"), as provided in Section 10(c) hereof. Funds deposited into the Sinking Fund shall be applied to the payment of the principal of and interest on the Bonds, together with any fiscal or administrative charges related to the Bonds.

(b) *Revenues Account.* If, at or prior to the sale of the Bonds, it is determined by the Controller, with the advice of the Municipal Advisor, to be necessary and appropriate to fund capitalized interest, then there shall be set aside from the proceeds of such series of Bonds or other legally available money of the City and deposited in the Revenues Account an amount of money to be so used to pay capitalized interest on the Bonds. There shall further be deposited by

the Controller into the Revenues Account, as and when received, all revenues appropriated by the Council in its sole discretion for transfer and deposit into the Sinking Fund during such fiscal year for the purpose of paying the principal of and premium, if any, and interest on the Bonds, together with any fiscal agency charges, as the same becomes due. Nothing herein should be construed as requiring the Council or any other board, department, agency, commission or special taxing district of the City to appropriate and transfer any legally available revenues to the Revenues Account from any source, other than any revenues annually appropriated by the Council for such purpose as determined by the Council in its sole discretion. Moneys in the Revenues Account shall be used by the Paying Agent solely for the purpose of paying the interest, premium, if any, and principal on the Bonds as such becomes due, whether at maturity or upon redemption. Any amounts appropriated and deposited in the Revenues Account are hereby irrevocably pledged by the City to the payment of the Bonds, such pledge being effective as set forth in Indiana Code 5-1-14-4 without the necessity of filing or recording this Ordinance or any instrument except in the records of the City. The Mayor and the Controller are each authorized to enter into agreements or undertakings as the Mayor and the Controller deem necessary or appropriate to further effectuate such pledge of amounts deposited into the Revenues Account of the Sinking Fund hereunder. If necessary in order to facilitate the deposit of any revenues or other funds so appropriated by the Council into the Revenues Account, the Mayor is hereby authorized to execute, and the Controller is authorized to attest, a revenue deposit agreement or other similar agreement, in a form and substance acceptable to the Mayor and Controller, based upon the advice of the City's bond counsel, with such approval to be conclusively evidenced by the execution thereof by Mayor and attested by the Controller.

(c) *Reserve Account.* If, at or prior to the sale of the Bonds, it is determined by the Controller, with the advice of the Municipal Advisor, to be necessary to establish a Reserve Account for the Bonds, then the Reserve Account shall be established, and there shall be set aside from the proceeds of such series of Bonds or other legally available money of the City and deposited in the Reserve Account an amount of money that shall be required to maintain the Reserve Account in the full amount of the Reserve Requirement (as defined below). If so established, no deposit need be made in the Reserve Account so long as there shall be on deposit therein a sum no greater than the least of (i) ten percent (10%) of the stated principal amount or the issue price of the Bonds, determined in accordance with Section 1.148-2(f)(2)(ii) of the U.S. Treasury Regulations, (ii) the maximum annual debt service on the Bonds, and (iii) one hundred twenty-five percent (125%) of the average annual debt service on the Bonds (the "Reserve Requirement"), with the amount of any such Reserve Requirement to be determined by the Controller prior to the sale of the Bonds, based on the recommendation of the Municipal Advisor. All money in the Reserve Account shall be used and withdrawn by the City solely for the purpose of making deposits into the Revenues Account, in the event of any deficiency at any time in such account, or for the purpose of paying the interest on or principal of or redemption premiums, if any, on the Bonds, in the event that no other money is lawfully available therefor. Any amount in the Reserve Account in excess of the Reserve Requirement shall be withdrawn from the Reserve Account and deposited in the Revenues Account. Money in the Reserve Account shall also be available to make the final payments of interest and principal on the Bonds. At its option, the City may satisfy the Reserve Requirement (if so established) with a surety bond, letter of credit, or other financial instrument on terms and conditions recommended by the Municipal Advisor, so long as the provider of any such surety bond, letter of credit or

other credit facility is rated, solely at the time such credit instrument is issued, in one of the two highest rating categories by any rating agency then rating the Bonds.

(d) *Annual Appropriation Certification and Request.* By no later than July 15 of each year, so long as the Bonds remain outstanding, the Controller shall certify to the Mayor and the Council the aggregate amount of principal, interest and any fiscal agency charges coming due on the Bonds on July 15 of the calendar year immediately following such annual certification and on January 15 of the second calendar year following such annual certification, together with any amount necessary to restore the balance in the Reserve Account (if so established) to the Reserve Requirement. The Mayor and the Controller shall use their best efforts to include each year as a part of the proposed annual budget for the following budget year an appropriation of revenues from one or more accounts of the City and transfer thereof to the Sinking Fund in an amount sufficient to ensure timely payment of debt service and fiscal agency charges on the Bonds when due, together with any amount necessary to restore the balance in the Reserve Account to the Reserve Requirement, if necessary. For the avoidance of doubt, the Council has no legal obligation to appropriate any such legally available revenues from any fund or account of the City for such purpose, and the decision whether to make an appropriation in its annual budget for such purpose is within the sole discretion of the Council. If such amounts are so appropriated each year, the Council will transfer, or cause to be transferred, any such amount to the Sinking Fund at times and in amounts sufficient to pay in full the debt service payments on the Bonds, including any amount necessary to restore the Reserve Account, if so established.

11. Defeasance. If, when the Bonds or any portion thereof shall have become due and payable in accordance with their terms or shall have been duly called for redemption or irrevocable instructions to call the Bonds or any portion thereof for redemption have been given, and the whole amount of the principal and the interest so due and payable upon such Bonds or any portion thereof then outstanding shall be paid, or (i) cash, or (ii) direct non-callable obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, the principal of and the interest on which when due without reinvestment will provide sufficient money, or (iii) any combination of the foregoing, shall be held irrevocably in trust for such purpose, and provision shall also be made for paying all fees and expenses for the payment, then and in that case the Bonds or such designated portion thereof shall no longer be deemed outstanding or secured by this Ordinance.

12. Tax Covenants for Bonds. If the Bonds are issued on a tax-exempt basis, in order to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes and as an inducement to purchasers of the Bonds, the City represents, covenants and agrees that:

(a) If the conditions set forth in paragraph (b) below are not satisfied, then no person or entity other than the City or another state or local governmental unit, will use more than ten percent (10%) of the proceeds of the Bonds or property financed by the Bond proceeds other than as a member of the general public and no person or entity other than the City or another state or local governmental unit will own property financed by more than ten percent (10%) of

the Bond proceeds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as take-or-pay or output contract, or any other type of arrangement that differentiates that person's or entity's use of such property from the use by the public at large.

(b) No more than ten percent (10%) of the payment of the principal of or interest on the Bonds will be (under the terms of the Bonds, this Ordinance or any underlying arrangement), directly or indirectly, (i) secured by any interest in property used or to be used for a private business use or payments in respect of such property or (ii) derived from payments (whether or not to the City) from any entity or person other than a state or local governmental unit in respect of property financed by the Bonds or borrowed money used or to be used for a private business use.

(c) No Bond proceeds will be loaned to any entity or person other than a state or local governmental unit. No Bond proceeds will be transferred, directly or indirectly, or deemed transferred to a non-governmental person in any manner that would in substance constitute a loan of the Bond proceeds.

(d) The City will not take any action or fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder as applicable to the Bonds, including, without limitation, the taking of such action as is necessary to rebate or cause to be rebated arbitrage profits on Bond proceeds or other moneys treated as Bond proceeds to the federal government as provided in Section 148 of the Code, and will set aside such moneys in a Rebate Account to be held by the Controller in trust for such purpose, which such moneys may be paid from investment income on funds and accounts notwithstanding anything else to the contrary herein.

(e) The City will file an information report on Form 8038-G with the Internal Revenue Service as required by Section 149 of the Code.

(f) The City will not make any investments or do any other act or thing during the period that any Bond is outstanding hereunder which would cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and the regulations thereunder as applicable to the Bonds.

(g) Notwithstanding any other provisions of this Ordinance, the foregoing covenants and authorizations (the "Tax Sections") which are designed to preserve the exclusion of interest on the Bonds from gross income under federal income tax law (the "Tax Exemption") need not be complied with to the extent the City receives an opinion of nationally recognized bond counsel that compliance with such Tax Section is unnecessary to preserve the Tax Exemption. In addition, the Tax Sections need not be complied with respect to any series of the Bonds that are issued on a taxable basis.

13. Additional Covenant for Bonds. Following the issuance of the Bonds authorized hereunder, in the event that the City makes a legal pledge of the general revenues in the future to other bonds, notes, warrants, leases or other instruments, the City hereby covenants to reserve sufficient unencumbered revenues on an annual basis in amounts adequate for appropriation to pay debt service on the Bonds authorized hereunder when due; provided, however, the mere availability of such unencumbered revenues does not require any such appropriation thereof, the Council has no legal obligation to appropriate any such legally available revenues from any fund or account of the City for such purpose, and the decision whether to make an appropriation in its annual budget for such purpose is within the sole discretion of the Council.

14. Amendments. Subject to the terms and provisions contained in this section, and not otherwise, the owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, to consent to and approve the adoption by the City of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this Ordinance, or in any supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest on any Bond, without the consent of the holder of each Bond so affected; or

(b) A reduction in the principal amount of any Bond or the rate of interest thereon, or a change in the monetary medium in which such amounts are payable, without the consent of the holder of each Bond so affected; or

(c) A preference or priority of any Bond over any other Bond, without the consent of the holders of all Bonds then outstanding; or

(d) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance, without the consent of the holders of all Bonds then outstanding.

If the City shall desire to obtain any such consent, it shall cause the Registrar to mail a notice, postage prepaid, to the addresses appearing on the registration books held by the Registrar. Such notice shall briefly set forth the nature of the proposed supplemental ordinance and shall state that a copy thereof is on file at the office of the Registrar for inspection by all owners of the Bonds. The Registrar shall not, however, be subject to any liability to any owners of the Bonds by reason of its failure to mail such notice, and any such failure shall not affect the validity of such supplemental ordinance when consented to and approved as herein provided.

Whenever at any time within one (1) year after the date of the mailing of such notice, the City shall receive any instrument or instruments purporting to be executed by the owners of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the Bonds then outstanding, which instrument or instruments shall refer to the proposed supplemental ordinance described in such notice, and shall specifically consent to and approve the adoption

thereof in substantially the form of the copy thereof referred to in such notice as on file with the Registrar, thereupon, but not otherwise, the City may adopt such supplemental ordinance in substantially such form, without liability or responsibility to any owners of the Bonds, whether or not such owners shall have consented thereto.

No owner of any Bond shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the City or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the City and all owners of Bonds then outstanding, shall thereafter be determined exercised and enforced in accordance with this Ordinance, subject in all respects to such modifications and amendments.

Notwithstanding anything contained in the foregoing provisions of this Ordinance, the rights and obligations of the City and of the owners of the Bonds, and the terms and provisions of the Bonds and this Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the City and the consent of the owners of all the Bonds then outstanding.

Without notice to or consent of the owners of the Bonds, the City may, from time to time and at any time, adopt such ordinances supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental ordinances shall thereafter form a part hereof),

(a) To cure any ambiguity or formal defect or omission in this Ordinance or in any supplemental ordinance; or

(b) To grant to or confer upon the owners of the Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners of the Bonds; or

(c) To procure a rating on the Bonds from a nationally recognized securities rating agency designated in such supplemental ordinance, if such supplemental ordinance will not adversely affect the owners of the Bonds; or

(d) To obtain or maintain insurance with respect to the Bonds; or

(e) To provide for the refunding or advance refunding of the Bonds; or

(f) To make any other change which, in the determination of the Council in its sole discretion, is not to the prejudice of the owners of the Bonds.

15. Official Statement. Any series of the Bonds may be offered and sold pursuant to an Official Statement (preliminary and final) or other offering document or information with respect to such Bonds (collectively, the "Official Statement"), to be made available and

distributed in such manner, at such times, for such periods and in such number of copies as may be required pursuant to Rule 15c2-12, as amended, promulgated by the United States Securities and Exchange Commission (the "Rule") and any and all applicable rules and regulations of the Municipal Securities Rulemaking Board, to the extent applicable to the Bonds. The City hereby authorizes the Mayor or Controller: (a) to authorize and approve a Preliminary Official Statement, as the same may be appropriately confirmed, modified and amended for distribution as the Preliminary Official Statement of the City with respect to the Bonds, (b) on behalf of the City, to designate the Preliminary Official Statement a "final" Official Statement of the City with respect to the Bonds, and (c) to authorize and approve the Preliminary Official Statement to be placed into final form and enter into such agreements or arrangements as may be necessary or advisable in order to provide for the distribution of a sufficient number of copies of the Official Statement under the Rule.

16. Continuing Disclosure Agreement. If required under the Rule, the Council hereby approves, and authorizes and directs the Mayor and the Controller, for and on behalf of the City, to execute and deliver, and to perform the obligations of the City under, a Continuing Disclosure Agreement from the City to each registered owner or holder of any Bond (the "Continuing Disclosure Agreement"). The Mayor and the Controller are authorized to approve the form of the Continuing Disclosure Agreement, upon the advice of the City's bond counsel, with such determination to be conclusively evidenced by such Mayor's and such Controller's execution thereof.

17. Authorization of BOT Obligations. As an alternative to the City issuing the Bonds, the City may issue Build-Operate-Transfer Obligations in accordance with the provisions of this Section 17 ("BOT Obligations") in order to provide financing for the Project, pay capitalized interest, if determined to be necessary and appropriate, fund a debt service reserve, if determined to be necessary and appropriate, and pay incidental expenses incurred in connection therewith and on account of the issuance of the BOT Obligations. In such event, the City shall borrow money and issue the BOT Obligations as herein authorized and as approved by certain authorized officers of the City pursuant to the provisions of Section 21 hereof. Such incidental expenses shall include, without limitation, all expenses of every kind incurred preliminarily to the financing of the Project, including the costs of issuing the BOT Obligations.

(a) *Findings.* The Council hereby finds that the execution of the Transaction Documents, including the BOT Agreement, will serve the public purposes of the City and is in the best interests of the City and its residents. The Council further finds and confirms that the terms of the BOT Agreement will not create a debt of the City for purposes of the Constitution or laws of the State of Indiana.

(b) *Payment Source.* The principal of, interest on, and premium, if any, on the BOT Obligations are payable solely from the Available Revenues and pursuant to the provisions of Section 3 hereof.

(c) *Principal Amount.* The portions of the BOT Obligations attributable to principal, when aggregated, shall not exceed Five Million Dollars (\$5,000,000).

(d) *Interest Rate.* The rate at which interest shall accrue shall not exceed eight percent (8.0%) per annum.

(e) *Redemption Terms.* The BOT Obligations are not subject to optional redemption prior to maturity.

(f) *Payment Terms.* Payments on the BOT Obligations will be made semiannually each January 15 and July 15, beginning no earlier than July 15, 2024. The term of the BOT Obligations shall not extend past January 15, 2029.

(g) *Capitalized Interest.* The portion of the BOT Obligations attributable to interest may be capitalized on the advice of the Municipal Advisor.

(h) *Tax Covenants of BOT Obligations.* If the BOT Obligations are issued on a tax-exempt basis, in order to preserve the Tax Exemption, the City represents, covenants and agrees to abide by the Tax Sections set forth in Section 12 hereof.

(i) *Additional Covenants of BOT Obligations.* Following the issuance of the BOT Obligations authorized hereunder, in the event that the City makes a legal pledge of the Available Revenues in the future to other bonds, notes, warrants, leases or other instruments, the City hereby covenants to comply with the provisions set forth in Section 13 hereof.

(j) *Authority and Ratification of Prior Actions.* The Mayor, the Controller or any other authorized officer is authorized and directed, in the name and on behalf of the City, to take or cause to be taken all actions, and to execute and deliver all instruments and certificates that are necessary or desirable in connection with the Project or the BOT Transaction, including the BOT Agreement, a participation and purchase agreement, an easement agreement, and any other necessary documentation. The Council further approves and ratifies all processes and actions related thereto as conducted by the RFPQ Committee, the RDC, the City, and each of their respective agents.

(k) *Form of BOT Obligations.* The form of BOT Obligations, including but not limited to the BOT Agreement and other Transaction Documents, shall be approved by the Mayor or the Controller.

(l) *No Amendment or Repeal.* If the City determines to issue BOT Obligations, after the issuance of the BOT Obligations and so long as the BOT Obligations or interest thereon remains unpaid, except as expressly provided herein, this Ordinance: (i) shall not be repealed or amended in any respect which will adversely affect the rights of the purchasers of the BOT Obligations; (ii) the City shall not adopt any law, ordinance or resolution which in any way adversely affects the right of such purchasers; and (iii) the City shall comply with the provisions of Section 14 hereof to the extent such provisions are applicable to the purchasers of the BOT Obligations.

(m) *Incorporation of Other Provisions.* Other sections of this Ordinance not expressly referenced in this Section 17 are incorporated into this Section 17 to the extent necessary and as applicable to the BOT Obligations.

18. Construction with Other Ordinances. All ordinances, resolutions and orders or parts thereof in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed. After the issuance of the Bonds and so long as any of the Bonds or interest thereon remains unpaid, except as expressly provided herein, this Ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the holders of the Bonds, nor shall the City adopt any law, ordinance or resolution which in any way adversely affects the rights of such holders.

19. Non-Business Days. If the date of making any payment or the last date for performance of any act or the exercising of any right, as provided in this Ordinance, shall be a legal holiday or a day on which banking institutions in the City or the city in which the Registrar or Paying Agent is located are typically closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are typically closed, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal date.

20. Other Contracts. The City is hereby authorized to enter into any contracts in connection with the issuance, sale and delivery of the Bonds or the BOT Obligations and the acquisition, design and construction of the Project.

21. Determination of Method of Financing. The Mayor and the Controller may authorize the issuance of either Bonds or BOT Obligations to finance the Project, as they deem prudent with the advice of the Municipal Advisor.

22. Services of Placement Agent/Underwriter. The City has retained and the Council hereby ratifies Stifel, Nicolaus & Company, Incorporated ("Stifel") serving as Placement Agent or Underwriter to market, sell and/or place the Bonds or the BOT Obligations, as applicable. All actions taken by Stifel in furtherance thereof, including but not limited to the distribution of the term sheet and filing an application with the Indiana Bond Bank, are hereby approved and ratified in all respects.

23. Approval and Ratification of BOT Assignment. The Council hereby approves and ratifies the BOT Assignment from Hasse Construction Company, Inc. to Hammond Fire Station 2 LLC and hereby acknowledges that Hammond Fire Station 2 LLC is the assignee of Developer for purposes of the BOT Transaction. All references in this Ordinance to the Developer shall also apply to Hammond Fire Station 2 LLC.

24. Other Actions. Each of the Mayor, the Controller and the Clerk is hereby authorized and directed, for and on behalf of the City, to take any and all actions, including executing and delivering any agreement, certificate or other instrument or take any other action that such officer determines to be necessary or desirable to carry out the transactions contemplated by this Ordinance, including the filing of a report of an additional appropriation with the Indiana Department of Local Government Finance, which determination shall be conclusively evidenced by such officer's having executed such agreement, certificate or other instrument or having taken such other action, and any such agreement, certificate or other

instrument heretofore executed and delivered and any such other action heretofore taken are hereby ratified and approved.

25. Captions. The captions in this Ordinance are inserted only as a matter of convenience and reference, and such captions are not intended and shall not be construed to define, limit, establish, interpret or describe the scope, intent or effect of any provision of this Ordinance.

26. Severability. If any section, paragraph or provision of this Ordinance is held to be invalid or unenforceable for any reason, then the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance, which shall remain in full force and effect.

27. Effectiveness. This Ordinance shall be in full force and effect from and after its passage and approval by the Mayor of the City.

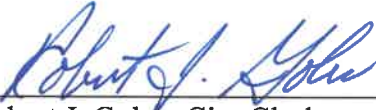
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ADOPTED AND APPROVED by the Common Council of the City of Hammond, Indiana, this 12th day of February, 2024.



Presiding Officer
Hammond Common Council

ATTEST:



Robert J. Golec, City Clerk
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 13th day of February, 2024.



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

APPROVED AND SIGNED BY ME, the undersigned Mayor of the City of Hammond, Indiana, this 16th day of February, 2024.



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

APPROVED PASSED by the Common Council on the 12th day of February, 2024, and by the Mayor on the 16th day of February, 2024.



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