

FILED

JUN 10 2013

CITY CLERK

SPECIAL ORDINANCE NO. 19, 2013

ORDINANCE AUTHORIZING THE CITY OF TERRE HAUTE TO ISSUE ITS "TAXABLE ECONOMIC DEVELOPMENT [VARIABLE RATE] REVENUE BONDS OF 2013" AND APPROVING AND AUTHORIZING OTHER ACTIONS IN RESPECT THERETO

WHEREAS, the Terre Haute Economic Development Commission ("Commission") conducted a public hearing and adopted a resolution on July 17, 2013, which resolution has been transmitted hereto, finding that the financing of certain economic development facilities of Thompson Thrift Development, Inc. or an affiliate limited liability company to be formed prior to the issuance of the Bonds (as hereinafter defined) ("User") complies with the purposes and provisions of IC 36-7-11.9 and -12 and that such financing will be of benefit to the health and welfare of the City of Terre Haute, Indiana ("City") and its citizens; and

WHEREAS, the Terre Haute Redevelopment Commission ("Redevelopment Commission") has approved a pledge of Pledged Tax Increment (as defined in the Resolution adopted by the Redevelopment Commission on July 17, 2013) to be used to pay debt service on the City's Taxable Economic Development [Variable Rate] Revenue Bonds of 2013 (ISU Student Housing Project) ("Bonds") to be issued by the City pursuant to this ordinance. The Bonds are being issued to finance the construction of economic development facilities consisting of a portion of a 105,000 square foot four story, multi-use building consisting of retail on the first floor and off-campus student housing for Indiana State University on the remaining three floors, together with necessary appurtenances, improvements and equipment ("Project"), in, serving or benefiting the Central Business District Urban Renewal and Tax Allocation Area, costs of issuance and related expenses, including funding a debt service reserve; 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 between the City and the User; the Trust Indenture (including form of Bonds) between the Issuer and the Trustee; and the Bond Purchase Agreement among the Issuer, the User and the purchaser of the Bonds;

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

Section 1. 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 City's Taxable Economic Development [Variable Rate] Revenue Bonds of 2013 (ISU Student Housing Project) ("Bonds"); (iii) providing the proceeds of the Bonds to the User for the construction of the Project; (iv) the payment of the Bonds from Pledged Tax Increment, junior and subordinate to the payment of debt service on the Redevelopment District Tax Increment Revenue Bonds of 2011, Series A ("Outstanding

Obligations"); (v) further securing the Bonds through agreements to minimum annual tax payments by Indiana State University and the User ("Taxpayer Agreements"); and (vi) the securing of the Bonds by granting a security interest in the Trust Estate (as defined in the Indenture) to the Trustee under the Trust Indenture (including form of Bonds), complies with the purposes and provisions of IC 36-7-11.9 and -12, and will be of benefit to the health and welfare of the City and its citizens.

Section 2. The economic development facilities will consist of the Project.

Section 3. 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 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.

Section 4. The substantially final forms of the Financing Agreement; the Trust Indenture (including form of Bonds); the Taxpayer Agreements and the Bond Purchase Agreement approved by the Commission are hereby approved (collectively, "Bond Financing Agreements," referred to in IC 36-7-11.9 and -12), and the Bond Financing Agreements shall be incorporated herein by reference and shall be inserted in the minutes of the Common Council and kept on file by the Clerk. In accordance with the provisions of IC 36-1-5-4, two (2) copies of the Bond Financing Agreements are on file in the office of the Clerk for public inspection.

Section 5. The City may issue its Bonds, maturing no later than February 1, 2033, in the aggregate principal amount not to exceed \$1,250,000, which Bonds may be subject to mandatory sinking fund redemption with payments structured to maximize the amount of Bond proceeds raised from the projected Pledged Tax Increment, taking into account reasonable coverage needed to market the Bonds. The Bonds are to be issued for the purpose of procuring funds to pay the costs of construction of a portion of the Project, all as more particularly set out in the Trust Indenture (including form of Bonds) and Financing Agreement, which Bonds will be payable from Pledged Tax Increment, Taxpayer Agreements or as otherwise provided in the above described Trust Indenture (including form of Bonds), and the payment of certain costs of issuance and the funding of a debt service reserve. The Bonds shall be issued in fully registered form in denominations of \$100,000 and integral multiples of \$1,000 thereafter. The Bonds shall be subject to redemption prior to maturity at the option of the City, as set forth in the Indenture, on any date, upon thirty (30) days' notice, in whole or in part, in such order of maturity as the City shall direct and by lot within maturities, at face value, plus in each case accrued interest to the date fixed for redemption, with no premium. The Bonds may be issued as term bonds subject to mandatory sinking fund redemption. Exact redemption provision will be provided in Article 5 of the Trust Indenture. 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 Trust Indenture. The Bonds shall never constitute a general obligation of, an indebtedness of, or a charge against the general credit of the City as described in the Trust Indenture.

Section 6. The Mayor and the Controller are authorized and directed to sell the Bonds to the purchaser thereof at a price not less than 99% of the principal amount thereof and shall accrue interest at a maximum fixed or variable rate not to exceed 7% per annum.

Section 7. The Mayor, Controller and Clerk are authorized and directed to execute, attest, affix or imprint by any means the City seal to the documents constituting the Bond Financing Agreements 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 Bond Financing Agreements which take place after the date of this ordinance with the review and advice of the Corporation Counsel; it being the express understanding of this Common Council that the terms of the Bond Financing Agreements 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 issued amount or maturity 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, Controller and Clerk 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 Trust Indenture (including form of Bonds). Payment for the Bonds will be made to the trustee named in the Trust Indenture (including form of Bonds), and after such payment the Bonds will be delivered by the Trustee to the purchasers thereof. The Bonds shall be originally dated as of the issue date.

Section 8. The provisions of this ordinance and the Trust Indenture (including form of Bonds) 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.

Section 9. This ordinance shall be in full force and effect from and after its passage.

Introduced by: Todd Nation Todd Nation, Councilman

Passed in open Council this 18th day of July, 2013.

Norman Loudermilk Norman Loudermilk, President

ATTEST: Charles P. Hanley Charles P. Hanley, City Clerk

Presented by me to the Mayor this 19th day of July, 2013.

Charles P. Hanley Charles P. Hanley, City Clerk

Approved by me, the Mayor, this 19th day of July, 2013.

Duke A. Bennett Duke A. Bennett, Mayor

ATTEST: Charles P. Hanley Charles P. Hanley, City Clerk