

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 11, 2026

NEW ISSUE
BOOK-ENTRY-ONLY

RATING: S&P Global Ratings "A+"
BOND INSURANCE RATING: S&P Global Ratings "___"

In the opinion of Bose McKinney & Evans, LLP, Indianapolis, Indiana ("Bond Counsel"), under existing laws, regulations, judicial decisions and rulings, interest on the Bonds (hereinafter defined) is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purposes of computing the alternative minimum tax imposed on certain corporations. Such exclusion is conditioned on continuing compliance with the Tax Covenants (as hereinafter defined). In the opinion of Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is exempt from income taxation in the State of Indiana. The Bonds are not bank qualified. See "Tax Matters" herein and Appendix E hereto.

\$10,000,000*

CITY OF VALPARAISO, PORTER COUNTY, INDIANA
WATERWORKS REVENUE BONDS, SERIES 2026
(the "BONDS")

Description of Issuer	City of Valparaiso, Indiana (the "City" or "Issuer")
Description of the Utility	The City's municipal waterworks (the "Waterworks")
Dated Date	Date of Delivery (anticipated to be July 9, 2026)
Sale Date	The City will provide 24 hours' notice of sale which is currently anticipated to take place on June 23, 2026, at 11:00 a.m. (EDT)
Purpose of the Revenue Bonds	The Revenue Bonds are being issued for the purpose of paying the costs of certain additions, extensions, and improvements to the City's Waterworks and to pay bond issuance costs. See "Purpose of the Bonds and Description of the Project" herein.
Security	The Bonds are payable solely from and constitute first charge upon the Net Revenues (hereinafter defined) of the Waterworks (as more fully described in this Official Statement). The Bonds shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution of the State of Indiana.
Parity Obligations and Additional Bonds	The Bonds will rank on parity with the Waterworks Revenue Bonds, Series 2014A, dated December 30, 2014, now outstanding in the amount of \$9,980,000, the Waterworks Revenue Bonds, Series 2014B, dated December 30, 2014, now outstanding in the amount of \$2,775,000, the Waterworks Refunding Revenue Bonds, Series 2018, dated June 14, 2018, now outstanding in the amount of \$265,000, and the Waterworks Revenue Bonds, Series 2024A, dated June 20, 2024, now outstanding in the amount of \$13,906,000 (collectively, the "Parity Bonds"). The City reserves the right to issue additional bonds on parity with the Bonds and Parity Bonds. See "Additional Bonds" herein.
Authorization	The Bonds are being issued under the authority of Indiana law, including, without limitation, Indiana Code (IC) 8-1.5, as in effect on the date of delivery of the Bonds. The Bonds will be issued as provided in Ordinance No. 12, 2026 adopted by the Common Council of the City on June 8, 2026 (the "Bond Ordinance"). See "Authorization and Approval Process" herein.
Principal and Interest Payments	Principal and interest will be paid semiannually on April 1 and October 1, beginning October 1, 2026.
Redemption Provisions	The Bonds are subject to optional redemption prior to maturity. The Bonds may be issued as term bonds at the discretion of the Underwriter (as hereinafter defined) and, in such case, will be subject to mandatory sinking fund redemption as more fully described herein.

Further information may be obtained from Baker Tilly Municipal Advisors, LLC 9229 Delegates Row, Suite 400, Indianapolis, IN 46240 (317) 465-1500 or bids@bakertilly.com.

*Preliminary, subject to change.

The information contained in this Preliminary Official Statement is deemed by the City to be nearly final as of the date hereof; however, the pricing and underwriting information is subject to completion or amendment, supplement or other change without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the applicable securities laws of any such jurisdiction.

Book Entry	Unless otherwise directed by the winning bidder, the Revenue Bonds will be issued only as fully registered bonds, and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”). See <i>Appendix B</i> for “Book-Entry Only System”.
Denominations	The Bonds are being issued in the denomination of \$5,000 or integral multiple thereof (or in such other denominations as requested by the winning bidder).
Record Date	The fifteenth day of the month preceding each interest payment date.
Registrar and Paying Agent	The Bank of New York Mellon Trust Company, N.A. (the “Registrar” and “Paying Agent”).
Bidding Information	Interested bidders should review Appendix H - “Issue Price Determination” and Appendix I - “Bidding Information and Notice of Intent to Sell Bonds” herein for additional instructions.

MATURITY SCHEDULE
(Base CUSIP* _____)

<u>Maturity</u>	<u>Principal**</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP*</u>	<u>Maturity</u>	<u>Principal**</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP*</u>
October 1, 2026	\$5,000					October 1, 2036	\$420,000				
April 1, 2027	5,000					April 1, 2037	430,000				
October 1, 2027	5,000					October 1, 2037	435,000				
April 1, 2028	5,000					April 1, 2038	445,000				
October 1, 2028	5,000					October 1, 2038	450,000				
April 1, 2029	5,000					April 1, 2039	460,000				
October 1, 2029	5,000					October 1, 2039	465,000				
April 1, 2030	5,000					April 1, 2040	475,000				
October 1, 2030	5,000					October 1, 2040	485,000				
April 1, 2031	5,000					April 1, 2041	495,000				
October 1, 2031	5,000					October 1, 2041	505,000				
April 1, 2032	5,000					April 1, 2042	515,000				
October 1, 2032	5,000					October 1, 2042	525,000				
April 1, 2033	5,000					April 1, 2043	535,000				
October 1, 2033	5,000					October 1, 2043	545,000				
April 1, 2034	5,000					April 1, 2044	555,000				
October 1, 2034	5,000					October 1, 2044	570,000				
April 1, 2035	5,000					April 1, 2045	585,000				
October 1, 2035	5,000					October 1, 2045	595,000				
April 1, 2036	415,000										

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** Preliminary subject to change. The Issuer reserves the right to adjust individual maturity amounts to achieve its financial objectives.

The Bonds are being offered for delivery when, as and if issued and received by the Underwriter (hereinafter defined) and subject to the approval of legality by Bose McKinney & Evans, LLP, Indianapolis, Indiana, Bond Counsel. Certain legal matters will be passed on by Mike Langer, as Attorney for the Utility Board. The Bonds are expected to be available for delivery to DTC, in New York, New York on or about July 9, 2026.

No dealer, broker, salesman or other person has been authorized by the Waterworks to give any information or to make any representations with respect to the Bonds, other than as contained in the Preliminary Official Statement or the Final Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the City and Waterworks. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities described herein by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Certain information contained in the preliminary official statement or the final official statement may have been obtained from sources other than records of the City and Waterworks and, while believed to be reliable, is not guaranteed as to completeness or accuracy. The information and expressions of opinion in the preliminary official statement and the final official statement are subject to change, and neither the delivery of the preliminary official statement nor the final official statement nor any sale made under either such document shall create any implication that there has been no change in the affairs of the City and Waterworks since the respective date thereof. However, upon delivery of the securities, the City will provide a certificate stating there have been no material changes in the information contained in the final official statement since its delivery.

References herein to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the preliminary official statement or the final official statement, they will be furnished upon request.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this official statement for the purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

The Bonds are considered securities and have not been approved or disapproved by the Securities and Exchange Commission or any state or federal regulatory authority nor has any state or federal regulatory authority confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense. Investors must rely on their own examination of this Official Statement, the security pledged to repay the Bonds, the Issuer and the merits and risks of the investment opportunity.

FORWARD-LOOKING STATEMENTS

This official statement, including its appendices, contains statements that should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "plan," "expect," "estimate," "budget," "may," or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause a deviation from the actual results, performance, or achievements expressed or implied by such forward-looking statements. The City does not expect or intend to update or revise any forward-looking statements contained herein if or when its expectations, or events, conditions or circumstances on which such statements are based occur.

City and Waterworks Contact Information

For additional information regarding the City, this may be obtained by contacting Holly Taylor, Clerk-Treasurer, City of Valparaiso, 166 Lincolnway, Valparaiso, Indiana 46383, phone (219) 462-1161, email: htaylor@valpo.us. Additional information regarding the Waterworks may be obtained by contacting Carla Platipodis, Chief Financial Officer, Valparaiso City Utilities, 205 Billings Street, Valparaiso, Indiana, 46383, phone (219) 462-6172 ext. 1323, email: cplatipodis@valpo.us.

CITY OF VALPARAISO

COMMON COUNCIL

Peter Anderson
Robert Cotton
Barbara Domer
Emilie Hunt
Ellen Kapitan
Jack Pupillo
Diana Reed

UTILITY BOARD OF DIRECTORS

John S. Walsh
Kari Bennett
Rod Gayda
Tom Gooding
Jeff Lamb
Mike Langer

President
Vice President
Secretary
Treasurer
Assistant Secretary
Board Attorney

MAYOR

The Honorable Jonathon Costas

CLERK-TREASURER

Holly Taylor

UTILITIES DIRECTOR

Matthew Zurbriggen

CHIEF FINANCIAL OFFICER, VCU

Carla Platipodis

CITY ADMINISTRATOR

Steve C. Poulos

UTILITY BOARD ATTORNEY

Michael A. Langer
Langer & Langer
Valparaiso, Indiana

MUNICIPAL ADVISOR

Jeffrey P. Rowe
Baker Tilly Municipal Advisors, LLC
Mishawaka, Indiana

BOND COUNSEL

Dennis Otten
Bose McKinney & Evans LLP
Indianapolis, Indiana

CITY ENGINEER

Max Rehlander
Valparaiso, Indiana

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PRELIMINARY OFFICIAL STATEMENT

\$10,000,000*

**CITY OF VALPARAISO
WATERWORKS REVENUE BONDS, SERIES 2026**

PURPOSE OF THE ISSUE AND USE OF FUNDS

PURPOSE OF THE BONDS AND DESCRIPTION OF THE PROJECT

The Bonds are being issued for the purpose of paying the costs of certain additions, extensions and improvements to the Waterworks, including three new park wells and a transmission line (the "Project"). Funding for the Project will be provided from proceeds of the bonds and cash on hand.

ESTIMATED USES AND SOURCES OF FUNDS

Estimated Uses of Funds:*

Three new park wells and transmission line	\$12,719,412
Private wells replacement	400,000
Allowance for Underwriter's Discount (0.75%)	75,000
Cost of issuance, bond rating and rounding (1)	190,588
	<hr/>
Total Estimated Uses	<u>\$13,385,000</u>

Estimated Sources of Funds:*

Waterworks Revenue Bonds, Series 2026	\$10,000,000
Cash on hand	3,385,000
	<hr/>
Total Estimated Sources	<u>\$13,385,000</u>

(1) Includes estimated fees for local counsel, bond counsel, municipal advisor, paying agent, rating, and other miscellaneous expenses.

*Preliminary, subject to change.

DESCRIPTION OF THE BONDS

BOND AMORTIZATION SCHEDULE

Payment Date	Principal Outstanding*	Principal*	Interest Rates	Interest	Total	Budget Year Total
	(-----In Thousands-----)		(%)			
10/01/2026	\$10,000	\$5				
04/01/2027	9,995	5				
10/01/2027	9,990	5				
04/01/2028	9,985	5				
10/01/2028	9,980	5				
04/01/2029	9,975	5				
10/01/2029	9,970	5				
04/01/2030	9,965	5				
10/01/2030	9,960	5				
04/01/2031	9,955	5				
10/01/2031	9,950	5				
04/01/2032	9,945	5				
10/01/2032	9,940	5				
04/01/2033	9,935	5				
10/01/2033	9,930	5				
04/01/2034	9,925	5				
10/01/2034	9,920	5				
04/01/2035	9,915	5				
10/01/2035	9,910	5				
04/01/2036	9,905	415				
10/01/2036	9,490	420				
04/01/2037	9,070	430				
10/01/2037	8,640	435				
04/01/2038	8,205	445				
10/01/2038	7,760	450				
04/01/2039	7,310	460				
10/01/2039	6,850	465				
04/01/2040	6,385	475				
10/01/2040	5,910	485				
04/01/2041	5,425	495				
10/01/2041	4,930	505				
04/01/2042	4,425	515				
10/01/2042	3,910	525				
04/01/2043	3,385	535				
10/01/2043	2,850	545				
04/01/2044	2,305	555				
10/01/2044	1,750	570				
04/01/2045	1,180	585				
10/01/2045	595	595				
Totals		<u>\$10,000</u>				

*Preliminary, subject to change. The Issuer reserves the right to adjust individual maturity amounts to achieve its financial objectives.

INTEREST CALCULATION

Interest on the Bonds is payable on April 1 and October 1 of each year, commencing October 1, 2026. Interest will be payable to the holder registered on the books of the Registrar as of the fifteenth day of the calendar month immediately preceding such interest payment date (the "Record Date"). Interest will be computed on the basis of a 360-day year of twelve 30-day months.

REGISTRATION AND EXCHANGE FEATURES

Each registered Bond shall be transferable or exchangeable only on such record at the designated corporate trust office of the "Registrar" and "Paying Agent," The Bank of New York Mellon Trust Company, N.A., at the written request of the registered owner thereof or his attorney duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. A further description of the registration and exchange features of the Bonds can be found in the Bond Ordinance. See Appendix D: "Bond Ordinance."

BOOK ENTRY-ONLY

When issued, the Bonds will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Bonds will be made in book-entry-only form. Purchasers of beneficial interests in the Bonds ("Beneficial Owners") will not receive physical delivery of certificates representing their interests in the Bonds. See Appendix B: "Book-Entry-Only."

PROVISIONS FOR PAYMENT

The principal on the Bonds shall be payable at the designated corporate trust office of the Registrar and Paying Agent, or by wire transfer to DTC or any successor depository. All payments of interest on the Bonds shall be paid by check, mailed one business day prior to the interest payment date to the registered owners as the names appear as of the Record Date and at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Registrar or by wire transfer to DTC or any successor depository. If payment of principal or interest is made to DTC or any successor depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time). Payments on the Bonds shall be made in lawful money of the United States of America, which, on the date of such payment, shall be legal tender.

So long as DTC or its nominee is the registered owner of the Bonds, principal and interest on the Bonds will be paid directly to DTC by the Paying Agent. (The final disbursement of such payments to the Beneficial Owners of the Bonds will be the responsibility of the DTC Participants and Indirect Participants, as defined and more fully described in Appendix B).

NOTICE OF REDEMPTION

Notice of redemption shall be mailed to the registered owners of all Bonds to be redeemed at least 30 days prior to the date fixed for such redemption, unless notice is waived by the owner of the Bond or Bonds redeemed. If any of the Bonds are so called for redemption, and payment therefore is made to the Registrar in accordance with the terms of the Bond Ordinance, then such Bonds shall cease to bear interest from and after the date fixed for redemption in the call.

OPTIONAL REDEMPTION

The Bonds maturing on or after October 1, 2036 are redeemable prior to maturity at the option of the City in whole or in part in any order of maturity as determined by the City and by lot within maturities, on any date not earlier than April 1, 2036, at face value plus accrued interest to the date fixed for redemption and without any redemption premium.

MANDATORY REDEMPTION

If any Bonds are issued as Term Bonds, the Paying Agent shall credit against the mandatory sinking fund requirement for the Term Bonds, and corresponding mandatory redemption obligation, in the order determined by the City, any Term Bonds which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Paying Agent for cancellation or purchased for cancellation by the Paying Agent and not theretofore applied as a credit against any redemption obligation. Each Term Bond so delivered or canceled shall be credited by the Paying Agent at 100% of the principal amount thereof against the mandatory sinking fund obligation on such mandatory redemption date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of that Term Bond to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Paying Agent shall only credit such Term Bond to the extent received on or before 45 days preceding the applicable mandatory redemption date.

If fewer than all the Bonds are called for redemption at one time, the Bonds shall be redeemed in order of maturity determined by the City and by lot within maturity. Each \$5,000 principal amount shall be considered a separate Bond for purposes of optional and mandatory redemption. If some Bonds are to be redeemed by optional and mandatory sinking redemption on the same date, the Paying Agent shall select by lot the Bonds for optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption.

AUTHORITY AND SECURITY

AUTHORIZATION AND APPROVAL PROCESS

The Bonds are to be issued under the authority of Indiana law, including, without limitation, Indiana Code (“IC”) 8-1.5 as in effect on the date of delivery of the Bonds and pursuant to the Bond Ordinance (Appendix D) adopted by the Common Council of the City on June 8, 2026.

Prior to issuing revenue bonds, the political subdivision must adopt a bond ordinance to authorize the issuance and sale of the Bonds. The revenues pledged in the bond ordinance must not already be pledged to another bond issue, unless permitted by the terms of the prior issue.

UTILITY SYSTEM OVERVIEW

The City of Valparaiso (the “City”) operates the Municipal Waterworks, providing services to approximately 14,231 users in and around the City. The Waterworks has an outside contract customer in Valparaiso Lakes Conservancy District. Treated water is sold to the District through four master metering points. System boundaries extend north of Burlington Beach Road and directly east of U.S. Highway 49, south of U.S. Highway 30, and west past County Road 150 West.

FACILITY OVERVIEW

The City of Valparaiso has operated its Waterworks system since 1886 and has completed numerous expansions and upgrades over the years to support continued growth and system reliability. The utility operates two water treatment plants with an average treatment capacity of approximately 5.0 million gallons per day and a peak capacity of up to 10.0 million gallons per day. In 2025, the system recorded an average daily flow of 4.8 million gallons per day and a maximum 24-hour flow of 6.8 million gallons.

The system is supplied by 26 groundwater wells and includes multiple elevated storage towers and reservoirs with a combined storage capacity of approximately 7 million gallons of treated water. The distribution system consists of more than 227 miles of water mains ranging from 4 to 24 inches in diameter.

The Waterworks remains in compliance with all applicable environmental, state, and federal regulations.

SECURITIES AND SOURCES OF PAYMENT

The Bonds are payable solely out of the Net Revenues (gross revenues of the Waterworks, inclusive of System Development Charges, after deduction only for the payment of the reasonable expenses of operation, repair and maintenance, but excluding transfers to the City for payments in lieu of taxes) of the Waterworks. The Bonds constitute a first charge against the Net Revenues of the Waterworks and will rank on parity with the Parity Bonds.

The Bonds are further secured by a Reserve Subaccount (the "Reserve Account"). It is anticipated that the Reserve Account will be funded over a five-year period from the date of delivery of the Bonds.

The City irrevocably pledges the Net Revenues of the Waterworks to the payment of the principal of and interest on the Bonds and any bonds ranking on parity therewith to the extent necessary. The City covenants that it will cause to be fixed, maintained and collected such rates and charges for services rendered by the Waterworks as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of the Waterworks and for the payment of the sums required by the Bond Redemption Account under the provisions of the Bond Ordinance.

The Net Revenues of the Waterworks that are pledged to payment of the Bonds are fully described in the Bond Ordinance, as is the pledge of net revenues (Section 8), flow of funds (Sections 12 and 13), rate covenant (Section 16), additional bond provisions (Section 18), further covenants of the City (Section 19), tax covenants (Section 21) and other pertinent matters. Only the Net Revenues of the Waterworks are pledged as security for the Bonds.

RATE APPROVAL AND HISTORY

The rates for the Waterworks are established and approved locally by the Common Council. The Common Council adopted a five-phase rate adjustment on April 22, 2024, with increases effective July 1 in each of 2024, 2025, 2026, 2027, and 2028.

RATE HISTORY

<u>Effective Date</u>	<u>Date Approved</u>	<u>Ordinance</u>	<u>Bill - 535 CCF</u>	
			<u>Inside City</u>	<u>Outside City</u>
July 1, 2024	4/22/2024	#8, 2024	\$32.06	\$36.87
July 1, 2025	4/22/2024	#8, 2024	\$34.48	\$39.62
July 1, 2026	4/22/2024	#8, 2024	\$37.09	\$42.61
July 1, 2027	4/22/2024	#8, 2024	\$39.88	\$45.80
July 1, 2028	4/22/2024	#8, 2024	\$42.87	\$49.24

DEBT SERVICE COVERAGE

<u>Year</u>	<u>Net Revenues</u>	<u>Debt Service</u>	<u>Coverage</u>
2021	\$4,177,664	\$1,614,324	259%
2022	\$4,061,951	\$1,609,535	252%
2023	\$4,221,789	\$1,628,724	259%
2024	\$4,550,519	\$1,991,787	228%
2025	\$5,312,537	\$2,246,104	237%

FUNDS AND ACCOUNTS

Construction Account: Accrued interest and any premium received at the time of delivery of the Bonds shall be deposited in the Bond Redemption Account (hereinafter defined). The remaining proceeds from

the sale of the Bonds will be deposited in the City of Valparaiso, Waterworks Construction Account (the "Construction Account") and shall be expended only for the purpose of paying the costs of the Project, to pay costs of issuance or otherwise required by the Act. Any balances remaining unexpended in the Construction Account after completion of the Project, which are not required to meet unpaid obligations incurred in connection with the Project, shall either (i) be deposited into the Bond Redemption Account and used solely for the purposes thereof or (ii) be used for the same purpose or type of Project for which the Bonds were originally issued. This is in accordance with Section 12 of the Bond Ordinance.

Special Fund: All revenues derived from the operation of the Waterworks and from the collection of water rates and charges are deposited in the City of Valparaiso, Waterworks Special Fund (the "Special Fund"). This is in accordance with Section 13(a) of the Bond Ordinance.

Operation and Maintenance Account: On the last day of each calendar month, a sufficient amount of money shall be transferred from the Special Fund into the Operation and Maintenance Account. The balance maintained in the Operation and Maintenance Account shall be sufficient to pay the expenses of operation, repair and maintenance for the next succeeding two (2) calendar months. Monies in the Operation and Maintenance Fund may be transferred to the Bond Redemption Account in order to prevent a default on any outstanding bonds of the Waterworks. This is in accordance with Section 13(b) of the Bond Ordinance.

Bond Redemption Account: The Bond Redemption Account consists of the Debt Service Subaccount and Reserve Subaccount. Net Revenues of the Waterworks shall be credited on the last day of each calendar month to the Debt Service Subaccount in an amount equal to at least one-sixth (1/6) of the interest and at least one-sixth (1/6) of the principal on all then outstanding bonds payable on the next succeeding interest and principal payment date until the Debt Service Subaccount shall equal the interest payable during the next succeeding six (6) calendar months. The Reserve Subaccount provides the margin for safety against default on the Bonds. The balance to be maintained in the Reserve Subaccount shall equal the maximum annual debt service on the Bonds, the Parity Bonds, and any parity bonds (the "Reserve Requirement"). The Reserve Requirement is anticipated to be funded over a five-year period from the date of delivery of the Bonds. This is in accordance with Section 13(c) of the Bond Ordinance.

Waterworks Improvement Account: The Waterworks Improvement Account is to be used for improvements, replacements, additions and extensions of the Waterworks or for any other lawful purpose. Money in the Improvement Account may be transferred to the Bond Redemption Account, if necessary, to prevent a default on outstanding bonds, eliminate deficiencies of the Reserve Account, or transferred to the Operation and Maintenance Account to meet unforeseen contingencies. This is in accordance with Section 13(d) of the Bond Ordinance.

ADDITIONAL BONDS

The City reserves the right to authorize and issue additional bonds payable out of the Net Revenues of the Waterworks ranking on parity with the Bonds for the purpose of financing the cost of future additions, extensions and improvements to the Waterworks, or to refund obligations. This is in accordance with Section 18 of the Bond Ordinance.

INVESTMENT OF FUNDS

The proceeds of this issue are to be invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing, or investing of public funds, including particularly IC 5-13, and the acts amendatory thereof and supplemental thereto. The City shall direct the investment of Bond proceeds.

RATINGS

S&P Global Ratings ("S&P Global") has assigned a bond rating of "A+" to the Bonds. Such rating reflects only the view of S&P Global and any explanation of the significance of such rating may only be obtained from S&P Global.

The rating is not a recommendation to buy, sell or hold the Bonds, and such rating may be subject to revision or withdrawal at any time by S&P Global. Any revision or withdrawal of the rating may have an adverse effect upon the market price of the Bonds.

The City did not apply to any other rating service for a rating on the Bonds.

RISK FACTORS AND INVESTMENT CONSIDERATIONS

Prospective purchasers of the Bonds should consider carefully, along with other matters referred to herein, the following risks of investment. The ability of the City and Waterworks to meet the debt service requirements of the Bonds is subject to various risks and uncertainties which are discussed throughout this Official Statement. Certain, but not all, of such investment considerations are set forth below.

MAINTENANCE OF RATINGS

The Bonds will be rated as to their creditworthiness by S&P Global. No assurance can be given that the Bonds will maintain their original ratings. If the rating on the Bonds decrease or are withdrawn, the Bonds may lack liquidity in the secondary market in comparison with other such municipal obligations. See "RATINGS" herein.

SECONDARY MARKET

While the purchaser of the Bonds may expect, insofar as possible, to maintain a secondary market in the Bonds, no assurance can be given concerning the future existence of such a secondary market or its maintenance by the purchasers or others, and prospective purchasers of the Bonds should therefore be prepared, if necessary, to hold their Bonds to maturity or prior redemption, if any.

FUTURE CHANGES IN LAW

Future legislative proposals, if enacted into law, clarification of the Code (defined herein) or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations, or litigation, as to which Bond Counsel expresses no opinion.

Legislation affecting municipal bonds is considered from time to time by the United States Congress and the Executive Branch. Bond Counsel's opinion is based upon the law in existence on the date of issuance of the Bonds. It is possible that legislation enacted after the date of issuance of the Bonds or proposed for consideration will have an adverse effect on the excludability of all or a part of the interest on the Bonds from gross income, the manner in which such interest is subject to federal income taxation or the market price of the Bonds.

Legislation affecting municipal bonds is considered from time to time by the Indiana legislature and Executive Branch. It is possible that legislation enacted after the date of the Bonds or proposed for consideration will have an adverse effect on payment or timing of payment or other matters impacting the Bonds.

The City and the Waterworks cannot predict the outcome of any such federal or state proposals as to passage, ultimate content or impact if passed, or timing of consideration or passage. Purchasers of the Bonds should reach their own conclusions regarding the impact of any such federal or state proposals.

There can be no assurance that there will not be any change in, interpretation of, or addition to the applicable laws and provisions which would have a material effect, directly or indirectly, on the affairs of the City and the Waterworks.

LIMITATIONS ON REMEDIES AVAILABLE TO OWNERS OF THE BONDS

There is no bond trustee or similar person or entity to monitor or enforce the provisions of the Bond Ordinance on behalf of the owners of the Bonds, and therefore the owners should be prepared to enforce such provisions themselves if the need to do so ever arises.

POTENTIAL IMPACTS RESULTING FROM EPIDEMICS OR PANDEMICS

The City's finances may be materially adversely affected by unforeseen impacts of future epidemics and pandemics, such as the Coronavirus (COVID-19) pandemic. The City cannot predict future impacts of epidemics or pandemics, any similar outbreaks, or their impact on travel, on assemblies or gatherings, on the State, national or global economy, or on securities markets, or whether any such disruptions may have a material adverse impact on the financial condition or operations of the City, including but not limited to the payment of debt service on any of its outstanding debt obligations.

CYBERSECURITY

The City relies on computer networks, data storage, collection and transmission to conduct the operations of the City and has implemented security measures to protect data and limit financial exposure, including securing cyber security insurance to assist with the reduction of potential risk of financial and operational damage resulting from network attacks. Even with these security measures, the City, its information technology, data stored by the City and its infrastructure may be vulnerable in the event of a deliberate system attack, including malware, ransomware, computer virus, employee error or general disruption. If breached or compromised, the networks could be disrupted and information could be accessed, disclosed, lost or stolen. The City acknowledges that its systems could be affected by a cybersecurity attack, and that a loss, disruption or unauthorized access to data held by the City could have a material impact on the City. Further, as cybersecurity threats evolve, the City will continue to evaluate and implement security measures and work to mitigate any vulnerabilities in its system.

PURCHASER/UNDERWRITING

The Bonds are being purchased by _____ (the "Underwriter") [and its syndicate] at a purchase price of \$_____, which is the par amount of the Bonds of \$_____ less the Underwriter's discount of \$_____, plus the original [net] issue premium/discount of \$_____, plus accrued interest \$_____. The Notice of Intent to Sell Bonds provides that all of the Bonds will be purchased by the Underwriter if any of such Bonds are purchased.

The Underwriter intends to offer the Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Underwriter may allow concessions to certain dealers (including dealers in a selling group of the Underwriter and other dealers depositing the Bonds into investment trusts), who may reallow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Underwriter.

CONTINUING DISCLOSURE

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission ("SEC") in SEC Rule 15c2-12, as amended to the date hereof (the "SEC Rule"), the City will enter into a Continuing Disclosure Undertaking (the "Undertaking"), to be dated the date of closing of the Bonds, provided that the winning bidder is an underwriter and the Bonds will be subject to the SEC Rule. Pursuant to the terms of the Undertaking, the City agrees to provide the information detailed in the Undertaking, the form of which is attached hereto as Appendix F.

The purpose of the Undertaking is to enable the Underwriter to purchase the Bonds by providing for an Undertaking by the City in satisfaction of the SEC Rule. The Undertaking is solely for the benefit of the owners of the Bonds and creates no new contractual or other rights for the SEC, underwriters, brokers, dealers, municipal securities dealers, potential customers, other obligated persons or any other third party. The sole remedy against the City for any failure to carry out any provision of the Undertaking shall be for specific performance of the City's disclosure obligations under the Undertaking and not for money damages of any kind or in any amount or any other remedy. The City's failure to honor its covenants under the Undertaking shall not constitute a breach or default of the Bonds, the Bond Ordinance, or any other agreement.

The City may, from time to time, amend or modify the Undertaking without the consent of or notice to the owners of the Bonds if either (a)(i) such amendment or modification is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the City, or type of business conducted; (ii) the Undertaking, as so amended or modified,

would have complied with the requirements of the SEC Rule on the date of execution of the Undertaking, after taking into account any amendments or interpretations of the SEC Rule, as well as any change in circumstances; and (iii) such amendment or modification does not materially impair the interests of the holders of the Bonds, as determined either by (A) nationally recognized bond counsel or (B) an approving vote of the holders of the Bonds pursuant to the terms of the Bond Ordinance at the time of such amendment or modification; or (b) such amendment or modification (including an amendment or modification which rescinds the Undertaking) is permitted by the SEC Rule, then in effect.

The City may, at its sole discretion, utilize an agent in connection with the dissemination of any annual financial information required to be provided by the City pursuant to the terms of the Undertaking.

In order to assist the Underwriter in complying with the Underwriter's obligations pursuant to the SEC Rule, the City represents that it has conducted or caused to be conducted what it believes to be a reasonable review of the City's compliance with its continuing disclosure obligations. Based upon such review, the City has failed to consistently comply with its previous Undertakings. Such failures include, but may not be limited to the following:

- Audit was not timely filed for the calendar year ending December 31, 2023. The audit is now available on the MSRB's EMMA system.
- The City has filed a failure to file pertaining to the audited financial statements listed above.
- Certain reportable events were not filed on a timely basis, including: a financial obligation notice.

The City makes no representation as to any potential materiality of such prior instances, as materiality is dependent upon individual facts and circumstances.

The City has retained Baker Tilly Municipal Advisors, LLC (as hereinafter defined) as its dissemination agent. The City has conducted a review of compliance of its previous Undertakings, and the list above represents any instances of non-compliance of which the City is aware.

CAPITAL PLANS AND ASSET MANAGEMENT PLANS

FUTURE FINANCINGS

As of the date of this Official Statement, the City anticipates issuing additional debt in calendar year 2026. The City expects to issue approximately \$6,225,000 in General Obligation Bonds in 2026 to fund construction of a new fire station. In addition, the City plans to issue approximately \$5,815,000 in General Obligation Bonds for the Memorial Parkway project. The timing of these financings has not yet been determined.

LITIGATION

To the knowledge of the officers and counsel for the City, there is no litigation pending, or threatened, against the City which in any way questions or affects the validity of the Bonds, the collection of revenues of the Waterworks, the pledge of Net Revenues to the payment of the Bonds, or any proceedings or transactions relating to the issuance, sale or delivery thereof.

The officers for the City will certify at the time of delivery of the Bonds that there is no litigation pending or in any way threatened questioning the validity of the Bonds, or any of the proceedings had relating to the authorization, issuance and sale of the Bonds, the Bond Ordinance or the Project that would result in a material adverse impact on the financial condition of the City.

LEGAL MATTERS

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Bonds are subject to the unqualified approving opinion of Bose McKinney & Evans, LLP, Indianapolis, Indiana, Bond Counsel, whose approving opinion will be available at the time of delivery of the Bonds. Bond Counsel has not been asked nor has it undertaken to review the accuracy or sufficiency of this Official Statement and will express no opinion thereon. The form of opinion of Bond Counsel is included as Appendix E of this official statement.

LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The remedies available to the bondholders upon a default under the Bond Ordinance, are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the federal bankruptcy code), the remedies provided in the Bond Ordinance may not be readily available or may be limited.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State of Indiana and the United States of America and bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

These exceptions would encompass any exercise of federal, State or local police powers (including the police powers of the City), in a manner consistent with the public health and welfare. Enforceability of the Bond Ordinance in a situation where such enforcement may adversely affect public health and welfare may be subject to these police powers.

TAX DISCLOSURES

TAX MATTERS

In the opinion of Bond Counsel under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is excludable from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations. This opinion is conditioned on continuing compliance by the City with the Tax Covenants (hereinafter defined). Failure to comply with the Tax Covenants could cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to the date of issue. In the opinion of Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds is exempt from income taxation in the State. This opinion relates only to the exemption of interest on the Bonds for State income tax purposes. See Appendix E for the "Form of Legal Opinion."

The Code imposes certain requirements which must be met subsequent to the issuance of the Bonds as a condition to the exclusion from gross income of interest on the Bonds for federal income tax purposes. The City will covenant not to take any action, within its power and control, nor 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 Code (collectively, the "Tax Covenants"). The Bond Ordinance and certain certificates and agreements to be delivered on the date of delivery of the Bonds establish procedures under which compliance with the requirements of the Code can be met. It is not an event of default under the Bond Ordinance if interest on the Bonds is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not in effect on the issue date of the Bonds.

IC 6-5.5 imposes a franchise tax on certain taxpayers (as defined in IC 6-5.5) which, in general, include all corporations which are transacting the business of a financial institution in Indiana. The franchise tax is measured in part by interest excluded from gross income under Section 103 of the Code minus associated expenses disallowed under Section 265 of the Code. Taxpayers should consult their own tax advisors regarding the impact of this legislation on their ownership of the Bonds.

Although Bond Counsel will render an opinion in the form attached as Appendix E hereto, the accrual or receipt of interest on the Bonds may otherwise affect a bondholder's federal income tax or state tax liability. The nature and extent of these other tax consequences will depend upon the bondholder's particular tax status and a bondholder's other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, individuals, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Bonds. Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers of the Bonds should consult their own tax advisors with regard to the tax consequences of owning the Bonds.

The Bonds are not bank qualified.

ORIGINAL ISSUE DISCOUNT

The initial public offering prices of the Bonds maturing on _____, 20__, through and including _____, 20__ (collectively the "Discount Bonds"), are less than the principal amounts thereof payable at maturity. As a result, the Discount Bonds will be considered to be issued with original issue discount. A taxpayer who purchases a Discount Bond in the initial public offering at the price listed on the inside cover page of this Official Statement (assuming it is the first price at which a substantial amount of that maturity is sold) (the "Issue Price" for such maturity), and the amount payable at its maturity, will be treated as "original issue discount." The original issue discount on each of the Discount Bonds is treated as accruing daily over the term of such Discount Bond on the basis of the yield to maturity determined on the basis of compounding at the end of each six-month period (or shorter period from the date of the original issue) ending on April 1 and October 1 (with straight line interpolation between compounding dates). An owner who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity will treat the accrued amount of original issue discount as interest which is excludable from the gross income of the owner of that Discount Bond for federal income tax purposes.

Section 1288 of the Code provides, with respect to tax-exempt obligations such as the Discount Bonds, that the amount of original issue discount accruing each period will be added to the owner's tax basis for the Discount Bonds. Such adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bonds (including sale, redemption or payment at maturity). Owners of Discount Bonds who dispose of Discount Bonds prior to maturity should consult their tax advisors concerning the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bonds prior to maturity.

The original issue discount that accrues in each year to an owner of a Discount Bond may result in certain collateral federal income tax consequences. Owners of any Discount Bonds should be aware that the accrual of original issue discount in each year may result in a tax liability from these collateral tax consequences even though the owners of such Discount Bonds will not receive a corresponding cash payment until a later year.

Owners who purchase Discount Bonds in the initial public offering but at a price different from the Issue Price for such maturity should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of subsequent purchasers of bonds such as the Discount Bonds. Owners who do not purchase Discount Bonds in the initial public offering should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Owners of Discount Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discount Bonds. It is possible under the applicable provisions governing the determination of state or local income taxes that accrued interest on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year.

AMORTIZABLE BOND PREMIUM

The initial public offering prices of the Bonds maturing on _____, 20__, through and including _____, 20__ (collectively, the “Premium Bonds”), are greater than the principal amounts thereof payable at maturity. As a result, the Premium Bonds will be considered to be issued with amortizable bond premium (the “Bond Premium”). An owner who acquires a Premium Bond in the initial public offering will be required to adjust the owner’s basis in the Premium Bond downward as a result of the amortization of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. Such adjusted tax basis will be used to determine taxable gain or loss upon the disposition of the Premium Bonds (including sale, redemption or payment at maturity). The amount of amortizable Bond Premium will be computed on the basis of the taxpayer’s yield to maturity, with compounding at the end of each accrual period. Rules for determining (i) the amount of amortizable Bond Premium and (ii) the amount amortizable in a particular year are set forth in Section 171(b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed pursuant to Section 171(a)(2) of the Code, but amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning the Premium Bonds. Owners of the Premium Bonds should consult their tax advisors with respect to the precise determination for federal income tax purposes of the treatment of Bond Premium upon the sale or other disposition of such Premium Bonds and with respect to the state and local tax consequences of owning and disposing of the Premium Bonds.

Special rules governing the treatment of Bond Premium, which are applicable to dealers in tax-exempt securities, are found in Section 75 of the Code. Dealers in tax-exempt securities are urged to consult their own tax advisors concerning the treatment of Bond Premium.

MUNICIPAL ADVISOR

The City has retained Baker Tilly Municipal Advisors, LLC (the “Municipal Advisor” or “BTMA”) as municipal advisor in connection with certain aspects of the issuance of the Bonds. BTMA is a municipal advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. BTMA is a subsidiary of Baker Tilly Advisory Group, LP (“BTAG”) which is indirectly owned by (a) H&F Waterloo Holdings, L.P., an affiliate of Hellman & Friedman LLC (“H&F”), an investment adviser registered with the Securities and Exchange Commission (the “SEC”), (b) Valeas Capital Partners Fund I Waterloo Aggregator LP, an affiliate of Valeas Capital Partners Management LP (“Valeas”), an investment adviser registered with the SEC, and (c) individuals who are principals of BTAG. None of these parties own a majority interest in BTAG, or indirectly, BTMA. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, operate under an alternative practice structure and are members of the global network of Baker Tilly International, Ltd. Baker Tilly US, LLP (“BTUS”) is a licensed CPA firm providing assurance services to its clients. BTAG and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

BTMA has been retained by the City to provide certain municipal advisory services to City and, in that capacity, has assisted the City in preparing this official statement. The information contained in the official statement has been compiled from the sources stated or, if not otherwise sourced, from records and other materials provided by the City. The Municipal Advisor makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this official statement, and its assistance in preparing this official statement should not be construed as a representation that it has independently verified such information.

The Municipal Advisor’s duties, responsibilities and fees arise solely as Municipal Advisor to the City, and it has no secondary obligations or other responsibility. However, BTUS is preparing the Parity Report for the Bonds. The Parity Report is prepared under a separate engagement by a BTUS engagement principal and staff who are independent from the BTMA engagement principal and staff providing municipal advisory services as outlined herein. The Municipal Advisor’s fees and the Parity Report fees are expected to be paid from proceeds of the Bonds pursuant to their respective engagements. BTMA provides certain specific municipal advisory services to the City but is neither a placement agent to the City nor a broker/dealer.

BTAG also assists the City with preparing certain financial statements, accounting assistance, budget development, financial projections, and other financial management services/support.

Other Financial Industry Activities and Affiliations:

Baker Tilly Wealth Management, LLC (“BTWM”), an SEC registered investment adviser, and Baker Tilly Capital, LLC (“BTC”), a broker/dealer registered with the SEC and member of the Financial Industry Regulatory Authority (“FINRA”), are controlled subsidiaries of BTAG. Both H&F and Valeas, are registered with the SEC as investment advisers and serve as managers of, or advisers to, certain private investment funds, some of which indirectly own BTAG.

BTWM and other subsidiaries of BTAG may provide advisory services to the clients of BTMA. BTMA has no other activities or arrangements that are material to its municipal advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

MISCELLANEOUS

The information contained in this Official Statement has been compiled from the City and the City officials and other sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, it is believed to be correct as of this date. However, the Official Statement speaks only as of its date, and the information contained herein is subject to change.

The references, excerpts, and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights and obligations of the owners thereof.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the owners of the Bonds.

CERTIFICATION

The City has authorized the distribution of the Preliminary Official Statement for use in connection with the initial sale of the Bonds and a Final Official Statement following award of the Bonds. The City certifies to the best of its knowledge and belief that this Official Statement, as of its date and as it relates to the City and its economic and financial condition, (i) is complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material facts or information which would make the statements contained herein misleading.

This Official Statement and its execution are duly authorized.

CITY OF VALPARAISO

By: _____

Mayor

Attest: _____

Clerk-Treasurer

APPENDIX A

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*The General Information section contains information regarding the tax base of the City of Valparaiso; however, NO PROPERTY TAXES ARE PLEDGED TO PAYMENT OF THE WATERWORKS REVENUE BONDS, SERIES 2026.

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CITY OF VALPARAISO

VALPARAISO MUNICIPAL WATERWORKS*

*See “Utility System Overview”, “Facility Overview”, “Rate Approval and History” and “Debt Service Coverage” in the “Authority and Security” section of the front part of this official statement for more information.

USER CONNECTIONS

Based upon information provided by utility billing personnel, the number of Waterworks customers is reported as follows:

<u>Year</u>	<u>Number of Customers</u>
2016	13,049
2017	12,993
2018	13,016
2019	13,571
2020	13,849
2021	14,111
2022	14,312
2023	13,852
2024	14,042
2025	14,231

Note: The decline in customer counts in 2023 reflects a change in counting methodology; 2023 through 2025 show consistent annual growth on a comparable basis.

CUSTOMER USE

Percent of Total Revenues

	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Multiple Family Dwellings</u>	<u>Public Authorities</u>	<u>Total</u>
2021	49.4%	14.9%	18.3%	14.5%	2.9%	100%
2022	49.1%	14.9%	19.1%	14.3%	2.6%	100%
2023	47.3%	14.5%	20.6%	14.6%	3.0%	100%
2024	52.1%	15.7%	15.5%	14.0%	2.7%	100%
2025	52.8%	13.9%	16.3%	13.9%	3.1%	100%

Percent of Total Consumption

	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Multiple Family Dwellings</u>	<u>Public Authorities</u>	<u>Total</u>
2021	35.6%	14.7%	31.6%	14.5%	3.6%	100%
2022	33.3%	13.7%	35.4%	14.4%	3.2%	100%
2023	34.2%	14.2%	33.5%	14.6%	3.5%	100%
2024	38.1%	14.8%	29.1%	14.7%	3.3%	100%
2025	38.3%	14.3%	30.5%	13.7%	3.2%	100%

LARGE USERS

The following is a list of the ten largest users of the Waterworks, according to the utility records. Total billed revenue for the twelve months ended December 31, 2025 was \$8,704,809. The ten largest users as presented below accounted for approximately 22.11% of billed revenue.

<u>Name</u>	<u>Type of Business</u>	<u>Twelve Months Ended 12/31/2025</u>		
		<u>Usage (Cu. Ft.)</u>	<u>Billed Revenue</u>	<u>%</u>
1. Pratt Industries	Corrugated Packaging	47,179,800	\$1,076,014	12.36%
2. Lake Area Conservancy District	Conservancy District	5,742,210	196,010	2.25%
3. Valparaiso University	Liberal Arts University	2,249,570	137,276	1.58%
4. Sun Cosmetics, LLC	Chemical Manufacturing	4,009,000	111,516	1.28%
5. Gene B. Glick Company	Real Estate Management	1,586,620	78,080	0.90%
6. LOV Residential	Apartment Complex	1,675,120	76,069	0.87%
7. Valparaiso Community Schools	Public Education	1,692,590	74,026	0.85%
8. The Masters Apartments	Apartment Complex	1,609,800	63,963	0.73%
9. AOC LLC	Supplier of Polymer Material Systems	2,352,000	61,766	0.71%
10. Porter County Jail	Correctional Facility	1,881,650	50,590	0.58%
Totals		69,978,360	\$1,925,310	22.11%

GENERAL PHYSICAL AND DEMOGRAPHIC INFORMATION

LOCATION

The City of Valparaiso (the "City") is located in Porter County (the "County") in northwest Indiana. The City is approximately 45 miles southeast of Chicago, Illinois, 50 miles southwest of South Bend, 150 miles northwest of Indianapolis, and 12 miles south of Lake Michigan.

GENERAL CHARACTERISTICS

The County is a highly diversified area with acres of farmland south of the City and heavy industrialization to the north along the shores of Lake Michigan. Because of the City's proximity to the Chicago metropolitan area, Valparaiso has become a suburban residential district. In addition to providing high-quality housing, the Valparaiso area has its own industrial base, complemented by several research and development facilities and Valparaiso University, one of the largest Lutheran universities in the nation.

The Department of Parks and Recreation maintains an extensive park system which includes an 18-hole golf course, a nine-hole golf course and a golf player development center. Indiana Dunes State Park and the Indiana Dunes National Lakeshore Park are located approximately 15 miles north of the City. Together, the two parks comprise almost 15,000 acres of recreational area.

Among the cultural activities available to residents of Valparaiso are a variety of programs offered through the Porter County Public Library and Valparaiso University. A full range of cultural and recreational activities are available in Chicago, Illinois as well.

ADMINISTRATION AND STAFF

The Management of the Waterworks is under the direction of the Utilities Director. The Utilities Director oversees the day-to-day operations of the Waterworks system. The Waterworks currently employs 78 people with no union employees.

PLANNING AND ZONING

The City has a nine-member Plan Commission to provide orderly growth for residential, commercial and industrial areas within the City and a two-mile jurisdiction surrounding its limits. The City also has a five-member Board of Zoning Appeals.

EDUCATION

Valparaiso Community Schools and the East Porter County School Corporation provide public education for school-aged children of the City. Valparaiso Community Schools serves the majority of the residents of the City, operating one high school, one alternative school, two middle schools, and eight elementary schools. Both of the School Corporations offer comprehensive academic curriculum, a variety of extra-curricular activities, and provide special education for students through the Porter County Education Interlocal which serves seven school corporations in the area. Vocational and alternative programs are offered to high school students through the Porter County Career Center located in Valparaiso.

HIGHER EDUCATION

Valparaiso University is located on 320 acres at the southeast corner of the City of Valparaiso. The University was established in 1859. The Valparaiso campus of Ivy Tech State College offers a wide range of courses including health technology, business, and technical studies. In addition, Porter Hospital provides a radiology school and EMT-paramedic school. Other institutions of higher learning that are within commuting distance of the Valparaiso area include Indiana University-Northwest Campus in Gary, Purdue University-Calumet Campus in Hammond, and Purdue University-North Central in Westville.

PENSION OBLIGATIONS

The following tables, based on the fiscal year July 1, 2024 - June 30, 2025, contain information regarding the City's pension contributions and liabilities. This unaudited information is taken from the Indiana Public Retirement System ("INPRS"). Further information can be found on the INPRS website at <http://www.in.gov/inprs/>. Detailed pension information for the Public Employees' Retirement Fund ("PERF"), 1977 Police Officers' Pension and Disability Fund (1977 Fund – Police), and 1977 Firefighters' Pension and Disability Fund (1977 Fund – Fire), is set forth in the City's complete audit report. (See Appendix G).

<u>Contributions Shown by INPRS</u>	<u>FY 2025</u>	<u>FY 2024</u>
Public Employees' Retirement Fund	\$996,525	\$914,906
1977 Police Officers' Pension and Disability Fund	958,786	816,610
1977 Firefighters' Pension and Disability Fund	1,156,543	1,001,061

Changes in Total Liability

<u>City of Valparaiso</u>	<u>Public Employees' Retirement Fund</u>	<u>1977 Fund -Police</u>	<u>1977 Fund - Fire</u>
Net Pension Liability/(Asset) as of June 30, 2024	\$5,002,452	\$4,856,994	\$5,955,213
Changes for the year:			
Differences Between Expected and Actual Experience	70,369	436,871	493,714
Net Difference Between Projected and Actual Investment	(722,241)	(1,223,424)	(1,496,529)
Change of Assumptions	85,139	36,411	30,044
Changes in Proportions and Differences Between Employer Contributions and Proportionate Share of Contributions	93,935	8,083	(16,735)
Pension Expense/Income	637,372	1,456,052	1,754,752
Contributions	<u>(996,525)</u>	<u>(958,786)</u>	<u>(1,156,543)</u>
Total Activity in FY 2025	<u>(831,951)</u>	<u>(244,793)</u>	<u>(391,297)</u>
Net Pension Liability/(Asset) as of June 30, 2025	<u>\$4,170,501</u>	<u>\$4,612,201</u>	<u>\$5,563,916</u>

Discount Rate Sensitivity – Liability/(Asset)

The following represents the net pension liabilities/(assets) of the City, calculated using different discount rates:

	<u>1% Decrease (5.25%)</u>	<u>Current Rate (6.25%)</u>	<u>1% Increase (7.25%)</u>
PERF	\$7,370,127	\$4,170,501	\$1,516,909
1977 Fund – Police	10,881,893	4,612,201	(433,665)
1977 Fund – Fire	13,127,341	5,563,916	(523,151)

OTHER POST-EMPLOYMENT BENEFITS

The City had an actuarial study completed for the Fiscal Year ending December 31, 2025. The City provides health, dental, and insurance benefits to eligible retirees and their spouses. The eligible retirees are required to pay for the actual costs of insurance. These benefits pose a liability to the City as they add to the total cost of the City's insurance plans. The City also pays out a maximum of 30 days of accrued time

off upon termination of employment. Also, the City started a pilot program with the Fire Territory. The City offers the firefighters an option for a HRA (Health Retirement Account), which they front load for the firefighters (\$500 each year). Then when they retire, they have the option of rolling some of their final payout of time into this account to help them pay for insurance premiums.

The following represents the changes in OPEB Liability as of December 31, 2025.

Valparaiso City Utilities

<u>OPEB Liability</u>	<u>FY 2025</u>
Total OPEB Liability - beginning of year	\$275,496
Service cost	18,516
Interest	12,584
Changes in assumptions	(12,586)
Differences between expected and actual experience	(121,016)
Net change in total OPEB liability	<u>(102,502)</u>
Total OPEB Liability - end of year	<u><u>\$172,994</u></u>

The following represents the OPEB Liability as of December 31, 2025, calculated using the discount rate assumed and what it would be using a 1% higher and 1% lower discount rate.

Valparaiso City Utilities

	1% Decrease <u>(3.83%)</u>	Current Rate <u>(4.83%)</u>	1% Increase <u>(5.83%)</u>
OPEB	\$188,951	\$172,994	\$158,342

GENERAL ECONOMIC AND FINANCIAL INFORMATION

LOCAL ECONOMY OVERVIEW

Industry in and surrounding the City is well diversified, with an emphasis on research and high technology. The industrial climate is influenced by both the agriculturally based southern half of the county and the steel mills to the north. Additional employment opportunities are available in the large industrial areas of northern Porter County and the Calumet region of Lake County. In addition, the City has experienced strong residential and commercial growth in recent years.

- The County’s largest employer, ArcelorMittal Burns Harbor, is located in the northern part of the County on Lake Michigan, allowing for prime access to the Port of Indiana. The Burns Harbor location is the company’s second largest facility in the United States.
- The City’s largest private employer, Pratt Industries, continues to experience strong demand in the recycled corrugated paper industry. The company is considering an \$80 million building and equipment expansion. Valparaiso and Indiana are in a competitive process for this project. The company anticipates a decision in the third quarter of 2026.
- The Valparaiso Parks Department has shifted focus from a previously planned \$30 million, 248-acre sports complex to a new \$10 million initiative called “rePLAY,” aimed at upgrading 10 existing parks in 2025. The Valparaiso Redevelopment Commission is exploring other public and private development opportunities for the 248 acres of property. Additionally, a newly planned sports and recreation facility in Valparaiso – called the Valpo Recreation & Enrichment Campus (Valpo REC) – is expected to include a wide mix of indoor sports, family recreation, and community programming inside the former McGill Factory building. Current plans include 25,000 square feet of court space for sports such as basketball, volleyball, and similar activities, 32,000 square feet of indoor turf for soccer, training, camps, and flexible athletics and a large interactive children’s play and education area of roughly 20,000 square feet.

- In October 2025, according to Inside Indiana Business, Valparaiso University received a \$4 million lead gift to begin fundraising efforts for a new state-of-the-art health professions building on campus. The overall cost of the 92,000-square-foot project is expected to be approximately \$90 million and include simulation labs, an advanced physician assistant skills lab, exam room suites, 17,000 square feet of learning space and an integrated medical office suite hosted by a partnering health care provider.
- In 2025, Sensit Technologies received a seven-year real property tax abatement to facilitate the consolidation and expansion of its operations in Valparaiso. The 80,000 square foot new building is being constructed by Chesters, a Valparaiso based construction services company. The estimated construction cost is \$6.5 million. The project should be completed by the end of 2026. Sensit Technologies projects an additional 12 employees will be needed to meet growing demand for its technologies and gas detection monitoring equipment.
- According to an article in Chicago Magazine, in October 2024, the Journeyman Distillery completed a \$40 million redevelopment project. The project includes 140,000 square feet of event space in addition to a brewery, distillery, and restaurant.
- Bluejay II received a real property tax abatement to construct a 115,000 square foot multi-tenant industrial spec building in 2024. The building was completed in 2025. The building has seen positive demand for space and is near 80% leased by the end of the first quarter in 2026. The developer expects the building to be fully leased by the end of 2026.
- The City opened its new Transit Center in October 2024, offering a waiting area, lobby, restrooms, and ticketing services. Designed to enhance regional connectivity, the facility also features parking for ChicaGO and Greyhound passengers. The center will serve as the hub for the City's Transit Oriented District, supporting connections within the City and to Chicago.
- The City Redevelopment Commission is near completion with two vision plan studies. The Eastside Master Plan is being led by consultant Browning Day. The study area includes approximately 400 acres of city and private property on the east side of State Road 49 between 400N and 500N. This area includes the St. Mary's medical campus, where an expansion is currently under construction. The vision plan for this area consists of a range of uses from single-family residential to a business office park. The final plan is expected to be completed by June of 2026. The second study is of Park 30 East in the City's southeast area. The study is being led by SEH consultants. It includes approximately 495 acres of industrial zoned property, most of which is already in the City and in a tax allocation area (TIF). The primary scope of the study is to develop conceptual layouts for industrial park development and to provide cost estimates for public utility and road improvements to serve this area. The report will assist the Commission, stakeholders, and developers with future development in this area. The final report is expected in July of 2026.
- According to PanoramaNow News, the redevelopment of the 124-year-old Gardner School building in downtown Valparaiso is nearing completion. Urschel Development Corp. invested \$40 million to convert the 1899 Gardner School building into a 58-room boutique hotel. The new Grand Gardner Hotel will feature 58 guestrooms and suites, a rooftop breakfast bar area, boutique spa, fitness center, meeting and banquet space, and a speakeasy. The hotel is expected to be completed in 2026.
- The City is experiencing strong investment in the medical field. Both St. Mary's (Powers Health) and Franciscan are under construction. St. Mary's is investing an additional \$21 million in capital improvements in its 40-acre campus in the Eastside Master Plan area with a four-story medical office building. Recently St. Mary's completed two additions on existing buildings and a parking lot expansion. In addition, Franciscan started on a \$22 million medical building complex on 40-acres along S.R. 49 in the Eastport Industrial and Business Park. The medical campus will be completed in phases. Both projects are expected to be completed in 2027.
- The City of Valparaiso and High Ground, a subsidiary of Hageman, have nearly completed two transformational downtown projects. The combined \$54.4 million development includes The Linc, a 127 unit multi-use apartment and retail development complex, and the approximately 360-space Lincoln

Highway Garage. This project replaces aging underground infrastructure, separating stormwater and sanitary sewers for long-term sustainability. The Lincoln Highway Garage was completed in June 2024 and the Linc is expected to be fully open in fall 2026.

- In March 2024, according to Inside Indiana Business, Lake Cable, a cable manufacturer, announced plans to invest \$3.6 million in new equipment at the former Regal Beloit plant which they acquired in 2021. The expansion is expected to add 40 new jobs.
- A vacant building in the City is being transformed into a new, state-of-the-art, 43,500-square-foot medical facility. The two-story Viking Medical Center will represent an investment of more than \$15 million and is expected to create 60 new jobs.

LARGE EMPLOYERS

Below is a list of the City's largest employers. The number of employees shown are as reported by Valparaiso Chamber of Commerce unless otherwise noted. Because of reporting time lags and other factors inherent in collecting and reporting such information, the statistics may not reflect recent employment levels.

<u>Name</u>	<u>Type of Business</u>	<u>Reported Employment</u>
Northwest Health Hospital-Porter	Acute care hospital	1,775
Valparaiso Community Schools	Public Education	882 (1)
Valparaiso University	Private university	601
Regal Power Transmission Solutions	Mfg. bearings	500 (2)
Pratt Industries, Inc.	Cardboard paper/recycling	467
Opportunity Enterprises, Inc.	Job training, day care and family services	375
Porter-Starke Services, Inc.	Mental health services	330
East Porter County School Corporation	Public education	310 (3)
Indiana Beverage	Beer wholesaler	240 (2)
Task Force Tips	Water and Foam flow mfg.	220

(1) Per the School Corporation includes 420 certified and 462 non-certified staff.

(2) Per Hoosiers by the Numbers.

(3) Per the School Corporation includes 153 certified and 157 non-certified staff.

EMPLOYMENT

<u>Year</u>	<u>Unemployment Rate*</u>	
	<u>Porter County</u>	<u>Indiana</u>
2020	8.3% **	7.3% **
2021	4.2%	3.9%
2022	3.4%	3.1%
2023	3.8%	3.4%
2024	4.5%	4.0%
2025, December	2.9%	2.6%
2026, February	4.2%	3.8%

*Every March, the Bureau of Labor Statistics benchmarks the past five years of Local Area Unemployment Statistics.

**See "RISK FACTORS AND INVESTOR CONSIDERATIONS - POTENTIAL IMPACTS RESULTING FROM EPIDEMICS OR PANDEMICS", in the front part of this official statement for more information.

Source: Indiana Business Research Center STATS Indiana. Data collected as of May 4, 2026.

BUILDING PERMITS

Provided below is a summary of the number of building permits and estimated construction costs for the City.

<u>Year</u>	<u>Residential</u>		<u>Commercial</u>	
	<u>Number of Permits</u>	<u>Estimated Construction Costs</u>	<u>Number of Permits</u>	<u>Estimated Construction Costs</u>
2020	898	\$11,825,815	252	\$17,080,648
2021	702	10,521,568	240	24,140,568
2022	618	9,415,113	281	47,667,688
2023	720	12,800,769	303	24,081,071
2024	682	12,669,634	263	46,059,529

<u>Year</u>	<u>New Residential</u>		<u>New Commercial</u>	
	<u>Number of Permits</u>	<u>Estimated Construction Costs</u>	<u>Number of Permits</u>	<u>Estimated Construction Costs</u>
2020	160	\$50,600,930	9	\$8,827,610
2021	144	52,900,383	18	43,373,279
2022	81	34,848,444	12	15,297,279
2023	168	79,265,722	13	32,786,606
2024	182	84,803,012	4	44,949,655

Source: Valparaiso Building Department

POPULATION

<u>Year</u>	<u>City of Valparaiso</u>		<u>Porter County</u>	
	<u>Population</u>	<u>Percent of Change</u>	<u>Population</u>	<u>Percent of Change</u>
1980	22,247	11.12%	119,816	37.54%
1990	24,414	9.74%	128,932	7.61%
2000	27,428	12.35%	146,798	13.86%
2010	31,730	15.68%	164,343	11.95%
2020	34,151	7.63%	173,215	5.40%
2024, July 1, est.	35,065	2.68%	175,860	1.53%

Source: Indiana Business Research Center STATS Indiana - U.S.Census Bureau Decennial Census.

AGE STATISTICS

	<u>City of Valparaiso</u>	<u>Porter County</u>
Under 25 Years	11,390	53,880
25 to 44 Years	9,166	42,396
45 to 64 Years	7,638	46,445
65 Years and Over	5,957	30,494
Totals	<u>34,151</u>	<u>173,215</u>

Source: U.S. Census Bureau's 2020 Decennial Census.

MISCELLANEOUS ECONOMIC INFORMATION

	<u>City of Valparaiso</u>	<u>Porter County</u>	<u>Indiana</u>
Per capita income*	\$38,894	\$44,216	\$38,351
Median household income*	\$69,872	\$87,972	\$71,957

*In 2024 inflation-adjusted dollars - 5-year estimates.

Source: U.S. Census Bureau. Data collected as of May 4, 2026.

<u>Employment and Earnings - Porter County 2022</u>	<u>Earnings</u> (In 1,000s)	<u>Percent of Earnings</u>	<u>Labor Force</u>	<u>Distribution of Labor Force</u>
Services	\$1,809,825	34.53%	36,982	42.08%
Manufacturing	1,026,515	19.58%	9,816	11.17%
Construction	582,641	11.11%	6,388	7.27%
Government	456,044	8.70%	7,280	8.28%
Retail trade	332,553	6.34%	9,312	10.59%
Transportation and warehousing	319,480	6.09%	4,895	5.57%
Other*	314,907	6.01%	3,298	3.75%
Finance, insurance and real estate	312,035	5.95%	8,340	9.49%
Information	62,779	1.20%	1,129	1.28%
Farming	25,512	0.49%	455	0.52%
Totals	\$5,242,291	100.00%	87,895	100.00%

*In order to avoid disclosure of confidential information, specific earnings and employment figures are not available for the wholesale trade, utilities, mining, and forestry, fishing, and related sectors. The data is incorporated here.

Source: Stats Indiana Bureau of Economic Analysis and the Indiana Business Research Center. Data collected as of January 8, 2026.

Adjusted Gross Income

<u>Year</u>	<u>Porter County Total</u>
2020	\$6,233,126,858
2021	7,160,181,806
2022	7,337,888,844
2023	7,696,493,105
2024	7,535,695,816

Source: Indiana Department of Revenue.

SCHEDULE OF INDEBTEDNESS

The following schedule shows the outstanding indebtedness of the City, as of the date of this Official Statement, and the taxing units within and overlapping its jurisdiction as of January 16, 2026 including issuance of the Bonds, as reported by the respective taxing units.

<u>Direct Debt</u>	<u>Original Par Amount</u>	<u>Final Maturity</u>	<u>Outstanding Amount</u>
Self-Supporting Revenue Debt			
Waterworks Revenue and Refunding Revenue Bonds, Series 2026 (This issue)	\$10,000,000 *	10/01/45 *	\$10,000,000 *
Waterworks Vactor Truck Loan, 2024	606,788	01/15/29	370,063
Waterworks Revenue Bonds, Series 2024A	14,447,000	10/01/45	14,173,000
Waterworks Refunding Revenue Bonds, Series 2018	2,170,000	10/01/26	525,000
Waterworks Revenue Bonds, Series 2014A	10,705,000	10/01/35	9,980,000
Waterworks Revenue Bonds, Series 2014B	7,185,000	10/01/28	3,090,000
Storm Water Management District Revenue Bonds, Series 2017	10,000,000	07/01/36	9,355,000
Economic Development Revenue Bonds, Series 2019 (VJW The Brooks LLC Project)	6,885,000	08/01/39	5,160,000
Taxable Economic Development Revenue Bonds, Series 2019 (St. Paul-Valparaiso)	1,650,000	07/01/30	1,650,000
Sewage Works Revenue Bonds, Series 2024	62,049,000	08/01/47	62,049,000
Sewage Works Revenue Bonds, Series 2019	5,620,000	08/01/39	4,250,000
Sewage Works Revenue Bonds, Series 2015	2,600,000	02/01/35	1,415,000
Sewage Works Refunding Revenue Bonds, Series 2015	10,200,000	02/01/28	3,960,000
Sewage Works Revenue Bonds of 2011 (SRF)	1,533,000	08/01/31	<u>571,000</u>
Subtotal			<u>126,548,063 *</u>
Tax Supported Debt			
City of Valparaiso			
General Obligation Bonds, Series 2024	4,400,000	01/01/30	3,595,000
General Obligation Bonds, Series 2018	3,000,000	01/15/33	1,660,000
General Obligation Refunding Bonds, Series 2015	3,485,000	01/15/27	640,000
Taxable Economic Development Tax Increment Revenue Bonds, Series 2021 (Calkins Hill)	1,250,010	08/01/39	1,189,823
Taxable Economic Development Revenue Bonds, Series 2015 (Pratt Paper (IN), LLC Project)	10,000,000	02/01/26	580,000
Economic Development Tax Increment Revenue Bonds, Series 2018 (Vale View)	704,000	01/15/44	598,000
Fire Protection Territory - Two 2021 Sutphen Heavy Duty Custom Pumper Fire Trucks	1,103,798	02/01/27	376,291
Fire Protection Territory - Two 2023 Dodge Ram 5500	140,589	09/15/26	83,251
City of Valparaiso Redevelopment Authority			
Lease Rental Revenue Bonds, Series 2023A (Sports Park)	17,105,000	02/01/40	16,105,000
Lease Rental Revenue Bonds, Series 2023B (Sports Park)	6,240,000	02/01/43	6,115,000
Taxable Economic Development Revenue Bonds, Series 2023A (Journeyman Project)	3,780,000	01/15/40	3,705,000
Taxable Economic Development Revenue Bonds, Series 2023B (Journeyman Project)	2,050,000	01/15/40	1,685,000
Redevelopment Authority Taxable Lease Rental Revenue Bonds of 2022 (Parking Garage)	15,560,000	01/15/40	14,620,000
City of Valparaiso Redevelopment Commission			
Redevelopment District Tax Increment Revenue Bonds, Series 2015A	2,500,000	01/15/40	1,710,000
City of Valparaiso Building Corporation			
Lease Rental Revenue Refunding Bonds, Series 2024	3,245,000	06/30/31	2,465,000
City of Valparaiso Park and Recreation District			
Parks - Refunding Bonds, Series 2015	2,995,000	07/01/33	1,415,000
Parks - 2024 Kubota, UTV Plow & Sure-Trac Tilt Trailer	37,319	10/03/27	25,496
Parks - 2024 Toro Triflex Mower & Two (2) Blade Cutting Units	45,235	10/03/27	30,904
Parks - One 2024 Chevrolet Silverado 2500 HD	47,901	09/14/26	16,856
Parks - 2024 Club Car Tempo Gas Gold Carts (40) and 2024 Club Car Tempo 2+2 Gas Golf Carts	201,749	10/01/28	164,769
Parks - Three (3) 2023 Ferris 40HP 72" Mowers	46,594	04/12/26	8,227
Parks - Toro Triflex Mower, Blade Cutting Units, and Rotary	72,621	01/15/28	<u>49,616</u>
Subtotal			<u>56,838,233</u>
Total Direct Debt			<u><u>\$183,386,296</u></u>

Note: For additional debt issuance by the City, please refer to "FUTURE FINANCINGS" in the front part of this Official Statement.

SCHEDULE OF INDEBTEDNESS (Cont'd)

<u>Overlapping Debt (1)</u>	<u>Total Debt</u>	<u>Percent Allocable to City (2)</u>	<u>Amount Allocable to City</u>
Tax Supported Debt			
Porter County	\$64,624,877	18.51%	\$11,962,065
Washington Township	169,351	45.58%	77,190
East Porter County School Corporation	27,679,023	20.95%	5,798,755
Valparaiso Community School Corporation	250,990,649	65.08%	<u>163,344,714</u>
Tax Supported Debt			<u>181,182,724</u>
Self-Supporting Revenue Debt			
Porter County	14,305,000	18.51%	2,647,856
Porter County Airport Authority	2,810,000	18.51%	<u>520,131</u>
Self-Supporting Revenue Debt			<u>3,167,987</u>
Total Overlapping Debt			<u><u>\$184,350,711</u></u>

*Preliminary, subject to change.

(1) Per Indiana Gateway and internal files.

(2) Based upon the 2024 payable 2025 net assessed valuation of the respective taxing units.

The schedule presented above is based on information furnished by the obligors or other sources and is deemed reliable. The City makes no representation or warranty as to its accuracy or completeness.

DEBT RATIOS

The following presents the ratios relative to the revenue supported indebtedness of the taxing units within and overlapping the City as of January 16, 2026, including issuance of the Bonds.

	Direct Waterworks Revenue Supported Debt*	Direct Sewage Works Revenue Supported Debt	Direct Stormwater Revenue Supported Debt	Total Direct Utility Revenue Supported Debt*	
	<u>\$38,138,063</u>	<u>\$72,245,000</u>	<u>\$14,515,000</u>	<u>\$124,898,063</u>	(3)
Per capita (1)	\$1,087.64	\$2,060.32	\$413.95	\$3,561.90	
Per user (2)					
Waterworks	\$2,679.93				
Sewage Works		\$1,056.71			
Stormwater			\$1,222.01		

*Preliminary, subject to change.

(1) According to the U.S. Census Bureau, the estimated July 1, 2024 population of the City is 35,065.

(2) Based upon the billing records, the current number of users are as follows:

Waterworks	14,231
Sewage	13,736
Stormwater	11,878

(3) Does not include the Taxable Economic Development Revenue Bonds, Series 2019 (St. Paul-Valparaiso) which are not backed by any utility revenues.

SCHEDULE OF HISTORICAL NET ASSESSED VALUATION

(As Provided by the Porter County Auditor's Office)

<u>Year</u> <u>Payable</u>	<u>Real Estate</u>	<u>Utilities</u>	<u>Personal</u> <u>Property</u>	<u>Total</u> <u>Taxable Value</u>
2021	\$1,702,650,391	\$24,745,110	\$178,970,457	\$1,906,365,958
2022	1,814,495,840	25,800,500	186,330,457	2,026,626,797
2023	2,077,074,467	29,232,640	184,469,259	2,290,776,366
2024	2,178,663,445	27,186,320	192,267,134	2,398,116,899
2025	2,451,620,458	29,364,430	209,326,344	2,690,311,232
2026 (1)	N/A	N/A	N/A	2,803,770,527

(1) Certified Net Assessed Valuation per the Indiana Department of Local Government Finance ("DLGF").

See "AUTHORITY AND SECURITY - Procedures for Property Assessment, Tax Levy and Collection" in the front part of this official statement for more information.

NOTE: THE BONDS ARE NOT PAYABLE FROM PROPERTY TAXES

DETAIL OF NET ASSESSED VALUATION
 Assessed 2024 for Taxes Payable in 2025
 (As Provided by the Porter County Auditor's Office)

	<u>Valparaiso Center Twp.</u>	<u>Valparaiso Washington Twp.</u>	<u>Valparaiso Morgan Twp.</u>	<u>Total</u>
Gross Value of Land	\$758,243,100	\$83,947,800	\$14,300	\$842,205,200
Gross Value of Improvements	<u>3,242,597,300</u>	<u>340,083,000</u>		<u>3,582,680,300</u>
Total Gross Value of Real Estate	4,000,840,400	424,030,800	14,300	4,424,885,500
Less: Tax Exempt Property & Other Exemptions	(1,530,204,096)	(72,158,599)		(1,602,362,695)
TIF	<u>(232,089,069)</u>	<u>(138,813,278)</u>		<u>(370,902,347)</u>
Net Assessed Value of Real Estate	<u>2,238,547,235</u>	<u>213,058,923</u>	<u>14,300</u>	<u>2,451,620,458</u>
Business Personal Property	133,804,100	204,215,180		338,019,280
Less: Deductions	(30,730,236)	(23,038,540)		(53,768,776)
Less: Personal TIF		<u>(74,924,160)</u>		<u>(74,924,160)</u>
Net Assessed Value of Personal Property	<u>103,073,864</u>	<u>106,252,480</u>	<u>0</u>	<u>209,326,344</u>
Net Assessed Value of Utility Property	<u>26,973,760</u>	<u>2,390,670</u>	<u>0</u>	<u>29,364,430</u>
Total Net Assessed Value	<u><u>\$2,368,594,859</u></u>	<u><u>\$321,702,073</u></u>	<u><u>\$14,300</u></u>	<u><u>\$2,690,311,232</u></u>

NOTE: THE BONDS ARE NOT PAYABLE FROM PROPERTY TAXES

APPENDIX B

BOOK-ENTRY-ONLY

The Bonds will be available only in book entry form in the principal amount of \$5,000 or any integral multiple thereof. DTC will act as the initial securities depository for the Bonds. The ownership of one fully registered Bond for each maturity of the Bonds will be registered in the name of Cede & Co., as nominee for DTC or at the election of the winning bidder, to the purchaser.

SO LONG AS CEDE & CO, AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS (OR THE OWNERS) WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners.

The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and payment of principal of, and interest on, the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or its agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or its agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to Issuer or its agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

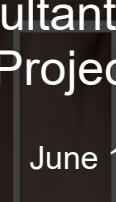
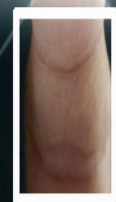
APPENDIX C



CITY OF VALPARAISO, INDIANA MUNICIPAL WATER UTILITY

Consultant's Report on
Proposed Project and Bond Issue

June 11, 2026



APPENDIX C

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VALPARAISO (INDIANA) MUNICIPAL WATER UTILITY

PURPOSE OF THE CONSULTANT'S REPORT

Baker Tilly Municipal Advisors, LLC ("Baker Tilly") has performed a study and analysis of the operating and financial reports, budgets, and other data pertaining to the City of Valparaiso, Indiana Municipal Water Utility ("Utility" or "Waterworks"). The results of our analysis are contained in this Consultant's Report (the "Report").

The purpose of this Report is to estimate the Utility's future financial performance and debt service coverage based on current and proposed debt service payments on the Proposed Waterworks Revenue Bonds, Series 2026. This Report is based on data for the calendar year ended December 31, 2025. The historical information used in this report was taken from the books and records of the Utility.

In the course of preparing this Report, we have not conducted an audit of any financial or supplementary data used in the accompanying schedules. We have provided an assessment based on the information provided by the Utility that may vary from actual results because events and circumstances frequently do not occur as estimated and such variances may be material. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

If you have any questions regarding this Report, please call Jeffrey Rowe at (574) 367-5368.

VALPARAISO (INDIANA) MUNICIPAL WATER UTILITY

PROPOSED PROJECT AND DEBT SERVICE

VALPARAISO (INDIANA) MUNICIPAL WATER UTILITY
SCHEDULE OF ESTIMATED PROJECT COSTS AND FUNDING

Estimated Project Costs:

Three new park wells and transmission line	\$12,719,412
Private wells replacement	400,000
Underwriters Discount (.75%)	75,000
Cost of issuance and rounding	<u>190,588</u>
Total Estimated Project Costs	<u><u>\$13,385,000</u></u>

Estimated Project Funding:

Proposed Waterworks Revenue Bonds, Series 2026	\$10,000,000
Cash on hand - Water Utility	<u>3,385,000</u>
Total Estimated Project Funding	<u><u>\$13,385,000</u></u>

(No assurance is provided on this Consultant's Report)

VALPARAISO (INDIANA) MUNICIPAL WATER UTILITY

**SCHEDULE OF AMORTIZATION OF \$10,000,000 PRINCIPAL AMOUNT OF
PROPOSED WATERWORKS REVENUE BONDS, SERIES 2026**

Principal and interest payable semiannually April 1st and October 1st
Assumed Interest rates as indicated
Assumed Bonds dated July 9, 2026

Payment Date	Principal Balance (-----In \$1,000's-----)	Principal	Assumed Interest Rates* (%)	Debt Service		Bond Year Total
				Interest	Total	
10/01/26	\$10,000	\$5	2.88	\$87,623.83	\$92,623.83	\$92,623.83
04/01/27	9,995	5	2.90	192,273.00	197,273.00	
10/01/27	9,990	5	2.90	192,200.50	197,200.50	394,473.50
04/01/28	9,985	5	2.93	192,128.00	197,128.00	
10/01/28	9,980	5	2.93	192,054.75	197,054.75	394,182.75
04/01/29	9,975	5	2.97	191,981.50	196,981.50	
10/01/29	9,970	5	2.97	191,907.25	196,907.25	393,888.75
04/01/30	9,965	5	3.05	191,833.00	196,833.00	
10/01/30	9,960	5	3.05	191,756.75	196,756.75	393,589.75
04/01/31	9,955	5	3.14	191,680.50	196,680.50	
10/01/31	9,950	5	3.14	191,602.00	196,602.00	393,282.50
04/01/32	9,945	5	3.27	191,523.50	196,523.50	
10/01/32	9,940	5	3.27	191,441.75	196,441.75	392,965.25
04/01/33	9,935	5	3.31	191,360.00	196,360.00	
10/01/33	9,930	5	3.31	191,277.25	196,277.25	392,637.25
04/01/34	9,925	5	3.38	191,194.50	196,194.50	
10/01/34	9,920	5	3.38	191,110.00	196,110.00	392,304.50
04/01/35	9,915	5	3.46	191,025.50	196,025.50	
10/01/35	9,910	5	3.46	190,939.00	195,939.00	391,964.50
04/01/36	9,905	415	3.52	190,852.50	605,852.50	
10/01/36	9,490	420	3.52	183,548.50	603,548.50	1,209,401.00
04/01/37	9,070	430	3.59	176,156.50	606,156.50	
10/01/37	8,640	435	3.59	168,438.00	603,438.00	1,209,594.50
04/01/38	8,205	445	3.67	160,629.75	605,629.75	
10/01/38	7,760	450	3.67	152,464.00	602,464.00	1,208,093.75
04/01/39	7,310	460	3.74	144,206.50	604,206.50	
10/01/39	6,850	465	3.74	135,604.50	600,604.50	1,204,811.00
04/01/40	6,385	475	3.80	126,909.00	601,909.00	
10/01/40	5,910	485	3.80	117,884.00	602,884.00	1,204,793.00
04/01/41	5,425	495	3.85	108,669.00	603,669.00	
10/01/41	4,930	505	3.85	99,140.25	604,140.25	1,207,809.25
04/01/42	4,425	515	3.92	89,419.00	604,419.00	
10/01/42	3,910	525	3.92	79,325.00	604,325.00	1,208,744.00
04/01/43	3,385	535	4.00	69,035.00	604,035.00	
10/01/43	2,850	545	4.00	58,335.00	603,335.00	1,207,370.00
04/01/44	2,305	555	4.08	47,435.00	602,435.00	
10/01/44	1,750	570	4.08	36,113.00	606,113.00	1,208,548.00
04/01/45	1,180	585	4.15	24,485.00	609,485.00	
10/01/45	595	595	4.15	12,346.25	607,346.25	1,216,831.25
Totals		<u>\$10,000</u>		<u>\$5,717,908.33</u>	<u>\$15,717,908.33</u>	<u>\$15,717,908.33</u>

* Based on current market estimates for an A+ rating from S&P and subject to change.

(No assurance is provided on this Consultant's Report)

VALPARAISO (INDIANA) MUNICIPAL WATER UTILITY

SCHEDULE OF PROPOSED COMBINED BOND AMORTIZATION

Bond Year Ending	Outstanding				Proposed 2026 Bonds	Bond Year Total
	2014A Bonds	2014B Bonds	2018 Bonds	2024A Bonds		
10/01/26	\$358,500.00	\$709,177.50	\$536,850.00	\$897,815.15	\$92,623.83	\$2,594,966.48
10/01/27	358,500.00	1,268,320.00	-	899,924.30	394,473.50	2,921,217.80
10/01/28	358,500.00	1,275,380.00	-	900,609.40	394,182.75	2,928,672.15
10/01/29	1,637,300.00	-	-	902,909.00	393,888.75	2,934,097.75 *
10/01/30	1,631,800.00	-	-	904,758.85	393,589.75	2,930,148.60
10/01/31	1,624,475.00	-	-	909,158.95	393,282.50	2,926,916.45
10/01/32	1,624,359.38	-	-	909,070.75	392,965.25	2,926,395.38
10/01/33	1,622,431.25	-	-	913,545.65	392,637.25	2,928,614.15
10/01/34	1,623,690.63	-	-	913,493.70	392,304.50	2,929,488.83
10/01/35	1,617,956.26	-	-	915,992.00	391,964.50	2,925,912.76
10/01/36	-	-	-	916,989.15	1,209,401.00	2,126,390.15
10/01/37	-	-	-	917,498.00	1,209,594.50	2,127,092.50
10/01/38	-	-	-	917,505.70	1,208,093.75	2,125,599.45
10/01/39	-	-	-	919,025.10	1,204,811.00	2,123,836.10
10/01/40	-	-	-	918,004.80	1,204,793.00	2,122,797.80
10/01/41	-	-	-	917,496.20	1,207,809.25	2,125,305.45
10/01/42	-	-	-	917,473.60	1,208,744.00	2,126,217.60
10/01/43	-	-	-	914,911.30	1,207,370.00	2,122,281.30
10/01/44	-	-	-	913,847.85	1,208,548.00	2,122,395.85
10/01/45	-	-	-	911,270.40	1,216,831.25	2,128,101.65
Totals:	\$12,457,512.52	\$3,252,877.50	\$536,850.00	\$18,231,299.85	\$15,717,908.33	\$50,196,448.20

* Proposed maximum annual debt service payment.

(No assurance is provided on this Consultant's Report)

VALPARAISO (INDIANA) MUNICIPAL WATER UTILITY
CALCULATION OF ESTIMATED DEBT SERVICE COVERAGE

VALPARAISO (INDIANA) MUNICIPAL WATER UTILITY

CALCULATION OF ESTIMATED DEBT SERVICE COVERAGE

(Amounts rounded to the nearest \$100)

	Calendar Year Ending December 31,			
	2026	2027	2028	2029
Operating Revenues: (1)				
Metered water revenue:				
Residential	\$4,901,800	\$5,269,400	\$5,664,600	\$5,877,000
Commercial	1,460,500	1,570,000	1,687,800	1,751,100
Industrial	1,481,300	1,592,400	1,711,800	1,776,000
Multiple family dwellings	1,280,700	1,376,800	1,480,100	1,535,600
Public authorities	233,400	250,900	269,700	279,800
Fire protection revenue	1,468,200	1,578,300	1,696,700	1,760,300
Penalties	21,000	22,600	24,300	25,200
Water reclamation portion of general expenses	901,600	901,600	901,600	901,600
Other	437,300	437,300	437,300	437,300
Total Operating Revenues	<u>12,185,800</u>	<u>12,999,300</u>	<u>13,873,900</u>	<u>14,343,900</u>
Operating Expenses: (2)				
Transmission and distribution	1,767,000	1,820,000	1,874,600	1,930,800
Pumping	856,500	882,200	908,700	936,000
Treatment and disposal	1,573,600	1,620,800	1,669,400	1,719,500
Customer accounts	832,200	857,200	882,900	909,400
Administration and general	2,126,700	2,190,500	2,256,200	2,323,900
Additional O&M Post-Project (3)	-	-	45,000	46,400
Total Operating Expenses	<u>7,156,000</u>	<u>7,370,700</u>	<u>7,636,800</u>	<u>7,866,000</u>
Net Operating Revenues	<u>5,029,800</u>	<u>5,628,600</u>	<u>6,237,100</u>	<u>6,477,900</u>
Non-Operating Revenues:				
Interest income (4)	586,200	586,200	586,200	586,200
Other revenue (1)	25,600	25,600	25,600	25,600
Total Non-Operating Revenues	<u>611,800</u>	<u>611,800</u>	<u>611,800</u>	<u>611,800</u>
Estimated Net Revenues Available for Debt Service	<u>\$5,641,600</u>	<u>\$6,240,400</u>	<u>\$6,848,900</u>	<u>\$7,089,700</u>
Estimated Debt Service Payments (page C - 4)	<u>\$2,595,000</u>	<u>\$2,921,200</u>	<u>\$2,928,700</u>	<u>\$2,934,100</u>
Estimated Debt Service Coverage (5)	<u>217%</u>	<u>214%</u>	<u>234%</u>	<u>242%</u>

(1) Estimated amounts for 2026 through 2029 for metered water revenue, fire protection revenue, and penalties reflect annual rate adjustments of 7.5% effective July 1, 2024 through 2028, in accordance with Ordinance No. 8 2024. All other revenues are assumed to remain at the 2025 levels in future years.

(2) Estimated 2026 figures are based on the 2026 Budget prepared by the Utility. All future years assume a 3% inflationary increase.

(3) Assumes annual purchased power costs increase by approximately \$15,000 per well for three new wells, beginning after project completion in 2027.

(4) Assumes 4% return on December 31, 2025 fund balances, net of the construction fund and a \$3,000,000 contribution of cash on hand to the project.

(5) Estimated debt service coverage, including the payment in lieu of property taxes transfer at the estimated amount of \$759,600, is 188%, 188%, 208% and 216% for years 2026, 2027, 2028 and 2029 respectively.

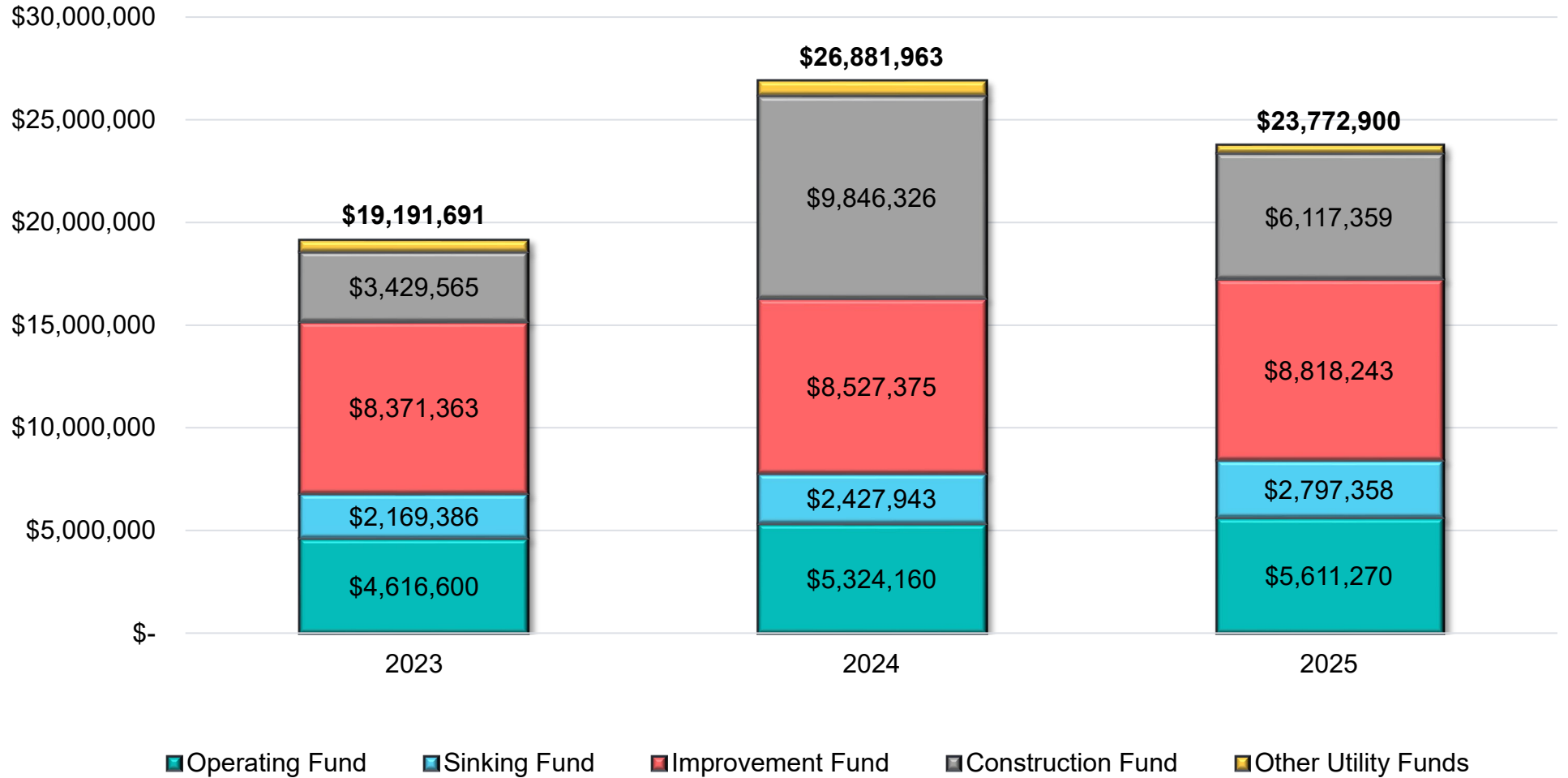
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VALPARAISO (INDIANA) MUNICIPAL WATER UTILITY
SUPPLEMENTARY FINANCIAL INFORMATION

VALPARAISO (INDIANA) MUNICIPAL WATER UTILITY

SUMMARY OF HISTORICAL FINANCIAL ACTIVITY

HISTORICAL FUND BALANCES

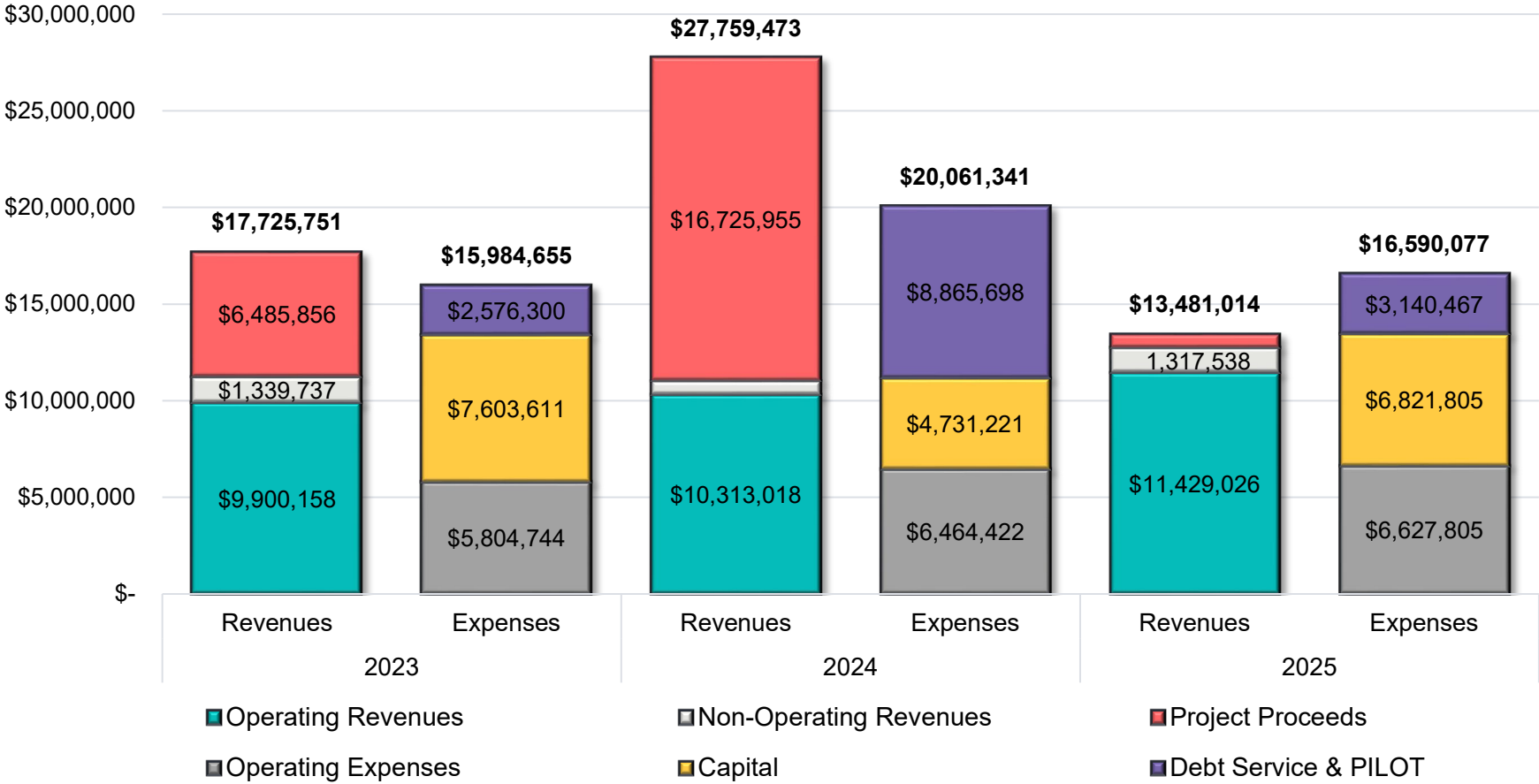


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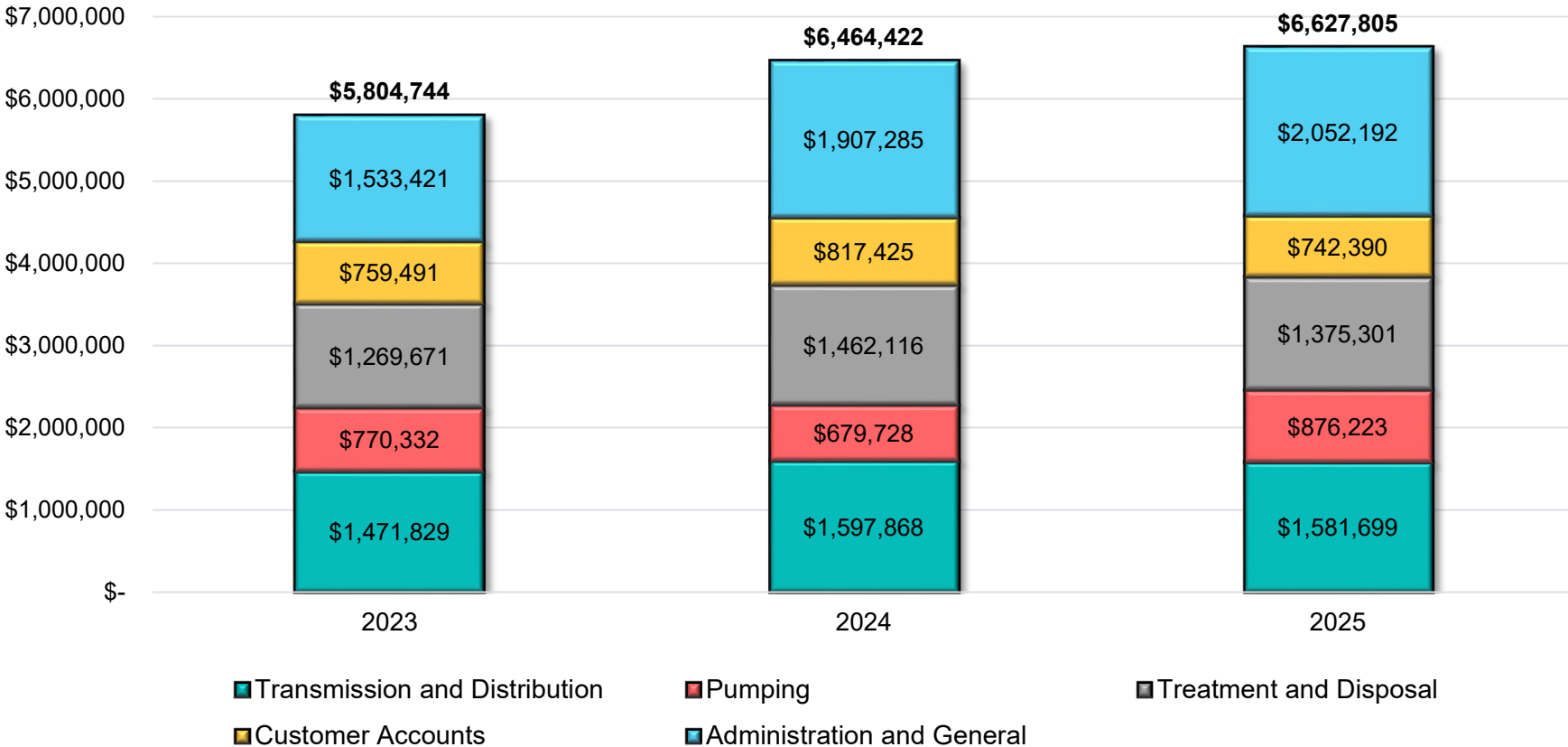
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SUMMARY OF HISTORICAL FINANCIAL ACTIVITY

Historical Revenues and Expenses



Historical Operating Expense Breakdown



(No assurance is provided on this Consultant's Report)

VALPARAISO (INDIANA) MUNICIPAL WATER UTILITY

**COMPARISON OF ACCOUNT BALANCES WITH
MINIMUM BALANCES REQUIRED**

<u>Cash and Investments:</u>	<u>Account Balances 12/31/2025</u>	<u>Minimum Balance Required (1)</u>	<u>Variance</u>
Operating Fund (2)	\$5,611,270	\$1,192,905	\$4,418,365
Sinking Fund:			
Bond and Interest Account (3)	774,330	626,483	147,847
Debt Service Reserve Account (4)	2,023,028	2,023,028	-
Improvement Fund (5)	8,818,243	-	8,818,243
Construction Fund (6)	6,117,359	6,117,359	-
Tank Painting and Maintenance Fund (7)	380,105	-	380,105
Customer Deposit Fund (8)	48,565	48,565	-
 Totals	 <u>\$23,772,900</u>	 <u>\$10,008,340</u>	 <u>\$13,764,560</u>

(1) **Required Reserves:** Balances required per Bond Ordinance No. 17, 2023.

(2) **Operating and Maintenance Fund:** The balance maintained in the operation and maintenance account should be sufficient to pay the expenses of operation, repair, and maintenance of the utility for the next succeeding two (2) calendar months.

2026 operation and maintenance expense budget (page C - 5)	\$7,156,000
Times factor for 2 months	<u>16.67%</u>
 Required Reserve	 <u>\$1,192,905</u>

(3) **Bond and Interest Account:** A balance must be maintained equal to the sum of the monthly transfers in the amount of (1/6) of the next succeeding principal and interest payment.

	<u>Amount</u>		<u>Factor</u>	<u>Months</u>	<u>Total</u>
<u>2014A Bonds</u>					
Principal Due 4/1/2026	\$ -	x	1/6	3	\$ -
Interest Due 4/1/2026	179,250.00	x	1/6	3	89,625.00
<u>2014B Bonds</u>					
Principal Due 4/1/2026	315,000.00	x	1/6	3	157,500.00
Interest Due 4/1/2026	41,715.00	x	1/6	3	20,858.00
<u>2018 Bonds</u>					
Principal Due 4/1/2026	260,000.00	x	1/6	3	130,000.00
Interest Due 4/1/2026	7,875.00	x	1/6	3	3,938.00
<u>2024A Bonds</u>					
Principal Due 4/1/2026	267,000.00	x	1/6	3	133,500.00
Interest Due 4/1/2026	182,123.05	x	1/6	3	<u>91,062.00</u>
 Required Reserve					 <u>\$626,483</u>

(4) **Debt Service Reserve Account:** An amount equal to the maximum annual debt service payment for all outstanding bonds should be transferred into this account over 5 years from the last debt issuance.

Required Reserve	<u>\$2,023,028</u>
------------------	--------------------

(5) **Improvement Fund:** No minimum balance required.

(6) **Construction Fund:** Monies are restricted for project expenditures.

(7) **Tank Painting and Maintenance Fund:** No minimum balance required.

(8) **Customer Deposit Fund:** Monies are restricted for return to customers.

(No assurance is provided on this Consultant's Report)

VALPARAISO (INDIANA) MUNICIPAL WATER UTILITY

**SCHEDULE OF AMORTIZATION OF \$9,980,000 PRINCIPAL AMOUNT OF
OUTSTANDING WATERWORKS REVENUE BONDS, SERIES 2014A**

Principal and interest payable semiannually on April 1st and October 1st.
Interest rates as indicated.

<u>Payment Date</u>	<u>Principal Balance</u> (In \$1000's)	<u>Principal</u>	<u>Interest Rates</u> (%)	<u>Interest</u> (-----In Dollars-----)	<u>Total</u>	<u>Bond Year Total</u>
04/01/26	\$9,980			\$179,250.00	\$179,250.00	
10/01/26	9,980			179,250.00	179,250.00	\$358,500.00
04/01/27	9,980			179,250.00	179,250.00	
10/01/27	9,980			179,250.00	179,250.00	358,500.00
04/01/28	9,980			179,250.00	179,250.00	
10/01/28	9,980			179,250.00	179,250.00	358,500.00
04/01/29	9,980	\$640 (1)	3.500	179,250.00	819,250.00	
10/01/29	9,340	650 (1)	3.500	168,050.00	818,050.00	1,637,300.00
04/01/30	8,690	660 (2)	3.500	156,675.00	816,675.00	
10/01/30	8,030	670 (2)	3.500	145,125.00	815,125.00	1,631,800.00
04/01/31	7,360	680 (3)	3.625	133,400.00	813,400.00	
10/01/31	6,680	690 (3)	3.625	121,075.00	811,075.00	1,624,475.00
04/01/32	5,990	705 (4)	3.625	108,568.75	813,568.75	
10/01/32	5,285	715 (4)	3.625	95,790.63	810,790.63	1,624,359.38
04/01/33	4,570	730 (5)	3.625	82,831.25	812,831.25	
10/01/33	3,840	740 (5)	3.625	69,600.00	809,600.00	1,622,431.25
04/01/34	3,100	755 (6)	3.625	56,187.50	811,187.50	
10/01/34	2,345	770 (6)	3.625	42,503.13	812,503.13	1,623,690.63
04/01/35	1,575	780 (7)	3.625	28,546.88	808,546.88	
10/01/35	795	795 (7)	3.625	14,409.38	809,409.38	1,617,956.26
Totals		\$9,980		\$2,477,512.52	\$12,457,512.52	\$12,457,512.52

- (1) \$1,290,000 of Term Bonds due October 1, 2029.
- (2) \$1,330,000 of Term Bonds due October 1, 2030.
- (3) \$1,370,000 of Term Bonds due October 1, 2031.
- (4) \$1,420,000 of Term Bonds due October 1, 2032.

- (5) \$1,470,000 of Term Bonds due October 1, 2033.
- (6) \$1,525,000 of Term Bonds due October 1, 2034.
- (7) \$1,575,000 of Term Bonds due October 1, 2035.

(No assurance is provided on this Consultant's Report)

VALPARAISO (INDIANA) MUNICIPAL WATER UTILITY

**SCHEDULE OF AMORTIZATION OF \$3,090,000 PRINCIPAL AMOUNT OF
OUTSTANDING WATERWORKS REVENUE BONDS, SERIES 2014B**

Principal and interest payable semiannually on April 1st and October 1st.
Interest rate as indicated.

<u>Payment Date</u>	<u>Principal Balance</u> (In \$1000's)	<u>Principal</u>	<u>Interest Rate</u> (%)	<u>Interest</u> (-----In Dollars-----)	<u>Total</u>	<u>Bond Year Total</u>
04/01/26	\$3,090	\$315	2.70	\$41,715.00	\$356,715.00	
10/01/26	2,775	315	2.70	37,462.50	352,462.50	\$709,177.50
04/01/27	2,460	600	2.70	33,210.00	633,210.00	
10/01/27	1,860	610	2.70	25,110.00	635,110.00	1,268,320.00
04/01/28	1,250	620	2.70	16,875.00	636,875.00	
10/01/28	630	630	2.70	8,505.00	638,505.00	1,275,380.00
Totals		<u>\$3,090</u>		<u>\$162,877.50</u>	<u>\$3,252,877.50</u>	<u>\$3,252,877.50</u>

(No assurance is provided on this Consultant's Report)

VALPARAISO (INDIANA) MUNICIPAL WATER UTILITY

**SCHEDULE OF AMORTIZATION OF \$525,000 PRINCIPAL AMOUNT OF
OUTSTANDING WATERWORKS REFUNDING REVENUE BONDS, SERIES 2018**

Principal and interest payable semiannually on April 1st and October 1st
Interest rates as indicated.

<u>Payment Date</u>	<u>Principal Balance</u> (-----In \$1,000's-----)	<u>Principal</u>	<u>Interest Rate</u> (%)	<u>Interest</u> (-----In Dollars-----)	<u>Total</u> (-----In Dollars-----)	<u>Bond Year Total</u>
04/01/26	\$525	\$260	3.00	\$7,875.00	\$267,875.00	
10/01/26	265	265	3.00	3,975.00	268,975.00	\$536,850.00
Totals		<u>\$525</u>		<u>\$11,850.00</u>	<u>\$536,850.00</u>	<u>\$536,850.00</u>

(No assurance is provided on this Consultant's Report)

VALPARAISO (INDIANA) MUNICIPAL WATER UTILITY

**SCHEDULE OF AMORTIZATION OF \$14,173,000 PRINCIPAL AMOUNT OF
OUTSTANDING WATERWORKS REVENUE BONDS, SERIES 2024A**

Principal and interest payable semiannually, October 1st and April 1st
Interest rate as indicated
Bonds dated June 20, 2024

Payment Date	Principal Balance (-----In \$1,000's-----)	Principal	Interest Rate (%)	Debt Service		Bond Year Total
				Interest	Total	
				(-----In Dollars-----)		
04/01/26	\$14,173	\$267	2.57	\$182,123.05	\$449,123.05	
10/01/26	13,906	270	2.57	178,692.10	448,692.10	\$897,815.15
04/01/27	13,636	274	2.57	175,222.60	449,222.60	
10/01/27	13,362	279	2.57	171,701.70	450,701.70	899,924.30
04/01/28	13,083	282	2.57	168,116.55	450,116.55	
10/01/28	12,801	286	2.57	164,492.85	450,492.85	900,609.40
04/01/29	12,515	290	2.57	160,817.75	450,817.75	
10/01/29	12,225	295	2.57	157,091.25	452,091.25	902,909.00
04/01/30	11,930	299	2.57	153,300.50	452,300.50	
10/01/30	11,631	303	2.57	149,458.35	452,458.35	904,758.85
04/01/31	11,328	309	2.57	145,564.80	454,564.80	
10/01/31	11,019	313	2.57	141,594.15	454,594.15	909,158.95
04/01/32	10,706	317	2.57	137,572.10	454,572.10	
10/01/32	10,389	321	2.57	133,498.65	454,498.65	909,070.75
04/01/33	10,068	327	2.57	129,373.80	456,373.80	
10/01/33	9,741	332	2.57	125,171.85	457,171.85	913,545.65
04/01/34	9,409	336	2.57	120,905.65	456,905.65	
10/01/34	9,073	340	2.57	116,588.05	456,588.05	913,493.70
04/01/35	8,733	346	2.57	112,219.05	458,219.05	
10/01/35	8,387	350	2.57	107,772.95	457,772.95	915,992.00
04/01/36	8,037	355	2.57	103,275.45	458,275.45	
10/01/36	7,682	360	2.57	98,713.70	458,713.70	916,989.15
04/01/37	7,322	364	2.57	94,087.70	458,087.70	
10/01/37	6,958	370	2.57	89,410.30	459,410.30	917,498.00
04/01/38	6,588	374	2.57	84,655.80	458,655.80	
10/01/38	6,214	379	2.57	79,849.90	458,849.90	917,505.70
04/01/39	5,835	384	2.57	74,979.75	458,979.75	
10/01/39	5,451	390	2.57	70,045.35	460,045.35	919,025.10
04/01/40	5,061	394	2.57	65,033.85	459,033.85	
10/01/40	4,667	399	2.57	59,970.95	458,970.95	918,004.80
04/01/41	4,268	404	2.57	54,843.80	458,843.80	
10/01/41	3,864	409	2.57	49,652.40	458,652.40	917,496.20
04/01/42	3,455	414	2.57	44,396.75	458,396.75	
10/01/42	3,041	420	2.57	39,076.85	459,076.85	917,473.60
04/01/43	2,621	424	2.57	33,679.85	457,679.85	
10/01/43	2,197	429	2.57	28,231.45	457,231.45	914,911.30
04/01/44	1,768	435	2.57	22,718.80	457,718.80	
10/01/44	1,333	439	2.57	17,129.05	456,129.05	913,847.85
04/01/45	894	444	2.57	11,487.90	455,487.90	
10/01/45	450	450	2.57	5,782.50	455,782.50	911,270.40
Totals		<u>\$14,173</u>		<u>\$4,058,299.85</u>	<u>\$18,231,299.85</u>	<u>\$18,231,299.85</u>

(No assurance is provided on this Consultant's Report)

VALPARAISO (INDIANA) MUNICIPAL WATER UTILITY

SCHEDULE OF COMBINED BOND AMORTIZATION

<u>Bond Year Ending</u>	<u>2014A Bonds</u>	<u>2014B Bonds</u>	<u>2018 Bonds</u>	<u>2024A Bonds</u>	<u>Bond Year Total</u>
10/01/26	\$358,500.00	\$709,177.50	\$536,850.00	\$897,815.15	\$2,502,342.65
10/01/27	358,500.00	1,268,320.00	-	899,924.30	2,526,744.30
10/01/28	358,500.00	1,275,380.00	-	900,609.40	2,534,489.40
10/01/29	1,637,300.00	-	-	902,909.00	2,540,209.00
10/01/30	1,631,800.00	-	-	904,758.85	2,536,558.85
10/01/31	1,624,475.00	-	-	909,158.95	2,533,633.95
10/01/32	1,624,359.38	-	-	909,070.75	2,533,430.13
10/01/33	1,622,431.25	-	-	913,545.65	2,535,976.90
10/01/34	1,623,690.63	-	-	913,493.70	2,537,184.33
10/01/35	1,617,956.26	-	-	915,992.00	2,533,948.26
10/01/36	-	-	-	916,989.15	916,989.15
10/01/37	-	-	-	917,498.00	917,498.00
10/01/38	-	-	-	917,505.70	917,505.70
10/01/39	-	-	-	919,025.10	919,025.10
10/01/40	-	-	-	918,004.80	918,004.80
10/01/41	-	-	-	917,496.20	917,496.20
10/01/42	-	-	-	917,473.60	917,473.60
10/01/43	-	-	-	914,911.30	914,911.30
10/01/44	-	-	-	913,847.85	913,847.85
10/01/45	-	-	-	911,270.40	911,270.40
Totals	<u>\$12,457,512.52</u>	<u>\$3,252,877.50</u>	<u>\$536,850.00</u>	<u>\$18,231,299.85</u>	<u>\$34,478,539.87</u>

(No assurance is provided on this Consultant's Report)

VALPARAISO (INDIANA) MUNICIPAL WATER UTILITY

SCHEDULE OF CURRENT AND FUTURE RATES AND CHARGES

	Phase II - Effective July 1, 2025			Phase III - Effective July 1, 2026		
	Inside Users	Outside Users		Inside Users	Outside Users	
Metered Rates and Charges - General Service (rate per 100 cubic feet)						
First 2,000 cubic feet	\$3.68		\$4.23	\$3.96		\$4.55
Next 8,000 cubic feet	2.97		3.41	3.19		3.66
Over 10,000 cubic feet	2.32		2.66	2.49		2.86

**General Service:
Monthly Service Charge (Including Public Fire Protection)**

	Inside Users			Outside Users			Inside Users			Outside Users		
	Customer Service Charge	Public Fire Protection	Total Monthly Service Charge	Customer Service Charge	Public Fire Protection	Total Monthly Service Charge	Customer Service Charge	Public Fire Protection	Total Monthly Service Charge	Customer Service Charge	Public Fire Protection	Total Monthly Service Charge
5/8 inch meter	\$10.28	\$4.51	\$14.79	\$11.81	\$5.18	\$16.99	\$11.05	\$4.85	\$15.90	\$12.70	\$5.57	\$18.27
3/4 inch meter	10.28	4.51	14.79	11.81	5.18	16.99	11.05	4.85	15.90	12.70	5.57	18.27
1 inch meter	12.80	11.58	24.38	14.71	13.30	28.01	13.76	12.45	26.21	15.81	14.31	30.12
1 1/4 inch meter	17.97	25.89	43.86	20.65	29.75	50.40	19.32	27.83	47.15	22.20	31.98	54.18
1 1/2 inch meter	17.97	25.89	43.86	20.65	29.75	50.40	19.32	27.83	47.15	22.20	31.98	54.18
2 inch meter	25.21	45.92	71.13	28.97	52.76	81.73	27.10	49.36	76.46	31.14	56.71	87.85
3 inch meter	45.97	103.39	149.36	52.82	118.79	171.61	49.42	111.14	160.56	56.78	127.70	184.48
4 inch meter	75.02	183.89	258.91	86.20	211.29	297.49	80.65	197.68	278.33	92.67	227.13	319.80
5 inch meter	137.97	358.20	496.17	158.53	411.57	570.10	148.32	385.06	533.38	170.42	442.43	612.85
6 inch meter	157.92	413.42	571.34	181.45	475.02	656.47	169.76	444.43	614.19	195.05	510.65	705.70
8 inch meter	274.09	735.24	1,009.33	314.93	844.79	1,159.72	294.65	790.38	1,085.03	338.55	908.15	1,246.70
10 inch meter	423.40	1,148.59	1,571.99	486.49	1,319.73	1,806.22	455.16	1,234.73	1,689.89	522.98	1,418.70	1,941.68

Monthly Minimum Charge per Customer

	CF Allowed	Inside Users		Outside Users		Inside Users		Outside Users	
		Service Charge	Public Fire Protection	Service Charge	Public Fire Protection	Service Charge	Public Fire Protection	Service Charge	Public Fire Protection
5/8 inch meter	300	\$25.83		\$29.68		\$27.78		\$31.92	
3/4 inch meter	300	25.83		29.68		27.78		31.92	
1 inch meter	800	53.82		61.85		57.89		66.52	
1 1/4 inch meter	800	106.42		122.31		114.47		131.53	
1 1/2 inch meter	1,700	106.42		122.31		114.47		131.53	
2 inch meter	3,000	174.43		200.43		187.56		215.45	
3 inch meter	6,800	365.52		419.89		392.88		451.16	
4 inch meter	12,200	621.15		713.41		667.51		766.52	
5 inch meter	23,700	1,125.21		1,291.92		1,208.91		1,388.47	
6 inch meter	27,400	1,286.22		1,476.71		1,381.85		1,587.14	
8 inch meter	48,600	2,216.05		2,543.88		2,360.57		2,734.46	
10 inch meter	76,000	3,414.39		3,919.22		3,667.69		4,213.08	

Private Fire Protection Charge - Automatic Sprinkler System (Annual charge)

	Inside Users		Outside Users		Inside Users		Outside Users	
	Service Charge	Public Fire Protection	Service Charge	Public Fire Protection	Service Charge	Public Fire Protection	Service Charge	Public Fire Protection
2 inch connection	\$100.85		\$115.85		\$108.45		\$124.60	
3 inch connection	229.25		263.40		246.45		283.15	
4 inch connection	403.40		463.50		433.70		498.30	
5 inch connection	797.75		916.60		857.60		985.35	
6 inch connection	916.80		1,053.40		965.60		1,132.45	
8 inch connection	1,632.00		1,875.15		1,754.40		2,015.80	
10 inch connection	2,548.70		2,928.45		2,739.90		3,148.10	

Water ATM Fees (per gallon)

\$0.0119

\$0.0122

Note: Rates were approved by the Common Council on April 22, 2024 per Ordinance #8, 2024

(No assurance is provided on this Consultant's Report)

VALPARAISO (INDIANA) MUNICIPAL WATER UTILITY

SCHEDULE OF CURRENT AND FUTURE RATES AND CHARGES

		Phase IV - Effective July 1, 2027						Phase V - Effective July 1, 2028						
		Inside Users			Outside Users			Inside Users			Outside Users			
Metered Rates and Charges - General Service (rate per 100 cubic feet)														
First	2,000 cubic feet		\$4.26		\$4.89		\$4.58		\$5.26					
Next	8,000 cubic feet		3.43		3.94		3.69		4.24					
Over	10,000 cubic feet		2.68		3.08		2.68		3.31					
General Service:														
Monthly Service Charge (Including Public Fire Protection)														
		Inside Users			Outside Users			Inside Users			Outside Users			
		Customer Service Charge	Public Fire Protection	Total Monthly Service Charge	Customer Service Charge	Public Fire Protection	Total Monthly Service Charge	Customer Service Charge	Public Fire Protection	Total Monthly Service Charge	Customer Service Charge	Public Fire Protection	Total Monthly Service Charge	
5/8	inch meter	\$11.88	\$5.21	\$17.09	\$13.65	\$5.99	\$19.64	\$12.77	\$5.60	\$18.37	\$14.67	\$6.43	\$21.10	
3/4	inch meter	11.88	5.21	17.09	13.65	5.99	19.64	12.77	5.60	18.37	14.67	6.43	21.10	
1	inch meter	14.79	13.39	28.18	16.99	15.39	32.38	15.90	14.39	30.29	18.27	16.53	34.80	
1 1/4	inch meter	20.77	29.92	50.69	23.86	34.38	58.24	22.33	32.16	54.49	25.66	36.95	62.61	
1 1/2	inch meter	20.77	29.92	50.69	23.86	34.38	58.24	22.33	32.16	54.49	25.66	36.95	62.61	
2	inch meter	29.13	53.06	82.19	33.47	60.97	94.44	31.31	57.04	88.35	35.98	65.53	101.51	
3	inch meter	53.13	119.47	172.60	61.05	137.27	198.32	57.11	128.44	185.55	65.62	147.58	213.20	
4	inch meter	86.70	212.50	299.20	99.62	244.16	343.78	93.20	228.44	321.64	107.09	262.47	369.56	
5	inch meter	159.44	413.94	573.38	183.20	475.61	658.81	171.40	444.98	616.38	196.74	511.28	708.02	
6	inch meter	182.49	477.76	660.25	209.68	548.95	758.63	196.18	513.59	709.77	225.41	590.12	815.53	
8	inch meter	316.75	849.66	1,166.41	363.95	976.26	1,340.21	340.51	913.38	1,253.89	391.25	1,049.47	1,440.72	
10	inch meter	489.30	1,327.33	1,816.63	562.21	1,525.10	2,087.31	526.00	1,426.88	1,952.88	604.37	1,639.49	2,243.86	
Monthly Minimum Charge per Customer														
		CF Allowed	Inside Users			Outside Users			Inside Users			Outside Users		
5/8	inch meter	300	\$29.87		\$34.31		\$32.11		\$36.88					
3/4	inch meter	300	29.87		34.31		32.11		36.88					
1	inch meter	800	62.26		71.50		66.93		76.88					
1 1/4	inch meter	800	123.11		141.37		132.35		152.03					
1 1/2	inch meter	1,700	123.11		141.37		132.35		152.03					
2	inch meter	3,000	201.69		231.64		216.85		249.11					
3	inch meter	6,800	422.44		485.24		454.27		521.92					
4	inch meter	12,200	717.76		824.54		771.80		886.78					
5	inch meter	23,700	1,300.14		1,493.77		1,397.74		1,606.09					
6	inch meter	27,400	1,486.17		1,707.55		1,597.69		1,835.87					
8	inch meter	48,600	2,560.49		2,942.09		2,752.37		3,162.78					
10	inch meter	76,000	3,945.03		4,533.11		4,240.48		4,872.86					
Private Fire Protection Charge - Automatic Sprinkler System (Annual charge)														
		Inside Users			Outside Users			Inside Users			Outside Users			
2	inch connection		\$116.60		\$133.95		\$125.35		\$144.00					
3	inch connection		264.95		304.40		284.85		327.25					
4	inch connection		466.25		535.70		501.25		575.90					
5	inch connection		921.95		1,059.30		991.10		1,138.75					
6	inch connection		1,059.55		1,217.40		1,139.05		1,308.75					
8	inch connection		1,886.00		2,167.00		2,027.45		2,329.50					
10	inch connection		2,945.40		3,384.25		3,166.35		3,638.10					
Water ATM Fees (per gallon)			\$0.0126				\$0.0129							

Note: Rates were approved by the Common Council on April 22, 2024 per Ordinance #8, 2024

(No assurance is provided on this Consultant's Report)

APPENDIX D

ORDINANCE NO. 12, 2026

AN ORDINANCE CONCERNING THE CONSTRUCTION OF ADDITIONS AND IMPROVEMENTS TO THE WATERWORKS OF THE CITY OF VALPARAISO, INDIANA, THE ISSUANCE OF REVENUE BONDS TO PROVIDE THE COST THEREOF, THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF SAID WATERWORKS, THE SAFEGUARDING OF THE INTERESTS OF THE OWNERS OF SAID REVENUE BONDS, OTHER MATTERS CONNECTED THEREWITH, INCLUDING THE ISSUANCE OF NOTES IN ANTICIPATION OF BONDS, AND REPEALING ORDINANCES INCONSISTENT HEREWITH

WHEREAS, the City of Valparaiso, Indiana (the "City") has heretofore established, constructed and financed its waterworks, and now owns and operates said waterworks pursuant to Indiana Code 8-1.5, as in effect on the issue date of the bonds authorized herein, and other applicable laws (the "Act") (all references hereinafter to the Indiana Code are designated as "IC" followed by the applicable code section or sections); and

WHEREAS, the Common Council of the City (the "Common Council") finds that certain improvements and extensions to said works are necessary; that plans, specifications and estimates have been prepared and filed by the engineers employed by the City for the construction of said improvements and extensions (as more fully set forth in summary fashion in Exhibit A hereto and made a part hereof) (the "Project"), which plans and specifications have been or will be submitted to all governmental authorities having jurisdiction, particularly the Indiana Department of Environmental Management, and have been or will be approved by the aforesaid governmental authorities and are incorporated herein by reference and open for inspection at the office of the Clerk-Treasurer of the City as required by law; and

WHEREAS, the City has or will advertise and receive bids for the Project, which bids will be subject to the City's determination to construct the Project and obtaining funds to pay for the Project; and

WHEREAS, based upon the estimates of the City's engineers and other information provided to the City by the engineers for the Project, the estimated costs of the Project, including engineering, municipal advisory and legal fees, is in the estimated amount not to exceed Fourteen Million Dollars (\$14,000,000); and

WHEREAS, the Common Council finds that the City has Four Million Dollars (\$4,000,000) of funds on hand available to apply on the costs of the Project and that it is necessary to finance the balance of the costs thereof by the issuance of waterworks revenue bonds, in one or more series, in an aggregate principal amount not to exceed Ten Million Dollars (\$10,000,000) and, if necessary, bond anticipation notes (the "BANs") in an aggregate principal amount not to exceed Ten Million Dollars (\$10,000,000); and

WHEREAS, the Common Council finds that there are outstanding bonds of the waterworks payable out of the Net Revenues (as hereinafter defined) thereof designated as the (i) "Waterworks Revenue Bonds, Series 2014A" (the "2014A Bonds"), now outstanding in the aggregate principal amount of Nine Million Nine Hundred Eighty Thousand Dollars (\$9,980,000) and maturing

semiannually on April 1 and October 1 over a period ending October 1, 2035, (ii) “Waterworks Revenue Bonds, Series 2014B” (the “2014B Bonds”), now outstanding in the aggregate principal amount of Two Million Seven Hundred Seventy-Five Thousand Dollars (\$2,775,000) and maturing semiannually on April 1 and October 1 over a period ending October 1, 2028, (iii) “Waterworks Refunding Revenue Bonds, Series 2018” (the “2018 Bonds”), now outstanding in the aggregate principal amount of Two Hundred Sixty-Five Thousand Dollars (\$265,000) and maturing on October 1, 2026 and (iv) “Waterworks Revenue Bonds, Series 2024A” (the “2024A Bonds”), now outstanding in the aggregate principal amount of Thirteen Million Nine Hundred Six Thousand Dollars (\$13,906,000) and maturing semiannually on April 1 and October 1 over a period ending October 1, 2045, which 2014A Bonds, 2014B Bonds, 2018 Bonds and 2024A Bonds (collectively, the “Outstanding Parity Bonds”) constitute a first charge on the Net Revenues of the waterworks; and

WHEREAS, the ordinances authorizing the issuance of the Outstanding Parity Bonds permit the issuance of additional bonds ranking on a parity with the Outstanding Parity Bonds provided certain conditions can be met, and the City finds that the finances of the waterworks of the City will enable the City to meet the conditions for the issuance of additional parity bonds and that, accordingly, the revenue bonds authorized herein shall rank on a parity with the Outstanding Parity Bonds; and

WHEREAS, other than the Outstanding Parity Bonds, there are no other bonds or obligations payable from the Net Revenues of the waterworks; and

WHEREAS, the bonds to be issued pursuant to this ordinance will constitute a first charge against the Net Revenues of the waterworks, on a parity with the payment of the Outstanding Parity Bonds, and are to be issued subject to the provisions of the laws of the Act, and the terms and restrictions of this ordinance; and

WHEREAS, the City desires to authorize the issuance of BANs hereunder, if necessary, payable from the proceeds of waterworks revenue bonds issued hereunder and, with respect to interest only, proceeds of the BANs allocable to capitalized interest and/or Net Revenues of the waterworks, junior and subordinate to the bonds herein authorized and any additional bonds issued pursuant to Section 18 hereof, and to authorize the refunding of said BANs, if issued; and

WHEREAS, the City has removed its waterworks from the jurisdiction of the Indiana Utility Regulatory Commission (the “IURC”) with respect to the approval of rates and charges and financings of the waterworks and, accordingly, the City will not need approval of the IURC prior to the issuance of the bonds and BANs herein authorized; and

WHEREAS, Section 1.150-2 of the Treasury Regulations on Income Tax (the “Reimbursement Regulations”) specifies conditions under which a reimbursement allocation may be treated as an expenditure of bond proceeds, and the City intends by this ordinance to qualify amounts advanced by the City to the Project for reimbursement from proceeds of the bonds in accordance with the requirements of the Reimbursement Regulations; and

WHEREAS, the Common Council has been advised by the City's municipal advisor that it may be economically efficient to acquire a municipal bond insurance policy and debt service reserve surety for the bonds hereby authorized; and

WHEREAS, the Common Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of said revenue bonds and BANs have been complied with in accordance with the provisions of the Act; now, therefore,

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

Section 1. Authorization of Project. The City proceed with the construction of the Project pursuant to the plans and specifications therefore as prepared and filed by the consulting engineers employed by the City, two copies of which plans and specifications are on file in the office of the Clerk-Treasurer of the City (the "Clerk-Treasurer") and open for public inspection pursuant to IC 36-1-5-4. The estimated cost for the construction of said Project, based upon the information provided to the City by its engineers for the Project, will not exceed Fourteen Million Dollars (\$14,000,000), plus investment earnings on the BAN and bond proceeds, without further authorization of the Common Council. The terms "waterworks," "waterworks system," "works," "system," and words of like import where used in this ordinance shall be construed to mean and include its Drinking Water System, as defined in the Financial Assistance Agreement between the City and the Indiana Finance Authority (the "Authority") in connection with the Outstanding Parity Bonds which are held by the Authority, and also includes the existing waterworks system all real estate and equipment used in connection therewith and appurtenances thereto, and all extensions, additions and improvements thereto and replacements thereof now or at any time hereafter constructed or acquired. The Project shall be constructed in accordance with the plans and specifications heretofore mentioned, which Project and plans and specifications are hereby approved. The Project shall be constructed and the BANs and bonds herein authorized shall be issued pursuant to and in accordance with the Act.

Section 2. Issuance of BANs. The City shall issue, if necessary, its BANs in one or more series for the purpose of procuring interim financing to apply on the costs of the Project, capitalized interest, if necessary, and to pay cost of issuance. The City may issue its BANs in an aggregate principal amount not to exceed Ten Million Dollars (\$10,000,000) to be designated "Waterworks Bond Anticipation Notes, Series 202__ __" to be completed with the year in which issued and appropriate series designation if issued in more than one series. The BANs shall be sold at not less than 99.0% of their par value, numbered consecutively from 1 upward and shall be in denominations of Five Thousand Dollars (\$5,000) and integral multiples thereof or One Hundred Thousand Dollars (\$100,000) and integral multiples of Five Thousand Dollars (\$5,000) in excess thereof, as designated in the purchase agreement for said BANs. The BANs shall be dated as of the date of delivery thereof and shall bear interest at a rate not to exceed 7.0% per annum (the exact rate or rates to be determined through negotiations with the purchaser of the BANs) payable either upon maturity or redemption. Interest on the BANs may, as determined by the Clerk-Treasurer, with the advice of the City's municipal advisor, also be payable semiannually on April 1 and October 1 of each year, commencing on the first April 1 or the first October 1 following delivery of the BANs.

The BANs will mature no later than five (5) years after their date of delivery. The BANs are subject to renewal or extension at an interest rate or rates not to exceed 7.0% per annum (the exact rate or rates to be negotiated with the purchaser of the BANs). The term of the BANs and all renewal BANs may not exceed five (5) years from the date of delivery of the initial BANs. The BANs shall be registered in the name of the purchasers thereof. Interest on the BANs shall be calculated according to a 360-day calendar year containing twelve 30-day months.

The BANs shall be issued pursuant to IC 5-1.5-8-6.1 if sold to the Indiana Bond Bank (the "Bond Bank") or pursuant to IC 5-1-14-5 if sold to a financial institution or any other purchaser. The City shall pledge to the payment of the principal of and interest on the BANs the proceeds from the issuance of revenue bonds pursuant to and in the manner prescribed by the Act.

Interest on the BANs may, as determined by the Clerk-Treasurer with the advice of the City's municipal advisor, also be payable from capitalized interest and/or Net Revenues of the waterworks. Any pledge of Net Revenues of the waterworks to the payment of interest on the BANs shall be junior and subordinate to the payment of the Outstanding Parity Bonds, any bonds issued pursuant to this ordinance and any additional parity bonds issued in the future pursuant to Section 18 of this ordinance (the "Future Parity Bonds"). The BANs shall rank on a parity with respect to the pledge of Net Revenues of the waterworks in the event more than one (1) series of BANs is outstanding and secured, with respect to the payment of interest thereon, by the Net Revenues of the waterworks.

Section 3. Issuance of Bonds. The City shall issue its waterworks revenue bonds, in one or more series, in the aggregate principal amount not to exceed Ten Million Dollars (\$10,000,000) to be designated "Waterworks Revenue Bonds, Series 202___" to be completed with the year in which issued and appropriate series designation if issued in more than one series (collectively, the "Bonds"), for the purpose of procuring funds to apply on the costs of the Project, refunding the BANs, if issued, capitalized interest, if necessary, and costs of issuance of the Bonds including, if necessary, premiums for municipal bond insurance and a debt service reserve surety.

The Bonds shall be issued and sold at a price not less than 99.0% of the par value thereof. The Bonds shall be issued in fully registered form in denominations of (i) Five Thousand Dollars (\$5,000) or integral multiples thereof or (ii) One Hundred Thousand Dollars (\$100,000) and any integral multiple of Five Thousand Dollars (\$5,000) in excess thereof, as determined by the Clerk-Treasurer with the advice of the City's municipal advisor. The Bonds shall be numbered consecutively from 1 up and shall be originally dated as of their date of delivery. The Bonds shall bear interest at a rate or rates not exceeding 7.0% per annum (the exact rate or rates to be determined by bidding or through negotiation). The interest on the Bonds shall be payable semiannually on April 1 and October 1 in each year, commencing on either the first April 1 or the first October 1 following the date of delivery of the Bonds, as determined by the Clerk-Treasurer, with the advice of the City's municipal advisor. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal office of the Paying Agent (as hereinafter defined). The Bonds shall mature semiannually on April 1 and October 1 of each year, or be subject to mandatory sinking fund redemption on April 1 and October 1 of each year, over a period ending no later than twenty-five (25) years from the date of issuance of the Bonds. The Bonds shall mature in such amounts that will (i) produce as level annual debt service as practicable taking into account the denominations of the Bonds, (ii) produce as level annual debt

service as practicable taking into account the denominations of the Bonds and the annual debt service on the Outstanding Parity Bonds or (iii) comport with the long term debt financing plan for the waterworks, as determined by the Clerk-Treasurer, with the advice of the City's municipal advisor.

All or a portion of the Bonds may be issued as one or more term bonds, upon election of the purchaser. Such term bonds shall have a stated maturity or maturities consistent with the maturity schedule determined in accordance with the preceding paragraph, on the dates as determined by the purchaser, but in no event later than the last serial maturity date of the Bonds as determined in the preceding paragraph. The term bonds shall be subject to mandatory sinking fund redemption and final payment(s) at maturity at 100% of the principal amount thereof, plus accrued interest to the redemption date, on principal payment dates which are hereafter determined in accordance with the preceding paragraph.

The Bonds will be payable solely out of and constitute a first charge against the Net Revenues (herein defined as gross revenues of the waterworks, inclusive of System Development Charges (as hereafter defined), after deduction only for the payment of the reasonable expenses of operation, repair and maintenance, but excluding transfers to the City for payments in lieu of taxes) of the waterworks of the City, including the works authorized herein and all additions and improvements thereto and replacements thereof subsequently constructed or acquired, on a parity with the payment of the Outstanding Parity Bonds. For purposes of this ordinance, "System Development Charges" shall mean the proceeds and balances from any non-recurring charges such as tap fees, subsequent connector fees, capacity or contribution fees, and other similar one-time charges that are available for deposit under this ordinance. Interest on the Bonds shall be calculated according to a 360-day calendar year containing twelve 30-day months.

Section 4. Registrar and Paying Agent. The Clerk-Treasurer is hereby authorized to select and appoint a qualified financial institution to serve as Registrar and Paying Agent for the Bonds and the BANs, which Registrar is hereby charged with the responsibility of authenticating the Bonds (the "Registrar" or "Paying Agent"). The Clerk-Treasurer is hereby authorized to enter into such agreements or understandings with such institution as will enable the institution to perform the services required of a Registrar and Paying Agent. The Clerk-Treasurer is further authorized to pay such fees as the institution may charge for the services it provides as Registrar and Paying Agent, and such fees may be paid from the Bond Redemption Account (as hereinafter defined) established to pay the principal of and interest on the Bonds as fiscal agency charges. As to the BANs and as to the Bonds, if sold to a purchaser that does not object to such designation, the Clerk-Treasurer may serve as Registrar and Paying Agent and is, in such case, hereby charged with the duties of a Registrar and Paying Agent.

The principal of the Bonds shall be payable at the principal office of the Paying Agent and all payments of interest on the Bonds shall be paid by check mailed one business day prior to the interest payment date to the registered owners thereof, as of the fifteenth day of the month preceding each payment (the "Record Date"), at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by such registered owner on or before such Record Date. If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business,

the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time).

All payments on the BANs and Bonds shall be made 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.

Each Bond shall be transferable or exchangeable only upon the books of the City kept for that purpose at the principal office of the Registrar, by the registered owner thereof in person, or by its 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 its 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 costs of such transfer or exchange shall be borne by the City. The City and the Registrar and Paying Agent for the Bonds may treat and consider the person in whose name such Bonds are registered as the absolute owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

Interest on Bonds which are authenticated on or before the Record Date which precedes the first interest payment date shall be paid from their original date. Interest on Bonds authenticated subsequent to the Record Date which precedes the first interest payment date thereon shall be paid from the interest payment date to which interest has been paid as of the date on which such Bonds are authenticated, unless a Bond is authenticated between the Record Date and the interest payment date in which case the interest shall be paid from such interest payment date.

Section 5. Redemption of BANs. The BANs are prepayable by the City, in whole or in part, on any date, upon twenty (20) days' notice to the owner of the BANs, without any premium; provided, the Clerk-Treasurer, with the advice of the City's municipal advisor, may negotiate call protection on the BANs for a term not exceeding two (2) years and in such case such call protection shall be reflected in the purchase agreement for the BANs

Section 6. Redemption of Bonds. The Bonds may be redeemable at the option of the City at par upon such dates and terms as determined by the Clerk-Treasurer, with the advice of the City's municipal advisor, prior to the sale of the Bonds; provided, however, that if the Bonds are subject to optional redemption such redemption provisions shall provide that the Bonds are redeemable on thirty (30) days' notice, in whole or in part, in the order of maturity as determined by the City, and by lot within a maturity.

If any Bond is issued as a term bond, the Paying Agent shall credit against the mandatory sinking fund requirement for the Bonds of the same series 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 canceled shall be

credited by the Paying Agent at 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.

Each \$5,000 authorized denomination of the Bonds shall be considered a separate Bond for purposes of optional and mandatory redemption. If less than an entire maturity of a series of Bonds is called for redemption, the Bonds to be called for redemption shall be selected by lot by the Registrar. If some Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Bonds for optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption.

In either case, notice of redemption shall be given not less than thirty (30) days prior to the date fixed for redemption unless such redemption notice is waived by the owner of the Bond or Bonds redeemed. Such notice shall be mailed to the address of the registered owner as shown on the registration record of the City as of the date which is forty-five (45) days prior to such redemption date. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the City. Interest on the Bonds so called for redemption shall cease on the redemption date fixed in such notice if sufficient funds are available at the place of redemption to pay the redemption price on the date so named.

Section 7. Book-Entry Provisions. The City may, upon the advice of its municipal advisor, have the Bonds held by a central depository system pursuant to an agreement between the City and The Depository Trust Company, New York, New York (the "DTC") and have transfers of the Bonds effected by book-entry on the books of the central depository system. In such case, the Bonds shall be issued in the name of Cede & Co., as nominee for DTC, as registered owner of the Bonds, and held in the custody of DTC and the terms and conditions of this Section 7 shall apply.

If the Bonds are held by DTC, a single certificate will be issued and delivered to DTC for each maturity of the Bonds. The actual purchasers of the Bonds (the "Beneficial Owners") will not receive physical delivery of the Bond certificates except as provided herein. Beneficial Owners are expected to receive a written confirmation of their purchase providing details of each Bond acquired. For so long as DTC shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of the Bonds is to receive, hold, or deliver any Bond certificate.

For every transfer and exchange of the Bonds, the Beneficial Owner may be charged a sum sufficient to cover such Beneficial Owner's allocable share of any tax, fee, or other governmental charge that may be imposed in relation thereto. Bond certificates are required to be delivered to and registered in the name of the Beneficial Owner, under the following circumstances:

(i) DTC determines to discontinue providing its service with respect to the Bonds (such a determination may be made at any time by giving thirty (30) days' notice to the City and the Registrar and discharging its responsibilities with respect thereto under applicable law), or

(ii) the City determines that continuation of the system of book-entry transfers through DTC (or a successor securities depository) is not in the best interests of the Beneficial Owners.

The City and the Registrar will recognize DTC or its nominee as the holder of the Bonds for all purposes, including notices and voting. The City and the Registrar covenant and agree, so long as DTC shall continue to serve as securities depository for the Bonds, to meet the requirements of DTC with respect to required notices and other provisions of a Letter of Representations between the City and DTC. If necessary to comply with the terms and provisions of the Letter of Representations, a supplemental ordinance shall be adopted to amend this ordinance as necessary.

The Registrar is authorized to rely conclusively upon a certificate furnished by DTC and corresponding certificates from DTC participants and indirect participants as to the identity of, and the respective principal amount of Bonds beneficially owned by, the Beneficial Owner or Beneficial Owners.

The City may, upon the advice of its municipal advisor, have the BANs held in the custody of DTC. In such case, the aforementioned terms and conditions of this Section 7 shall apply to the BANs.

Section 8. Execution of Bonds and BANs; Pledge of Net Revenues to Bonds. The BANs and Bonds shall be signed in the name of the City by the manual or facsimile signature of the Mayor of the City (the "Mayor") and attested by the manual or facsimile signature of the Clerk-Treasurer, who shall affix the seal of said City to each of said Bonds and BANs manually or shall have the seal imprinted or impressed thereon by facsimile. These officials, by the signing of a Signature and No Litigation Certificate, shall adopt as and for their own proper signatures their facsimile signatures appearing on said Bonds and BANs. In case any officer whose signature or facsimile signature appears on the Bonds or BANs shall cease to be such officer before the delivery of the Bonds or BANs, the signature of such officer shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. The Bonds shall also be authenticated by the manual signature of an authorized representative of the Registrar and no Bond shall be valid or become obligatory for any purpose until the certificate of authentication thereon has been so executed.

The Bonds, and any bonds ranking on a parity therewith, as to both principal and interest, shall be payable from and secured by an irrevocable pledge of and shall constitute a first charge upon the Net Revenues of the waterworks of the City, including all real estate, equipment, and appurtenances thereto used in connection therewith, and all extensions, additions, and improvements thereto and replacements thereof, now or at any time hereafter constructed or acquired, on a parity with the payment of the Outstanding Parity Bonds. The City shall not be obligated to pay said Bonds or the interest thereon except from the Net Revenues of said works, and said Bonds shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution of the State of Indiana. Said Bonds and BANs shall have all of

the qualities of negotiable instruments under the laws of the State of Indiana subject to the provisions for registration herein.

Section 9. Form of Bonds. The form and tenor of the Bonds shall be substantially as follows, with such additions, deletions and modifications as the Mayor and Clerk-Treasurer may authorize, as conclusively evidenced by their signatures thereon, all blanks to be filled in properly prior to delivery thereof:

Form of Bond

[Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Registrar or its agent for registration or transfer, exchange or payment, and any bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.]

No. _____

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF PORTER

CITY OF VALPARAISO, INDIANA
WATERWORKS REVENUE BOND, SERIES 202__ __

[Maturity Date] [Interest Rate] [Original Date] [Authentication Date] [CUSIP]

Registered Owner:

Principal Sum:

The City of Valparaiso, Indiana (the "City"), in the County of Porter, State of Indiana, for value received, hereby promises to pay to the Registered Owner (named above) or registered assigns, solely out of the special revenue fund hereinafter referred to, the Principal Sum set forth above[, or so much thereof as may be advanced from time to time and be outstanding as evidenced by the records of the registered owner making payment for this Bond, or its assigns,] on [the Maturity Date set forth above] or [April 1 and October 1 on the dates and in the amounts as set forth on Exhibit A attached hereto] (unless this Bond be subject to and shall have been duly called for redemption and payment as provided for herein), and to pay interest hereon until the Principal Sum shall be fully paid at the rate per annum specified above from [the dates of payment made on this Bond] or [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 fifteenth day of the month preceding an interest payment date and on or before such interest payment date in which case it shall bear interest from such interest payment date, or unless this Bond is authenticated on

or before _____ 15, 202_, in which case it shall bear interest from the Original Date,] which interest is payable semiannually on the first day of April and October of each year, beginning on _____ 1, 202_. Interest shall be calculated according to a 360-day calendar year containing twelve 30-day months.

[The principal of this Bond is payable at the principal office of _____ (the “Registrar” or “Paying Agent”), in the _____ of _____, Indiana.] All payments of [principal of and] interest on this Bond shall be paid by [check mailed one business day prior to the interest payment date] or [wire transfer for deposit to a financial institution as directed by the Indiana Finance Authority on the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date] to the registered owner hereof, as of the fifteenth day of the month preceding such payment, at the address as it appears on the registration books kept by [_____ (the “Registrar” or “Paying Agent”) in the _____ of _____, Indiana] or [the Registrar] or at such other address as is provided to the Paying Agent in writing by the registered owner. [If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time).] All payments on the Bond shall be made 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 shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution of the State of Indiana, and the City shall not be obligated to pay this Bond or the interest hereon except from the special fund provided from the Net Revenues.

This Bond is [the only] one of an authorized issue of Bonds of the City [of like tenor and effect, except as to numbering, interest rate, and dates of maturity,] in the total amount of _____ Dollars (\$_____) [for this series] (the “Bonds”), numbered from 1 up, issued for the purpose of providing funds to be applied on the cost of the construction of additions and improvements to the City’s waterworks, [to refund interim notes issued in anticipation of the Bonds,] [capitalized interest] and to pay costs of issuance of the Bonds[, including a premium for [municipal bond insurance][a debt service reserve surety]], as authorized by an Ordinance adopted by the Common Council of the City of Valparaiso, Indiana, on the ___ day of _____, 2026, entitled “An Ordinance concerning the construction of additions and improvements to the waterworks of the City of Valparaiso, Indiana, the issuance of revenue bonds to provide the cost thereof, the collection, segregation and distribution of the revenues of said waterworks, the safeguarding of the interests of the owners of said revenue bonds, other matters connected therewith, including the issuance of notes in anticipation of bonds, and repealing ordinances inconsistent herewith” (the “Ordinance”), and in strict compliance with the provisions of Indiana Code 8-1.5, as in effect on the issue date of the Bonds (the “Act”).

[The Bonds shall be initially issued in a book entry system by The Depository Trust Company (“DTC”). The provisions of this Bond and of the Ordinance are subject in all respect to

the provisions of the Letter of Representations between the City and DTC, or any substitute agreement affecting such book entry system under DTC.]

Pursuant to the provisions of said Act and said Ordinance, the principal and interest of this Bond and all other Bonds of said issue, and any bonds hereafter issued on a parity therewith, are payable solely from the Bond Redemption Account (continued by the Ordinance) to be provided from the Net Revenues (defined as gross revenues of the waterworks, inclusive of System Development Charges (as defined in the Ordinance), after deduction only for the payment of the reasonable expenses of operation, repair and maintenance, but excluding transfers to the City for payments in lieu of taxes) of the waterworks of the City, including the works authorized under the Ordinance to be acquired and constructed and all additions and improvements thereto and replacements thereof subsequently constructed or acquired. The payment of this Bond ranks on a parity with the payment of the Outstanding Parity Bonds (as defined in the Ordinance). The City reserves the right to issue additional bonds on a parity with this Bond and the issue of which it is a part, as provided in the Ordinance.

The City irrevocably pledges the entire Net Revenues of said waterworks to the prompt payment of the principal of and interest on the Bonds authorized by said Ordinance, of which this is one, and any bonds ranking on a parity therewith, including the Outstanding Parity Bonds, to the extent necessary for that purpose, and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by said works as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of said works and for the payment of the sums required to be paid into said Bond Redemption Account under the provisions of the Act and the Ordinance. If the City or the proper officers of the City shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this Bond, the owner of this Bond shall have all of the rights and remedies provided for under Indiana law, including the provisions of the Act.

The City further covenants that it will set aside and pay into its Bond Redemption Account a sufficient amount of the Net Revenues of said works to meet (a) the interest on all bonds which by their terms are payable from the revenues of the waterworks, as such interest shall fall due, (b) the necessary fiscal agency charges for paying the bonds and interest, (c) the principal of all bonds which by their terms are payable from the revenues of the waterworks, as such principal shall fall due, and (d) an additional amount to [create and] maintain the reserve required by the Ordinance. Such required payments shall constitute a first charge upon all the Net Revenues of said works, on a parity with the payment of the Outstanding Parity Bonds.

[The Bonds of this issue are not subject to optional redemption prior to maturity.]

[The Bonds of this issue maturing on _____ 1, 20__, and thereafter, are redeemable at the option of the City on _____ 1, 20__, or any date thereafter, on thirty (30) days' notice, in whole or in part, in the order of maturity as determined by the City and by lot within a maturity, at face value plus accrued interest to the date fixed for redemption.]

[The Bonds maturing on _____ 1, ____ 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:

Date Amount

*Final Maturity]

[Each Five Thousand Dollar (\$5,000) principal amount shall be considered a separate bond for purposes of optional [and mandatory] redemption.] [If less than an entire maturity is called for redemption, the Bonds to be called for redemption shall be selected by lot by the Registrar.] [If some Bonds are to be redeemed by optional redemption and mandatory sinking fund redemption on the same date, the Registrar shall select by lot the Bonds for optional redemption before selecting the Bonds by lot for the mandatory sinking fund redemption.]

[Notice of redemption shall be mailed to the address of the registered owner as shown on the registration record of the City, as of the date which is forty-five (45) days prior to such redemption date, not less than thirty (30) days prior to the date fixed for redemption. The notice shall specify the date and place of redemption and sufficient identification of the Bonds called for redemption. The place of redemption may be determined by the City. Interest on the Bonds so called for redemption shall cease on the redemption date fixed in such notice, if sufficient funds are available at the place of redemption to pay the redemption price on the date so named.]

If this Bond shall not be presented for payment [or redemption] on the date fixed therefor, the City may deposit in trust with its depository bank, 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 with said bank for payment and the City shall have no further obligation or liability in 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 hereof in person, or by its 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 its 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 to the registered owner, as the case may be, in exchange therefor. The City, the 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.

This Bond is subject to defeasance prior to [redemption or] payment as provided in the Ordinance referred to herein. THE OWNER OF THIS BOND, BY THE ACCEPTANCE HEREOF, HEREBY AGREES TO ALL THE TERMS AND PROVISIONS CONTAINED IN THE ORDINANCE. The Ordinance may be amended without the consent of the owners of the Bonds as provided in the Ordinance.

The Bonds maturing in any one year are issuable only in fully registered form in the denomination of _____ Dollars (\$_____) [or][and] any [\$5,000] integral multiple [in excess] thereof not exceeding the aggregate principal amount of the Bonds maturing in such year.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the preparation and complete 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 Valparaiso, in the County of Porter, Indiana, has caused this Bond to be executed in its corporate name by the manual or facsimile signature of its Mayor, its corporate seal to be hereunto affixed, imprinted or impressed by any means and attested manually or by facsimile by its Clerk-Treasurer.

CITY OF VALPARAISO, INDIANA

By: _____
Mayor

[SEAL]

Attest:

Clerk-Treasurer

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

It is hereby certified that this Bond is one of the Bonds described in the Ordinance.

as Registrar

By: _____
Authorized Representative

[STATEMENT OF INSURANCE]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____, the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____,

attorney, to transfer the within Bond in the books kept for the registration thereof with full power of substitution in the premises.

Dated: _____

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

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.

End of Bond Form

Section 10. Preparation and Sale of BANs and Bonds; Official Statement; Investment Letter; Rating; Municipal Bond Insurance. The Clerk-Treasurer is hereby authorized and directed to have said BANs and Bonds prepared, and the Mayor and the Clerk-Treasurer are hereby authorized and directed to execute said BANs and Bonds in the form and manner herein provided. The Clerk-Treasurer is hereby authorized and directed to deliver said BANs and Bonds to the respective purchasers thereof after sale made in accordance with the provisions of this ordinance, provided that at the time of said delivery the Clerk-Treasurer shall collect the full amount which the respective purchasers have agreed to pay therefor, which amount shall not be less than 99.0% of the par value of said BANs and not less than 99.0% the par value of said Bonds, as the case may be. The City may receive payment for the Bonds and BANs in installments. The Bonds herein authorized, as and to the extent paid for and delivered to the purchaser, shall be the binding special revenue obligations of the City, payable out of the Net Revenues of the City's waterworks to be set aside into the Bond Redemption Account as herein provided. The proceeds derived from the sale of the Bonds shall be and are hereby set aside for application on the cost of the Project hereinbefore referred to, the refunding of the BANs, if issued, capitalized interest, if necessary, and the expenses necessarily incurred in connection with the BANs and Bonds. The proper officers of the City are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary to carry out the provisions of this ordinance.

The preparation and distribution of an official statement (preliminary and final) for the Bonds prepared by the City's municipal advisor, on behalf of the City, is hereby authorized. The Mayor and Clerk-Treasurer are hereby authorized and directed to execute any such official statement on behalf of the City in a form consistent with this ordinance and are further authorized to designate the preliminary official statement as "nearly final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "SEC Rule"). If the Bonds or BANs will be sold to the Indiana Bond Bank, the Mayor and Clerk-Treasurer are hereby authorized to provide information and materials to the Indiana Bond Bank relating to the City, its waterworks and the Bonds or BANs, as the case may be (the "City Material"), for inclusion in any official statement relating to any financing of the Indiana Bond Bank the proceeds of which will be used to acquire

the Bonds or BANs. The Mayor and Clerk-Treasurer are further authorized to deem any such City Material as “nearly final” for purposes of the Rule.

Alternatively, in lieu of preparing and distributing an official statement, the City may obtain a sophisticated investment letter from the purchaser of the Bonds or BANs at the time of delivery of the Bonds or BANs which satisfies applicable state and federal securities laws.

The acquisition of a municipal bond insurance policy for each series of Bonds is hereby authorized; provided, however, the City may only acquire such an insurance policy if the municipal advisor to the City certifies to the City that the acquisition of the policy is economically advantageous. The acquisition of a municipal bond insurance policy is hereby deemed to be economically advantageous in the event the difference between the present value cost of (a) the total debt service on a series of Bonds if issued without municipal bond insurance and (b) the total debt service on that series of Bonds if issued with municipal bond insurance, is greater than the cost of the premium on the municipal bond insurance policy. The cost of obtaining bond insurance shall be considered as a part of the cost of issuance of the Bonds and may be paid out of the proceeds of the Bonds or out of other funds of the waterworks.

The Mayor and Clerk-Treasurer are hereby authorized and directed to execute and deliver any agreements, certificates or documents as may be required by the provider of a municipal bond insurance policy, as described above, acquired with respect to any series of Bonds issued hereunder to the extent necessary to comply with the terms of such insurance policy and the commitment with respect to the issuance thereof.

The Clerk-Treasurer, with the advice of the City’s municipal advisor, is hereby authorized to obtain one or more ratings for the Bonds if such rating or ratings will facilitate the sale of the Bonds.

Section 11. Sale of Bonds. The Bonds may, as determined by the Clerk-Treasurer with the advice of the City’s municipal advisor, be sold by either a competitive sale or by a negotiated sale. If the Bonds will be sold by a competitive sale, the Clerk-Treasurer shall cause to be published either (i) a notice of such sale in the *Chesterton Tribune*, two times, at least one week apart, the first publication made at least fifteen (15) days before the date of the sale and the second publication being made at least three (3) days before the date of the sale, or (ii) a notice of intent to sell in the *Chesterton Tribune* and a newspaper published in Indianapolis, Indiana, all in accordance with IC 5-1-11 and IC 5-3-1. A notice of sale may also be published one time in a newspaper published in Indianapolis, Indiana, and a notice or summary notice may also be published in *The Bond Buyer* in New York, New York. The notice shall state the character and amount of the Bonds, the maximum rate of interest thereon, the terms and conditions upon which bids will be received and the sale made, and such other information as the Clerk-Treasurer and the attorneys employed by the City shall deem advisable and any summary notice may contain any information deemed so advisable. The notice may provide, among other things, that each bid shall be accompanied by a certified or cashier’s check in an amount equal to one percent (1%) of the principal amount of the Bonds described in the notice and that in the event the successful bidder shall fail or refuse to accept delivery of the Bonds and pay for the same as soon as the Bonds are ready for delivery, or at the time fixed in the notice of sale, then said check and the proceeds thereof shall be the property of the City and shall be considered as its liquidated damages on

account of such default; that bidders for said Bonds will be required to name the rate or rates of interest which the Bonds are to bear, not exceeding the maximum rate hereinbefore fixed, and that such interest rate or rates shall be in multiples of one-eighth (1/8), one-twentieth (1/20) or one-hundredth (1/100) of one percent (1%). The rate bid on a maturity shall be equal to or greater than the rate bid on the immediately preceding maturity. No conditional bid or bid for less than 99.0% of the par value of the Bonds will be considered. The opinion of Bose McKinney & Evans LLP, nationally recognized bond counsel of Indianapolis, Indiana, approving the legality of said Bonds, will be furnished to the purchaser at the expense of the City.

The Bonds shall be awarded by the Clerk-Treasurer to the best bidder who has submitted its bid in accordance with the terms of this ordinance, IC 5-1-11 and the notice of sale. The best bidder will be the one who offers the lowest net interest cost to the City, to be determined by computing the total interest on all of the Bonds to their maturities, adding thereto the discount bid, if any, and deducting the premium bid, if any. The right to reject any and all bids shall be reserved. If an acceptable bid is not received on the date of sale, the sale may be continued from day to day thereafter without further advertisement for a period of thirty (30) days, during which time no bid which provides a higher net interest cost to the City than the best bid received at the time of the advertised sale will be considered.

As an alternative to public sale, the Clerk-Treasurer may negotiate the sale of said Bonds to any purchaser selected by the Clerk-Treasurer, which may include the Indiana Bond Bank, with the advice of the City's municipal advisor. In such case, the Mayor and the Clerk-Treasurer are hereby authorized to execute a Bond Purchase Agreement with terms conforming to this ordinance and sell such Bonds upon such terms as are acceptable to the Mayor and the Clerk-Treasurer consistent with the terms of this ordinance.

Section 12. Use of Proceeds. The accrued interest received at the time of the delivery of the Bonds, if any, shall be deposited in the Bond Redemption Account. If there is any premium on the Bonds, such premium shall be deposited by the Clerk-Treasurer, with the advice of the City's municipal advisor and bond counsel, in either the hereinafter described Construction Account or in the Bond Redemption Account. The remaining proceeds from the sale of the Bonds, to the extent not used to refund BANs, and BAN proceeds shall be deposited in a bank or banks which are legally designated depositories for the funds of the City, in a special account or accounts to be designated as the "City of Valparaiso, Waterworks Construction Account" (the "Construction Account"). All funds deposited to the credit of the Bond Redemption Account or Construction Account shall be deposited, held, secured or invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds, including particularly IC 5-13, and the acts amendatory thereof and supplemental thereto. The funds in the Construction Account shall be expended only for the purpose of paying the cost of the Project, funding capitalized interest on the BANs, if necessary, refunding the BANs, if issued, funding capitalized interest on the Bonds, if necessary, or as otherwise required by the Act or for the expenses of issuance of the Bonds or BANs. The cost of obtaining the legal services of Bose McKinney & Evans LLP shall be considered as a part of the cost of the Project on account of which the BANs and Bonds are issued.

Any balance or balances remaining unexpended in such special account or accounts after completion of the Project, which are not required to meet unpaid obligations incurred in connection

with such Project, shall either (1) be paid into the Bond Redemption Account and used solely for the purposes thereof or (2) be used for the same purpose or type of project for which the Bonds were originally issued, all in accordance with IC 5-1-13, as amended and supplemented.

The City hereby declares its “official intent”, as such term is used in the Reimbursement Regulations, to reimburse the City’s advances to the Project, such advances from the City’s General Fund or Improvement Account (as hereinafter defined), from proceeds of the Bonds herein authorized by this ordinance. The City reasonably expects to make such advances for the costs of the Project.

Section 13. Segregation and Application of Waterworks Revenues. All income and revenues derived from the operation of the waterworks and from the collection of water rates and charges (and any System Development Charges) shall be deposited into the Special Fund (as hereinafter defined) and segregated and kept separate and apart from all other funds and bank accounts of the City. Out of such revenues, the proper and reasonable expenses of operation, repair and maintenance of the works shall be paid, the principal of and interest on all bonds and fiscal agency charges of registrar and paying agents shall be paid, the Reserve Subaccount (as hereinafter defined) shall be funded, and the costs of replacements, extensions, additions and improvements shall be paid. So long as any Outstanding Parity Bonds are held by the Authority, no moneys derived from the revenues of the waterworks shall be transferred to the General Fund of the City (except for payment in lieu of property taxes) or be used for any purpose not connected with the waterworks.

(a) **Special Fund.** The City shall segregate, deposit and keep in a special fund separate and apart from all other funds of the City, all gross income and revenues received on account of the waterworks (including any System Development Charges), which special fund is hereby continued and designated as the “City of Valparaiso, Waterworks Special Fund” (the “Special Fund”) to be used and applied (i) in the operation, repair and maintenance thereof; (ii) in the payment of the principal of and interest on the Bonds, the Outstanding Parity Bonds and any other bonds issued hereafter and payable from the revenues of the waterworks, and in establishing a reserve for such payments; (iii) in establishing an improvement account; and (iv) for all other purposes of the waterworks.

(b) **Operation and Maintenance Account.** On or before the last day of each calendar month, there shall be credited from the Special Fund to the “City of Valparaiso, Waterworks Operation and Maintenance Account” previously established and continued hereby (the “Operation and Maintenance Account”), a sufficient amount of the revenues of the waterworks so that the balance in said fund shall be sufficient to pay the expenses of operation, repair and maintenance of the waterworks for the then next succeeding two (2) calendar months. The moneys credited to this fund shall be used for the payment of the reasonable and proper operation, repair and maintenance expenses of the waterworks on a day-to-day basis, but none of the moneys in the Operation and Maintenance Account shall be used for depreciation, replacements, improvements, extensions or additions, or for transfers to the City for payments in lieu of taxes. Any balance in said fund in excess of the expected expenses of operation, repair and maintenance for the next succeeding two (2) calendar months may be transferred to the Bond Redemption Account if necessary to prevent a default in the payment of principal of or interest on the outstanding bonds of the waterworks.

(c) Bond Redemption Account. An account of the Special Fund designated the “City of Valparaiso, Waterworks Bond and Interest Redemption Account,” is hereby continued for the payment of the Outstanding Parity Bonds, the Bonds and any other bonds payable from the revenues of the waterworks (the “Bond Redemption Account”) and hereby designated and constituted as the special account of the Special Fund for the payment of the principal of and interest on the Outstanding Parity Bonds, the Bonds and any other bonds payable from the revenues of the waterworks, and the payment of any fiscal agency charges in connection with the payment of principal of or interest thereon. The Bond Redemption Account shall be continued until all of the Outstanding Parity Bonds, the Bonds and any other bonds payable from the revenues of the waterworks have been paid in full. The Bond Redemption Account shall consist of a Debt Service Subaccount and a Reserve Subaccount.

(i) Debt Service Subaccount. On or before the last day of each calendar month, after making all required deposits to the Operation and Maintenance Account, there shall be set aside and paid into the Debt Service Subaccount of the Bond Redemption Account, as available, a sufficient amount of the Net Revenues for the payment of (A) the interest on the Outstanding Parity Bonds, the Bonds and any other bonds which by their terms are payable from the revenues of the waterworks, as such interest shall come due, (B) the necessary fiscal agency charges for paying such bonds and interest, and (C) the principal of all Outstanding Parity Bonds, Bonds and any other bonds which by their terms are payable from the revenues of the waterworks, as such principal shall come due. The monthly payments into the Bond Redemption Account shall be in an amount equal in the aggregate to at least one-sixth (1/6) of the amount required for interest payments on the Outstanding Parity Bonds, the Bonds and any other bonds which by their terms are payable from the revenues of the waterworks during the next succeeding six (6) calendar months and an amount equal to one-sixth (1/6) of the amount required for principal payments on the Outstanding Parity Bonds, the Bonds and any other bonds which by their terms are payable from the revenues of the waterworks during the next succeeding six (6) calendar months; provided that such fractional amounts shall be appropriately increased to provide for the first interest and the first principal payments. There shall similarly be credited to such account the amount necessary to pay the bank fiscal agency charges, if any, for paying principal and interest on outstanding bonds of the waterworks as the same become payable. The City shall, from the sums deposited in the Bond Redemption Account and credited to the Debt Service Subaccount, remit promptly to the registered owners of the outstanding bonds of the waterworks or to the bank fiscal agency sufficient moneys to pay the principal and interest on the due dates thereof together with the amount of any bank fiscal agency charges.

(ii) Reserve Subaccount. On the date of delivery of the Bonds, the City may deposit funds on hand, Bond proceeds, or a combination thereof into the Reserve Subaccount. The balance to be maintained in the Reserve Subaccount shall equal but not exceed the least of (i) the maximum annual debt service on the Outstanding Parity Bonds, the Bonds and any Future Parity Bonds, (ii) 125% of average annual debt service on the Outstanding Parity Bonds, the Bonds and any Future Parity Bonds or (iii) 10% of the proceeds of the Outstanding Parity Bonds, the Bonds and any Future Parity Bonds (the “Reserve Requirement”); provided, however, that so long as any Outstanding Parity Bonds are held by the Authority as part of its drinking water revolving loan program or

other related programs, the Reserve Requirement shall be as described in (i) above. If the initial deposit into the Reserve Subaccount does not cause the balance therein to equal the Reserve Requirement or if no deposit is made, an amount of Net Revenues shall be credited to the Reserve Subaccount, after making the credits to the Debt Service Subaccount, on or before the last day of each calendar month until the balance therein equals the Reserve Requirement. The monthly deposits of Net Revenues shall be equal in amount and sufficient to accumulate the Reserve Requirement within five (5) years of the date of delivery of the Bonds.

The Reserve Subaccount shall constitute the margin for safety as a protection against default in the payment of principal of and interest on the Outstanding Parity Bonds, the Bonds and any Parity Bonds, and the moneys in the Reserve Account shall be used to pay current principal and interest on the Outstanding Parity Bonds, the Bonds and any Parity Bonds, to the extent that moneys in the Debt Service Subaccount are insufficient for that purpose. Any deficiencies in credits to the Reserve Subaccount shall be promptly made up from the next available Net Revenues after the credits into the Debt Service Subaccount. In the event moneys in the Reserve Subaccount are transferred to the Debt Service Subaccount to pay principal and interest on the Outstanding Parity Bonds, the Bonds and any Parity Bonds, then such depletion of the balance in the Reserve Subaccount shall be made up from the next available Net Revenues after the credits into the Debt Service Subaccount hereinbefore provided for. Any moneys in the Reserve Subaccount in excess of the Reserve Requirement shall be transferred to the Waterworks Improvement Account, and in no event shall such excess moneys be held in the Reserve Subaccount.

Notwithstanding the foregoing, the Clerk-Treasurer, with the advice of the City's municipal advisor and Bond Counsel, may enable the City to satisfy all or any part of its obligation to maintain the Reserve Subaccount equal to the Reserve Requirement by depositing a Reserve Fund Credit Facility into the Reserve Subaccount. A "Reserve Fund Credit Facility" is hereby defined as a letter of credit, debt service reserve surety, liquidity facility, insurance policy or comparable instrument furnished by a bank, insurance company, financial institution or other entity pursuant to a reimbursement agreement or similar instrument between such entity and the City, for the purpose of satisfying in whole or in part the City's obligation to maintain the Reserve Requirement, provided that the Reserve Fund Credit Facility must be issued by a provider that (a) that is rated in one of the three highest rating categories by S&P Global Ratings and Moody's Investors Service at the time of the issuance of such Reserve Fund Credit Facility, and (b) so long as any Outstanding Parity Bonds are outstanding, is consented to by the holders of one hundred percent (100%) of the Outstanding Parity Bonds.

Moneys in the Bond Redemption Account shall not be used for any other purpose whatsoever except as provided in this ordinance.

(d) Waterworks Improvement Account. After making all required payments into the Operation and Maintenance Account and the Bond Redemption Account, then any excess Net Revenues may be credited to the Waterworks Improvement Account previously established and continued hereby (the "Improvement Account"). The Improvement Account shall be used for improvements, replacements, additions and extensions of the waterworks, including transfers to

the City as payments in lieu of taxes. Moneys in the Improvement Account shall be transferred to the Bond Redemption Account if necessary to prevent a default in the payment of principal and interest on the then outstanding bonds or if necessary to eliminate any deficiencies in credits to or minimum balance in the Reserve Subaccount of the Bond Redemption Account. Moneys in the Improvement Account may also be transferred to the Operation and Maintenance Account to meet unforeseen contingencies in the operation, repair and maintenance of the waterworks. So long as any of the Outstanding Parity Bonds are held by the Authority, no monies derived from the revenues of the waterworks shall be transferred to the General Fund of the City or otherwise be used for any purpose not connected with the waterworks.

Any revenues remaining after meeting the requirements of the Operation and Maintenance Account, the Bond Redemption Account and the Waterworks Improvement Account may be used with the approval of the Board of Directors of Valparaiso City Utilities for any lawful purpose, including payment in lieu of taxes which would be payable if the City's waterworks were privately owned and transfers to the City's General Fund or any other fund of the City. Notwithstanding the foregoing, so long as any of the Outstanding Parity Bonds are held by the Authority, no monies derived from the revenues of the waterworks shall be transferred to the General Fund of the City or otherwise be used for any purpose not connected with the waterworks (for the avoidance of doubt, payment in lieu of taxes are considered a valid purpose of the waterworks).

Section 14. Maintenance of Accounts; Investments. All of the amounts in the funds and accounts created and continued by this ordinance shall be deposited in lawful depositories of the State of Indiana and shall be continuously held and secured or invested as provided by the laws of Indiana relating to the depositing, securing, holding and investing of public funds, including particularly IC 5-13, and the acts amendatory thereof and supplemental thereto. The amounts in the Bond Redemption Account and all other funds, accounts and subaccounts created or continued pursuant to this ordinance shall be kept in separate bank accounts apart from all other bank accounts of the City. The Operation and Maintenance Account and the Improvement Account may be maintained in a single account, or accounts, but such account, or accounts, shall likewise be maintained separate and apart from all other accounts of the City (including, without limitation, any funds and accounts relative to any other utility of the City beyond the waterworks) and apart from the accounts in the Bond Redemption Account. In no event shall any of the revenues of the waterworks be transferred or used for any purpose not authorized by this ordinance so long as any of the Bonds of the waterworks issued pursuant to the provisions of this ordinance shall be outstanding. Investment income earned on moneys in the funds and accounts established and continued by this ordinance shall become a part of the funds and accounts invested (except as otherwise provided in Section 13(c)(ii) hereof) and shall be used only as provided in this ordinance. Nothing in this Section or elsewhere in this ordinance shall be construed to require that separate bank accounts be established and maintained for the funds and accounts continued or created by this ordinance except that (a) the Bond Redemption Account and Improvement Account shall be maintained as a separate bank account from the other funds and accounts of the waterworks and (b) the other funds and accounts of the waterworks shall be maintained as a separate bank account from the other funds and accounts of the City, including, without limitation, any other funds and accounts for any other utility of the City beyond the waterworks; provided, however, to the extent the City does not maintain separate accounts or subaccounts for the other funds and accounts of the waterworks, it covenants and agrees that it has adopted sufficient accounting and/or bookkeeping practices to accurately track all revenues and expenses of the waterworks.

Section 15. Books of Records and Accounts. The City shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made showing all revenues collected from said works and all disbursements made on account of the works, also all transactions relating to said works. There shall be furnished, upon written request, to any owner of the Bonds, the most recent audit report of the waterworks prepared by the State Board of Accounts. Copies of all such statements and reports shall be kept on file in the office of the Clerk-Treasurer. Any owner of the Bonds then outstanding shall have the right at all reasonable times to inspect the works and all records, accounts, statements, audits, reports and data of the City relating to the waterworks. Such inspections may be made by representatives duly authorized by written instrument.

Section 16. Rate Covenant. The City covenants and agrees that it will establish and maintain just and equitable rates or charges for the use of and the service rendered by the waterworks, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses the waterworks by or through any part of the waterworks system of the City, or that in any way uses or is served by the waterworks, at a level adequate to produce and maintain sufficient revenue, provided that System Development Charges shall be excluded, to the extent permitted by law, when determining if such rates and charges are sufficient so long as the Bonds are outstanding, to provide for the proper operation, repair and maintenance of the waterworks, including Operation and Maintenance (as defined in any Financial Assistance Agreements related to any Outstanding Parity Bonds held by the Authority), to comply with and satisfy all covenants contained in this ordinance, and to pay all obligations of the waterworks and of the City with respect to the waterworks. Such rates and charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair and maintenance of the waterworks, including Operation and Maintenance so long as any Outstanding Parity Bonds are held by the Authority, and the requirements of the Bond Redemption Account. The reasonable cost and value of any facility or service rendered to the City, or to any department, agency, or instrumentality thereof by the waterworks by furnishing water for public purposes or by maintaining hydrants and other facilities for fire protection shall be (i) charged against the City; and (ii) paid for in monthly installments as the service accrues, out of the current revenues of the City, collected or in the process of collection, and the tax levy of the City made by it to raise money to meet its necessary current expenses. The revenues so received shall be deemed to be revenue derived from the operation of the waterworks and shall be used and account for in the same manner as other revenues derived from the operation of the waterworks.

Section 17. Defeasance of Bonds. If, when any of the Bonds issued hereunder 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 shall have been given, and the whole amount of the principal and the interest and the premium, if any, so due and payable upon all of the Bonds or any portion thereof and coupons then outstanding shall be paid; or (i) sufficient moneys, or (ii) direct 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, the principal of and the interest on which when due will provide sufficient moneys, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the Bonds issued hereunder or any designated portion

thereof shall no longer be deemed outstanding or entitled to the pledge of the Net Revenues of the City's waterworks.

Section 18. Additional Bond Provisions. The City reserves the right to authorize and issue additional BANs at any time ranking on a parity with the BANs. The City reserves the right to authorize and issue Future Parity Bonds, payable out of the Net Revenues of its waterworks, ranking on a parity with the Bonds, for the purpose of financing the cost of future additions, extensions and improvements to the waterworks, or to refund obligations, subject to the following conditions:

(a) All required payments into the Bond Redemption Account shall have been made in accordance with the provisions of this ordinance, and the interest on and principal of all bonds payable from the Net Revenues of the waterworks shall have been paid to date in accordance with their terms. The Reserve Requirement shall be satisfied for the Future Parity Bonds either at the time of delivery of the Future Parity Bonds or over a five (5) year or shorter period, in a manner which is commensurate with the requirements established in Section 13(c)(ii) of this ordinance.

(b) The Net Revenues of the waterworks in the fiscal year immediately preceding the issuance of any such Future Parity Bonds (provided, within the 90-day period following the end of such preceding fiscal year, if such year's accounting records are not final as of the sale date of the Future Parity Bonds, the fiscal year preceding such year may be used in lieu of the immediately preceding fiscal year) shall be not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the Future Parity Bonds proposed to be issued; or, prior to the issuance of said Future Parity Bonds, the water rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous fiscal year's operations (provided, within the 90-day period following the end of such preceding fiscal year, if such year's accounting records are not final as of the sale date of the Future Parity Bonds, the fiscal year preceding such year may be used in lieu of the immediately preceding fiscal year) would have produced Net Revenues for said period equal to not less than one hundred twenty-five percent (125%) of the maximum annual interest and principal requirements of the then outstanding bonds and the Future Parity Bonds proposed to be issued. For purposes of this subsection, the records of the waterworks shall be analyzed and all showings prepared by an independent certified public accountant employed by the City for that purpose. In addition, for purposes of this subsection with respect to any Future Parity Bonds hereafter issued, while any Outstanding Parity Bonds remain outstanding and owned by the Authority, Net Revenues may not include any revenues from the System Development Charges unless the Authority provides its consent to include all or some portion of the System Development Charges as part of the Net Revenues or otherwise consents to the issuance of such Future Parity Bonds without satisfying this subsection (b).

(c) The interest on the Future Parity Bonds shall be payable semiannually on the first days of April and October and the principal on, or mandatory sinking fund redemption dates for, the Future Parity Bonds shall be payable semiannually on April 1 and October 1.

(d) So long as any Outstanding Parity Bonds are held by the Authority, (i) the City obtains the consent of the Authority, (ii) the City has faithfully performed and is in compliance with each of its obligations, agreements and covenants contained in any Financial Assistance

Agreement relating to Outstanding Parity Bonds held by the Authority and this ordinance, and (iii) the City is in compliance with its waterworks permits, except for non-compliance for which purpose the Future Parity Bonds are issued, including refunding bonds issued prior to, but part of the overall plan to eliminate such non-compliance.

For purposes of this Section 18, the terms “bonds” shall be construed to include lease obligations and other forms of obligations, and the terms “principal” and “interest” shall be construed to include any lease payments or other payment obligations, as appropriate and as the context requires.

Section 19. Further Covenants. For the purpose of further safeguarding the interests of the holders of the BANs and Bonds, it is specifically provided as follows:

(a) All contracts let by the City in connection with the construction of said Project shall be let after due advertisement as required by the laws of the State of Indiana, and all contractors shall be required to furnish surety bonds in an amount equal to one hundred percent (100%) of the amount of such contracts, to insure the completion of said contracts in accordance with their terms, and such contractors shall also be required to carry such employer’s liability and public liability insurance as are required under the laws of the State of Indiana in the case of public contracts, and shall be governed in all respects by the laws of the State of Indiana relating to public contracts.

(b) Said Project shall be constructed under the supervision and subject to the approval of such competent engineers as shall be designated by the City. All estimates for work done or material furnished shall first be checked by the engineers and approved by the City.

(c) The City shall at all times maintain its waterworks in good condition and operate the same in an efficient manner and at a reasonable cost.

(d) So long as any of the BANs or Bonds herein authorized are outstanding, the City shall acquire and maintain insurance coverage, including fidelity bonds, to protect the waterworks and its operations. So long as any Outstanding Parity Bonds are held by the Authority, such insurance shall be acceptable to the Authority. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. Insurance proceeds and condemnation awards shall be used to replace or repair the waterworks, unless the Authority consents to a different use of such proceeds or awards so long as any Outstanding Parity Bonds are held by the Authority.

(e) So long as any of the BANs or Bonds are outstanding, the City shall not mortgage, pledge or otherwise encumber such works or any part thereof, nor shall it sell, lease or otherwise dispose of any portion thereof except machinery, equipment or property which may become worn out, obsolete or no longer suitable for use in the waterworks. So long as any Outstanding Parity Bonds are held by the Authority, the City shall obtain the consent of the Authority prior to the disposal of any portion of the waterworks as described herein.

(f) Except as hereinbefore provided in Section 18 hereof, so long as any of the Bonds herein authorized are outstanding, no additional bonds or other obligations pledging any portion

of the revenues of said waterworks shall be authorized, executed, or issued by the City except such as shall be made subordinate and junior in all respects to the Bonds herein authorized, unless all of the Bonds herein authorized are redeemed, retired or defeased pursuant to Section 17 hereof coincidentally with the delivery of such additional bonds or other obligations.

(g) The provisions of this ordinance shall constitute a contract by and between the City and the owners of the Bonds and BANs herein authorized, and after the issuance of said Bonds or BANs, this ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the owners of said Bonds or BANs nor shall the Common Council adopt any law, ordinance or resolution which in any way adversely affects the rights of such owners so long as any of said Bonds, BANs or the interest thereon remain unpaid. Except for the changes set forth in Section 22(a)-(g), this ordinance may be amended, however, without the consent of BAN or Bond owners, if the Common Council determines, in its sole discretion, that such amendment would not adversely affect the owners of the BANs or Bonds.

(h) The provisions of this ordinance shall be construed to create a trust in the proceeds of the sale of the Bonds and BANs herein authorized for the uses and purposes herein set forth, and the owners of the Bonds and BANs shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this ordinance and of said governing Act. The provisions of this ordinance shall also be construed to create a trust in the portion of the Net Revenues herein directed to be set apart and paid into the Bond Redemption Account for the uses and purposes of said fund as in this ordinance set forth. The owners of said Bonds shall have all of the rights, remedies and privileges set forth in the provisions of the governing Act hereinbefore referred to, including the right to have a receiver appointed to administer said waterworks, in the event the City shall fail or refuse to fix and collect sufficient rates and charges, or shall fail or refuse to operate and maintain said system and to apply the revenues derived from the operation thereof, or if there be a default in the payment of the principal of or interest on any of the Bonds herein authorized or in the event of default in respect to any of the provisions of this ordinance or the governing Act.

(i) For purpose this Section 19, the term "lease" shall include any lease, contract, or other instrument conferring a right upon the City to use property in exchange for a periodic payments made from the revenues of the waterworks, whether the City desires to cause such to be, or by its terms (or its intended effects) is to be, (i) payable as rent, (ii) booked as an expense or an expenditure, or (iii) classified for accounting or other purposes as a capital lease, financing lease, operating lease, non-appropriation leases, installment purchase agreement or lease, or otherwise (including any combination thereof).

Section 20. Investment of Funds. The Clerk-Treasurer is hereby authorized to invest moneys pursuant to IC 5-1-14-3 and the provisions of this ordinance (subject to applicable requirements of federal law to insure such yield is the then current market rate) to the extent necessary or advisable to preserve the exclusion from gross income of interest on the Bonds and BANs under federal law. The Clerk-Treasurer shall keep full and accurate records of investment earnings and income from moneys held in the funds and accounts continued or referenced herein. In order to comply with the provisions of the ordinance, the Clerk-Treasurer is hereby authorized and directed to employ consultants or attorneys from time to time to advise the City as to

requirements of federal law to preserve the tax exclusion. The Clerk-Treasurer may pay any such fees as operating expenses of the waterworks.

Section 21. Tax Covenants. In order to preserve the exclusion of interest on the Bonds and BANs from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as existing on the date of issuance of the Bonds or BANs, as the case may be (the "Code") and as an inducement to purchasers of the Bonds and BANs, the City represents, covenants and agrees that:

(a) The waterworks will be available for use by members of the general public. Use by a member of the general public means use by natural persons not engaged in a trade or business. No person or entity other than the City or another state or local governmental unit will use more than 10% of the proceeds of the Bonds or BANs or property financed by the Bond or BAN proceeds other than as a member of the general public. No person or entity other than the City or another state or local governmental unit will own property financed by Bond or BAN proceeds or will have any actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, arrangements such as take-or-pay or output contracts or any other type of arrangement that conveys other special legal entitlements and differentiates that person's or entity's use of such property from use by the general public, unless such uses in the aggregate relate to no more than 10% of the proceeds of the Bonds or BANs, as the case may be. If the City enters into a management contract for the waterworks, the terms of the contract will comply with Internal Revenue Service Revenue Procedure 2017-13, as it may be amended, supplemented or superseded for time to time, so that the contract will not give rise to private business use under the Code and the Regulations, unless such use in aggregate relates to no more than 10% of the proceeds of the Bonds or BANs, as the case may be.

(b) No more than 10% of the principal of or interest on the Bonds or BANs is (under the terms of the Bonds or BANs, this ordinance or any underlying arrangement), directly or indirectly, secured by an interest in property used or to be used for any private business use or payments in respect of any private business use or payments in respect of such property or to be derived from payments (whether or not to the City) in respect of such property or borrowed money used or to be used for a private business use.

(c) No more than 5% of the Bond or BAN proceeds will be loaned to any person or entity other than another state or local governmental unit. No more than 5% of the Bond or BAN proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Bond or BAN proceeds.

(d) The City reasonably expects, as of the date hereof, that the Bonds and BANs will not meet either the private business use test described in paragraphs (a) and (b) above or the private loan test described in paragraph (c) above during the entire term of the Bonds or BANs, as the case may be.

(e) No more than 5% of the proceeds of the Bonds or BANs will be attributable to private business use as described in (a) above and private security or payments described in paragraph (b) above attributable to unrelated or disproportionate private business use. For this purpose, the private business use test is applied by taking into account only use that is not related

to any government use of proceeds of the issue (Unrelated Use) and use that is related but disproportionate to any governmental use of those proceeds (Disproportionate Use).

(f) The City will not take any action nor fail to take any action with respect to the Bonds or BANs that would result in the loss of the exclusion from gross income for federal tax purposes on the Bonds or BANs pursuant to Section 103 of the Code, nor will the City act in any other manner which would adversely affect such exclusion. The City covenants and agrees not to enter into any contracts or arrangements which would cause the Bonds or BANs to be treated as private activity bonds under Section 141 of the Code.

(g) It shall not be an event of default under this ordinance if the interest on any Bond or BAN is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not currently in effect and in existence on the date of issuance of the Bonds or BANs, as the case may be.

(h) The City represents that, if necessary, it will rebate any arbitrage profits to the United States of America in accordance with the Code.

(i) These covenants are based solely on current law in effect and in existence on the date of delivery of such Bonds or BANs, as the case may be.

Section 22. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this Section and Section 19(h), 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 issued pursuant to this ordinance and then outstanding shall have the right, from time to time, anything contained in this ordinance to the contrary notwithstanding, 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 issued pursuant to this ordinance; or

(b) A reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon; or

(c) The creation of a lien upon or a pledge of the revenues of the waterworks ranking prior to the pledge thereof created by this ordinance; or

(d) A preference or priority of any Bond or Bonds issued pursuant to this ordinance over any other Bond or Bonds issued pursuant to the provisions of this ordinance; or

(e) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance; or

(f) A reduction in the Reserve Requirement; or

- (g) The extension of mandatory sinking fund redemption dates, if any.

If the owners of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Clerk-Treasurer, no owner of any Bond issued pursuant to this ordinance 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 issued pursuant to the provisions of this ordinance 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 authorized by this ordinance, 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 issued pursuant to this ordinance then outstanding.

Section 23. Issuance of BANs. The City, having satisfied all the statutory requirements for the issuance of its Bonds, may elect to issue its BAN or BANs to a financial institution or to any other purchaser, pursuant to a Bond Anticipation Note Purchase Agreement (the “Bond Anticipation Note Agreement”) to be entered into between the City and the purchaser of the BAN or BANs. The Common Council hereby authorizes the issuance and execution of the BAN or BANs in lieu of initially issuing Bonds to provide interim financing for the Project until permanent financing becomes available. It shall not be necessary for the City to repeat the procedures for the issuance of its Bonds, as the procedures followed before the issuance of the BAN or BANs are for all purposes sufficient to authorize the issuance of the Bonds and the use of the proceeds to repay the BAN or BANs. The Mayor and the Clerk-Treasurer are hereby authorized and directed to execute a Bond Anticipation Note Agreement (and any amendments made from time to time) in such form or substance as they shall approve acting upon the advice of counsel. The Mayor and the Clerk-Treasurer may also take such other actions or deliver such other certificates as are necessary or desirable in connection with the issuance of the BANs or the Bonds and the other documents needed for the financing as they deem necessary or desirable in connection therewith.

Section 24. Tax Exemption. Notwithstanding any other provisions of this ordinance, the covenants and authorizations contained in this ordinance (the “Tax Sections”) which are designed to preserve the exclusion of interest on the BANs and Bonds from gross income under federal law (the “Tax Exemption”) need not be complied with if the City receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption. At the time of delivery of the BANs and Bonds, the Mayor and Clerk-Treasurer will execute post-issuance compliance procedures with respect to the BANs and Bonds relating to continued compliance of the City with respect to the Tax Sections to preserve the Tax Exemption.

Section 25. Conflicting Ordinances; Amendments. All ordinances and parts of ordinances in conflict herewith, except the ordinances authorizing the Outstanding Parity Bonds, are hereby repealed; provided, however, that this ordinance shall not be construed as adversely affecting the rights of the owners of the Outstanding Parity Bonds.


Section 26. Effective Date. This ordinance shall be in full force and effect from and after its passage and execution by the Mayor.

PASSED AND ADOPTED by the Common Council of the City of Valparaiso, Porter County, Indiana, upon this 8th day of June, 2026.

By: 


Presiding Officer
Valparaiso Common Council

ATTEST:



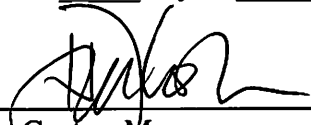
Holly Taylor, Clerk-Treasurer
City of Valparaiso

PRESENTED by me to the Mayor of the City of Valparaiso, Porter County, Indiana, upon this 8th day of June, 2026.



Holly Taylor, Clerk-Treasurer
City of Valparaiso

SIGNED and APPROVED by me upon this 8th day of June, 2026.



Jon Costas, Mayor
City of Valparaiso

EXHIBIT A

Description of Project

The project includes the installation of new wells, a transmission line, and other related improvements to the waterworks collection, transmission and treatment system.

APPENDIX E

FORM OF BOND COUNSEL OPINION

Upon delivery of the Bonds in definitive form, Bose McKinney & Evans LLP, Bond Counsel, proposes to render the following opinion with respect to the Bonds in substantially the following form.

_____, 2026

City of Valparaiso
Valparaiso, Indiana

RE: City of Valparaiso, Indiana
Waterworks Revenue Bonds, Series 2026
Principal Amount: \$ _____
Dated: _____, 2026

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of Valparaiso, Indiana (the “City”) of \$ _____ aggregate principal amount of its Waterworks Revenue Bonds, Series 2026 (the “Bonds”), pursuant to Indiana Code 8-1.5, as amended, and Ordinance No. 12, 2026 adopted by the Common Council of the City on June 8, 2026 (the “Ordinance”).

As bond counsel, we have examined such laws, including statutes and regulations, published rulings and judicial decisions existing on the date of this opinion, a transcript of the proceedings relating to the authorization, issuance and sale of the Bonds (the “Transcript”), and such other documents as we deem necessary to render this opinion. We have relied upon the Transcript, including the City’s tax covenants and representations (collectively, the “Tax Covenants”), and we have not undertaken to verify any facts by independent investigation.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of the Official Statement, dated _____, 2026, or any other offering material relating to the Bonds, and we express no opinion relating thereto.

On the basis of our examination described above, we are of the opinion that under existing law as of the date of this opinion:

1. The Bonds are the valid and binding special revenue obligations of the City in accordance with the terms and provisions thereof, and together with any additional bonds on a parity therewith hereafter issued, will be secured by a pledge of and payable solely out of the special fund heretofore legally established and designated as the “Waterworks Sinking Fund”, on a parity with certain (i) Waterworks Revenue Bonds, Series 2014A, dated December 30, 2014, now outstanding in the aggregate principal amount of \$9,980,000 and maturing semiannually on April 1 and October 1 over a period ending October 1, 2035, (ii) Waterworks Revenue Bonds, Series 2014B, dated December 30, 2014, now outstanding in the aggregate principal amount of \$2,775,000 and maturing semiannually on April 1 and October 1 over a period ending October 1, 2028, (iii) Waterworks Refunding Revenue Bonds, Series 2018, dated June 14, 2018, now outstanding in the aggregate principal amount of \$265,000 and maturing semiannually on April 1 and October 1 over a period ending October 1, 2026, and (iv) Waterworks Revenue Bonds, Series 2024A, dated June 20, 2024, now outstanding in the aggregate principal amount of \$13,906,000 and maturing semiannually on April 1 and October 1 over a period ending October 1, 2045, to which fund there has been legally pledged the Net Revenues (as defined in the Ordinance) of the waterworks.
2. The interest on the Bonds is exempt from taxation in the State of Indiana (the “State”) for all purposes except for the Indiana Financial Institutions Tax imposed upon financial institutions pursuant to Indiana Code 6-5.5, as amended.
3. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest may be taken into account in computing the alternative minimum tax imposed on certain corporations. The opinion in this paragraph 3 relates only to exemption of interest on the Bonds from federal income taxation under Section 103 of the Code and is conditioned on continued compliance by the City with its Tax Covenants. Failure to comply with the Tax Covenants could cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to their date of issue. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

This opinion is subject to the qualifications that the validity and binding effect of the Bonds may be: (i) limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors’ rights generally; (ii) subject to judicial discretion and may be limited by general principles of equity; and (iii) limited by the valid exercise of constitutional powers of the City, the State or the United States of America.

City of Valparaiso, Indiana
_____, 2026

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect, or to notify you regarding, any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

(This page intentionally left blank.)

APPENDIX F

CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

This CONTINUING DISCLOSURE UNDERTAKING AGREEMENT (the “Disclosure Agreement”) is executed and delivered by CITY OF VALPARAISO, INDIANA (the “Obligor”), in connection with the issuance by the Obligor of its Waterworks Revenue Bonds, Series 2026, in the aggregate principal amount of \$_____ (the “Bonds”). The Bonds are being issued pursuant to (i) Indiana Code 8-1.5, as amended, and (ii) Ordinance No. _____ adopted by the Common Council of the Obligor on _____, 2026 (the “Ordinance”) ((i) and (ii) collectively, the “Bond Proceedings”). The Obligor covenants and agrees as follows:

Section 1. Purpose of the Disclosure Agreement.

(a) This Disclosure Agreement is being executed and delivered by the Obligor for the benefit of the Bondholders and the Beneficial Owners and in order to assist the Participating Underwriter in complying with the Rule.

(b) In consideration of the purchase and acceptance of any and all of the Bonds by those who shall hold the same or shall own beneficial ownership interests therein from time to time, this Disclosure Agreement shall be deemed to be and shall constitute a contract between the Obligor and the Bondholders and Beneficial Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the Obligor shall be for the benefit of the Bondholders and Beneficial Owners of any and all of the Bonds.

(c) The Obligor hereby determines that it will be an obligated person with respect to more than \$10,000,000 in aggregate amount of outstanding municipal securities, including the Bonds and excluding municipal securities that were offered in a transaction exempt pursuant to subsection (d)(1) of the Rule.

Section 2. Definitions. In addition to the definitions set forth in the Bond Proceedings, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings.

“Beneficial Owner” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including any person holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean the Obligor, or any successor Dissemination Agent appointed in writing by the Obligor and which has filed with the Obligor a written acceptance of such appointment.

“EMMA” means the Electronic Municipal Market Access system at www.emma.msrb.org, created and operated by the MSRB.

“Financial Obligation” means (i) a debt obligation, (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of either clause (i) or (ii); provided, however, “Financial

Obligation” shall not include any municipal securities (as defined in the 1934 Act) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Listed Events” shall mean any of the events listed in Section 5(a) and (b) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the 1934 Act.

“1934 Act” shall mean the Securities Exchange Act of 1934, as amended.

“Official Statement” shall mean the Official Statement for the Bonds dated _____, 2026.

“Participating Underwriter” shall mean _____.

“Rule” shall mean Rule 15c2-12 (17 CFR Part 240, §240.15c2-12) promulgated by the SEC pursuant to the 1934 Act, as the same may be amended from time to time, together with all interpretive guidances or other official interpretations or explanations thereof that are promulgated by the SEC.

“SEC” shall mean the United States Securities and Exchange Commission.

“Securities Counsel” shall mean legal counsel expert in federal securities law.

“State” shall mean the State of Indiana.

“SBOA” shall mean the Indiana State Board of Accounts.

Section 3. Provision of Financial Information.

(a) The Obligor hereby undertakes to provide to the MSRB through EMMA, the following financial information:

- (1) The report of an independent auditor, which may consist of either the Independent Accountant’s Report or the Independent Auditor’s Report, and the financial statements of the Obligor, as audited and examined by the SBOA, or an independent auditor and accepted by the SBOA, on an annual basis for each fiscal year, together with the opinion of the independent auditor and all notes thereto (collectively, the “Audited Information”), by the June 30 immediately following each annual period. Such disclosure of the Audited Information shall first occur by June 30, 2027, and shall be made by June 30 of every year thereafter, if the Audited Information is delivered to the Obligor by June 30 of each annual period, or within 60 days of receipt thereof if not received by June 30; and

- (2) No later than June 30 of each year beginning June 30, 2027, the most recent annual financial information for the Obligor including (i) unaudited financial statements of the Obligor and (ii) operating data (excluding any demographic information or forecast) of the general type included under the following headings in Appendix A to the Official Statement (together, with the unaudited financial information, the “Annual Information”), provided, however, that the updated Annual Information may be provided in such format as the Obligor deems appropriate:

Large Users

(b) To the extent any Audited Information or Annual Information relating to the Obligor referred to in paragraph (a) of this Section 3 is included in a final official statement (as that term is defined in the Rule) dated within one hundred twenty (120) days prior to the due date for such information for any fiscal year and filed with the MSRB, the Obligor shall have been deemed to have provided that information as of the due date for the immediately preceding fiscal year as required by paragraphs (a)(1) and (2) of this Section 3.

(c) If any Audited Information or Annual Information relating to the Obligor referred to in paragraph (a) of this Section 3 no longer can be generated because the operations to which they related have been materially changed or discontinued, a statement to that effect, provided by the Obligor to the MSRB, along with any other Audited Information or Annual Information required to be provided under this Disclosure Agreement, shall satisfy the undertaking to provide such Audited Information or Annual Information. To the extent available, the Obligor shall cause to be filed along with the other Audited Information or Annual Information operating data similar to that which can no longer be provided.

(d) The disclosure of the Audited Information and Annual Information may be accompanied by a certificate of an authorized representative of the Obligor in the form of **Exhibit A** attached hereto.

(e) Audited Information and Annual Information required to be provided pursuant to this Section 3 may be provided by a specific reference to such Audited Information or Annual Information already prepared and previously provided to the MSRB, or filed with the SEC; however, if such document is a final official statement, it must also be available from the MSRB.

(f) If, for any reason, the Obligor fails to provide the Audited Information or Annual Information as required by this Disclosure Agreement, the Obligor shall provide notice of such failure in a timely manner to the MSRB in the form of **Exhibit B** attached hereto.

(g) The Obligor and any Dissemination Agent (as described in Section 7) appointed by the Obligor, must file all filings under this Disclosure Agreement with the MSRB through EMMA in an electronic format in the form of a word searchable portable document format (PDF).

Section 4. Accounting Principles. The Annual Information will be prepared on a cash basis as prescribed by the SBOA, as in effect from time to time, as described in the auditors’

report and notes accompanying the audited financial statements of the Obligor or those mandated by State law from time to time. The Audited Information of the Obligor, as described in Section 3(a)(1) hereof, will be prepared in accordance with generally accepted accounting standards and Government Auditing Standards issued by the Comptroller General of the United States.

Section 5. Reporting of Listed Events.

(a) The Obligor shall disclose the following events to the MSRB through EMMA, within ten (10) business days of the occurrence of any of the following events, if material (which determination of materiality shall be made by the Obligor in accordance with the standards established by federal securities laws):

- (1) non-payment related defaults;
- (2) modifications to rights of Bondholders;
- (3) Bond calls;
- (4) release, substitution or sale of property securing repayment of the Bonds;
- (5) the consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the obligated person, or entry into or termination of a definitive agreement relating to the foregoing;
- (6) appointment of a successor or additional trustee or the change of name of a trustee; and
- (7) Incurrence of a Financial Obligation of the obligated person or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the obligated person, any of which affect Bondholders.

The disclosure shall be accompanied by a certificate of an authorized representative of the Obligor in the form of **Exhibit C** attached hereto.

(b) The Obligor shall disclose the following events to the MSRB through EMMA, within ten (10) business days of the occurrence of any of the following events, regardless of materiality:

- (1) principal and interest payment delinquencies;
- (2) unscheduled draws on debt service reserves reflecting financial difficulties;
- (3) unscheduled draws on credit enhancements reflecting financial difficulties;
- (4) substitution of credit or liquidity providers, or their failure to perform;

- (5) defeasances;
- (6) rating changes;
- (7) adverse tax opinions or events affecting the status of the Bonds, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material events, notices or determinations with respect to the tax status of the Bonds;
- (8) tender offers;
- (9) bankruptcy, insolvency, receivership or similar event of the obligated person; and
- (10) default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

The disclosure shall be accompanied by a certificate of an authorized representative of the Obligor in the form of **Exhibit C** attached hereto.

(c) If the Obligor determines that the occurrence of a Listed Event must be filed as set forth above, the Obligor shall promptly cause a notice of such occurrence to be filed with the MSRB through EMMA. In connection with providing a notice of the occurrence of a Listed Event described above in subsection (b)(5), the Obligor shall include in the notice explicit disclosure as to whether the Bonds have been escrowed to maturity or escrowed to call, as well as appropriate disclosure of the timing of maturity or call.

(d) In connection with providing a notice of the occurrence of a Listed Event, the Dissemination Agent (if other than the Obligor), solely in its capacity as such, is not obligated or responsible under this Disclosure Agreement to determine the sufficiency of the content of the notice for purposes of the Rule or any other state or federal securities law, rule, regulation or administrative order.

(e) The Obligor acknowledges that the “rating changes” referred to above in subsection (b)(6) may include, without limitation, any change in any rating on the Bonds or other indebtedness for which the Obligor is liable.

(f) The Obligor acknowledges that it is not required to provide a notice of a Listed Event with respect to credit enhancement when the credit enhancement is added after the primary offering of the Bonds, the Obligor does not apply for or participate in obtaining such credit enhancement, and such credit enhancement is not described in the Official Statement.

Section 6. Termination of Reporting Obligation.

(a) The Obligor's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, the prior redemption or the payment in full of all of the Bonds. If the Obligor's obligation to pay the principal of and interest on the Bonds is assumed in full by some other entity, such entity shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Obligor, and the Obligor shall have no further responsibility hereunder.

(b) This Disclosure Agreement, or any provision hereof, shall be null and void in the event that the Obligor (i) receives an opinion of Securities Counsel, addressed to the Obligor, to the effect that those portions of the Rule, which require such provisions of this Disclosure Agreement, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, amended or modified, or are otherwise deemed to be inapplicable to the Bonds, as shall be specified in such opinion, and (ii) delivers notice to such effect to the MSRB through EMMA.

Section 7. Dissemination Agent. The Obligor, from time to time, may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Agent, with or without appointing a successor Dissemination Agent. Except as otherwise provided in this Disclosure Agreement, the Dissemination Agent (if other than Obligor) shall not be responsible in any manner for the content of any notice or report prepared by the Obligor pursuant to this Disclosure Agreement.

Section 8. Amendment; Waiver.

(a) Notwithstanding any other provisions of this Disclosure Agreement, this Disclosure Agreement may be amended, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(1) if the amendment or waiver relates to a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the Obligor, or type of business conducted by the Obligor or in connection with the project referred to in the Official Statement;

(2) this Disclosure Agreement, as so amended or taking into account such waiver, would, in the opinion of Securities Counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(3) the amendment or waiver either (A) is approved by the Bondholders in the same manner as provided in the Ordinance for amendments to the Ordinance with the consent of the Bondholders, or (B) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders.

(b) In the event of any amendment to, or waiver of a provision of, this Disclosure Agreement, the Obligor shall describe such amendment or waiver in the next Annual Information and shall include an explanation of the reason for such amendment or waiver. In particular, if the amendment results in a change to the financial information required to be included in the Audited Information or Annual Information pursuant to Section 3 of this Disclosure Agreement, the first Audited Information or Annual Information that contains the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of such change in the type of operating data or financial information being provided. Further, if the financial information required to be provided in the Audited Information or Annual Information can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be included in the first Audited Information or Annual Information that does not include such information.

(c) If the amendment results in a change to the accounting principles to be followed in preparing financial statements as set forth in Section 3 of this Disclosure Agreement, the Audited Information or Annual Information for the year in which the change is made shall include a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of such differences and the impact of the changes on the presentation of the financial information. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in accounting principles shall be sent by the Obligor, or the Dissemination Agent (if other than the Obligor) at the written direction of the Obligor, to the MSRB through EMMA.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Obligor from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Audited Information, Annual Information or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Obligor chooses to include any information in any Audited Information, Annual Information or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Obligor shall have no obligation under this Disclosure Agreement to update such information or include it in any future Audited Information, Annual Information or notice of occurrence of a Listed Event.

Section 10. Failure to Comply. In the event of a failure of the Obligor or the Dissemination Agent (if other than the Obligor) to comply with any provision of this Disclosure Agreement, any Bondholder or Beneficial Owner may bring an action to obtain specific performance of the obligations of the Obligor or the Dissemination Agent (if other than the Obligor) under this Disclosure Agreement, but no person or entity shall be entitled to recover monetary damages hereunder under any circumstances, and any failure to comply with the obligations under this Disclosure Agreement shall not constitute a default with respect to the Bonds or under the Ordinance. Notwithstanding the foregoing, if the alleged failure of the Obligor to comply with this Disclosure Agreement is the inadequacy of the information disclosed pursuant hereto, then the Bondholders and the Beneficial Owners (on whose behalf a Bondholder has not acted with respect to this alleged failure) of not less than twenty percent (20%) of the aggregate principal amount of the then outstanding Bonds must take the actions

described above before the Obligor shall be compelled to perform with respect to the adequacy of such information disclosed pursuant to this Disclosure Agreement.

Section 11. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Obligor, the Dissemination Agent, the Participating Underwriter, the Bondholders and the Beneficial Owners, and shall create no rights in any other person or entity.

Section 13. Transmission of Information and Notices. Unless otherwise required by law or this Disclosure Agreement, and, in the sole determination of the Obligor or the Dissemination Agent, as applicable, subject to technical and economic feasibility, the Obligor or the Dissemination Agent, as applicable, shall employ such methods of information and notice transmission as shall be requested or recommended by the herein-designated recipients of such information and notices.

Section 14. Additional Disclosure Obligations. The Obligor acknowledges and understands that other State and federal laws, including, without limitation, the Securities Act of 1933, as amended, and Rule 10b-5 promulgated by the SEC pursuant to the 1934 Act, may apply to the Obligor, and that under some circumstances, compliance with this Disclosure Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the Obligor under such laws.

Section 15. Prior Undertakings. Except as disclosed in the Official Statement, during the past five (5) years the Obligor has not failed to comply, in all material respects, with any previous undertakings.

Section 16. Governing Law. This Disclosure Agreement shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Disclosure Agreement shall be instituted in a court of competent jurisdiction in the State. Notwithstanding the foregoing, to the extent this Disclosure Agreement addresses matters of federal securities laws, including the Rule, this Disclosure Agreement shall be construed and interpreted in accordance with such federal securities laws and official interpretations thereof.

Section 17. Severability. If any portion of this Disclosure Agreement is held or deemed to be, or is, invalid, illegal, inoperable or unenforceable, the validity, legality, operability or enforceability of the remaining portions of this Disclosure Agreement shall not be affected, and this Disclosure Agreement shall be construed as if it did not contain such invalid, illegal, inoperable or unenforceable portion.

Signature Page to Continuing Disclosure Undertaking Agreement

CITY OF VALPARAISO, INDIANA

By: _____
Jonathon Costas, Mayor

ATTEST:

Holly Taylor, Clerk-Treasurer

Dated: _____, 2026

EXHIBIT A

CERTIFICATE RE: [ANNUAL][AUDITED] INFORMATION DISCLOSURE

Name of Obligor: City of Valparaiso, Indiana
Name of Bond Issue: Waterworks Revenue Bonds, Series 2026
Date of Bonds: _____, 2026

The undersigned, on behalf of the above referenced Obligor, as the Obligor under the Continuing Disclosure Undertaking Agreement, dated _____, 2026 (the “Disclosure Agreement”), hereby certifies that the information enclosed herewith constitutes the [Annual][Audited] Information (as defined in the Disclosure Agreement) which is required to be provided pursuant to Section 3(a) of the Disclosure Agreement.

CITY OF VALPARAISO, INDIANA

By _____

Its _____

Dated: _____

EXHIBIT B

NOTICE OF FAILURE TO FILE INFORMATION

Name of Obligor: City of Valparaiso, Indiana
Name of Bond Issue: Waterworks Revenue Bonds, Series 2026
Date of Bonds: _____, 2026

NOTICE IS HEREBY GIVEN that the Obligor has not provided the [Annual][Audited] Information as required by Section 3(a) of the Continuing Disclosure Undertaking Agreement of the Obligor, dated _____, 2026.

CITY OF VALPARAISO, INDIANA

By _____

Its _____

Dated: _____

EXHIBIT C

CERTIFICATE RE: EVENT DISCLOSURE

The undersigned, on behalf of the City of Valparaiso, Indiana, as Obligor under the Continuing Disclosure Undertaking Agreement, dated _____, 2026 (the “Disclosure Agreement”), hereby certifies that the information enclosed herewith constitutes notice of the occurrence of an event which is required to be provided pursuant to Section 5 of the Disclosure Agreement.

Dated: _____

CITY OF VALPARAISO, INDIANA

By: _____

Name: _____

Title: _____

APPENDIX G

AUDIT REPORT FOR THE PERIOD JANUARY 1, 2024 – DECEMBER 31, 2024

The City's above-referenced Audit Report may be accessed on the Municipal Securities Rulemaking Board's (MSRB) Electronic Municipal Market Access (EMMA) website, located [here](#).

APPENDIX H

APPENDIX H

This Appendix H is based on Alternative II (Hold-the-Offering-Price Rule May Apply if Competitive Sale Requirements are Not Satisfied) contained in the Model Issue Price Documents published by SIFMA on May 1, 2017. The City of Valparaiso, Porter County, Indiana (the "Issuer") intends that in the event the competitive sale requirements are not satisfied, the issue price will be determined by one or more of the following: (1) as of the date and time of the award, certification by the bidder as to maturities that meet the 10% test (as defined below) or (2) on the date of Closing, certification by the bidder as to maturities that meet the hold-the-offering-price rule (as defined below).

(a) By submitting a bid, a winning bidder agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Schedule I, with respect to Bonds that satisfy the competitive sale requirements (as described below) or Schedule II, with respect to Bonds that do not satisfy the competitive sale requirements, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Issuer and Bond Counsel.

All actions to be taken by the Issuer to establish the issue price of the Bonds may be taken on behalf of the Issuer by the Issuer's municipal advisor identified in the Official Statement and any notice or report to be provided to the Issuer may be provided to the Issuer's financial advisor.

(b) The Issuer intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) the Issuer shall disseminate the Notice of Intent to Sell Bonds (the "Notice") to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Issuer anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in the Notice.

(c) Any bid submitted pursuant to the Notice shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. In the event that the competitive sale requirements are not satisfied, the Issuer shall so advise the winning bidder. The Issuer may determine to treat (i) the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the Issuer if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The Issuer shall promptly advise the winning bidder, at or before the time of award of the Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the Issuer determines to apply the hold-the-offering-price rule to any maturity of the Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds. Upon confirmation between the winning bidder and the Issuer of which maturities will meet the 10% test and which will be subject to the hold-the-offering-price rule, the winning bidder and the Issuer will execute and deliver a certificate substantially in the

form attached hereto as Schedule III. Such certificate will be delivered by the Issuer as soon as practicable following the award and the winning bidder shall execute and deliver the same back to the Issuer no later than the close of business on the day of the award.

(d) By submitting a bid, the winning bidder shall confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder. The winning bidder further shall agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the Issuer promptly after the close of the fifth (5th) business day after the Sale Date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(e) The Issuer acknowledges that, in making representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(f) By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) (i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the winning bidder that the 10% test has been satisfied as to the Bonds of that maturity provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon the request of the winning bidder; and (ii) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (B) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the Public, and (C) to

acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the Public, (ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the winning bidder or such underwriter that the 10% test has been satisfied as to the Bonds of that maturity provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable, periodic intervals or otherwise upon request of the Issuer or bond counsel and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder or the underwriter and as set forth in the related pricing wires.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the Public or dealer shall not constitute sales to the public for purposes of the Notice. Further, for purposes of this Exhibit: "public" means any person other than an underwriter or a related party,

- (i) "underwriter" means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (ii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iii) "sale date" means the date that the Bonds are awarded by the Issuer to the winning bidder.
- (iv) "Closing" and "Closing Date" mean the day the Bonds are delivered to the successful bidder and payment is made thereon to the Issuer.

Schedule I
\$10,000,000*
CITY OF VALPARAISO, PORTER COUNTY, INDIANA
WATERWORKS REVENUE BONDS, SERIES 2026

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] ("[SHORT NAME OF UNDERWRITER]"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds").

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.¹

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

1. ***Defined Terms.***

(d) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is anticipated to be June 23, 2026.

(g) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

*Preliminary, subject to change.

¹ Treas. Reg. §1.148-1(f)(3)(i)(B) requires that all bidders have an equal opportunity to bid to purchase bonds. If the bidding process affords an equal opportunity for bidders to review other bids prior to submitting their bids, then this representation should be modified to describe the bidding process.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Arbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By: _____

Name: _____

Title: _____

Dated: _____, 2026

Schedule II
\$10,000,000*
CITY OF VALPARAISO, PORTER COUNTY, INDIANA
WATERWORKS REVENUE BONDS, SERIES 2026

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] (["[SHORT NAME OF UNDERWRITER]"])[the "Representative"]], on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the "Underwriting Group"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

Select appropriate provisions below:

1. [Alternative 1¹ – All Maturities Use General Rule: Sale of the Bonds. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.][Alternative 2² – Select Maturities Use General Rule: **Sale of the General Rule Maturities**. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.]]

(2) **Initial Offering Price of the [Bonds][Hold-the-Offering-Price Maturities].**

(a) [Alternative 13 – All Maturities Use Hold-the-Offering-Price Rule: [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.][Alternative 24 – Select Maturities Use Hold-the-Offering-Price Rule: [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.]

(b) [Alternative 1 – All Maturities use Hold-the-Offering-Price Rule: As set forth in the bid award, [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Bonds, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period. [Alternative 2 - Select Maturities Use Hold-the-Offering-Price Rule: As set forth in the bid award, [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during

*Preliminary, subject to change.

¹ If Alternative 1 is used, delete the remainder of paragraph 1 and all of paragraph 2 and renumber paragraphs accordingly.

² If Alternative 2 is used, delete Alternative 1 of paragraph 1 and use each Alternative 2 in paragraphs 2(a) and (b).

³ If Alternative 1 is used, delete all of paragraph 1 and renumber paragraphs accordingly.

⁴ Alternative 2(a) of paragraph 2 should be used in conjunction with Alternative 2 in paragraphs 1 and 2(b).

the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. **Defined Terms.**

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities.]"

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities.]"

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (anticipated to be June 23, 2026), or (ii) the date on which the [SHORT NAME OF UNDERWRITER][the Underwriters] [has][have] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) *Issuer* means City of Valparaiso, Porter County, Indiana.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is anticipated to be June 23, 2026.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDERWRITING FIRM][the Representative's] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Arbitrage Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER][REPRESENTATIVE]

By: _____

Name: _____

Title: _____

Dated: _____, 2026

Schedule III

\$10,000,000*

**CITY OF VALPARAISO, PORTER COUNTY, INDIANA
WATERWORKS REVENUE BONDS, SERIES 2026**

**[FORM OF] CERTIFICATE OF INVOCATION OF HOLD THE PRICE RULE AND
CONFIRMATION OF BID**

The Issuer hereby notifies _____, as the winning bidder (the "Purchaser") for the \$_____ City of Valparaiso, Porter County, Indiana Waterworks Revenue Bonds, Series 2026 (the "Bonds") that the Issuer has determined to apply the hold-the-price rule (as described in the Preliminary Official Statement for the Bonds, dated _____, 202_) to the Bonds maturing _____, _____ and _____ (the "Hold the Price Maturities"). The Purchaser shall affirmatively confirms its bid and agree to comply with the hold-the-price rule by executing and e-mailing the confirmation.

*Preliminary, subject to change.

City of Valparaiso, Porter County, Indiana

By: _____

Name: _____

Title: _____

(Remainder of page intentionally left blank)

The Purchaser hereby acknowledges the Issuer's intention to apply the hold-the-price rule to the "Hold the Price Maturities". The Purchaser confirms its bid with respect to the Bonds and agrees to comply with the hold-the-price rule with respect to the Hold the Price Maturities.

[UNDERWRITER]

By: _____

Name: _____

Title: _____

APPENDIX I

BIDDING INFORMATION

\$10,000,000*
CITY OF VALPARAISO, PORTER COUNTY, INDIANA
WATERWORKS REVENUE BONDS, SERIES 2026
(the "Bonds")

Date of Sale:	Upon 24 hours' notice. Anticipated to take place on June 23, 2026		
Time of Sale:	11:00 a.m. (EDT)		
Location of Sale:	Baker Tilly Municipal Advisors, LLC 112 Ironworks Avenue, Ste. C Mishawaka, IN 46544		
Method of Bidding:	Electronic bidding by PARITY® or traditional bidding.		
Maximum Interest Rate:	7%	Minimum Purchase Price**:	99% (\$9,900,000*)
Multiples:	1/8 or 1/100 of 1%		
Anticipated Closing Date:	July 9, 2026		
Principal and Interest:	Principal will be paid semiannually on April 1 and October 1. Interest will be payable semiannually on April 1 and October 1, beginning October 1, 2026.		
Denominations:	The Bonds are being issued in the denomination of \$5,000 or integral multiple thereof (or in such other denominations as requested by the winning bidder).		
Registrar, Trustee and/or Paying Agent:	The Bank of New York Mellon Trust Company, N.A., located in Indianapolis, Indiana		
Good Faith Deposit:	\$100,000 (typically 1% of \$10,000,000) certified or cashier's check or wire transfer submitted by the winning bidder no later than 3:30 p.m. EDT on the business day following the award.		
Basis of Award:	Net Interest Cost (NIC)		
Redemption Provisions	The Bonds are subject to optional redemption prior to maturity. The Bonds may be issued as term bonds at the discretion of the Underwriter (as hereinafter defined) and, in such case, will be subject to mandatory sinking fund redemption as more fully described herein.		

For a complete description of terms and conditions for bidding, please refer to the Notice of Intent to Sell Bonds attached hereto.

The Bonds are being offered for delivery when, as and if issued and received by the Underwriter (hereinafter defined) and subject to the approval of legality by Bose McKinney & Evans, LLP, Indianapolis, Indiana, Bond Counsel. Certain legal matters will be passed on by Michael A. Langer, as Attorney for the Utility. The Bonds are expected to be available for delivery to DTC in New York, New York, on or about July 9, 2026.

*Preliminary, subject to change. The City reserves the right to adjust individual maturity amounts to achieve its financial objectives.

** Minimum Purchase Price shall mean the par amount of the Bonds less total discount submitted with bid, including any underwriter discount, purchaser discount, original issue discount or any expenses submitted by the bidder which will reduce the amount of bond proceeds to be received by the Issuer, and adding any amortizable bond premium.

CITY OF VALPARAISO, INDIANA

NOTICE OF INTENT TO SELL BONDS

Upon not less than twenty-four (24) hours' notice given by the undersigned Clerk-Treasurer, City of Valparaiso, Indiana (the "Issuer") will receive and consider offers for the purchase of the following described Bonds. Any person interested in submitting an offer for the Bonds may furnish in writing to the Issuer c/o Baker Tilly Municipal Advisors, LLC (the "Municipal Advisor"), 112 IronWorks Avenue, Suite C, Mishawaka, Indiana 46544 or by E-Mail to bids@bakertilly.com, on or before 11:00 a.m. (Eastern Daylight Time) on June 22, 2026, the person's name, address, and telephone number and if desired, E-Mail address. The undersigned Clerk-Treasurer will notify (or cause to be notified) each person so registered of the date and time offers will be received not less than twenty-four (24) hours before the date and time of sale. The notification shall be made by telephone at the number furnished by such person and also by E-Mail, if an E-Mail address has been received. The sale is expected to take place on or about 11:00 a.m. (Eastern Standard Time) on June 23, 2026.

Notice is hereby given that electronic proposals will be received via PARITY®, in the manner described below, until the time and date specified in the Notice provided at least 24 hours prior to the sale, which is expected to be at 11:00 a.m. (Eastern Standard Time), on June 23, 2026. Offers may be submitted electronically via PARITY® pursuant to this Notice until the time specified in this Notice, but no offer will be received after the time for receiving offers specified above. To the extent any instructions or direction set forth in PARITY® conflict with this Notice, the terms of this Notice shall control. For further information about PARITY®, potential offerors may contact the Municipal Advisor or PARITY® at (212)849-5021.

At the time designated for the receipt of offers, the Issuer will receive and consider offers for the purchase of the Bonds of the Issuer designated as "City of Valparaiso, Indiana Waterworks Revenue Bonds, Series 2026", in the principal amount of \$9,260,000* (the "Bonds"). Each offer must be for not less than all of the Bonds described herein. Offerors must offer a minimum purchase price of 99.0% of the face amount of the Bonds. The Bonds will bear interest at a rate or rates not to exceed 7.0% per annum. Interest will be calculated on a 30/360-day basis and will be payable on October 1, 2026, and semiannually thereafter on April 1 and October 1 of each year. Said Bonds will be dated the date of delivery, will be in the denominations of \$5,000 or integral multiples thereof and will mature semiannually on April 1 and October 1 on the dates and in the amounts* as follows:

<u>Date*</u>	<u>Amount*</u>	<u>Date*</u>	<u>Amount*</u>
10/01/2026	\$ 5,000	10/01/2036	\$390,000
04/01/2027	5,000	04/01/2037	395,000
10/01/2027	5,000	10/01/2037	400,000
04/01/2028	5,000	04/01/2038	410,000
10/01/2028	5,000	10/01/2038	420,000
04/01/2029	5,000	04/01/2039	425,000
10/01/2029	5,000	10/01/2039	430,000
04/01/2030	5,000	04/01/2040	440,000

10/01/2030	5,000	10/01/2040	450,000
04/01/2031	5,000	04/01/2041	460,000
10/01/2031	5,000	10/01/2041	465,000
04/01/2032	5,000	04/01/2042	475,000
10/01/2032	5,000	10/01/2042	485,000
04/01/2033	5,000	04/01/2043	495,000
10/01/2033	5,000	10/01/2043	505,000
04/01/2034	5,000	04/01/2044	515,000
10/01/2034	5,000	10/01/2044	530,000
04/01/2035	5,000	04/01/2045	540,000
10/01/2035	5,000	10/01/2045	550,000
04/01/2036	385,000		

* Preliminary, subject to change. The Issuer reserves the right to modify the amounts above following the sale of the Bonds to achieve the financial objectives of the Issuer based upon the rates offered by the successful offeror (the “Purchaser”).

As an alternative to PARITY®, offerors may submit a sealed offer or E-Mail the offer electronically to the Municipal Advisor at the address described above until the time and on the date identified in the notice given by, or on behalf of the Issuer, twenty-four (24) hours prior to the sale of the Bonds. Upon completion of the selection procedures described herein, the results of the sealed, non-electronic offers received shall be compared to the electronic offers received by the Issuer.

If a potential offeror has questions related to the Issuer, the financing or submission of offers, questions should be submitted by E-Mail to the addresses above no later than 11:00 a.m. (Eastern Standard Time) on June 17, 2026. To the best of the Issuer’s ability, all questions will be addressed by or on behalf of the Issuer and sent to potential offerors, including any offerors requesting 24 hours’ notice of sale, no later than 5:00 p.m. (Eastern Standard Time) on June 22, 2026. Additionally, upon request, the written responses will be emailed to any other interested offeror. Offerors should review this notice as well as the Preliminary Official Statement and submit any questions in advance of this deadline to submit questions.

All or a portion of the Bonds may be issued as one or more term bonds, upon election of the successful offeror. Such term bonds shall have a stated maturity or maturities as determined by the successful offeror. The term bonds shall be subject to mandatory sinking fund redemption and final payment(s) at maturity at 100% of the principal amount thereof, plus accrued interest to the redemption date, on dates consistent with the above schedule.

At the request of the successful offeror, the Bonds may be issued as fully registered Bonds in book entry only form, registered in the name of CEDE & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). In such case, the successful bidder is expected to apply to DTC to make such Bonds depository eligible.

The Bonds maturing on or after October 1, 2036 are redeemable prior to maturity at the option of the Issuer in whole or in part in any order of maturity as determined by the Issuer and

by lot within maturities, on any date not earlier than April 1, 2036, at face value plus accrued interest to the date fixed for redemption and without any redemption premium.

Principal is payable at the office of a registrar and paying agent to be designated by the Issuer. Interest shall be paid by check mailed to the registered owners or by wire transfer to depositories.

Each offer must be for all of said Bonds and must state the rate or rates of interest in multiples of 1/8 or 1/100 of 1%. Any offers specifying two or more interest rates shall also specify the amount and maturities of the Bonds bearing each rate, but all Bonds maturing on the same date shall bear the same single interest rate. The award will be made to the offeror complying with the terms of sale and offering the lowest net interest cost to the Issuer. The net interest cost rate is to be determined by computing the total interest on all of the Bonds to their maturities based upon the schedule provided by the Issuer prior to the sale and deducting therefrom the premium bid, if any, and adding thereto the discount bid, if any. No conditional offer for less than 99.0% of the face value of said Bonds will be considered. The right is reserved to reject any and all offers.

A good faith deposit (“Deposit”) in the form of cash, wire transfer or certified or cashier’s check in the amount of one percent (1%) of the aggregate principal amount of the Bonds, payable to the order of the Issuer, is required to be submitted by the Purchaser not later than 3:30 p.m. (Eastern Standard Time) on the next business day following the award. If such Deposit is not received by that time, the Issuer may reject the offer. No interest will accrue to the Purchaser. The Deposit will be applied to the purchase price of the Bonds. In the event the Purchaser fails to honor its accepted offer, the Deposit will be retained by the Issuer as liquidated damages.

The Purchaser shall make payment for such Bonds and accept delivery of the Bonds within five (5) days after being notified that the Bonds are ready for delivery, at such place in the City of Indianapolis, Indiana, as the Purchaser may designate, or at such other location mutually agreed by the Issuer and the Purchaser. The Bonds will be ready for delivery within forty-five (45) days after the sale date. If the Issuer fails to have the Bonds ready for delivery prior to the close of banking hours on the forty-fifth day after the date of sale, the Purchaser may secure the release of the offer upon request in writing, filed with the Issuer. Unless otherwise requested by the winning offeror, the Purchaser is expected to apply to a securities depository registered with the Securities and Exchange Commission (the “SEC”) to make such Bonds depository-eligible. If the Bonds are reoffered, at the time of delivery of the Bonds to the Purchaser, the Purchaser will be required to certify to the Issuer the initial reoffering price to the public of a substantial amount of each maturity of the Bonds.

All provisions of the offer form and Preliminary Official Statement (as hereinafter defined) are incorporated herein. As set forth in the Preliminary Official Statement, the Purchaser agrees by submission of their offer to assist the Issuer in establishing the issue price of the Bonds under the terms outlined therein and shall execute and deliver to the Issuer at closing an “issue price” certificate, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable

judgement of the Purchaser, the Issuer and Bose McKinney & Evans LLP (“Bond Counsel”).

Offers must comply with the rules of PARITY® (the “Rules”) in addition to the requirements of this Notice. To the extent there is a conflict between the Rules and this Notice, this Notice shall control. Offerors may change and submit offers as many times as they wish during the sale, but they may not withdraw a submitted offer. The last offer submitted by an offeror prior to the deadline for the receipt of offers will be compared to all other final offers to determine the winning offer. During the sale, no offeror will see any other offeror’s offer, nor will they see the status of their offer relative to other offers (e.g., whether their offer is a leading offer).

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the successful offeror therefor to accept delivery of and pay for the Bonds in accordance with the terms of its proposal. No CUSIP identification number shall be deemed to be a part of any Bond or a part of the contract evidenced thereby, and no liability shall hereafter attach to the Issuer or any of its officers or agents because of or on account of such numbers. All expenses in relation to the printing of CUSIP identification numbers on the Bonds shall be paid for by the Issuer; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the Purchaser. The Purchaser will also be responsible for any other fees or expenses it incurs in connection with the resale of the Bonds, including any charges in connection with DTC.

The Bonds are being issued for the purpose of funding additions and improvements to the Issuer’s waterworks system, refunding certain waterworks bond anticipation notes of the Issuer and funding costs of issuance of the Bonds. The Bonds will be payable solely out of a special fund from the net revenues of the waterworks of the Issuer (the “Net Revenues”). The Bonds will be issued on a parity with the Issuer’s (i) Waterworks Revenue Bonds, Series 2014A, dated December 30, 2014, now outstanding in the aggregate principal amount of \$9,980,000, (ii) Waterworks Revenue Bonds, Series 2014B, dated December 30, 2014, now outstanding in the aggregate principal amount of \$2,775,000, (iii) Waterworks Refunding Revenue Bonds, Series 2018, dated June 14, 2018, now outstanding in the aggregate principal amount of \$265,000, and (iv) Waterworks Revenue Bonds, Series 2024A, dated June 20, 2024, now outstanding in the aggregate principal amount of \$13,906,000. The Issuer has reserved the right to issue additional bonds ranking on a parity with the Bonds upon certain terms and conditions specifically set forth in the ordinance authorizing the issuance of the Bonds.

In the opinion of Bose McKinney & Evans LLP, bond counsel, under the federal statutes, decisions, regulations and rulings existing on this date, the interest on the Bonds is excludable from gross income for purposes of federal income taxation. The Bonds are subject to the Internal Revenue Code of 1986 as in effect on the date of their issuance (“Code”) which imposes limitations on the issuance of obligations such as the Bonds under federal tax law. The Issuer has covenanted to comply with those limitations to the extent required to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes. The Bonds are not designated as qualified tax-exempt obligations for purposes of Section 265(b) of the Code.

The Issuer is accepting these offers pursuant to Indiana Code 5-1-11-1(2) and is using such process outlined in this Notice for the purpose of selecting the Purchaser to whom it will negotiate the sale of its Bonds pursuant to the terms of this Notice. The Purchaser will be required to execute a bond purchase agreement with the Issuer to memorialize its agreement to purchase the Bonds.

The Issuer has prepared a Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement") which it deems to be nearly final. A copy of the Preliminary Official Statement may be obtained from the Municipal Advisor. Information concerning the Issuer may be obtained from the Municipal Advisor. Within seven (7) business days of the sale, the Issuer will provide the successful offeror with up to 10 copies of the final Official Statement at the Issuer's expense and such additional copies as may be requested, within five (5) business days of the sale, by the successful offeror at the expense of the successful offeror. Inquiries concerning matters contained in the Preliminary Official Statement must be made and pricing and other information necessary to complete the final Official Statement must be submitted by the successful offeror within two (2) business days following the sale to be included in the final Official Statement.

In order to assist offerors in complying with Securities and Exchange Commission Rule 15c2-12, as in effect on the date of delivery of the Bonds (the "SEC Rule"), the Issuer will undertake, pursuant to a Continuing Disclosure Undertaking Agreement, to provide notices of certain events. A form of this Continuing Disclosure Undertaking Agreement is available upon request at the offices of Bond Counsel, Dennis H. Otten, Bose McKinney & Evans LLP, 111 Monument Circle, Suite 2700, Indianapolis, IN 46204.

The Issuer has further agreed to comply with the Purchaser's reasonable requests to provide or disclose information and make appropriate filings which may be required in order for such purchaser to comply with the SEC Rule.

/s/ Holly Taylor
Clerk-Treasurer