



Monday, June 11, 2012 at 05:00 PM

**BOARD OR COMMISSION:** Economic Development Commission

**MEETING DATE:** Monday, June 11, 2012 at 05:00 PM

**MEETING PLACE:** Westfield City Hall- Assembly Room

## **AGENDA**

**Declaration of quorum and opening of meeting**

**Annual Meeting- Election of Officers**

**Approval of Minutes of Common Meeting of September 12, 2011**

**Documents:** [Minutes 9/12/11](#)

**Resolution No. 1-2012: A Resolution Amending and Restating Resolution No. 1 2011 of the Westfield Economic Development Commission Approving and Authorizing Certain Actions and Proceedings with Respect to Certain Proposed Taxable Economic Development Tax Increment Revenue Bonds for Union Street Flats at Grand Junction Apartments**

**Documents:** [Res. 1-2012](#) | [Indenture of Trust](#) | [Unconditional Guaranty](#) | [Loan Agreement](#) | [Bond Purchase Agreement](#)

**Additional business before the Commission**

**Adjourn**

**RESOLUTION NO. 1-2012**

**A RESOLUTION AMENDING AND RESTATING RESOLUTION NO. 1-2011  
OF THE WESTFIELD ECONOMIC DEVELOPMENT COMMISSION  
APPROVING AND AUTHORIZING CERTAIN ACTIONS AND PROCEEDINGS  
WITH RESPECT TO CERTAIN PROPOSED TAXABLE ECONOMIC  
DEVELOPMENT TAX INCREMENT REVENUE BONDS  
FOR UNION STREET FLATS AT GRAND JUNCTION APARTMENTS**

**WHEREAS**, Indiana Code Title 36, Article 7, Chapters 11.9 and 12 (collectively, the “Act”) declares that the financing and refinancing of economic development facilities constitutes a public purpose; and

**WHEREAS**, pursuant to the Act, the City of Westfield, Indiana (the “City”) is authorized to issue revenue bonds and lend the proceeds thereof to a developer for the purpose of financing, reimbursing or refinancing the costs of acquisition, construction, renovation, installation and equipping of economic development facilities in order to foster diversification of economic development and creation or retention of opportunities for gainful employment in or near the City; and

**WHEREAS**, Union Street Flats, LLC (the “Company”) desires to finance certain projects or improvements within the City, including all or any portion of: (a) the acquisition, design, construction, improvement and equipping of an apartment project containing approximately 237 apartment units and a clubhouse, swimming pool amenity area and other ancillary improvements to be located in the City on approximately 7.5 acres of land at 509 South Union Street and (b) any costs related thereto (collectively, the “Project”); and

**WHEREAS**, the Project will be located in the Grand Junction allocation area as amended (the “Grand Junction Area”) and physically connected to the East Side Economic Development Allocation Area (the “East Side Allocation Area”), each designated by the Redevelopment Commission of the City. The public purpose for which the Bonds are being issued is to finance economic development facilities which will create or retain opportunities for gainful employment and business opportunities; and

**WHEREAS**, the Company has advised the Westfield Economic Development Commission (the “Commission”) and the City concerning the Project, and requested that the City issue one or more series of its Taxable Economic Development Tax Increment Revenue Bonds of 2012 (with such further series or other designation as determined to be necessary, appropriate or desirable), in an aggregate principal amount not to exceed Two Million Dollars (\$2,000,000) (the “Bonds”) under the Act and lend all or a portion of the proceeds of such Bonds to the Company for the purpose of providing a portion of the interim financing the Project; and

**WHEREAS**, the Commission has studied the Project and the proposed financing of the Project and its effect on the health and general welfare of the City and its citizens; and

**WHEREAS**, the completion of the Project will result in the diversification of industry, the creation and retention of jobs, the creation and retention of business opportunities in the City, and will be of public benefit to the health safety and general welfare of the City and its citizens; and

**WHEREAS**, pursuant to and in accordance with the Act, the City desires to provide funds necessary to finance a portion of the Project by issuing the Bonds; and

**WHEREAS**, the City and the Company intend to enter into a Project Agreement concerning the Project; and

**WHEREAS**, the City intends to issue the Bonds pursuant to an Indenture of Trust between the City and Regions Bank, as trustee (the "Trustee"), to be dated as of the first day of the month in which the Bonds are sold or delivered (or such other date as the officers of the City may hereafter approve) (the "Indenture"), in order to obtain funds to lend to the Company for the purpose of financing a portion of the Project in accordance with the terms of the Indenture; and

**WHEREAS**, pursuant to a Bond Purchase Agreement among the City, the Company and the purchaser of the Bonds, Regions Bank (the "Bond Purchaser") to be dated the date of the sale of the Bonds, the Bond Purchaser will purchase all of the Bonds; and

**WHEREAS**, pursuant to a Loan Agreement between the City and the Company (the "Loan Agreement") to be dated as of the first day of the month in which the Bonds are sold or delivered (or such other date as the officers of the City may hereafter approve) and the note issued thereunder, the Company will make certain representations, warranties and commitments with respect to the Project and will agree to make payments sufficient to pay all principal of, premiums, if any, and interest on the Bonds as the same becomes due and payable, and to pay administrative expenses in connection with the Bonds; and

**WHEREAS**, the Redevelopment Commission and the City will pledge sufficient incremental property tax revenues derived by the Redevelopment Commission from the East Side Economic Development Allocation Area to the repayment of the Bonds in the event all or a portion of the principal, interest and premium, if any, on the Bonds is not paid by the Company; and

**WHEREAS**, there have been presented to the Commission the final form of the Indenture (including the form of the Bonds), Loan Agreement (including the form of the Note), Project Agreement and Bond Purchase Agreement (collectively, the "Financing Documents") and the form of the proposed Ordinance of the Common Council of the City with respect to the Project (the "Ordinance"); and

**WHEREAS**, pursuant to Indiana Code 36-7-12-24, the Commission has previously published notice of a public hearing (the "Public Hearing") on the proposed issuance of the Bonds to finance all or a portion of the Project; and

**WHEREAS**, on September 12, 2011, the Commission held the Public Hearing on the Project at which time no one appeared to speak against the Project and no written responses were received against the Project; and

**WHEREAS**, no member of the Commission has any pecuniary interest in any employment, financing agreement or other contract made under the provisions of the Act and related to the Bonds authorized herein, which pecuniary interest has not been fully disclosed to the Commission and no such member has voted on any such matter, all in accordance with the provisions of Indiana Code 36-7-12-16.

**NOW, THEREFORE, BE IT RESOLVED BY THE WESTFIELD ECONOMIC DEVELOPMENT COMMISSION AS FOLLOWS:**

**SECTION 1.** The Commission hereby finds, determines, ratifies and confirms that the financing of the economic development facilities referred to in the Financing Documents consisting of the Project, the issuance and sale of the Bonds, and the loan of the net proceeds thereof to the Company for the purpose of financing a portion of the Project (i) will result in the diversification of industry, the creation or retention of business opportunities and the creation or retention of opportunities for gainful employment within the jurisdiction of the City, (ii) will serve a public purpose, and will be of benefit to the health and general welfare of the City, (iii) complies with the purposes and provisions of the Act and it is in the public interest that the City take such lawful action as determined to be necessary or desirable to encourage the diversification of industry, the creation or retention of business opportunities, and the creation or retention of opportunities for gainful employment within the jurisdiction of the City, and (iv) will not have a material adverse competitive effect on any similar facilities already constructed or operating in or near the City.

**SECTION 2.** Based solely upon information provided to it, the Commission reports, finds and determines pursuant to the provisions of the Act that:

(i) The Project will consist of the acquisition, construction, installation and equipping of an apartment development containing approximately 237 apartment units and a clubhouse, swimming pool amenity area and other ancillary improvements to be located in the City on approximately 7.5 acres of land at 509 South Union Street (the "Project Site);

(ii) The Project will be owned and/or operated by the Company who will use the bond proceeds to provide a portion of the interim financing to acquire, equip and construct the Project for use as an apartment development.

(iii) No public works or services not already existing or available, or for which provision has not been made, will be made necessary or desirable on account of the Project as such facilities will be provided either by the Company, private utilities, or existing public facilities, or pursuant to agreements with respect to such public facilities with the City;

(iv) The total cost of the Project will approximate \$23,150,000 of which an amount not to exceed \$2,000,000 will be financed by the Bonds all of which will serve the public purposes referred to above in accordance with the Act;

(v) The Company anticipates employing 5 persons at the Project Site within three (3) years following completion of the Project, with an estimated total annual payroll

of approximately \$244,000. Although it is estimated that the construction, acquisition, and equipping of the Project will also require temporary full-time equivalent employees during the initial 36 months of the Project, such additional employees are not included in the projections indicated above;

(vi) In making these findings, the Commission has considered whether the acquisition, construction, installation and equipping of the Project will have an adverse competitive effect on any similar facilities already constructed or operating in or about the City;

(vii) The proposed financing of the Project complies with the purposes and provisions of Indiana Code 36-7-11.9, -12 and -14, et seq., as supplemented and amended.

**SECTION 3.** The Commission hereby approves the Financing Documents and the form of an Ordinance of the Council authorizing the issuance of the Bonds and providing for the terms thereof.

**SECTION 4.** The Commission has previously on September 12, 2011 approved the report with respect to the Project presented at that meeting. The Secretary of this Commission has heretofore caused to be submitted on the Commission's behalf, the findings contained in this Resolution and such report to the Executive Director or Chairperson of the Westfield-Washington Advisory Plan Commission having jurisdiction over the Project pursuant to Indiana Code 36-7-12-23(b).

**SECTION 5.** The Commission hereby approves and recommends the City issue its Bonds in one or more series, any series of which may be taxable, with a maximum aggregate principal amount not to exceed Two Million Dollars (\$2,000,000), with a maximum term not to exceed twenty (20) years and with a maximum interest rate not to exceed eight and one-half percent (8.5%) per annum, for the purpose of procuring funds to loan to the Company in order to finance a portion of the Project, which Bonds will be payable as to principal and interest solely from (i) payments made by the Company pursuant to the Loan Agreement and the note issued thereunder, and (ii) incremental property tax revenues derived by the Redevelopment Commission from the East Side Allocation Area (but only to the extent the revenues identified in clause (i) are insufficient for such purpose), and upon such terms and conditions as otherwise provided in the Financing Documents and the Ordinance. The Bonds shall be sold at a price not less than ninety-eight percent (98%) of the aggregate principal amount thereof, plus accrued interest, if any. The Bonds shall never constitute a general obligation of, an indebtedness of, or charge against the general credit of the City.

**SECTION 6.** In order to induce the Company to proceed with the acquisition, design, construction, installation and equipping of the Project, the Commission hereby finds and determines that: (a) it will take or cause to be taken such actions pursuant to the Act as may be required to implement the aforesaid financing, or as it may deem appropriate in pursuance thereof; provided that all of the foregoing shall be mutually acceptable to the City and the Company; and (b) it will adopt such resolutions and authorize the execution and delivery of such instruments and the taking of such action as may be necessary and advisable for the authorization, issuance and sale of the Bonds.

**SECTION 7.** Any officer of the Commission is hereby authorized and directed, in the name and on behalf of the Commission, to execute and deliver any and all other agreements, documents and instruments, perform any and all acts, approve any and all matters, and do any and all other things deemed by him to be necessary or desirable in order to carry out and comply with the intent, conditions and purposes of this resolution (including the preambles hereto and the documents mentioned herein), the Project and the issuance and sale of the Bonds, and any such execution, performance, approval or doing of other things heretofore effected be, and hereby is, ratified and approved.

**SECTION 8.** The Secretary of this Commission shall transmit this resolution and the form of the Ordinance to the Office of the Clerk-Treasurer of the City for presentation to the Council with the recommendation that the Council approve the forms of the Financing Documents and adopt the proposed Ordinance hereby recommended to the Council.

**SECTION 9.** All action taken and approvals given by the Commission with regard to the Company are based upon the evidence submitted and representations made by the Company, its agents and counsel and their good-faith compliance therewith. No independent examination, appraisal or inspection of the Project was made, requested, or is contemplated by the Commission or the City.

**SECTION 10.** The Commission and the City do not, by this or any other approval or finding, guarantee, warrant or even suggest that the Bonds, coupons or series thereof will be a reasonable investment for any person, firm or corporation.

**SECTION 11.** Neither the City nor the Commission shall be obligated, directly or indirectly, to see to the application or use of the proceeds from the sale of the Bonds or to see that the contemplated improvements, if any, are constructed.

**SECTION 12.** The Commission and the City do not warrant, guarantee or even suggest that interest to be paid or income to be received by the holders of any Bond, coupon, or series thereof is exempt from taxation by any local, state or federal government.

**SECTION 13.** The Bonds, if and when issued, shall be special, limited obligations of the City, payable solely from the funds provided therefore as described in the documents authorizing the Bonds, and shall not constitute an indebtedness of the Commission or the City or a loan of the credit thereof within the meaning of any constitutional or statutory provisions.

**SECTION 14.** All resolutions or parts of resolutions in conflict herewith are hereby repealed.

**SECTION 15.** This resolution shall be in full force and effect upon adoption.

Adopted this 11<sup>th</sup> day of June, 2012.

CITY OF WESTFIELD ECONOMIC  
DEVELOPMENT COMMISSION

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President

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Vice President

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Secretary

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**INDENTURE OF TRUST**

**between**

**CITY OF WESTFIELD, INDIANA**

**and**

**REGIONS BANK, AS TRUSTEE**

**Dated as of June 1, 2012**

**\$2,000,000**

**CITY OF WESTFIELD, INDIANA**

**TAXABLE ECONOMIC DEVELOPMENT**

**TAX INCREMENT REVENUE BONDS OF 2012**

**(UNION STREET FLATS AT GRAND JUNCTION APARTMENTS)**

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## INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of June 1, 2012, by and between the CITY OF WESTFIELD, INDIANA, a municipal corporation of the State of Indiana, duly created and existing as such under the constitution and laws of the State of Indiana (the “Issuer”), and REGIONS BANK, as trustee (the “Trustee”), having a designated corporate trust office located in Indianapolis, Indiana, under the circumstances summarized in the following recitals (the capitalized terms not defined above or in the recitals hereto shall have the meanings set forth in Article I hereof unless the context or use clearly indicates another meaning or intent):

### WITNESSETH:

WHEREAS, Indiana Code, Title 36, Article 7, Chapters 11.9 and 12, as supplemented and amended (collectively, the “Act”), authorizes and empowers the Issuer to issue bonds (as defined in the Act) and loan the proceeds therefrom to any user (as defined in the Act) for the purpose of providing for the financing of any economic development facility (as defined in the Act), including educational facilities projects, and vests such Issuer with powers that may be necessary to enable it to accomplish such purposes; and

WHEREAS, the Act declares that the financing of economic development facilities constitutes a public purpose; and

WHEREAS, the Project is of the character and will accomplish the purposes of the Act, will create additional employment opportunities within the City of Westfield, Indiana, and will increase business opportunities within the City of Westfield, Indiana, and will be to the benefit of the health, safety, morals, right to gainful employment and general welfare of the citizens of the City of Westfield, Indiana; and

WHEREAS, the Act provides that such bonds may be secured by a trust indenture between the Issuer and a corporate trustee; and

WHEREAS, the Issuer proposes to issue its Taxable Economic Development Tax Increment Revenue Bonds of 2012 (Union Street Flats at Grand Junction Apartments) (the “Bonds”), in the aggregate principal amount of Two Million Dollars (\$2,000,000), pursuant to this Indenture to finance the acquisition, construction and equipping of the Project; and

WHEREAS, pursuant to Indiana Code, Title 36, Article 7, Chapter 14, the Redevelopment Commission may pledge certain incremental property taxes (hereinafter defined as Tax Increment Revenues) to pay, in whole or in part, amounts due on the Bonds; and

WHEREAS, the Redevelopment Commission has, by resolution, dedicated and pledged to the Issuer the Tax Increment Revenues to pay the Loan Payments (each as defined herein) owed by the Borrower under the Agreement and the Note (as defined herein) to the extent that payments by the Borrower pursuant to its Note are not sufficient to fully make any such Loan Payment when due, all in order to further secure the timely payment of debt service on the Bonds; and

WHEREAS, the Agreement provides for the repayment by the Borrower of the proceeds of the Bonds which have been loaned to the Borrower (the "Loan Payments"), with respect to the Bonds and to the extent that payments by the Borrower pursuant to its Note are not sufficient to fully make any such Loan Payment when due, the Tax Increment Revenues are pledged to make such Loan Payments, and further provides for the Borrower's repayment obligation to be evidenced by the Borrower's Promissory Note (the "Note") in substantially the form attached as Exhibit D to the Agreement; and

WHEREAS, pursuant to this Indenture, the Issuer will endorse the Note without recourse and assign certain of its rights under the Agreement as security for the Bonds which are payable solely and only out of the Trust Estate (as hereinafter defined), including certain Tax Increment Revenues and Loan Payments to be made by the Borrower, all as more particularly described and subject to certain limitations as set forth herein; and

WHEREAS, the Trustee has accepted the trust created by this Indenture, and in evidence thereof has joined in the execution hereof; and

WHEREAS, the Bonds shall be in substantially the following form:

REGISTERED  
NO. R-1

CITY OF WESTFIELD, INDIANA  
TAXABLE ECONOMIC DEVELOPMENT TAX INCREMENT REVENUE BONDS OF 2012  
(UNION STREET FLATS AT GRAND JUNCTION APARTMENTS)

MATURITY DATE

DATED:

\_\_\_\_\_

\_\_\_\_\_, 2012

REGISTERED OWNER: REGIONS CAPITAL ADVANTAGE, INC.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_)

The City of Westfield, Indiana (the "Issuer"), a municipal corporation of the State of Indiana, duly created and existing as such under the constitution and laws of the State of Indiana (the "State"), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to Regions Capital Advantage, Inc., as the registered owner hereof (the "Bank"), or registered assigns, on the Maturity Date set forth above upon surrender hereof, unless this Bond shall have been called for redemption in whole or in part and payment of the redemption price shall have been duly made or provided for, whether or not this Bond is surrendered, the principal sum set forth above and to pay (but only out of the sources hereinafter mentioned) to the registered owner hereof, interest thereon from the date to which interest has accrued and been paid or duly provided for, or, if prior to the first Interest Payment Date (as hereinafter defined), from the date of the original issuance of the Bonds, until payment of said principal sum has been made or provided for, at the Tax-Exempt Rate (as defined in the Indenture referred to below) payable on the dates set forth herein and in the Indenture referred to below, commencing on the Interest Payment Date on February 1, 2013 and interest on overdue principal, and to the extent permitted by law, on overdue interest, as provided in the Indenture.

Principal and interest shall be paid in coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts. Interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, except as provided in the Indenture, be paid to the person in whose name this Bond is registered at the close of business on the Regular Record Date (as hereinafter defined) for such interest. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner on such Regular Record Date, and may be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee (as hereinafter defined), or may be paid, at any time in any other lawful manner, all as more fully provided in the Indenture.

The principal or redemption price of this Bond shall be paid at the corporate trust office of Regions Bank in Indianapolis, Indiana or at the duly designated office of any duly appointed alternate or successor Paying Agent. The interest on this Bond shall be payable by check mailed to the registered owner of this Bond at such owner's address as it appears on the Bond Register of the Bond Registrar; provided that at the request of the registered owner of at least \$1,000,000 in aggregate principal amount of Bonds, interest on such Bonds shall be payable by wire transfer in immediately available funds to the bank account number of such owner within the United States appearing on the Bond Register; and provided further that interest payable at maturity shall be paid only upon presentation and surrender of this Bond.

THIS BOND AND THE INTEREST HEREON ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER. THE PRINCIPAL HEREOF, PREMIUM, IF ANY, AND INTEREST HEREON ARE PAYABLE SOLELY OUT OF THE TRUST ESTATE (AS DEFINED IN THE INDENTURE). THIS BOND AND THE PREMIUM, IF ANY, AND INTEREST HEREON DO NOT CONSTITUTE AN INDEBTEDNESS OR AN OBLIGATION, GENERAL OR MORAL, OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, THE STATE OF INDIANA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE

PURVIEW OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR PROVISION, AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS, IF ANY, OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, BUT SHALL BE A SPECIAL, LIMITED OBLIGATION OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE. NEITHER THE STATE, THE ISSUER, NOR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE SHALL BE OBLIGATED TO PAY THE BONDS OR THE PREMIUM, IF ANY, OR THE INTEREST THEREON, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER, IF ANY, OF THE STATE, THE ISSUER OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS.

This Bond is one of a duly authorized series of bonds of the City of Westfield, Indiana designated "Taxable Economic Development Tax Increment Revenue Bonds of 2012 (Union Street Flats at Grand Junction Apartments)" (the "Bonds"), issued under the Indenture of Trust (the "Indenture"), dated as of June 1, 2012, by and between the Issuer and Regions Bank, as trustee (the "Trustee"), aggregating in principal amount \$2,000,000 and issued for the purpose of making a loan (the "Loan") to assist Union Street Flats, LLC, an Indiana limited liability company (the "Borrower"), in financing a portion of the costs of the construction of approximately 237 apartment units and a clubhouse, swimming pool amenity area and other ancillary improvements in the Grand Junction Consolidated Economic Development Area and directly serving the East Side Economic Development Area (the "Project"), as described more fully in Exhibit A of that certain Loan Agreement, dated as of June 1, 2012, between the Issuer and the Borrower (the "Loan Agreement"), which prescribes the terms and conditions under which the Borrower shall repay such loan and pursuant to which the Borrower will execute and deliver to the Issuer its Note, in a principal amount equal to the principal amount of such Bonds in order to evidence such loan. The Bonds are special obligations of the Issuer, issued or to be issued under and are to be secured and entitled to the protection given by the Indenture. Each Bond of the Bonds issued or to be issued under the Indenture is to be secured and entitled equally and ratably to the protection given by the Indenture. The Bonds are issued pursuant to Indiana Code, Title 36, Article 7, Chapters 11.9 and 12, as supplemented and amended (collectively, the "Act"), and an ordinance duly adopted by the Issuer.

If an Event of Default as defined in the Indenture occurs, the principal of all Bonds issued under the Indenture may become due and payable upon the conditions and in the manner and with the effect provided in the Indenture.

Reference is made to the Indenture for a more complete description of the Project (as defined in the Agreement), the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the Issuer, the Trustee and the Bondholders, and the terms and conditions upon which the Bonds are issued and secured. All terms used herein with initial capitalization where the rules of grammar or context do not otherwise require shall have the meanings as set forth in the Indenture. Each Bondholder assents, by its acceptance hereof, to all of the provisions of the Indenture.

The Borrower is required by the Agreement to make payments to the Trustee in the amounts and at the times necessary to pay the principal of and interest and any premium (the "Bond Service Charges") on the Bonds. To provide for the payment of the Bond Service Charges on the Bonds, the Issuer, in the Indenture, has absolutely and irrevocably assigned to the Trustee any right, title and interest in and to the Agreement (except for the Unassigned Issuer's Rights), and the Defeasance Account of the Bond Fund and all moneys and investments therein and granted a security interest in all accounts and funds established under the Indenture, moneys and investments in the Project Fund and in and to the Revenues (other than the above-referenced accounts of the Bond Fund and all moneys and investments therein).

#### DETERMINATION OF INTEREST RATE

This Bond shall bear interest at the Taxable Rate (as defined in the Indenture).

Interest on this Bond is payable on the first (1<sup>st</sup>) day of each February and August of each year (each date on which interest shall be paid being an "Interest Payment Date") commencing on February 1, 2013. Interest on this Bond shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

## REDEMPTION OF BONDS

This Bond shall be subject to optional redemption: at any time, in whole, at a redemption price of 100% of the principal amount hereof, plus accrued interest thereon, if any, to the date of redemption. Any Bond which is subject to optional redemption may be purchased by the Trustee at the direction of the Borrower. Such Bond need not be cancelled upon purchase, but may, as directed by the Borrower, be cancelled or may be resold with the same terms or such different terms as may be agreed upon by the Borrower and the purchasers with the consent of the Issuer.

Any notice of redemption, identifying the Bonds or portions thereof to be redeemed, shall be given by first class mail to the registered owner of each Bond to be redeemed in whole or in part at the address shown on the Bond Register of the Bond Registrar not more than 60 days and not fewer than 30 days prior to the redemption date. If the source of funds for optional redemption is to be derived from the proceeds of refunding bonds, optional redemption may be conditioned upon the deposit of proceeds of such refunding bonds with the Trustee before the date fixed for redemption and such optional redemption and notice thereof shall be of no effect unless such moneys are so deposited. All Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption and any accrued interest payable on the redemption date are on deposit at the principal place of payment at that time.

Except as otherwise provided herein, if less than all the Bonds are to be redeemed, the particular Bonds to be called for redemption shall be selected by any method determined by the Trustee to be fair and reasonable; provided, however, that in connection with any redemption of Bonds the Trustee shall first select for redemption any Bonds held by the Borrower. On any date that less than all the Bonds are redeemed, the Bondholder shall record, on the Redemption Register attached to this Bond as Exhibit A and made a part hereof, the redemption date, the principal amount of Bonds redeemed as of such date, and the aggregate outstanding principal amount of Bonds as of such date after the redemption; provided, however, that any failure to so record shall not affect the validity of such redemption.

Pursuant to the Indenture, the Borrower has the option to purchase any Bond that is redeemable by optional redemption pursuant to the Indenture at a purchase price no less than the redemption price to be paid to Bondholders upon optional redemption. The Borrower may exercise such option by written request delivered to the Trustee within the time period specified in the Indenture as though such written request were a written request of the Issuer for redemption, and the Trustee shall thereupon give the owners of the Bonds to be purchased notice of such purchase in the manner specified in such Section as though such purchase were a redemption and the purchase of such Bonds shall be mandatory and enforceable against the Bondholders. On the date fixed for purchase pursuant to any exercise of such option, the purchase price of the Bonds then being purchased shall be paid to the Bondholders by the Trustee from immediately available funds provided by the Borrower, and the Trustee shall pay the same to the Bondholders of such Bonds against delivery.

## TENDER OPTION

Pursuant to Article III of the Indenture and upon compliance with Article III of the Indenture, the Registered Owner of this Bond may tender this Bond on the Bond Purchase Date (as hereinafter defined) for purchase at 100% of the principal amount thereof plus accrued interest to June \_\_, 2017 (the "Bond Purchase Date").

## PURCHASE OF BONDS

The holder shall be an accredited investor that is a "bank" within the meaning of Section 2(15)(i) of the Securities Act of 1933, as amended (the "1933 Act") or a "qualified institutional buyer" within the meaning of Rule 144A(a)(1) promulgated by the Securities Exchange Commission pursuant to the 1933 Act. The holder shall represent to the Issuer that it will obtain written certification, certified to the holder and Issuer, in connection with any sale or transfer, that any subsequent holder is an accredited investor that is a "bank" within the meaning of Section 2(15)(i) of the Securities Act of 1933, as amended (the "1933 Act") or a "qualified institutional buyer" within the meaning of Rule 144A(a)(1) promulgated by the Securities Exchange Commission pursuant to the 1933 Act.

Any notice in connection with a demand for purchase of this Bond as set forth in the Indenture hereof shall be given to the Borrower, the Issuer and the Trustee at the notice address provided in the Indenture and shall (A) state the number and principal amount (or portion thereof in an authorized denomination) of this Bond to be purchased; (B) state the Purchase Date on which this Bond shall be purchased and (C) irrevocably request such purchase and agree to deliver this Bond to the Borrower on the Purchase Date. ANY SUCH NOTICE SHALL BE IRREVOCABLE WITH RESPECT TO THE PURCHASE FOR WHICH SUCH DIRECTION WAS DELIVERED AND, UNTIL SURRENDERED TO THE BORROWER, THIS BOND OR ANY PORTION HEREOF WITH RESPECT TO WHICH SUCH DIRECTION WAS DELIVERED SHALL NOT BE TRANSFERABLE. This Bond must be delivered (together with an appropriate instrument of transfer executed in blank in form satisfactory to the Trustee) at the principal office of the Trustee at or prior to 12:00 noon (New York, New York time) on the date specified in the aforesaid notice in order for the owner hereof to receive payment in same-day funds of the purchase price due on such Purchase Date. NO REGISTERED OWNER SHALL BE ENTITLED TO PAYMENT OF THE PURCHASE PRICE DUE ON SUCH PURCHASE DATE EXCEPT UPON SURRENDER OF THIS BOND AS SET FORTH HEREIN. No purchase of Bonds pursuant to Section 3.01 of the Indenture shall be deemed to be a payment or redemption of such Bonds or any portion thereof within the meaning of the Indenture.

BY ACCEPTANCE OF THIS BOND, THE REGISTERED OWNER HEREOF AGREES THAT THIS BOND WILL BE PURCHASED, WHEN SURRENDERED, ON THE BOND PURCHASE DATE IN THE EXERCISE OF SUCH REGISTERED OWNER'S RIGHT TO DEMAND PURCHASE OF THIS BOND AS DESCRIBED IN ARTICLE III OF THE INDENTURE AND ABOVE UNDER TENDER OPTION. IN SUCH EVENT, THE REGISTERED OWNER OF THIS BOND SHALL NOT BE ENTITLED TO RECEIVE ANY FURTHER INTEREST HEREON, SHALL HAVE NO FURTHER RIGHTS UNDER THIS BOND OR THE INDENTURE EXCEPT TO PAYMENT OF THE PURCHASE PRICE HELD THEREFOR.

#### GENERAL PROVISIONS

The Bonds are issuable only as fully registered bonds in the denominations of \$100,000 and in any integral multiple of \$5,000 in excess thereof and shall be originally issued in a single bond certificate for each maturity in the name of the Bank, as the original Bondholder.

This Bond is transferable by the registered owner hereof or his duly authorized attorney at the corporate trust office of Regions Bank, as Bond Registrar, in the City of Indianapolis, Indiana, upon surrender of this Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature satisfactory to the Bond Registrar, subject to such reasonable regulations as the Borrower, the Issuer or the Bond Registrar may prescribe, PROVIDED, THAT, IF MONEYS FOR THE MANDATORY PURCHASE OF THIS BOND HAVE BEEN DEPOSITED WITH THE TRUSTEE UNDER THE INDENTURE, THIS BOND SHALL NOT BE TRANSFERABLE TO ANYONE UNTIL DELIVERED TO THE TRUSTEE. Upon any such transfer, a new Bond or Bonds in the same aggregate principal amount will be issued to the transferee. Except as set forth in this Bond and as otherwise provided in the Indenture, the person in whose name this Bond is registered shall be deemed the owner hereof for all purposes, and the Issuer, the Borrower, any Paying Agents, the Bond Registrar and the Trustee shall not be affected by any notice to the contrary.

The Indenture permits certain amendments or supplements to the Agreement and the Indenture not prejudicial to the Bondholders to be made without the consent of or notice to the Bondholders, and other amendments or supplements thereto to be made with the consent of the Bondholders of not less than a majority in aggregate principal amount of the Bonds then outstanding.

The Bondholders have only those remedies provided in the Indenture.

**The Bonds, and the interest payable thereon, do not and shall not represent or constitute a debt of the Issuer within the meaning of the provisions of the constitution or statutes of the State of Indiana or a pledge of the faith and credit of the Issuer. The Bonds, as to both principal and interest, are not an obligation or liability of the State of Indiana, or of any political subdivision or taxing authority thereof, but are a special limited obligation of the Issuer and payable solely and only from the Trust Estate as defined in the Indenture. Neither the faith and credit nor the taxing power of the Issuer, the State of Indiana or any political subdivision or taxing authority thereof is pledged to the payment of the principal of, premium, if any, or the**

**interest on this Bond. The Bonds do not grant the owners or holders thereof any right to have the Issuer, the State of Indiana or its General Assembly, or any political subdivision or taxing authority of the State of Indiana, levy any taxes or appropriate any funds for the payment of the principal of, premium, if any, or interest on the Bonds. No covenant or agreement contained in the Bonds or the Indenture shall be deemed to be a covenant or agreement of the Redevelopment Commission, the Westfield Economic Development Commission (“Economic Development Commission”), the Issuer or of any member, director, officer, agent, attorney or employee of the Redevelopment Commission, the Economic Development Commission or the Issuer in his or her individual capacity, and neither the Redevelopment Commission, the Economic Development Commission, the Issuer nor any member, director, officer, agent, attorney or employee of the Redevelopment Commission, the Economic Development Commission or the Issuer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.**

This Bond shall not be entitled to any security or benefit under the Indenture or be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed.

It is certified and recited that there have been performed and have happened in regular and due form, as required by law, all acts and conditions necessary to be done or performed by the Issuer or to have happened (i) precedent to and in the issuing of the Bonds in order to make them legal, valid and binding obligations of the Issuer, and (ii) precedent to and in the execution and delivery of the Indenture and the Agreement; that payment in full for the Bonds has been received; and that the Bonds do not exceed or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Westfield, Indiana has caused this Bond to be duly executed as an instrument under seal.

CITY OF WESTFIELD, INDIANA

By: \_\_\_\_\_  
Mayor

Attest:

By: \_\_\_\_\_  
Clerk-Treasurer

Certificate of Authentication

This Bond is one of the Bonds described in the within mentioned Indenture.

Regions Bank,  
as Trustee

By: \_\_\_\_\_  
Authorized Signer

Date of Registration and Authentication:

\_\_\_\_\_, 2012

[Form of 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 said Bond on the Bond Register, with full power of substitution in the premises.

Dated:

Social Security Number or

Employer Identification

Number of Transferee:

Signature guaranteed:

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



WHEREAS, the execution and delivery of the Bonds and of the Indenture have been duly authorized and all things necessary to make the Bonds, when executed by the Issuer and authenticated by the Trustee, valid and binding legal obligations of the Issuer and to make this Indenture a valid and binding agreement, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that to secure the payment of Bond Service Charges on, and the purchase price of, the Bonds according to their true intent and meaning, to secure the performance and observance of all of the covenants, agreements, obligations and conditions contained therein and herein, and to declare the terms and conditions upon and subject to which the Bonds are and are intended to be issued, held, secured and enforced and performance by the Borrower of its payment and other obligations under the Agreement and in consideration of the premises and the acceptance by the Trustee of the trusts created herein and of the purchase and acceptance of the Bonds by the Bondholders and for other good and valuable consideration, the receipt of which is acknowledged, the Issuer has executed and delivered this Indenture and (a) absolutely and irrevocably assigns hereby to the Trustee, as secured party for the benefit of the Bondholders, and to its successors in trust, and its and their successors and assigns, any and all right, title and interest of the Issuer in, to and under the Agreement, except for the Unassigned Issuer's Rights and Defeasance Account of the Bond Fund and all moneys and investments therein, (b) all right, title and interest of the Issuer in and to the Note has been endorsed by the Issuer to the order of the Trustee and pledged by the Issuer to the Trustee, and all sums payable in respect of the indebtedness evidenced thereby; (c) *[Reserved]*; (d) all right, title and interest of the Issuer in and to the Tax Increment Revenues (such pledge to be effective as set forth in IC 5-1-14-4 and IC 36-7-14-39 without filing or recording of this Indenture or any other instrument) actually received by the Issuer from the Redevelopment Commission and allocable to the Bonds; (e) *[Reserved]*; and grants to the Trustee as secured party for the benefit of the Bondholders, and to its successors in trust, and its and their successors and assigns, a security interest in (i) the Project Fund and all moneys and investments therein and (ii) the Revenues (other than the above-referenced accounts of the Bond Fund, all moneys and investments therein (the "Unassigned Issuer's Rights")) (collectively, the "Trust Estate").

TO HAVE AND TO HOLD unto the Trustee as secured party for the benefit of the Bondholders and its successors in that trust and its and their successors and assigns forever;

BUT IN TRUST, NEVERTHELESS, and subject to the provisions hereof,

(a) except as provided otherwise herein, for the equal and proportionate benefit, security and protection of all present and future Bondholders of the Bonds issued or to be issued under and secured by this Indenture,

(b) for the enforcement of the payment of the Bond Service Charges on the Bonds, when payable, according to the true intent and meaning thereof and of this Indenture, and

(c) to secure the performance and observance of and compliance with the covenants, agreements, obligations, terms and conditions of this Indenture,

in each case, without preference, priority or distinction, as to lien or otherwise, of any one Bond over any other by reason of designation, number, date of the Bonds or of authorization, issuance, sale, execution, authentication, delivery or maturity thereof, or otherwise, so that each Bond and all Bonds shall have the same right, lien and privilege under this Indenture and shall be secured equally and ratably hereby, it being intended that the lien and security of this Indenture shall take effect from the date hereof, without regard to the date of the actual issue, sale or disposition of the Bonds, as though upon that date all of the Bonds were actually issued, sold and delivered to purchasers for value; and

(i) if the principal of the Bonds and the interest due or to become due thereon together with any premium required by redemption of any of the Bonds prior to maturity shall be well and truly paid, at the times and in the manner to which reference is made in the Bonds, according to the true intent and meaning thereof, or the outstanding Bonds shall have been paid and discharged in accordance with Article XV hereof, and

(ii) if all of the covenants, agreements, obligations, terms and conditions of the Issuer under this Indenture shall have been kept, performed and observed and there shall have been paid to the Trustee, the Registrar, the Paying Agents and the Authenticating Agents all sums of money due or to become due to them in accordance with the terms and provisions hereof, and

(iii) If the Borrower shall pay and perform or cause to be paid and performed all of its obligations under the Agreement,

this Indenture and the rights assigned and security interest granted hereby shall cease, determine and be void, except as provided in Section 15.03 hereof with respect to the survival of certain provisions hereof and except for the interests absolutely assigned in the Defeasance Account; otherwise, this Indenture shall be and remain in full force and effect.

It is declared that all Bonds issued hereunder and secured hereby are to be issued, authenticated and delivered, and that all Revenues assigned or pledged hereby are to be dealt with and disposed of under, upon and subject to, the terms, conditions, stipulations, covenants, agreements, obligations, trusts, uses and purposes provided in this Indenture. The Issuer has agreed and covenanted, and agrees and covenants with the Trustee and with each and all Bondholders, as follows:

## ARTICLE I

### Definitions

In this Indenture and any indenture supplemental hereto (except as otherwise expressly provided for or unless the context otherwise requires) the singular includes the plural and the masculine includes the feminine.

In addition, each of the following terms shall have the meaning specified in this Article, unless the context otherwise requires:

“Act” means collectively, Indiana Code, Title 36, Article 7, Chapters 11.9 and 12, as from time to time supplemented and amended.

“Affiliate” of any specified entity means any other entity directly or indirectly controlling or controlled by or under direct or indirect common control with such specified entity and “control,” when used with respect to any specified entity, means the power to direct the management and policies of such entity, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Agreement” means the Loan Agreement, dated as of even date with this Indenture, between the Issuer and the Borrower, as amended, restated, supplemented or otherwise modified from time to time.

“Allocation Area” means the East Side Economic Development Allocation Area previously established by the Redevelopment Commission in accordance with IC 36-7-14-39 for the purposes of capturing incremental *ad valorem* real property taxes levied and collected on all taxable property in such allocation area.

“Authenticating Agent” means the Trustee and any agent so designated in and appointed pursuant to Section 2.07.

“Authorized Newspaper” means a newspaper in English customarily published each Business Day and generally circulated in the City of Indianapolis, Indiana.

“Authorized Official” means the Mayor of the City of Westfield, Indiana.

“Available Moneys” means, (a) funds which (i) have been paid to the Trustee by the Borrower, any Affiliate of the Borrower, any Guarantor or any Insider of any of the foregoing and deposited into and held in a separate and segregated subaccount or subaccounts in the Defeasance Account of the Bond Fund in which moneys not deposited on the same date were at any time held, and (ii) have been on deposit with the Trustee in such subaccount or subaccounts in the Defeasance Account for a period of at least one hundred twenty-three (123) consecutive days prior to such date, during and prior to which period no Event of Bankruptcy has occurred and (iii) are represented by cash or its equivalent; (b) *[Reserved]*; (c) the proceeds deposited directly into the Defeasance Account of the Bond Fund from the sale of refunding obligations other than, directly or indirectly, to the Issuer, the Borrower, any Guarantor, any Affiliate of the Borrower or of any Guarantor or any Insider of any of them or any entity who, at the time of the purchase of the Bonds, is a secured creditor of the Borrower; (d) *[Reserved]*; (e) proceeds from investment of the foregoing, provided such proceeds are retained in the Account in which they were earned; and (f) any other funds so long as, in the opinion of nationally recognized counsel experienced in bankruptcy matters, payments therefrom will not constitute an avoidable preference under the Bankruptcy Code.

“Bank” means initially Regions Capital Advantage, Inc., and its successors and assigns, in its capacity as the original Bondholder.

“Bankruptcy Code” means Title 11 of the United States Code, as it is amended from time to time.

“Beneficial Owner” means, with respect to the Bonds, a Person owning a Beneficial Ownership Interest therein, as evidenced to the satisfaction of the Trustee.

“Beneficial Ownership Interest” means the beneficial right to receive payments and notices with respect to the Bonds which are held by the Depository under a book entry system.

“Bond” or “Bonds” means the \$2,000,000 City of Westfield, Indiana Taxable Economic Development Tax Increment Revenue Bonds of 2012 (Union Street Flats at Grand Junction Apartments).

“Bond Fund” means the trust fund so designated which is established pursuant to Section 5.01.

“Bondholder” or “holder of Bonds” or “owner of Bonds” means initially the Bank, and any other registered owner of any Bond other than the registered owner of any Bond which has been purchased pursuant to Section 3.01 and not surrendered for payment of the purchase price thereof.

“Bond Purchase Date” means June \_\_, 2017.

“Bond Register” and “Bond Registrar” shall have the respective meanings specified in Section 2.03.

“Bond Service Charges” means, during any time period of computation, the principal, interest and redemption premium, if any, and purchase price required to be paid by the Borrower on the Bonds during such time period.

“Bond Year” means the annual period provided for the computation of Excess Earnings under Section 148(f) of the Code.

“Book entry form” or “book entry system” means, with respect to the Bonds, a form or system, as applicable, under which (i) the Beneficial Ownership Interests may be transferred only through a book entry and (ii) physical Bond certificates in fully registered form are registered only in the name of a Depository or its nominee as Bondholder, with the physical Bond certificates “immobilized” in the custody of the Depository. The book entry system maintained by and the responsibility of the Depository and not maintained by or the responsibility of the Issuer or the Trustee is the record that identifies, and records the transfer of the interests of, the owners of book entry interests in the Bonds.

“Borrower” means Union Street Flats, LLC, a limited liability company, organized and existing under the laws of the State of Indiana, and its lawful successors and assigns, to the extent permitted by the Agreement.

“Business Day” means any day of the year other than (i) a Saturday or Sunday, (ii) any day on which banks located in the city in which the principal corporate trust office of the Trustee is located are required or authorized by law to remain closed or (iii) any day on which the New York Stock Exchange is closed.

“Collateral” means “Collateral” as defined in the Reimbursement Agreement, except that solely for purposes of this Indenture, the term “Collateral” does not include the Trust Estate.

“Counsel” means an attorney-at-law or law firm (who may be counsel for the Borrower), acceptable to the Issuer and Trustee.

“Defeasance Account” means the Defeasance Account created under Section 5.01 hereof.

“Default Rate” means the Taxable Rate plus six percent (6.00%) for the Bonds.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book entry system to record ownership of book entry interests in Bonds, and to effect transfers of book entry interests in Bonds in book entry form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Designated Representative” means the person or persons at the time designated to act on behalf of the Borrower by written certificate furnished to the Issuer, the Bank, or the Trustee, containing the specimen signature of that person or persons and signed on behalf of the Borrower by a duly authorized officer thereof. That certificate may designate an alternate or alternates. In the event that all persons so designated become unavailable or unable to act and the Borrower fails to designate a replacement within 10 days after such unavailability or inability to act, the Trustee may appoint an interim Designated Representative until such time as the Borrower designates that person.

“Direct Participant” means a Participant as defined in the Letter of Representations.

“Eligible Investments” means (a) Governmental Obligations; (b) obligations issued or guaranteed by any state or political subdivision thereof rated A or higher by Moody’s and by S&P; (c) open market commercial or finance paper of any corporation having a net worth in excess of \$100,000,000 and which is rated either P-1 or A-1 or an equivalent by Moody’s and S&P; (d) bankers’ acceptances drawn on and accepted by commercial banks; (e) investments due within 12 months in certificates of deposit issued by, or bankers’ acceptances of, the Trustee, or of banks or trust companies organized under the laws of the United States of America or any state thereof, which must have a reported capital and surplus of at least \$25,000,000 in dollars of the United States of America; (f) bank repurchase agreements, including the Trustee’s, fully secured by obligations of the type described in (a) above; (g) variable rate demand securities redeemable within 7 days or able to be tendered for remarketing or purchase upon no more than 7 days’ notice and secured by a credit facility issued by a financial institution, which financial institution (or its corporate parent) maintains a long term debt rating assigned by Moody’s and S&P which is not lower than the third highest long term debt category (without regard to numerical or other modifiers assigned within the category) by either Rating Service, or by both Rating Services, if rated by both Rating Services; (h) savings accounts, deposit accounts or depository receipts of a bank, savings and loan association and mutual savings bank, including the Trustee, each fully insured by the Federal Deposit Insurance Corporation; and (i) shares of any so-called “money market mutual fund,” including any “money market mutual fund” which the Trustee or any of its affiliates operates or manages, which invests solely in obligations

described in items (a) through (h) above; and further provided that any such investment or deposit is not prohibited by law.

“Event of Bankruptcy” means the filing of a petition in bankruptcy (or other commencement of a bankruptcy or similar proceedings) by or against the Issuer, the Borrower, any Guarantor, any Affiliate of the Borrower or of any Guarantor or any Insider of any of them as debtor, under any applicable bankruptcy, reorganization, insolvency or other similar law as now or hereafter in effect.

“Event of Default” means any of the events specified in Section 10.01 hereof to be an Event of Default. “Default” means any event which with the giving of notice or the lapse of time or both would constitute an Event of Default.

“Governmental Obligations” means (a) direct obligations of the United States of America, (b) obligations unconditionally guaranteed by the United States of America and (c) securities or receipts evidencing ownership interests in obligations or specified portions (such as principal or interest) of obligations described in (a) or (b).

“Guarantor” means any guarantor of the Borrower’s obligations under the Agreement or under any Reimbursement Agreement.

“Immediate Notice” means notice transmitted through a time-sharing terminal, if operative as between any two parties, or if not operative, in writing or by telephone (promptly confirmed in writing).

“Indenture” means this Indenture of Trust as amended or supplemented at the time in question.

“Indirect Participant” means a Person utilizing the book entry system of the Depository by, directly or indirectly, clearing through or maintaining a custodial relationship with a Direct Participant.

“Insider” means any entity referred to or described in Section 101(31) of the Bankruptcy Code, assuming for this purpose that the Borrower, any Guarantor, or any Affiliate of any of them, as applicable, is a debtor, and any limited partner or limited liability company member thereof.

“Interest Payment Date” means February 1, 2013 and the 1<sup>st</sup> day of August and February thereafter of each year. In any case, the final Interest Payment Date shall be the maturity date.

“Interest Period” means for all Bonds the period from and including each Interest Payment Date to and including the day next preceding the next Interest Payment Date. The first Interest Period for the Bonds shall begin on (and include) the date of the initial delivery of the Bonds. The final Interest Period shall end on the earlier of the maturity or redemption date for each Bond.

“Legislative Authority” means the Common Council of the Issuer.

“Letter of Representations” means the Letter of Representations between the Issuer and the Depository.

“Loan” means the loan made pursuant to the Agreement by the Issuer to the Borrower of the proceeds received from the sale of the Bonds.

“Loan Payments” means the amounts required to be paid by the Borrower in repayment of the Loan pursuant to the provisions of Section 4.1 of the Agreement.

“Moody’s” means Moody’s Investors Service, a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency. “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, with the consent of the Borrower.

“Note” or “Notes” shall have the meaning assigned in the Agreement.

“Outstanding,” in connection with Bonds means, as of the time in question, all Bonds authenticated and delivered under the Indenture, except:

- A. Bonds theretofore cancelled or required to be cancelled under Section 2.12;
- B. Bonds which are deemed to have been paid in accordance with Article XV; and
- C. Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to Article II.

In determining whether the owners of a requisite aggregate principal amount of Bonds Outstanding have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions hereof, Bonds which are held by or on behalf of the Borrower (unless all of the outstanding Bonds are then owned by the Borrower) shall be disregarded for the purpose of any such determination. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee established to the satisfaction of the Bond Registrar the pledgee’s right so to act with respect to such Bonds and that the pledgee is not the Borrower.

“Paying Agent” or “Co-Paying Agent” means any national banking association, bank and trust company or trust company appointed by the Borrower and meeting the qualifications of, and subject to the obligations of, the Trustee in Article XI hereof. “Principal Office” of any Paying Agent shall mean the office thereof designated in writing to the Trustee.

“Person” or words importing persons means firms, associations, partnerships (including without limitation, general and limited partnerships), joint ventures, societies, estates, trusts, corporations, public or governmental bodies, other legal entities and natural persons.

“Pledge Resolution” means Resolution No. 1-2012 of the Redevelopment Commission, adopted June 11, 2012, pledging the Tax Increment Revenues to the payment of the Bonds.

“Prime Rate” means that interest rate established from time to time by the Bank, whether or not such rate is publicly announced. The Prime Rate may not be the lowest rate charged by the Bank for commercial or other extensions of credit.

“Project” means the Project as defined in the Agreement.

“Project Costs” means Project Costs as defined in the Agreement.

“Project Fund” means the trust fund so designated which is established pursuant to Section 4.01.

“Rate Period” means any period during which a single interest rate is in effect for a Bond.

“Rating Service” means Moody’s, if the Bonds are rated by Moody’s at the time, and S&P, if the Bonds are rated by S&P at the time, and its successors and assigns.

“Record Date” means, as the case may be, the applicable Regular or Special Record Date.

“Redevelopment Area” means the East Side Economic Development Area created by the Redevelopment Commission.

“Redevelopment Commission” means the City of Westfield Redevelopment Commission.

“Regular Record Date” means, with respect to any Interest Period, the close of business on the last Business Day of such Interest Period.

“Revenues” means (a) the Loan Payments (including the Trustee’s right to receive the same); (b) all amounts payable and/or paid to the Trustee with respect to the principal or redemption price of, or interest on, the Bonds (i) by the Borrower as required under the Agreement, (ii) by the Issuer of Tax Incremental Revenues received by it from the Redevelopment Commission with respect to the Bonds, (iii) upon deposit in the Bond Fund from the proceeds of the Bonds, and (iv) [*Reserved*]; (c) investment income with respect to any moneys held by the Trustee in the Bond Fund; and (d) any other money deposited in, or transferred to, the Bond Fund and Project Fund, and, as to each (a) through (d) inclusive, all accounts, receipts, revenues, income and other moneys received by or on behalf of the Trustee from any source, and all rights to receive the same, whether in the form of accounts, accounts receivable, contract rights, chattel paper, instruments, general intangibles, deposit accounts, financial assets, securities accounts and securities entitlements and all income derived therefrom and all proceeds thereof, whether now existing or hereafter created or acquired. (As used herein, the terms “accounts,” “contract rights,” “chattel paper,” “instruments,” “financial assets,” “general intangibles,” “deposit accounts,” “securities accounts,” “securities entitlements” and “proceeds” shall have the meanings ascribed thereto in the Uniform Commercial Code as in effect in the State of Indiana from time to time.) The term “Revenues” does not include any moneys or investments in the Rebate Fund.

“S&P” means Standard & Poor’s Ratings Group, a New York corporation, its successors and assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the

functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, with the consent of the Borrower.

“Securities Act” means the Securities Act of 1933, as amended.

“Special Record Date” means such date as may be fixed for the payment of defaulted interest in accordance with Section 2.08.

“State” means the State of Indiana.

“Tax Increment Revenues” means the property tax proceeds received by the Redevelopment Commission and pledged to the Issuer pursuant to the Pledge Resolution which proceeds are derived from the assessed valuation of real property in the Allocation Area in excess of the assessed valuation described in IC 36-7-14-39(b)(1), as such statutory provision exists on the date of execution of the Indenture.

“Taxable Rate” means \_\_\_\_\_% per annum.

“Trustee” means Regions Bank and its successor hereunder. “Principal Office” of the Trustee means the principal corporate trust office of the Trustee, which office at the date of acceptance by the Trustee of the duties and obligations imposed on the Trustee by this Indenture is located in Indianapolis, Indiana.

“Trust Estate” means the funds and accounts, the Note and Tax Increment Revenues received by the Trustee, and other assets described in the Granting Clauses of this Indenture.

“Unassigned Issuer’s Rights” means Unassigned Issuer’s Rights as defined in the Agreement.

“Union Street Flats at Grand Junction Apartments Improvements” means the construction of approximately 237 apartment units and a clubhouse, swimming pool amenity area and other ancillary improvements.

“Union Street Flats at Grand Junction Apartments Improvements Account” means the trust account within the Project Fund so designated by Section 4.01 hereof.

The words “hereof,” “herein,” “hereto,” “hereby” and “hereunder” (except in the form of Bond) refer to the entire Indenture. Unless otherwise noted, all Section and Article references are to sections and articles in this Indenture.

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## ARTICLE II

### The Bonds

Section 2.01. Amount, Terms and Issuance of Bonds. The Bonds shall, except as provided in Section 2.10, be limited to \$2,000,000 in aggregate principal amount, and shall contain substantially the terms recited in the form of Bond above. No Bonds may be issued under this Indenture except in accordance with this Article II.

The Issuer has delivered \$2,000,000 principal amount of Bonds for the purpose of making a loan to assist the Borrower in (i) financing the acquisition, construction and equipping of the facilities of the Borrower, as further described in the Agreement, and (ii) financing the costs of issuance of the Project.

The Bonds may bear such endorsement or legend satisfactory to the Trustee as may be required to conform to usage or law with respect thereto.

Section 2.02. (a) Designation, Denominations and Maturity. \$2,000,000 of the Bonds have been designated “Taxable Economic Development Tax Increment Revenue Bonds of 2012 (Union Street Flats at Grand Junction Apartments).” The Bonds are issuable only in denominations of \$100,000 and any larger denomination constituting an integral multiple of \$5,000.

All Bonds shall be dated the date of their authentication. Each Bond shall bear interest from the Interest Payment Date to which interest has accrued and has been paid, or if prior to the first Interest Payment Date for the Bonds, from the date of the original issuance of the Bonds until payment of the principal or redemption price thereof shall have been made or provided for in accordance with the provisions of this Indenture, whether upon maturity, redemption or otherwise.

The Bonds mature on February 1, 2032.

The Bonds shall be issued in a single bond certificate for each maturity in the name of the Bank, as the original Bondholder. At the written direction of the Bank, the Bonds may be issued to a Depository to be held in a book entry only system. At such time as the Bonds are issued to a Depository: (i) the Bonds will be registered in the name of the Depository or its nominee, as Bondholder, and immobilized in the custody of the Depository; (ii) unless otherwise requested by the Depository, there will be a single Bond certificate for each Bond maturity; and (iii) the Bonds will not be transferable or exchangeable, except for transfer to another Depository or another nominee of a Depository, without further action by the Issuer as set forth in the next succeeding paragraph of this Section. While the Bonds are in book entry only form, Bonds in the form of physical certificates shall only be delivered to the Depository.

At any time that a book entry system is in effect for the Bonds, except as hereinafter provided with respect to Beneficial Ownership Interests, the Issuer and Trustee shall recognize and treat the Depository, or its nominee, as the holder of Bonds for all purposes, including payment of Bond Service Charges, giving of notices, and enforcement of remedies. The crediting of payments of Bond Service Charges on the Bonds and the transmittal of notices and

other communications by the Depository to the Direct Participants in whose Depository account the Bonds are recorded, and such crediting and transmittal by Direct Participants to Indirect Participants or Beneficial Owners and by Indirect Participants to Beneficial Owners, are the respective responsibilities of the Depository and the Direct Participants and Indirect Participants and are not the responsibility of the Issuer or the Trustee; provided, however, that the Issuer and the Trustee understand that neither the Depository or its nominee shall provide any consent requested of holders of Bonds pursuant to this Indenture, and that the Depository will mail an omnibus proxy (including a list identifying the Direct Participants) to the Issuer which assigns the Depository's, or its nominee's, voting rights to the Direct Participants to whose accounts at the Depository the Bonds are credited as of the record date for mailing of requests for such consents. Upon receipt of such omnibus proxy, the Issuer shall promptly provide such omnibus proxy (including the list identifying the Direct Participants attached thereto) to the Trustee, who shall then treat such Direct Participants as Bondholders for purposes of obtaining any consents pursuant to the terms of this Indenture.

As long as the Bonds are registered in the name of a Depository, or its nominee, the Trustee agrees to comply with the terms and provisions of the Letter of Representations, including the provisions of the Letter of Representations with respect to any delivery of the Bonds to the Trustee, which provisions shall supersede the provisions of this Indenture with respect thereto.

If any Depository determines not to continue to act as a Depository for the Bonds held in a book entry system, the Borrower may attempt to have established a securities depository/book entry system relationship with another Depository under this Indenture. If the Borrower does not or is unable to do so, the Borrower and the Trustee, after the Trustee has made provision for notification of the Beneficial Owners by appropriate notice to the then Depository, shall permit withdrawal of the Bonds from the Depository and shall authenticate and deliver Bond certificates in fully registered form to the assignees of the Depository or its nominee or to the Beneficial Owners. Such withdrawal, authentication and delivery shall be at the cost and expense (including costs of printing or otherwise preparing and delivering such replacement Bonds) of the Borrower. Such replacement Bonds shall be in the denominations specified in the first paragraph of this Section 2.02, with a minimum denomination of \$100,000.

(b) Interest Rates on the Bonds. The Bonds shall bear interest at the Taxable Rate. Interest on the Bonds shall be computed upon the basis of a 360-day year, consisting of twelve 30-day months. Each Bond shall bear interest on principal not paid on the date due under this Indenture and, to the extent permitted by law, on interest not paid on the date due under this Indenture at the Default Rate computed from the date of the Default or Event of Default.

Section 2.03. Registered Bonds Required; Bond Registrar and Bond Register. All Bonds shall be issued in fully registered form. The Bonds shall be registered upon original issuance and upon subsequent transfer or exchange as provided in this Indenture.

The Borrower shall designate one or more persons to act as "Bond Registrar" for the Bonds provided that the Bond Registrar appointed for the Bonds shall be either the Trustee or a person which would meet the requirements for qualification as a successor trustee imposed by Section 11.13. The Borrower hereby appoints Regions Bank as Bond Registrar. Any person

other than the Trustee undertaking to act as Bond Registrar shall first execute a written agreement, in form satisfactory to the Trustee, to perform the duties of a Bond Registrar under this Indenture, which agreement shall be filed with the Trustee.

The Bond Registrar shall act as registrar and transfer agent for the Bonds. The Issuer shall cause to be kept at an office of the Bond Registrar a register (herein sometimes referred to as the “Bond Register”) in which, subject to such reasonable regulations as it, the Trustee or the Bond Registrar may prescribe, the Issuer shall provide for the registration of the Bonds and for the registration of transfers of the Bonds. The Issuer shall cause the Bond Registrar to designate, by a written notification to the Trustee, a specific office location (which may be changed from time to time, upon similar notification) at which the Bond Register is kept. If the Bond Registrar is the Trustee, such location shall be the principal corporate trust office of the Trustee.

The Bond Registrar shall forthwith following each Regular Record Date and at any other time as reasonably requested by the Trustee, certify and furnish to the Trustee and any Paying Agent as the Trustee shall specify, the names, addresses, and holdings of Bondholders and any other relevant information reflected in the Bond Register, and the Trustee and any such Paying Agent shall for all purposes be fully entitled to rely upon the information so furnished to them and shall have no liability or responsibility in connection with the preparation thereof.

Section 2.04. Transfer and Exchange. As provided in Section 2.03, the Borrower shall cause a Bond Register to be kept at the designated office of the Bond Registrar. Upon surrender for registration of transfer of any Bond at such office, the Issuer shall execute and the Trustee or its Authenticating Agent shall authenticate and deliver in the name of the transferee or transferees, one or more new fully registered Bonds of authorized denomination for the aggregate principal amount which the registered owner is entitled to receive.

At the option of the registered owner, Bonds may be exchanged for other Bonds of any other authorized denomination, of a like aggregate principal amount, upon surrender of the Bonds to be exchanged at any such office or agency. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute, and the Trustee or the Authenticating Agent shall authenticate and deliver, the Bonds which the Bondholder making the exchange is entitled to receive.

All Bonds presented for registration of transfer, exchange, redemption or payment (if so required by the Issuer, the Bond Registrar or the Trustee) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Bond Registrar, duly executed by the owner or by his attorney duly authorized in writing.

No service charge shall be made to a Bondholder for any exchange or registration of transfer of Bonds, but the Issuer, the Borrower or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

Neither the Issuer nor the Bond Registrar on behalf of the Issuer shall be required (i) to register the transfer or exchange of any Bond during a period beginning at the opening of

business 15 days before the date of redemption of Bonds selected for redemption and ending at the close of business on the day of such redemption (ii) to register the transfer or exchange of any Bond so selected for redemption in whole or in part, or (iii) other than pursuant to Article III, to register any transfer or exchange of any Bond with respect to which the owner has submitted a demand for purchase in accordance with Section 3.02 or which has been purchased pursuant to Section 3.02.

New Bonds delivered upon any registration of transfer or exchange shall be valid obligations of the Issuer, evidencing the same debt as the Bonds surrendered, shall be secured by this Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

Section 2.05. Delivery of Bonds. Upon the execution and delivery of this Indenture, and satisfaction of the conditions established by the Issuer and the Bank for delivery of the Bonds, the Issuer shall execute the Bonds and deliver them to the Trustee. Thereupon, the Trustee shall authenticate the Bonds and deliver them to the Bank, as directed by the Issuer in accordance with this Section 2.05.

Before the Trustee delivers any Bonds, the Trustee shall have received a request and authorization to the Trustee on behalf of the Issuer, signed by the Authorized Official, to authenticate and deliver the Bonds to, or on the order of, the Bank upon payment to the Trustee of the amount specified therein (including without limitation, any accrued interest), which amount shall be deposited as provided in Sections 4.01, 5.01 and 5.03 hereof.

Section 2.06. Execution. The Bonds shall be executed by the manual or facsimile signature of the Authorized Official of the Issuer.

Bonds executed as above provided may be issued and shall, upon request of the Issuer, be authenticated by the Trustee or the Authenticating Agent, notwithstanding that any officer signing such Bonds or whose facsimile signature appears thereon shall have ceased to hold office at the time of issuance or authentication or shall not have held office at the date of the Bond.

The Bonds, and the interest payable thereon, do not and shall not represent or constitute a debt of the Issuer, the State of Indiana or any political subdivision or taxing authority thereof within the meaning of the provisions of the constitution or statutes of the State of Indiana or a pledge of the faith and credit of the Issuer, the State of Indiana or any political subdivision or taxing authority thereof. The Bonds, as to both principal and interest, are not an obligation or liability of the State of Indiana, or of any political subdivision or taxing authority thereof, but are a special limited obligation of the Issuer and are payable solely and only from the trust estate consisting of funds and accounts held under the Indenture, the Tax Increment Revenues and payments to be made on the Note issued under the Agreement pledged and assigned for their payment in accordance with the Indenture (“Trust Estate”). Neither the faith and credit nor the taxing power of the Issuer, the State of Indiana or any political subdivision or taxing authority thereof is pledged to the payment of the principal of, premium, if any, or the interest on any Bond. The Bonds do not grant the owners or holders thereof any right to have the Issuer, the State of Indiana or its General Assembly, or any political subdivision or taxing authority of the State of Indiana, levy any taxes or appropriate any funds for the payment of the principal of,

premium, if any, or interest on the Bonds. No covenant or agreement contained in the Bonds or the Indenture shall be deemed to be a covenant or agreement of the Redevelopment Commission, the Economic Development Commission, the Issuer or of any member, director, officer, agent, attorney or employee of the Redevelopment Commission, the Economic Development Commission or the Issuer in his or her individual capacity, and neither the Redevelopment Commission, the Economic Development Commission, the Issuer nor any member, director, officer, agent, attorney or employee of the Redevelopment Commission, the Economic Development or the Issuer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

Section 2.07. Authentication; Authenticating Agent. No Bond shall be valid for any purpose until the Certificate of Authentication thereon shall have been duly executed as provided in this Indenture, and such authentication shall be conclusive proof that such Bond has been duly authenticated and delivered under this Indenture and that the owner thereof is entitled to the benefit of the trust hereby created.

If the Bond Registrar is other than the Trustee, the Trustee may appoint the Bond Registrar as an Authenticating Agent with the power to act on the Trustee's behalf and subject to its direction in the authentication and delivery of Bonds in connection with the registration of transfers and exchanges under Section 2.04 hereof, and the authentication and delivery of Bonds by an Authenticating Agent pursuant to this Section shall, for all purposes of this Indenture, be deemed to be the authentication and delivery "by the Trustee." The Trustee shall, however, itself authenticate all Bonds upon their initial issuance and any Bonds issued in substitution for other Bonds pursuant to Sections 2.10 and 2.11. The Trustee shall be entitled to be reimbursed for payments made to any Authenticating Agent as reasonable compensation for its services.

Any corporation into which any Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, consolidation or conversion to which any Authenticating Agent shall be a party, or any corporation succeeding to the corporate trust business of any Authenticating Agent, shall be the successor of the Authenticating Agent hereunder, if such successor corporation is otherwise eligible as a Bond Registrar under Section 2.03, without the execution or filing or the taking of any further act on the part of the parties hereto or the Authenticating Agent or such successor corporation.

Any Authenticating Agent may at any time resign by giving written notice of resignation to the Trustee and the Borrower. The Trustee may at any time terminate the agency of any Authenticating Agent by giving written notice of termination to such Authenticating Agent, the Borrower and the Issuer. Upon receiving such a notice of resignation or upon such a termination, or in case at any time any Authenticating Agent shall cease to be eligible under this Section, the Trustee may appoint a successor Authenticating Agent, shall give written notice of such appointment to the Borrower and shall mail notice of such appointment to all owners of Bonds as the names and addresses of such owners appear on the Bond Register.

Section 2.08. Payment of Principal and Interest Rights Preserved. Except as otherwise provided below, the principal or redemption price of any Bond shall be payable, upon surrender of such Bond, in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts, at the Principal Office of

any Paying Agent, including funds evidenced by wire transfer. Except as otherwise provided below, interest on any Bond on each Interest Payment Date in respect thereof shall be payable by check mailed to the address of the person entitled thereto as such address shall appear in the Bond Register; provided that at the written request of the owner of at least \$1,000,000 aggregate principal amount of Bonds received by the Bond Registrar at least one Business Day before the corresponding Record Date, interest accrued on the Bonds will be payable by wire transfer within the United States in immediately available funds to the bank account number of such owner specified in such request and entered by the Bond Registrar on the Bond Register; and provided further that interest payable at maturity (or redemption) shall be paid only upon presentation and surrender of such Bond.

Interest on any Bond which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the person in whose name that Bond is registered at the close of business on the Regular Record Date for such interest.

Notwithstanding anything herein to the contrary, when any Bond is registered in the name of a Depository or its nominee, the principal and redemption price of and interest on such Bond shall be payable in same day funds delivered or transmitted to the Depository or its nominee by 2:30 p.m. eastern time on any date on which the principal and redemption price of and interest on any Bond is due and payable.

Any interest on any Bond which is payable, but is not punctually paid or provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the owner of such Bond on the relevant Regular Record Date by virtue of having been such owner, and such Defaulted Interest shall be paid to the person in whose name the Bond is registered at the close of business on a Special Record Date to be fixed by the Trustee, such date to be no more than 15 nor fewer than 10 days prior to the date of proposed payment. The Trustee shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Bondholder at his address as it appears in the Bond Register, not fewer than 10 days prior to such Special Record Date.

Subject to the foregoing provisions of this Section 2.08, each Bond delivered under this Indenture upon registration of transfer of or exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

Section 2.09. Persons Deemed Owners. The Issuer, the Borrower, the Trustee, any Paying Agent, the Bond Registrar and any Authenticating Agent may deem and treat the person in whose name any Bond is registered as the absolute owner thereof (whether or not such Bond shall be overdue and notwithstanding any notation of ownership or other writing thereon made by anyone other than the Issuer, the Borrower, the Trustee, any Paying Agent, the Bond Registrar or the Authenticating Agent) for the purpose of receiving payment of or on account of the principal of (and premium, if any, on), and (subject to Section 2.08) interest on, such Bond, and for all other purposes, and neither the Issuer, the Borrower, the Trustee, any Paying Agent, the Bond Registrar nor the Authenticating Agent shall be affected by any notice to the contrary. All such payments so made to any such registered owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Bond.

Section 2.10. Mutilated, Destroyed, Lost or Stolen Bonds.

(a) If any Bond shall become mutilated, lost, stolen or destroyed, the affected Bondholder shall be entitled to the issuance of a substitute Bond only as follows:

(1) in the case of a lost, stolen or destroyed Bond, the Bondholder shall (i) provide notice of the loss, theft or destruction to the Issuer, the Borrower and the Trustee within a reasonable time after the Bondholder receives notice of the loss, theft or destruction, (ii) request the issuance of a substitute Bond and (iii) provide evidence, satisfactory to the Issuer, the Borrower and the Trustee, of the ownership and the loss, theft or destruction of the affected Bond;

(2) in the case of a mutilated Bond, the Bondholder shall surrender the Bond to the Trustee for cancellation; and

(3) in all cases, the Bondholder shall provide indemnity against any and all claims arising out of or otherwise related to the issuance of substitute Bonds pursuant to this Section satisfactory to the Issuer, the Borrower and the Trustee.

Upon compliance with the foregoing, a new Bond of like tenor and denomination, executed by the Issuer, shall be authenticated by the Trustee and delivered to the Bondholder, all at the expense of the Bondholder to whom the substitute Bond is delivered. Notwithstanding the foregoing, the Trustee shall not be required to authenticate and deliver any substitute Bond for a Bond which has been called for redemption or which has matured or is about to mature and, in any such case, the principal or redemption price and interest then due or becoming due shall be paid in accordance with the terms of the mutilated, lost, stolen or destroyed Bond without substitution therefor.

(b) Every substituted Bond issued pursuant to this Section 2.10 shall constitute an additional contractual obligation of the Issuer and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued hereunder unless the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by a bona fide purchaser for value without notice. In the event the Bond alleged to have been destroyed, lost or stolen shall be enforceable by anyone, the Issuer may recover the substitute Bond from the Bondholder to whom it was issued or from anyone taking under the Bondholder except a bona fide purchaser for value without notice.

(c) All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or investments or other securities without their surrender.

Section 2.11. Temporary Bonds. Pending preparation of definitive Bonds, or by agreement with the purchasers of all Bonds, the Issuer may issue, and, upon its request, the Trustee shall authenticate, in lieu of definitive Bonds one or more temporary printed or typewritten Bonds of substantially the tenor recited above in any denomination authorized under Section 2.02. Upon request of the Issuer, the Trustee shall authenticate definitive Bonds in

exchange for and upon surrender of an equal principal amount of temporary Bonds. Until so exchanged, temporary Bonds shall have the same rights, remedies and security hereunder as definitive Bonds.

Section 2.12. Cancellation of Surrendered Bonds. Bonds surrendered for payment, redemption, transfer or exchange and Bonds surrendered to the Trustee by the Issuer, or by the Borrower on behalf of the Issuer, for cancellation shall be canceled and destroyed by the Trustee in accordance with the Trustee's destruction policy in effect at such time.

Section 2.13. Source of Payment of Bonds. (i) The Bonds shall be special obligations of the Issuer and the Bond Service Charges thereon shall be payable equally and ratably solely from the Revenues, and (ii) the payment of Bond Service Charges on the Bonds shall be secured by the assignment of and security interest in the Defeasance Account of the Bond Fund, and all deposits and investments thereof, and the grant of a security interest in the Project Fund and all moneys and investments in the Project Fund and the Revenues (other than such accounts of the Bond Fund, all moneys and investments therein) hereunder and by this Indenture.

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## ARTICLE III

### Tender Option Purchase of Bonds

Section 3.01. Tender for Purchase. On the Bond Purchase Date, the Bondholder shall have the option to tender all but not less than all of the Bonds to the Borrower for purchase, at 100% of the principal amount thereof plus accrued interest to the Bond Purchase Date. The purchase price of each such Bond shall be payable in lawful money of the United States of America, and shall be paid in full on the Bond Purchase Date.

Section 3.02. Exercise of Tender Option. To exercise the tender option granted in Section 3.01 hereof, the Bondholder shall give notice to the Borrower and Trustee no less than one hundred twenty (120) days prior to the Bond Purchase Date by telecopy or in writing which states (a) the name and address of the Bondholder, (b) the principal amount and Bond numbers of the Bonds to be purchased by the Borrower, (c) the date on which such Bonds are to be purchased (d) and that such notice is irrevocable.

Section 3.03. Effect of Exercise. Upon the giving of the notice pursuant to Section 3.02 hereof with respect to the Bonds, the Bondholder's tender of such Bonds shall be irrevocable, unless waived in writing by the Bondholder and the Trustee and consented to in writing by the Borrower prior to the Bond Purchase Date.

Section 3.04. Effect of Prior Redemption. Notwithstanding anything herein to the contrary, any Bond tendered under this Article III hereof will not be purchased if such Bond is redeemed prior to the Bond Purchase Date.

Section 3.05. Effect of Failure to Purchase. In the event the Borrower shall fail to purchase on the Bond Purchase Date any Bonds which shall have been tendered for purchase under the provisions of Section 3.01 hereof, such Bonds shall be subject to mandatory redemption in accordance with the provisions of Section 8.08 hereof.

### Section 3.06. Purchase of Bonds; Undelivered Bonds.

(a) On each date Bonds are to be purchased pursuant to Section 3.01, the Trustee shall purchase, but only from the funds listed below, such Bonds from the owners thereof. Funds for the payment of such purchase price shall be derived from Available Moneys deposited by the Borrower into the Redemption Premium Account, if necessary, to pay any premium included in the Purchase Price.

(b) In the event that any holder of a Bond who shall have given notice demanding purchase pursuant to Section 3.01, or which is subject to mandatory purchase pursuant to Section 8.08, shall fail to deliver such Bond to the Trustee at the place and on the applicable date and time specified, or shall fail to deliver such Bond properly endorsed, such Bond shall constitute an Undelivered Bond. If funds in the amount of the purchase price of the Undelivered Bond are available for payment to the holder thereof on the date and at the time specified, from and after the date and time of that required delivery, (i) the Undelivered Bond shall no longer be deemed to be Outstanding under this Indenture; (ii) interest shall no longer accrue thereon; and (iii) funds in the amount of the purchase price of the Undelivered Bonds shall be held by the Trustee,

without liability for interest thereon, for the benefit of the holder thereof (and in no event for the benefit of the Issuer, the Borrower, any Affiliate of any of them, any Insider of the foregoing, or any other party). Neither the Issuer, the Borrower, any Affiliate of any of them nor any Insider of the foregoing shall have any right whatsoever to take control or receive moneys held by the Trustee. Any funds held by the Trustee as described in clause (iii) of the preceding sentence shall be held uninvested. Any moneys deposited with and held by the Trustee not so applied to the payment of Bonds, if any, within two years after the Purchase Date of such Bonds shall be paid by the Trustee to the Borrower and thereafter the former holders of such Bonds shall be entitled to look only to the Borrower for payment, and then only to the extent of the amount so repaid, and the Borrower shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

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## ARTICLE IV

### Project Fund; Proceeds of Bonds

#### Section 4.01. Creation of Project Fund; Proceeds of Bonds.

(a) There is hereby created by the Issuer and ordered maintained as separate deposit accounts (except when invested as provided hereinafter) in the custody of the Trustee, to be maintained on the books and records of the depository or financial institution in the name of the Trustee as the Trustee hereunder, trust funds designated “City of Westfield – Union Street Flats at Grand Junction Apartments Project Fund” (the “Project Fund”). There is hereby created within the Project Fund a trust account designated the “Union Street Flats at Grand Junction Apartments Improvements Account.” Upon closing of the Bonds, \$\_\_\_\_\_ of proceeds of the Bonds shall be placed in the Union Street Flats at Grand Junction Apartments Improvements Account of the Project Fund (which amount excludes \$\_\_\_\_\_ of proceeds of the Bonds retained by the Purchaser as the Purchaser’s fee).

Section 4.02 Disbursements from and Records of Project Fund. Moneys in the Project Fund shall be disbursed in accordance with the provisions of the Agreement. The Trustee is hereby authorized to make each disbursement required by the provisions of the Agreement. Disbursements from the Project Fund shall be made only to reimburse or pay the Borrower, or any person designated by the Borrower, for the Project Costs relating to the Project. Any disbursements from the Project Fund for the payment of Project Costs relating to the Project shall be made by the Trustee only upon the written order signed by the Designated Representative and approved by the City, or in the event of a deemed approval in accordance with Section 3.4 of the Agreement, a Deemed Approved Certificate (as defined in the Agreement). Each such written order shall be in substantially the form of the disbursement request attached as Exhibit C to the Agreement, shall be consecutively numbered and shall be accompanied by invoices or other documentation supporting the payments or reimbursements requested. That amount shall be released to the Borrower, or the person designated by the Borrower, upon receipt by the Trustee of a written direction from the City to release that amount. Notwithstanding anything contained herein, in the event that a disbursement is deemed approved in accordance with Section 3.4 of the Agreement, it shall not contain a City approving signature, but shall instead be accompanied by a Deemed Approved Certificate.

Any moneys remaining in the Project Fund after the payment in full of the Project Costs, promptly shall be used, as directed by the Designated Representative with the approval of the City, for permitted expenditures as set forth in the Agreement.

The Trustee shall cause to be kept and maintained adequate records pertaining to the Project Fund and all disbursements therefrom. If reasonably requested by the Borrower, the Trustee shall file copies of the records pertaining to the Project Fund and disbursements therefrom with the Borrower.

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## ARTICLE V

### Bond Fund; Investment of Funds; Rebate Fund

#### Section 5.01. Bond Fund.

(a) There is hereby created by the Issuer and ordered established as a separate deposit account with the Trustee, to be maintained on the books and records of the depository or financial institution in the name of the Trustee as trustee hereunder, a trust fund to be designated “City of Westfield – Union Street Flats at Grand Junction Apartments Project Bond Fund (the “Bond Fund”), the moneys in which, in accordance with Section 5.01(c), the Trustee shall make available to the Paying Agent or Agents, to pay (i) the principal or redemption price of Bonds as they mature or become due, upon surrender thereof and (ii) the interest on Bonds as they become payable. At the closing of the Bonds, \$\_\_\_\_\_ of the proceeds of the Bonds shall be deposited into the Bond Fund. There are hereby established with the Trustee within the Bond Fund a separate and segregated account, to be designated the “Defeasance Account.”

(b) There shall be deposited in the Bond Fund, as applicable, an amount equal to the payments due on the respective Bonds on the next February 1 or August 1, from the following sources, as and when received, and if applicable, (i) Tax Increment Revenues delivered to the Issuer by the Redevelopment Commission but only with respect to the Bond into the Bond Fund; (ii) [*Reserved*]; (iii) all payments received from the Borrower pursuant to the Note and all payments specified in the Agreement; (iv) any amount remaining in the Project Fund to be transferred to the Bond Fund pursuant to the Indenture upon completion of the Project; (v) all interest and other income derived from investments of Bond Fund moneys as provided herein; and (vi) all other moneys received by the Trustee under and pursuant to any of the provisions of the Agreement which are required or which are accompanied by directions that such moneys are to be paid into the Bond Fund.

The Issuer hereby covenants and agrees that so long as any of the Bonds issued hereunder are outstanding it will deposit, or cause to be paid to Trustee for deposit in the Bond Fund, as applicable, for its account, sufficient sums from revenues and receipts derived from the Tax Increment Revenues actually received by the Issuer from the Redevelopment Commission, the Note and Agreement, promptly to meet and pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable. Nothing herein should be construed as requiring Issuer to deposit or cause to be paid to Trustee for deposit in the Bond Fund, funds from any source other than receipts derived from the Tax Increment Revenues, the Note and the Agreement.

The Trustee shall deposit into the Bond Fund all payments by the Borrower in respect to Bond Service Charges and all other moneys received by the Trustee under and pursuant to the provisions of this Indenture, the Agreement when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Bond Fund and shall deposit into the Defeasance Account of the Bond Fund, all amounts deposited to pay and discharge the Bonds pursuant to Section 15.01 hereof which account shall hold no other moneys.

Neither the Issuer, the Borrower, any Guarantor, any Affiliate of the Borrower or of any Guarantor nor any Insider of any of them shall have any title or other interest beneficial or otherwise, in nor any right whatsoever to take or control (other than the right of the Borrower to direct investments pursuant to Section 5.04 hereof) any of the moneys, investments or earnings in the Defeasance Account or any subaccounts of any of the foregoing accounts, or the moneys and Eligible Investments therein, including any proceeds thereof, all of which shall be held in trust by the Trustee for the sole benefit of the Bondholders, until all Bond Service Charges are paid. If the Bonds are then rated by a Rating Service or Rating Services, no moneys in the Defeasance Account may be used to pay Bond Service Charges on the Bonds until the Borrower delivers to such Rating Service or Rating Services an opinion of nationally recognized counsel experienced in bankruptcy matters to the effect that payments on the Bonds from such moneys will not constitute voidable preferences under the U.S. Bankruptcy Code in the event a petition in bankruptcy is subsequently filed by or against the Borrower or the Issuer.

The Trustee shall establish separate subaccounts within the Defeasance Account for each deposit (including any investment income thereon) made into the Bond Fund so that the Trustee may at all times ascertain the date and source of deposit of the funds in such accounts and the Trustee shall assure moneys having different dates of deposit and held in separate subaccounts shall not be commingled.

(c) Except as provided in Section 10.11, moneys in the Bond Fund shall be used solely for the payment of the principal or redemption price of the Bonds and interest on the Bonds from the following source or sources but only in the following order of priority:

- (i) Available Moneys in the Bond Fund; and
- (ii) any other amounts available in the Bond Fund.

Section 5.02. Revenues to Be Held for All Bondholders; Certain Exceptions. Until applied as provided in this Indenture to the payment of Bonds or transferred to the Borrower pursuant to Section 16.02 or Section 5.07, Revenues shall be held by the Trustee in trust in the Bond Fund for the benefit of the owners of all Outstanding Bonds, except that (i) any portion of the Revenues representing principal or redemption price of any Bonds, and interest on any Bonds previously matured or called for redemption in accordance with Article VIII of this Indenture, shall be held for the benefit of the owners of such Bonds only. Anything in this Indenture to the contrary notwithstanding, neither the Borrower, any Guarantor, any Affiliate of the Borrower or of any Guarantor, nor any Insider of any of the foregoing shall have any right to take, control or receive moneys from the Defeasance Account, or in any subaccounts of any of the foregoing accounts or the moneys and Eligible Investments therein, which shall be held in trust by the Trustee first, for the sole benefit of the holders of the Bonds.

Section 5.03. [Reserved].

Section 5.04. Investment of Project Fund and Bond Fund. Moneys in the Project Fund and the Bond Fund (except moneys in the Defeasance Account) shall be invested and reinvested by the Trustee in Eligible Investments, at the oral (confirmed in writing) or written direction of the Designated Representative, subject to the requirements of Section 3.7 of the Agreement.

Investments of moneys in the Bond Fund shall mature or be redeemable at the option of the Trustee at the times and in the amounts necessary to provide moneys to pay Bond Service Charges as they become due at stated maturity or by redemption.

Subject to any directions from the Designated Representative with respect thereto, from time to time, the Trustee may sell those investments and reinvest the proceeds therefrom in Eligible Investments maturing or redeemable as aforesaid. Any of those investments may be purchased from or sold to the Trustee, the Bond Registrar, an Authenticating Agent or a Paying Agent, or any bank, trust company or savings and loan association affiliated with any of the foregoing. The Trustee shall sell or redeem investments credited to the Bond Fund to produce sufficient moneys applicable hereunder to and at the times required for the purposes of paying Bond Service Charges when due as aforesaid, and shall do so without necessity for any order on behalf of the Issuer and without restriction by reason of any order. An investment made from moneys credited to the Project Fund and Bond Fund shall constitute part of that respective Fund. The Project Fund and Bond Fund shall be credited with all proceeds of sale and income from investment of moneys credited thereto. For purposes of this Indenture, those investments shall be valued at face amount or market value, whichever is less.

Section 5.05. Moneys to be Held in Trust. Except where moneys have been deposited with or paid to the Trustee pursuant to an instrument restricting their application to particular Bonds, all moneys required or permitted to be deposited with or paid to the Trustee or any Paying Agent under any provision of this Indenture or the Agreement and any investments thereof, shall be held by the Trustee or that Paying Agent in trust pursuant to the terms of this Indenture. Except for (i) moneys deposited with or paid to the Trustee or any Paying Agent for the redemption of Bonds, notice of the redemption of which shall have been duly given, (ii) moneys held by the Trustee pursuant to Section 3.06(b) hereof, and (iii) moneys in the Rebate Fund, all moneys described in the preceding sentence held by the Trustee or any Paying Agent shall be subject to the provisions hereof while so held.

Section 5.06. [Reserved].

Section 5.07. Repayment to the Borrower from Amounts Remaining in the Bond Fund. Any amounts remaining in the Bond Fund (i) after all of the outstanding Bonds shall be deemed paid and discharged under the provisions of this Indenture, and (ii) after payment of all fees, charges and expenses of the Trustee, the Registrar and any Paying Agents or Authenticating Agents and of all other amounts required to be paid under this Indenture and the Agreement, shall be paid to the Borrower as provided in Section 8.2 of the Agreement to the extent that those amounts are in excess of those necessary to effect the payment and discharge of the outstanding Bonds and otherwise shall be paid to the Borrower.

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ARTICLE VI

*[Reserved]*

## ARTICLE VII

### Investment or Deposit of Moneys

Section 7.01. Deposits. All moneys received by the Trustee under this Indenture shall be held by the Trustee as secured party for the benefit of the Bondholders until or unless invested or deposited as provided in Section 5.04. All deposits with the Trustee shall be secured as required by applicable law for such trust deposits. The Trustee may deposit such moneys with any other depository which is authorized to receive them and is subject to supervision by public banking authorities.

Section 7.02. Project Fund and Bond Fund as Deposit Accounts or Securities Accounts. All money and investments in, or investments of monies in, the Project Fund and Bond Fund shall be maintained at all times in a separate account. For purposes of the Uniform Commercial Code as in effect in Indiana, the Trustee shall at all times maintain the Project Fund and Bond Fund as a “securities account” or a “deposit account” (as the case may be) in the “control” of the Trustee consistent with the Indenture and the Trustee, or any department or division of the Trustee, shall act as the “securities intermediary” as to such securities account or shall by the depository bank with respect to any deposit account. The Trustee hereby agrees that, as securities intermediary, it (i) will treat all property in the securities accounts as “financial assets” and (ii) will not enter into any security, custody, account control, or other agreement under which it agrees to comply with “entitlement orders” originated from any other party with respect to money and investments in the Project Fund and Bond Fund other than with the Bank, if the Bank is the registered owner of the Bonds. The financial assets in the Project Fund and Bond Fund will not be subject to deduction, lien set-off, banker’s lien, or any other right in favor of any person other than the Trustee under this Indenture for the benefit of the Bondholders and itself (including for any ordinary fees and charges in connection with maintaining such securities accounts). The Trustee shall at all times cause all deposits, accounts, subaccounts, funds and investments to be held in its name as Trustee hereunder so as to establish “control” required for purposes of perfection under the Uniform Commercial Code as in effect in the State of Indiana from time to time. For purposes of this Indenture, the terms “control,” “financial assets,” “entitlement order,” “securities account,” and “securities intermediary” shall have the meaning ascribed to them in the Uniform Commercial Code as in effect in Indiana from time to time, and perfection and priority shall be governed by applicable Indiana law.

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## ARTICLE VIII

### Redemption of Bonds

Section 8.01. Redemption Dates and Prices. The Bonds shall be subject to redemption prior to maturity in the amounts, at the times and in the manner provided in this Article VIII. Payments of the redemption price of any Bond shall be made in immediately available funds on the redemption date and, except as otherwise provided in Section 2.08 hereof, only upon the surrender to the Paying Agent of any Bond so redeemed.

(a) *[Reserved]*.

(b) The Bonds shall be subject to redemption at the option of the Issuer, upon the direction of the Borrower, in whole or in part on any date, at a redemption price of 100% of the principal amount thereof plus the accrued interest thereon to the date of redemption, which redemption price shall be paid in accordance with Section 2.08 hereof and Section 4.1 of the Agreement.

(c) *[Reserved]*.

(d) Extraordinary Optional Redemption. The Bonds shall be subject to redemption by the Issuer, upon the direction of the Borrower, at any time in whole, at a redemption price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date upon occurrence of any of the events described in Section 6.2 of the Agreement. Any such redemption shall be made not more than 1 year from the date of such determination by the Borrower.

(e) *[Reserved]*.

(f) *[Reserved]*.

Section 8.02. Issuer Direction of Optional Redemption. The Trustee shall call the Bonds for optional redemption when and only when it shall have been notified by the Issuer to do so, at the direction of the Borrower, or by written notice from the Borrower to the Trustee and the Bank on behalf of the Issuer. The Trustee shall only call Bonds for optional redemption if it has Available Moneys in the Defeasance Account of the Bond Fund or will receive Available Moneys from the proceeds of refunding bonds, in the aggregate, sufficient to pay the redemption price of the Bonds to be called for redemption, plus accrued interest thereon. Notice of any optional redemption shall specify the principal amount of Bonds to be redeemed and the redemption date. The Issuer will give notice to the Trustee at least 5 days prior to the day on which the Trustee is required to give notice of such optional redemption to the Bondholders.

Section 8.03. Selection of Bonds to be Called for Redemption. Except as otherwise provided herein or in the Bonds, if less than all the Bonds are to be redeemed, the particular Bonds to be called for redemption shall be selected by any method determined by the Trustee to be fair and reasonable. The Trustee shall treat any Bond of a denomination greater than \$5,000 as representing that number of separate Bonds each of the denomination of \$5,000 as can be obtained by dividing the actual principal amount of such Bond by \$5,000; provided that at any

time, no \$5,000 portion of a Bond shall be redeemed if it results in the unredeemed portion of the Bond being less than \$100,000.

Section 8.04. Notice of Redemption.

(a) When required to redeem Bonds under any provision of this Article VIII, or when directed to do so by the Issuer or the Borrower on behalf of the Issuer, the Trustee shall cause notice of the redemption to be given by first class mail, postage prepaid, to all registered owners of Bonds to be redeemed at their registered addresses not more than 60 and not fewer than 30 days prior to the redemption date. Failure to mail any such notice or defect in the mailing thereof in respect of any Bond shall not affect the validity of the redemption of any other Bond. Notices of such redemptions shall also be mailed to the Rating Service, if the Bonds are then rated by a Rating Service. Any such notice shall be given in the name of the Borrower, shall identify the Bonds to be redeemed (and, in the case of partial redemption of any Bonds, the respective principal amounts thereof to be redeemed), shall specify the redemption date and the redemption price and when any interest accrued to the redemption date will be payable, and shall state that on the redemption date the redemption price of the Bonds called for redemption will be payable and from that date interest will cease to accrue. The Trustee shall at all reasonable times make available to any interested party complete information as to Bonds which have been redeemed or called for redemption. The payment of the redemption price of the Bonds called for redemption shall be made in the same manner as the payment of principal of and interest on the Bonds as provided in Section 2.08 of this Indenture.

(b) If at the time of mailing of notice of any optional redemption in connection with a refunding of the Bonds the Borrower shall not have deposited with the Trustee moneys sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional in that it is subject to the deposit of the proceeds of refunding notes with the Trustee not later than the redemption date, and such notice and such optional redemption shall be of no effect unless such moneys are so deposited.

(c) Notice of any redemption hereunder with respect to Bonds held under a book entry system shall be given by the Registrar or the Trustee only to the Depository, or its nominee, as the holder of such Bonds. Selection of book entry interests in the Bonds called for redemption is the responsibility of the Depository and any failure of any Direct Participant, Indirect Participant or Beneficial Owner to receive such notice and its contents or effect will not affect the validity of such notice or any proceedings for the redemption of such Bonds.

Section 8.05. Bonds Redeemed in Part. While the Bonds are held in the custody of Bondholder, any Bond which is to be redeemed only in part may be surrendered at a place stated for the surrender of Bonds called for redemption in the notice provided for in Section 8.04 (with due endorsement by, or a written instrument of transfer in form satisfactory to the Trustee duly executed by, the owner thereof or his attorney duly authorized in writing) and the Issuer may execute and the Trustee may authenticate and deliver to the owner of such Bond without service charge, a new Bond or Bonds, of any authorized denomination as requested by such owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered, provided, however, that surrender of Bonds shall not be required to effectuate any redemption hereunder. In lieu of a physical surrender of the Bonds, the Bondholder shall note the redemption date, principal amount redeemed on such date and the

current outstanding principal amount of Bonds on the Redemption Register attached to the Bond upon any redemption in part; provided, further, that failure to complete the Redemption Register shall not affect the validity of any partial redemption of the Bonds. While the Bonds are held by a Depository, if less than all of an outstanding Bond of one maturity in a book entry system is to be called for redemption, the Trustee shall give notice to the Depository or the nominee of the Depository that is the holder of such Bond, and the selection of the beneficial interests in that Bond to be redeemed shall be at the sole discretion of the Depository and its participants.

Section 8.06. Mandatory Sinking Fund Redemption. The Bonds are subject to mandatory redemption prior to stated maturity as follows:

(a) The Bonds maturing on February 1, 2032 (the “Term Bonds”), are subject to mandatory sinking fund redemption prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest, on the dates and in the amounts set forth below:

| <u>Date</u>      | <u>Amount</u>           |
|------------------|-------------------------|
| August 1, 2017   | \$45,000                |
| February 1, 2018 | 50,000                  |
| August 1, 2018   | 50,000                  |
| February 1, 2019 | 50,000                  |
| August 1, 2019   | 50,000                  |
| February 1, 2020 | 55,000                  |
| August 1, 2020   | 55,000                  |
| February 1, 2021 | 55,000                  |
| August 1, 2021   | 55,000                  |
| February 1, 2022 | 60,000                  |
| August 1, 2022   | 60,000                  |
| February 1, 2023 | 60,000                  |
| August 1, 2023   | 60,000                  |
| February 1, 2024 | 65,000                  |
| August 1, 2024   | 65,000                  |
| February 1, 2025 | 65,000                  |
| August 1, 2025   | 65,000                  |
| February 1, 2026 | 70,000                  |
| August 1, 2026   | 70,000                  |
| February 1, 2027 | 75,000                  |
| August 1, 2027   | 75,000                  |
| February 1, 2028 | 75,000                  |
| August 1, 2028   | 75,000                  |
| February 1, 2029 | 80,000                  |
| August 1, 2029   | 80,000                  |
| February 1, 2030 | 85,000                  |
| August 1, 2030   | 85,000                  |
| February 1, 2031 | 85,000                  |
| August 1, 2031   | 90,000                  |
| February 1, 2032 | 90,000 (final maturity) |

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

Section 8.07. Purchase in Lieu of Redemption. The Issuer and, by their acceptance of the Bonds, the Bondholders, irrevocably grant to the Borrower the option to purchase any Bond which is redeemable by optional redemption pursuant to Section 8.01 at a purchase price no less than the redemption price to be paid to Bondholders upon optional redemption. The Borrower may exercise such option by written request delivered to the Trustee within the time period specified in Section 8.04 as though such written request were a written request of the Issuer for redemption, and the Trustee shall thereupon give the owners of the Bonds to be purchased notice of such purchase in the manner specified in such Section as though such purchase were a redemption and the purchase of such Bonds shall be mandatory and enforceable against the Bondholders. On the date fixed for purchase pursuant to any exercise of such option, the purchase price of the Bonds then being purchased shall be paid to the Bondholders by the Trustee from immediately available funds provided by the Borrower, and the Trustee shall pay the same to the Bondholders of such Bonds against delivery. Following such purchase, the Trustee shall cause such Bonds to be registered in the name of the Borrower or its nominee and shall deliver them to the Borrower or its nominee. In the case of the purchase of less than all of the Bonds, the particular Bonds to be purchased shall be selected in accordance with the provisions of the Indenture as though such purchase were a redemption; or in such other manner as the Borrower shall direct, provided such selection method is described in the written request to the Trustee. No purchase of Bonds pursuant to this paragraph shall operate to extinguish the indebtedness evidenced by the purchased Bonds.

Section 8.08. Mandatory Redemption Upon Failure to Purchase Tendered Bond. The Bonds are subject to mandatory redemption in whole at a redemption price equal to the principal amount thereof, together with accrued interest thereon to the redemption date, in the event the Borrower shall fail to purchase on the Bond Purchase Date any Bonds which shall have been tendered for purchase under the provisions of Section 3.01 hereof. The redemption date shall be the Bond Purchase Date on which the Borrower shall fail to purchase the Bonds which have been tendered for purchase in accordance with Article III hereof.

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## ARTICLE IX

### Covenants and Agreements of the Issuer

Section 9.01. Covenants and Agreements of the Issuer. In addition to any other covenants and agreements of the Issuer contained in this Indenture or the Bond Legislation, the Issuer further covenants and agrees with the Bondholders and the Trustee as follows:

(a) Payment of Bond Service Charges. The Issuer will cause to be paid all Bond Service Charges solely from the Revenues as provided herein, on the dates, at the places and in the manner provided in this Indenture. The Issuer and any of its officials, officers or employees shall have no monetary liability arising out of the obligations of the Issuer hereunder or in connection with any covenant, representation or warranty made by the Issuer herein, and neither the Issuer nor its officials shall be obligated to pay any amounts in connection with the transactions contemplated hereby other than from Revenues or other moneys received from the Borrower.

(b) Revenues and Assignment of Revenues. The Issuer will not pledge, assign or grant a security interest in the Revenues or create or authorize to be created any debt, lien or charge thereon, other than the pledge and assignment thereof and grant of a security interest therein under this Indenture.

(c) Recordings and Filings. At the expense of the Borrower, the Issuer will reasonably cooperate with the Borrower in order for the Borrower to perform its obligation to cause this Indenture, and any related instruments or documents relating to the assignment made and security interest granted by it under this Indenture to secure the Bonds, to be recorded and filed in the manner and in the places which may be required by law in order to preserve and protect fully the security of the Bondholders and the rights of the Trustee hereunder. The Trustee shall be entitled to request and receive from the Borrower, no less frequently than each fifth (5th) anniversary of the date of issuance of the Bonds, an opinion of counsel, addressed to the Trustee, stating that all such necessary recordings or filings have been completed at the Borrower's expense. The Issuer is not responsible for the preparation, filing or recording any instrument, document or financing statement or for the maintenance of any security interest intended to be perfected thereby. Upon request by the Borrower, the Issuer will execute such instruments in connection with such filing or recording.

(d) Inspection of Project Books. All books, instruments and documents in the Issuer's possession directly relating to the Project and the Revenues shall be open to inspection at all times during the Issuer's regular business hours by any accountants or other agents of the Trustee which the Trustee may designate from time to time.

(e) Register. At reasonable times and under reasonable regulations established by the Registrar, the Register may be inspected and copied by the Borrower, the Trustee, by Bondholders of 25% or more in principal amount of the Bonds then outstanding, or a designated representative thereof.

(f) Rights and Enforcement of the Agreement. The Trustee may enforce, in its name or in the name of the Issuer, all rights of the Issuer for and on behalf of the Bondholders, except

for Unassigned Issuer's Rights, and may enforce all covenants, agreements and obligations of the Borrower under and pursuant to the Agreement, regardless of whether the Issuer is in default in the pursuit or enforcement of those rights, covenants, agreements or obligations. The Issuer, however, will do all things and take all actions on its part necessary to comply with covenants, agreements, obligations, duties and responsibilities on its part to be observed or performed under the Agreement, and will take all actions within its authority to keep the Agreement in effect in accordance with the terms thereof.

(g) *[Reserved]*.

(h) Financial Covenants. So long as the Bonds are held by the Bank, the Issuer covenants to (i) provide to the Trustee and the Bank within 120 days of the close of each fiscal year of the Issuer (A) audited financial statements of the Issuer, (B) an annual report prepared by the Issuer's financial advisor concerning Tax Increment Revenues available to the Issuer in such year and debt service coverage on obligations of the Issuer payable from such Tax Increment Revenues and (C) a report of current year (1) taxes levied and collected, (2) assessed value and (3) top ten taxpayers; and (ii) maintain Tax Increment Revenues available for debt service on the Bonds at a level equal to or exceeding 1.25 times the fully amortized debt service on the Bonds.

Section 9.02. Observance and Performance of Covenants, Agreements, Authority and Actions. The Issuer will observe and perform faithfully at all times all covenants, agreements, authority, actions, undertakings, stipulations and provisions to be observed or performed on its part under the Agreement, this Indenture, the Bond Legislation and the Bonds which are executed, authenticated and delivered under this Indenture, and under all proceedings of its Legislative Authority pertaining thereto.

The Issuer represents and warrants that:

(a) It is duly authorized by the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Bonds, to execute and deliver this Indenture and the Agreement and to provide the security for payment of the Bond Service Charges in the manner and to the extent set forth in this Indenture.

(b) All actions required on its part to be performed for the issuance, sale and delivery of the Bonds and for the execution and delivery of this Indenture and the Agreement have been or will be taken duly and effectively.

(c) The Bonds will be valid and enforceable special obligations of the Issuer according to their terms.

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## ARTICLE X

### Events of Default and Remedies

Section 10.01. Events of Default Defined. Each of the following shall be an “Event of Default” hereunder:

(a) Payment of the principal or redemption price of any Bond is not made when it becomes due and payable hereunder at maturity or upon call for redemption; or

(b) Payment of any interest on any Bond is not made when it becomes due and payable hereunder; or

(c) Failure by the Issuer to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than any such failure which results in an Event of Default under Section 10.01(a), (b) or (f) of this Indenture, for a period of 30 days after written notice of such failure requesting such failure to be remedied, given to the Issuer and the Borrower by the Trustee, unless the Trustee shall agree in writing to an extension of such time prior to its expiration, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of the Bondholders of not less than 25 percent in aggregate principal amount of Bonds then outstanding; or

(d) If Trustee receives notice from the Bank, if the Bank is the registered owner of the Bonds, that an Event of Default has occurred and is continuing and the Trustee is to accelerate the maturity of the Bonds; or

(e) *[Reserved]*; or

(f) If payment of the purchase price of any Bond required to be purchased pursuant to Section 3.01 is not made when such payment becomes due and payable hereunder; or

(g) *[Reserved]*; or

(h) *[Reserved]*; or

(i) The occurrence and continuance of an Event of Default as defined in Section 7.1 of the Agreement; or

(j) The Issuer shall fail to apply collected Tax Increment Revenues or COIT Revenues as required by Article V of this Indenture.

Section 10.02. Acceleration and Annulment Thereof. If any Event of Default under Section 10.01(f) occurs, then the Trustee shall immediately declare the principal of all Bonds then Outstanding immediately due and payable at the place of payment provided in such declaration without notice, declaration, or demand, anything in this Indenture or in the Bonds to the contrary notwithstanding. The Issuer’s obligation to pay Tax Increment Revenues with respect to the Bonds shall not be subject to acceleration. If any Event of Default under Section 10.01(d) occurs, then either, at the direction of the Bank (i) the Trustee shall immediately declare

the principal of all Bonds then Outstanding immediately due and payable, and upon such declaration the said principal, together with interest accrued thereon to the date of acceleration, shall become immediately due and payable at the place of payment provided in such declaration without notice, declaration, or demand, anything in this Indenture or in the Bonds to the contrary notwithstanding, or (ii) the Bank shall exercise its option to demand the purchase of the Bonds pursuant to Section 3.01 hereof. If any other Event of Default occurs and is continuing, the Trustee may, and upon request of the owners of 25% in principal amount of all Bonds then Outstanding shall, by notice in writing to the Issuer and the Borrower, declare the principal of all Bonds then Outstanding to be immediately due and payable; and upon such declaration the said principal, together with interest accrued thereon to the date of payment, shall become due and payable immediately at the place of payment provided therein, anything in the Indenture or in the Bonds to the contrary notwithstanding. Upon the occurrence of any acceleration hereunder, the Trustee shall immediately exercise such rights as it may have under (i) this Indenture to declare all payments hereunder and under the Bonds to be due and payable immediately and (ii) under the Agreement to declare all payments thereunder to be due and payable immediately.

Immediately after any acceleration hereunder, the Trustee, to the extent it has not already done so, shall notify in writing the Issuer, the Borrower and the Rating Service, if applicable, of the occurrence of such acceleration. Within 5 days of the occurrence of any declaration of acceleration hereunder, the Trustee shall notify by first class mail, postage prepaid, the owners of all Bonds Outstanding of the occurrence of such acceleration.

If, after the principal of the Bonds has become due and payable, all arrears of interest upon the Bonds are paid by the Borrower, and the Borrower also performs all other things in respect to which it may have been in default hereunder and pays the reasonable charges of the Trustee and the Bondholders, including reasonable attorneys' fees, then, and in every such case, the owners of a majority in principal amount of the Bonds then Outstanding, by notice to the Borrower and to the Trustee, may annul such acceleration and its consequences, and such annulment shall be binding upon the Trustee and upon all owners of Bonds issued hereunder; provided, however, that the Trustee shall not annul any declaration resulting from an Event of Default specified in Section 10.01(d) without the prior written consent of the Bank. No such annulment shall extend to or affect any subsequent default or impair any right or remedy consequent thereon. The Trustee shall forward a copy of any notice from Bondholders received by it pursuant to this paragraph to the Borrower. Immediately upon such annulment, the Trustee shall cancel, by notice to the Issuer and the Borrower, any demand for acceleration of payments hereunder and under the Bonds made by the Trustee pursuant to this Section 10.02. The Trustee shall promptly give written notice of such annulment to the Issuer and the Borrower and, if notice of the acceleration of the Bonds shall have been given to the Bondholders, shall give notice thereof to the Bondholders.

Section 10.03. Other Remedies. If any Event of Default occurs and is continuing, the Trustee, before or after the principal of the Bonds becomes immediately due and payable, may enforce each and every right granted to it under this Indenture and under any supplements or amendments hereto or the Agreement. In exercising such rights, the Trustee shall take such action as, in the judgment of the Trustee applying the standards described in Section 11.06, would best serve the interests of the Bondholders.

As assignee of the Agreement (except for the Unassigned Issuer's Rights), the Trustee is empowered to enforce each remedy, right and power granted to the Issuer under the Agreement. In exercising any remedy, right or power thereunder or hereunder, the Trustee shall take any action which would best serve the interests of the Bondholders in the judgment of the Trustee.

Section 10.04. Legal Proceedings by Trustee. If any Event of Default has occurred and is continuing, the Trustee in its discretion may, and upon the written request of the owners of 25% in principal amount of all Bonds then Outstanding and receipt of indemnity to its satisfaction shall, in its own name:

A. By mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders;

B. *[Reserved]*;

C. By action or suit in equity require the Borrower to account as if it were the trustee of an express trust for the Bondholders; and

D. By action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders.

Section 10.05. Discontinuance of Proceedings by Trustee. If any proceeding commenced by the Trustee on account of any default is discontinued or is determined adversely to the Trustee, then the Borrower, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder as though no such proceedings had been commenced.

Section 10.06. Bondholders May Direct Proceedings. The owners of a majority in principal amount of the Bonds Outstanding shall have the right, after furnishing indemnity satisfactory to the Trustee, to direct the method and place of conducting all remedial proceedings by the Trustee hereunder, provided that such direction shall not be in conflict with any rule of law or with this Indenture or unduly prejudice the rights of minority Bondholders.

Section 10.07. Limitations on Actions by Bondholders. No Bondholder shall have any right to pursue any other remedy hereunder unless:

- (a) the Trustee shall have been given written notice of an Event of Default,
- (b) the owners of at least 25% in principal amount of all Bonds then Outstanding shall have requested the Trustee, in writing, to exercise the powers hereinabove granted or to pursue such remedy in its or their name or names,
- (c) the Trustee shall have been offered indemnity satisfactory to it against costs, expenses and liabilities, except that no offer of indemnification shall be required for a declaration of acceleration under Section 10.02, and
- (d) the Trustee shall have failed to comply with such request within a reasonable time.

Section 10.08. Trustee May Enforce Rights Without Possession of Bonds. All rights under the Indenture and the Bonds may be enforced by the Trustee without the possession of any Bonds or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the Trustee shall be brought in its name for the ratable benefit of the owners of the Bonds.

Section 10.09. Remedies Not Exclusive. No remedy herein conferred is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 10.10. Delays and Omissions Not to Impair Rights. No delays or omission in respect of exercising any right or power accruing upon any default shall impair such right or power or be a waiver of such default, and every remedy given by this Article X may be exercised from time to time and as often as may be deemed expedient.

Section 10.11. Application of Moneys in Event of Default. Any moneys received by the Trustee under this Article X shall be applied in the following order:

A. To the payment of the reasonable costs of the Trustee, including counsel fees, any disbursements of the Trustee with interest thereon at the rate of 12% per annum and its reasonable compensation; and

B. To the payment of principal or redemption price (as the case may be) and interest then owing on the Bonds, and in case such moneys shall be insufficient to pay the same in full, then to the payment of principal or redemption price and interest ratably, without preference or priority of one over another or of any installment of interest over any other installment of interest;

C. *[Reserved]*;

D. To the payment of reasonable costs and expenses of the Bank, including counsel fees, incurred in connection with the Event of Default; and

E. To the payment of the balance, if any, to the Borrower or its successors or assigns, upon the written request of the Borrower or to whomsoever may be lawfully entitled to receive the same upon its written request, or as any court of competent jurisdiction may direct, except for any remaining Tax Incremental Revenues which shall be paid to the Redevelopment Commission.

Section 10.12. *[Reserved]*.

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## ARTICLE XI

### The Trustee

Section 11.01. Acceptance of Trust. The Trustee accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article, to all of which the parties hereto and the Bondholders agree.

Section 11.02. No Responsibility for Recitals, etc. The recitals, statements and representations in the Indenture or in the Bonds, save only the Trustee's Certificate of Authentication upon the Bonds, have been made by the Issuer and not by the Trustee; and the Trustee shall be under no responsibility for the correctness thereof, or for the validity, priority, recording or re-recording, filing or re-filing of this Indenture or the Agreement or any financing statements, amendments thereto or continuation statements, or for insuring the Project or collecting any insurance moneys, or for the validity of the execution by the Issuer of this Indenture or of any supplements thereto or instruments of further assurance, or for the validity or sufficiency of the security afforded by this Indenture or the Bonds issued hereunder or intended to be secured hereby, or as to the maintenance of the security hereof. The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Issuer or on the part of the Issuer hereunder, except as expressly provided herein or in the Agreement. Except as otherwise expressly provided herein, the Trustee shall have no obligation to perform any of the duties of the Issuer under the Agreement.

The Trustee shall not be accountable for the application of the proceeds of any Bonds authenticated or delivered hereunder which has been made by or on behalf of the Issuer or the Borrower.

The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

Unless otherwise provided herein, all moneys received by the Trustee under this Indenture shall be held in trust for the purposes for which those moneys were received, until those moneys are used, applied or invested as provided herein; provided, that those moneys (other than such moneys as are required by the terms hereof to be deposited into the Defeasance Account in the Bond Fund and proceeds received from the remarketing of the Bonds) need not be segregated from other moneys, except to the extent required by this Indenture or by law. The Trustee shall not have any liability for interest on any moneys received hereunder, except to the extent expressly provided herein or agreed with the Issuer or the Borrower.

Section 11.03. Trustee May Act Through Agents; Answerable Only for Willful Misconduct or Negligence. The Trustee may exercise any powers hereunder and perform any duties required of it through attorneys, agents, officers or employees, and shall be entitled to advice of Counsel concerning all questions hereunder. The Trustee shall not be answerable for the default or misconduct of any attorney or agent selected by it with reasonable care. Except as otherwise provided herein, the Trustee shall not be answerable for the exercise of any discretion or power under the Indenture nor for anything whatsoever in connection with the trust hereunder, except only its own willful misconduct or negligence.

Section 11.04. Compensation and Indemnity. (a) The Borrower shall pay the Trustee reasonable compensation for its services hereunder, and also all its reasonable expenses and disbursements, including the reasonable fees and out-of-pocket expenses of counsel for the Trustee, as provided in the Agreement. If the Borrower shall have failed to make any such payment, the Trustee shall have, in addition to any other rights hereunder, a claim, prior to the Bondholders, for the payment of its compensation and indemnification and the reimbursement of its expenses and any advances made by it upon the moneys and obligations in the Bond Fund, except for moneys or obligations held by the Trustee for the payment of particular Bonds.

(b) The Borrower agrees to indemnify the Trustee for and to hold the Trustee harmless against all liabilities, claims, costs, losses and expenses incurred without negligence or bad faith on the part of the Trustee on account of any action taken or omitted to be taken by the Trustee in accordance with the terms of this Indenture or the Bonds, or at the request of or with the consent of the Borrower, including, without limitation, the costs and expenses of the Trustee in defending itself against any action, claim or proceeding in connection with any of the foregoing. The foregoing indemnification shall survive the resignation or termination of the Trustee and the final maturity of the Bonds.

Section 11.05. Notice of Default; Right to Investigate. The Trustee shall, within 10 days after the occurrence of an Event of Default, give written notice by first class mail to registered owners of Bonds and to the Issuer, the Borrower and the Remarketing Agent of all Defaults known to the Trustee, unless such Defaults have been remedied; provided that in the case of a Default under Section 10.01, the Trustee may withhold such notice so long as it in good faith determines that such withholding is in the interest of the Bondholders. The Trustee shall not be deemed to have notice of any Default under Section 10.01 (other than payment Defaults) unless notified in writing of such Default by the owners of at least 25% in principal amount of all Bonds then Outstanding. The Trustee may, however, at any time require of the Issuer, or the Borrower on behalf of the Issuer, full information as to the performance of any covenant hereunder; and, if information satisfactory to it is not forthcoming, the Trustee may make or cause to be made, at the expense of the Borrower, an investigation into the affairs of the Borrower related to this Indenture.

Section 11.06. Obligation to Act. Except during the continuance of an Event of Default, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee. If any Event of Default shall have occurred and be continuing, the Trustee shall exercise such of the rights and remedies vested in it by this Indenture and shall use the same degree of care in its exercise as a prudent person would exercise or use in the circumstances in the conduct of his own affairs. The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Bondholders pursuant to this Indenture (other than the Trustee's obligation to make payments when due to Bondholders from funds available under this Indenture and accelerate the Bonds when required by Article X of this Indenture) unless such Bondholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred in compliance with such request or direction.

Section 11.07. Reliance. The Trustee may act on any requisition, resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, note, or other paper or document which it in good faith believes to be genuine and to have been passed or signed by the proper persons or to have been prepared and furnished pursuant to any of the provisions of the Indenture; and the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement.

Section 11.08. Trustee May Deal in Bonds. The Trustee may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Bondholders may be entitled to take with like effect as if the Trustee were not a party to this Indenture. The Trustee may also engage in or be interested in any financial or other transaction with the Issuer or the Borrower; provided that if the Trustee determines that any such relation is in conflict with its duties under this Indenture, it shall eliminate the conflict or resign as Trustee.

Section 11.09. Construction of Ambiguous Provisions. The Trustee may construe any ambiguous or inconsistent provisions of the Indenture, and any construction by the Trustee shall be binding upon the Bondholders.

Section 11.10. Resignation of Trustee. The Trustee may resign and be discharged of the trusts created by the Indenture by written resignation filed with the Issuer and the Borrower not fewer than 30 days before the date when it is to take effect; provided that notice of such resignation is mailed to the owners of the Bonds not fewer than three weeks prior to the date when the resignation is to take effect and that such resignation shall take effect only subsequent to the acceptance of the appointment by a successor trustee. The Borrower shall provide notice of the appointment of a successor trustee to the Rating Service.

Section 11.11. Removal of Trustee. Any Trustee hereunder may be removed at any time by an instrument appointing a successor to the Trustee so removed, executed by the owners of a majority in principal amount of the Bonds then Outstanding and filed with the Trustee, the Borrower and the Issuer.

The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent jurisdiction upon the application of the Issuer or the owners of not less than 20 percent in aggregate principal amount of the Bonds Outstanding.

No removal shall take effect until a successor Trustee has accepted its appointment pursuant to Section 11.12 hereof. The Borrower shall provide notice of the appointment of a successor trustee to the Rating Service.

Section 11.12. Appointment of Successor Trustee. If the Trustee or any successor trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or administrative body, a vacancy shall forthwith exist in the office of the Trustee, and the Issuer, with the consent of the Bank, if the Bank is the Bondholder, which consent shall not be unreasonably withheld, shall appoint a successor and shall mail notice of

such appointment to registered owners of the Bonds. The Borrower shall provide notice of the appointment of a successor trustee to the Rating Service. If the Issuer fails to make such appointment promptly, the owners of a majority in principal amount of the Bonds then Outstanding may do so.

If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section 11.12, the holder of any Bond outstanding hereunder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any as such court may deem proper and prescribe, appoint a successor Trustee.

Section 11.13. Qualification of Successor. A successor trustee shall be a national banking association with trust powers or a bank and trust company or a trust company having capital and surplus of at least \$20,000,000 (or a combined capital and surplus in excess of \$5,000,000 and the obligations of which, whether now in existence or hereafter incurred, are fully guaranteed by a corporation organized and doing business under the laws of the United States, and State or Territory thereof or of the District of Columbia, that has a combined capital and surplus of at least \$50,000,000), if there be one able and willing to accept the trust on reasonable and customary terms.

Section 11.14. Instruments of Succession. Any successor trustee shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder; and thereupon such successor trustee, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in the trust hereunder, with like effect as if originally named Trustee herein. The Trustee ceasing to act hereunder shall pay over to the successor trustee all moneys held by it hereunder; and, upon request of the successor trustee, the Trustee ceasing to act and the Issuer shall execute and deliver an instrument transferring to the successor trustee all the estates, properties, rights, powers and trusts hereunder of the Trustee ceasing to act.

Section 11.15. Merger of Trustee. Any corporation into which any Trustee hereunder may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Trustee hereunder shall be a party, shall be the successor trustee under the Indenture, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 11.16. Trustee Not Required to Expend or Risk Own Funds. No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

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ARTICLE XII

*[Reserved]*

## ARTICLE XIII

### Acts of Bondholders; Evidence of Ownership

Section 13.01. Acts of Bondholders; Evidence of Ownership. Any action to be taken by Bondholders may be evidenced by one or more concurrent written instruments of similar tenor signed or executed by such Bondholders in person or by agent appointed in writing. The fact and date of the execution by any person of any such instrument may be proved by acknowledgment before a notary public or other officer empowered to take acknowledgments or by an affidavit of a witness to such execution. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the person executing the same, may also be proved in any other manner which the Trustee deems sufficient. The ownership of the Bonds shall be proved by the Bond Register. Any action by the owner of any Bond shall bind all future owners of the same Bond in respect of anything done or suffered by the Issuer or the Trustee in pursuance thereof.

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## ARTICLE XIV

### Amendments and Supplements

Section 14.01. Amendments and Supplements Without Bondholders' Consent. This Indenture may be amended or supplemented at any time and from time to time, without the consent of the Bondholders (except when the Bank is the Bondholder, in which case the consent of the Bank shall always be required, which consent shall not be withheld unreasonably), which consent shall not be withheld unreasonably, by a supplemental indenture authorized by a resolution of the Issuer, executed by the Issuer and the Trustee and filed with the Trustee, for one or more of the following purposes:

(a) to add additional covenants of the Issuer or to surrender any right or power herein conferred upon the Issuer;

(b) for any purpose not inconsistent with the terms of this Indenture or to cure any ambiguity or to correct or supplement any provision contained herein or in any supplemental indenture which may be defective or inconsistent with any other provision contained herein or in any supplemental indenture, or to make such other provisions in regard to matters or questions arising under this Indenture which shall not adversely affect the interests of the owners of the Bonds;

(c) to permit the Bonds to be converted to certificateless securities or securities represented by a master certificate held in trust, ownership of which, in either case, is evidenced by book entries on the books of the Bond Registrar, for any period of time;

(d) to permit the appointment of a co-trustee under this Indenture;

(e) to authorize different authorized denominations of the Bonds and to make correlative amendments and modifications to this Indenture regarding exchangeability of Bonds of different authorized denominations, redemptions of portions of Bonds of particular authorized denominations and similar amendments and modifications of a technical nature;

(f) to modify, alter, supplement or amend this Indenture in such manner as shall permit the qualification hereof under the Trust Indenture Act of 1939, as from time to time amended;

(g) to modify, alter, amend or supplement this Indenture in any other respect which is not materially adverse to the Bondholders; or

(h) *[Reserved]*.

Before the Issuer and the Trustee shall enter into any supplemental indenture pursuant to this Section 14.01, there shall have been delivered to the Trustee an opinion of Counsel stating that such supplemental indenture is authorized under this Indenture, and that such supplemental indenture will, upon the execution and delivery thereof, be valid and binding upon the Issuer in accordance with its terms. The Trustee shall provide notice to the Rating Service and

Bondholders of any material amendment or supplement to the Indenture pursuant to this Section 14.01.

Section 14.02. Amendments with Bondholders' Consent. This Indenture may be amended from time to time, except with respect to (1) the principal, redemption price, purchase price, interest payable upon any Bonds, (2) the Interest Payment Dates, the dates of maturity or the redemption or purchase provisions of any Bonds, and (3) this Article XIV, by a supplemental indenture consented to by the Issuer and approved by the owners of at least a majority in aggregate principal amount of the Bonds then Outstanding which would be affected by the action proposed to be taken. This Indenture may be amended with respect to the matters enumerated in clauses (1) through (3) of the preceding sentence with the unanimous consent of all Bondholders and the Issuer. The Trustee shall provide notice to the Rating Service of any material amendment or supplement to the Indenture pursuant to this Section 14.02.

Section 14.03. [Reserved].

Section 14.04. Trustee Authorized to Join in Amendments and Supplements; Reliance on Counsel. The Trustee is authorized to join with the Issuer in the execution and delivery of any supplemental indenture or amendment permitted by this Article XIV and in so doing shall be fully protected by an opinion of Counsel that such supplemental indenture or amendment is so permitted and has been duly authorized by the Issuer and that all things necessary to make it a valid and binding agreement have been done.

Section 14.05. Amendments Not Requiring Consent of Bondholders. Without the consent of or notice to the Bondholders (except when the Bank is the Bondholder, in which case the consent of the Bank shall always be required, which consent shall not be withheld unreasonably), the Issuer and the Trustee may consent to any amendment, change or modification of the Agreement as may be required (i) by the provisions of the Agreement or this Indenture, (ii) for the purpose of curing any ambiguity, inconsistency or formal defect or omission in the Agreement, (iii) in connection with an amendment or to effect any purpose for which there could be an amendment of this Indenture pursuant to Section 14.01 hereof, or (v) in connection with any other change therein which is not to the prejudice of the Trustee or the Bondholders of the Bonds, in the judgment of the Trustee.

Section 14.06. Amendment Requiring Consent of Bondholders. Except for the amendments, changes or modifications contemplated in Section 14.05 hereof, neither the Issuer nor the Trustee shall consent to

(a) any amendment, change or modification of the Agreement which would change the amount or time as of which Loan Payments are required to be paid, without the giving of notice as provided in this Section of the proposed amendment, change or modification and the Bondholders of all of the then outstanding Bonds, or

(b) any other amendment, change or modification of the Agreement or the Credit Facility without the giving of notice as provided in this Section of the proposed amendment, change or modification and receipt of the written consent thereto of the Bondholders of not less than a majority in aggregate principal amount of the Bonds then outstanding.

The consent of the Bondholders shall be obtained as provided in Section 14.02 hereof with respect to Supplemental Indentures.

If the Issuer and the Borrower shall request at any time the consent of the Trustee to any proposed amendment, change or modification of the Agreement contemplated in subparagraphs (a) or (b), upon being indemnified satisfactorily with respect to expenses, the Trustee shall cause notice of the proposed amendment, change or modification to be provided in the manner which is required by Section 14.02 hereof with respect to notice of Supplemental Indentures. The notice shall set forth briefly the nature of the proposed amendment, change or modification and shall state that copies of the instrument or document embodying it are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders.

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## ARTICLE XV

### Defeasance

#### Section 15.01. Defeasance.

(a) When the principal or redemption price (as the case may be) of, and interest on, all Bonds issued hereunder have been paid, or provision has been made for payment of the same, together with the compensation of the Trustee and all other sums payable hereunder by the Issuer when provision also shall be made for the payment of all other sums payable under the Agreement, then, the right, title and interest of the Trustee shall thereupon cease and the Trustee, on demand of the Issuer, shall release this Indenture and shall execute such documents to evidence such release as may be reasonably required by the Issuer and shall turn over to the Issuer or to such person, body or authority as may be entitled to receive the same all balances then held by it hereunder. If payment or provision therefor is made with respect to less than all of the Bonds, the particular Bonds (or portion thereof) for which provision for payment shall have been considered made shall be selected by lot by the Trustee, and thereupon the Trustee shall take similar action for the release of this Indenture with respect to such Bonds.

(b) Provision for the payment of Bonds shall be deemed to have been made when the Trustee holds in the Defeasance Account, in trust and irrevocably set aside exclusively for such payment in the Defeasance Account, (i) moneys sufficient to make such payment and any payment of the purchase price of Bonds pursuant to Section 3.01 and/or (ii) Governmental Obligations maturing as to principal and interest in such amounts and at such times as will provide sufficient moneys (without consideration of any reinvestment thereof) to make such payment and any payment of the purchase price of Bonds pursuant to Section 3.01, and which are not subject to prepayment, redemption or call prior to their stated maturity.

No Bonds in respect of which a deposit under clause (i) or (ii) above has been made shall be deemed paid within the meaning of this Article unless the Trustee is satisfied that the amounts deposited are sufficient to make all payments that might become due on the Bonds; provided that notwithstanding any other provision of this Indenture, any Bonds purchased with such moneys pursuant to Section 3.01 shall be surrendered to the Trustee for cancellation and shall not be remarketed. Notwithstanding the foregoing, no delivery to the Trustee under this subsection (b) shall be deemed a payment of any Bonds which are to be redeemed prior to their stated maturity until such Bonds shall have been irrevocably called or designated for redemption on a date thereafter on which such Bonds may be redeemed in accordance with the provisions of this Indenture and proper notice of such redemption shall have been given in accordance with Article VIII or the Issuer shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions to give, in the manner and at the times prescribed by Article VIII, notice of redemption. Neither the obligations nor moneys deposited with the Trustee pursuant to this Section shall be withdrawn or used for any purpose other than, and shall be segregated and held in trust for, the payment of the principal of, redemption price of and interest on the Bonds with respect to which such deposit has been made. In the event that such moneys or obligations are to be applied to the payment of principal or redemption price of any Bonds more than 60 days following the deposit thereof with the Trustee, the Trustee shall mail a notice stating that such moneys or obligations have been deposited and identifying the Bonds for the payment of which

such moneys or obligations are being held and to the Rating Service, if the Bonds are then rated by a Rating Service.

(c) Anything in Article XIV to the contrary notwithstanding, if moneys or Governmental Obligations have been deposited or set aside with the Trustee pursuant to this Article for the payment of the principal or redemption price of the Bonds and the interest thereon and the principal or redemption price of such Bonds and the interest thereon shall not have in fact been actually paid in full, no amendment to the provisions of this Article shall be made without the consent of the owner of each of the Bonds affected thereby.

Notwithstanding the foregoing, those provisions relating to the purchase of Bonds, the maturity of Bonds, interest payments and dates thereof, and the Trustee's remedies with respect thereto, and provisions relating to exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, the holding of moneys in trust, and repayments to the Issuer from the Bond Fund and the duties of the Trustee in connection with all of the foregoing and the fees, expenses and indemnities of the Trustee, shall remain in effect and shall be binding upon the Trustee, the Issuer and the Bondholders notwithstanding the release and discharge of the lien of this Indenture.

Section 15.02. Release of Indenture. If (i) the Issuer shall pay all of the outstanding Bonds, or shall cause them to be paid and discharged, or if there otherwise shall be paid to the Bondholders of the outstanding Bonds, all Bond Service Charges due or to become due thereon, and (ii) provision also shall be made for the payment of all other sums payable hereunder or under the Agreement, then, this Indenture shall cease, determine and become null and void (except for those provisions surviving by reason of Section 15.03 hereof in the event the Bonds are deemed paid and discharged pursuant to Section 15.02 hereof), and the covenants, agreements and obligations of the Issuer hereunder shall be released, discharged and satisfied.

Thereupon, and subject to the provisions of Section 15.03 hereof if applicable,

(i) the Trustee shall release this Indenture (except for those provisions surviving by reason of Section 15.03 hereof in the event the Bonds are deemed paid and discharged pursuant to Section 15.01 hereof), and shall execute and deliver to the Issuer any instruments or documents in writing as shall be requisite to evidence that release and discharge or as reasonably may be requested by the Issuer,

(ii) the Trustee and any other Paying Agents shall assign and deliver to the Issuer any property subject at the time to the lien of this Indenture which then may be in their possession, except amounts in the Bond Fund required (a) to be paid to the Borrower under Section 5.07 hereof, or (b) to be held by the Trustee and the Paying Agents under Section 5.07 hereof or otherwise for the payment of Bond Service Charges, and

(iii) if any of the Bonds are rated by a Rating Agency at the time, the Trustee shall notify the Rating Agency of the release of this Indenture and the payment and discharge of the Bonds.

Section 15.03. Survival of Certain Provisions. Notwithstanding the foregoing, any provisions of the Bond Legislation and this Indenture which relate to the maturity of Bonds, interest payments and dates thereof, optional and mandatory redemption provisions, exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, the holding of moneys in trust, and repayments to the Borrower from the Bond Fund, the rebate of moneys to the United States in accordance with Section 5.06 hereof, and the duties of the Trustee and the Registrar in connection with all of the foregoing, shall remain in effect and be binding upon the Trustee, the Registrar, the Authenticating Agents, Paying Agents and the Bondholders notwithstanding the release and discharge of this Indenture. The provisions in this Article shall survive the release, discharge and satisfaction of this Indenture.

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## ARTICLE XVI

### Miscellaneous Provisions

Section 16.01. Non-Recourse Provision. Notwithstanding anything to the contrary contained herein, for payment of the obligations of the Issuer under this Indenture and the Bonds, the Trustee, the Bondholders and any other party entitled to seek payment from the Issuer under or to enforce this Indenture and the Bonds will be entitled to look solely to all amounts on deposit with and held by the Trustee for the benefit of the Bondholders, subject to the terms of this Indenture, the Project, and such collateral, if any, as may now or hereafter be given to secure the payment of the obligations of the Issuer under this Indenture and the Bonds, and no other property or assets of the Issuer or any officer of the Issuer shall be subject to levy, execution or other enforcement procedure for the satisfaction of the remedies hereunder, or for any payment required to be made under this Indenture and the Bonds, or for the performance of any of the covenants or warranties contained herein.

Section 16.02. Deposit of Funds for Payment of Bonds. If the principal or redemption price of any Bonds becoming due, either at maturity or by call for redemption or otherwise, together with all interest accruing thereon to the due date, has been paid or provision therefor made in accordance with Section 15.01, all interest on such Bonds shall cease to accrue on the due date and all liability of the Issuer with respect to such Bonds shall likewise cease, except as hereinafter provided. Thereafter the owners of such Bonds shall be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such Bonds, and the Trustee shall hold such funds in trust for such owners.

Moneys so deposited with the Trustee which remain unclaimed 2 years after the date payment thereof becomes due shall, at the request of the Issuer and if the Issuer is not at the time to the knowledge of the Trustee in default with respect to any covenant in the Indenture or the Bonds contained, be paid to the Issuer, and, upon the request of, and provision of adequate indemnification from the Issuer, the Trustee shall pay such moneys to the Issuer; and the owners of the Bonds for which the deposit was made shall thereafter be limited to a claim against the Issuer; provided, however, that the Trustee, before making payment to the Issuer, may, at the expense of the Issuer, cause a notice to be published once in an Authorized Newspaper, stating that the moneys remaining unclaimed will be returned to the Issuer after a specified date.

Section 16.03. Effect of Purchase of Bonds. No purchase of Bonds pursuant to Section 3.01 shall be deemed to be a payment or redemption of such Bonds or any portion thereof and such purchase will not operate to extinguish or discharge the indebtedness evidenced by such Bonds.

Section 16.04. Payments Due on Saturdays, Sundays and Holidays. If any Interest Payment Date, maturity date, or date fixed for redemption of any Bonds is not a Business Day, then payment of interest and principal need not be paid by the Trustee on that date, but that payment may be made on the next succeeding Business Day with the same force and effect as if that payment were made on the Interest Payment Date, maturity date or date fixed for redemption and no interest shall accrue for the period after that date.

Section 16.05. No Rights Conferred on Others. Nothing herein contained shall confer any right upon any person other than the parties hereto, the Issuer and the owners of the Bonds.

Section 16.06 Illegal, etc. Provisions Disregarded. If any term or provision of this Indenture or the Bonds or the application thereof for any reason or circumstance shall to any extent be held invalid or unenforceable, the remaining provisions or the application of such term or provision to persons and situations other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision hereof and thereof shall be valid and enforced to the fullest extent permitted by law.

Section 16.07. Substitute Notice. If for any reason it shall be impossible to make publication of any notice required hereby in a newspaper or newspapers, then such publication or other notice in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient giving of such notice.

Section 16.08. Notices. Any notice to the Issuer, the Borrower or the Trustee shall be given in writing, either by registered mail, to be deemed effective 2 days after mailing, or by telegram, or by telephone, confirmed in writing, to:

The Borrower: Union Street Flats, LLC  
c/o John C. Hart, Jr.  
805 City Center Drive, #120  
Carmel, Indiana 46032  
Telephone: 317-573-4800  
Telecopy: 317-573-4808

The Issuer: City of Westfield, Indiana  
130 Penn Street  
Westfield, Indiana 46074  
Attention: Clerk-Treasurer  
Telephone: 317-804-3000  
Telecopy: 317-804-3024

The Trustee: Regions Bank  
Attention: Corporate Trust  
John D. Alexander  
One Indiana Square  
Suite 115  
Indianapolis, Indiana 46204  
Telephone: 317-221-6275  
Telecopy: 317-221-6010

The Bank:                   Regions Bank  
                                  One Indiana Square  
                                  Suite 227  
                                  Indianapolis, Indiana 46204  
                                  Attention: Katie Smith  
                                  Telephone: (317) 221-6111  
                                  Telecopy: (317) 221-6120

The Trustee or the Borrower, as applicable, shall provide to the Rating Service any information that the Rating Service may reasonably request in order to maintain the securities rating on the Bonds.

Section 16.09. Successors and Assigns. All the covenants, promises and agreements in this Indenture contained by or on behalf of the Issuer, or by or on behalf of the Trustee, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 16.10. Headings for Convenience Only. The descriptive headings in this Indenture are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 16.11. Counterparts. The Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall constitute an original, but all of which, when taken together, shall constitute but one and the same instrument, and shall become effective when copies hereof shall be delivered to each of the parties hereto, which copies, when taken together, bear the signatures of each of the parties hereto.

Section 16.12. Credits Under Agreement. The Issuer shall be entitled to credits against its obligations under the Reimbursement Agreement as provided therein.

Section 16.13. Applicable Law. This Indenture shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, the Issuer has executed this Indenture by one of its members and authorized officers and the Trustee has caused this Indenture to be executed in its name by its duly authorized officer, all as of the day and year first above written.

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SIGNATURE PAGE OF ISSUER  
TO  
INDENTURE OF TRUST

(UNION STREET FLATS AT GRAND JUNCTION APARTMENTS)

CITY OF WESTFIELD, INDIANA

By: \_\_\_\_\_  
J. Andrew Cook, Mayor

ATTEST:

\_\_\_\_\_  
Cindy Gossard, Clerk-Treasurer

SIGNATURE PAGE OF TRUSTEE  
TO  
INDENTURE OF TRUST

(UNION STREET FLATS AT GRAND JUNCTION APARTMENTS)

REGIONS BANK, as Trustee

By: \_\_\_\_\_  
John D. Alexander, Senior Vice President

KD\_4224734\_1.DOC

## UNCONDITIONAL GUARANTY

THIS UNCONDITIONAL GUARANTY (this “Guaranty”) is made as of the \_\_\_\_ day of June, 2012, by JC HART HOLDINGS, LLC, an Indiana limited liability company (“Hart Holdings”) and JOHN C. HART, JR. (John C. Hart, Jr. and, together with JC Hart Holdings, LLC, hereinafter collectively referred to as the “Guarantor”) in favor of the CITY OF WESTFIELD, INDIANA (the “City”).

WITNESSETH:

WHEREAS, the City and UNION STREET FLATS, LLC (the “Borrower”) have entered into a certain Loan Agreement and Project Agreement, each dated as of even date herewith (as the same may be amended and/or restated from time to time, the “Loan Agreement” and the “Project Agreement” respectively);

WHEREAS, it is a condition precedent under the Loan Agreement that the Guarantor execute and deliver this Guaranty whereby the Guarantor shall guarantee the payment when due, subject to Section 10 hereof, of all Guaranteed Obligations, as defined below; and

WHEREAS, in consideration of the financial and other support that the Borrower has provided, and such financial and other support as the Borrower may in the future provide, to the Guarantor, and in order to induce the City to enter into the Loan Agreement with the Borrower, and because the Guarantor has determined that executing this Guaranty is in its interest and to its financial benefit, the Guarantor is willing to guarantee the obligations of the Borrower under the Loan Agreement and the Project Agreement;

Now, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1.1 Selected Terms Used Herein.

“Guaranteed Obligations” is defined in Section 3 below.

Section 1.2 Terms in Loan Agreement. Other capitalized terms used herein but not defined herein shall have the meaning set forth in the Loan Agreement.

Section 2.1 Representations and Warranties. The Guarantor represents and warrants that:

(a) Hart Holdings is a limited liability company duly and properly organized validly existing and (to the extent such concept applies to such entity) in good standing under the laws of its jurisdiction of organization and has all requisite authority to conduct its business in each jurisdiction in which its business is conducted. Hart is an adult person and a resident of the State of Indiana.

(b) Guarantor has the power and authority and legal right to execute and deliver this Guaranty and to perform its obligations hereunder. The execution and delivery by it of this Guaranty and the performance of its obligations hereunder have been duly authorized by proper corporate proceedings, and this Guaranty constitutes a legal, valid and binding obligation of such Guarantor enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

(c) Neither the execution and delivery by it of this Guaranty, nor the consummation of the transactions herein contemplated, nor compliance with the provisions hereof will violate (i) any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on it or any of its subsidiaries or (ii) articles or certificate of incorporation, partnership agreement, certificate of partnership, articles or certificate of organization, by-laws, or operating or other management agreement, as the case may be, of Hart Holdings or (iii) the provisions of any indenture, instrument or agreement to which it or any of its subsidiaries is a party or is subject, or by which it, or its property, is bound, or conflict with or constitute a default thereunder, or result in, or require, the creation or imposition of any lien in, of or on the property of such Guarantor or a Guarantor thereof pursuant to the terms of any such indenture, instrument or agreement. No order, consent, adjudication, approval, license, authorization, or validation of, or filing, recording or registration with, or exemption by, or other action in respect of any governmental or public body or authority, or any subdivision thereof, which has not been obtained by it or any of its subsidiaries, is required to be obtained by it or any of its subsidiaries in connection with the execution and delivery of this Guaranty or the performance by it of its obligations hereunder or the legality, validity, binding effect or enforceability of this Guaranty.

Section 2.2. Covenants. The Guarantor covenants that, so long as any commitment of the Borrower is outstanding under the Loan Agreement or any of the Guaranteed Obligations shall remain unpaid, that it will, and, if necessary, will enable the Borrower to, fully comply with those covenants and agreements applicable to it set forth in the Loan Agreement.

Section 3. The Guaranty. Subject to Section 10 hereof, the Guarantor hereby absolutely and unconditionally guarantees, as primary obligor and not as surety, the full and punctual payment (whether at stated maturity or due date, upon acceleration or early termination or otherwise, and at all times thereafter) and performance of all obligations of the Borrower arising under the Loan Agreement, including without limitation any such obligations incurred or accrued during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, whether or not allowed or allowable in such proceeding (collectively, subject to the provisions of Section 10 hereof, being referred to collectively as the "Guaranteed Obligations"). Upon failure by the Borrower to pay punctually any such amount, the Guarantor agrees that it shall forthwith on demand pay to the City the amount not so paid at the place and in the manner specified in the Loan Agreement. This Guaranty is a guaranty of payment and not of collection. The Guarantor waives any right to require the City to sue the Borrower, any other guarantor, or any other person obligated for all or any part of the Guaranteed Obligations, or otherwise to enforce its payment against any collateral securing all or any part of the Guaranteed Obligations.

Section 4. Guaranty Unconditional. Subject to Section 10 hereof, the obligations of the Guarantor hereunder shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by:

(i) any extension, renewal, settlement, compromise, waiver or release in respect of any of the Guaranteed Obligations, by operation of law or otherwise, or any obligation of any other guarantor of any of the Guaranteed Obligations, or any default, failure or delay, willful or otherwise, in the payment or performance of the Guaranteed Obligations;

(ii) any modification or amendment of or supplement to the Loan Agreement;

(iii) any release, nonperfection or invalidity of any direct or indirect security for any obligation of the Borrower under the Loan Agreement, or any obligations of any other guarantor of any of the Guaranteed Obligations, or any action or failure to act by the City with respect to any collateral securing all or any part of the Guaranteed Obligations;

(iv) any change in the corporate existence, structure or ownership of the Borrower or any other guarantor of any of the Guaranteed Obligations, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Borrower, or any other guarantor of the Guaranteed Obligations, or its assets or any resulting release or discharge of any obligation of the Borrower, or any other guarantor of any of the Guaranteed Obligations;

(v) the existence of any claim, setoff or other rights which the Guarantor may have at any time against the Borrower, any other guarantor of any of the Guaranteed Obligations, the City or any other Person, whether in connection herewith or any unrelated transactions;

(vi) any invalidity or unenforceability relating to or against the Borrower, or any other guarantor of any of the Guaranteed Obligations, for any reason related to the Loan Agreement, or any provision of applicable law or regulation purporting to prohibit the payment by the Borrower, or any other guarantor of the Guaranteed Obligations, of the principal of or interest on the Guaranteed Obligations or any other amount payable by the Borrower under the Loan Agreement; or

(vii) any other act or omission to act or delay of any kind by the Borrower, any other guarantor of the Guaranteed Obligations, the City or any other Person or any other circumstance whatsoever which might, but for the provisions of this paragraph, constitute a legal or equitable discharge of Guarantor's obligations hereunder, other than the full, final and irrevocable payment of the obligations of the Borrower arising under the Loan Agreement.

Section 5. Discharge Only Upon Payment In Full: Reinstatement In Certain Circumstances. The Guarantor's obligations hereunder shall remain in full force and effect until all Guaranteed Obligations shall have been indefeasibly paid in full, all commitments of the City under the Loan Agreement shall have terminated or expired. If at any time any payment of the principal of or interest on any of the Guaranteed Obligations or any other amount payable by the Borrower or any other party under the Loan Agreement is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, the Guarantor's obligations hereunder with respect to such payment shall be reinstated as though such payment had been due but not made at such time.

Section 6. Waivers. The Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and, to the fullest extent permitted by law, any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against the Borrower, any other guarantor of any of the Guaranteed Obligations, or any other Person.

Section 7. Other Guarantors. The Guarantor shall be jointly and severally liable with any other guarantor of the Liabilities. If the City elects to enforce its rights against less than all guarantors of the Liabilities, that election shall not release Guarantor from Guarantor's obligations under this Guaranty. The compromise or release of any of the obligations of any of the other guarantors or the Borrower shall not serve to waive, alter or release the Guarantor's obligations.

Section 8. Subrogation. The Guarantor hereby agrees not to assert any right, claim or cause of action, including, without limitation, a claim for subrogation, reimbursement, indemnification or otherwise, against the Borrower arising out of or by reason of this Guaranty or the obligations hereunder, including, without limitation, the payment or securing or purchasing of any of the Guaranteed Obligations by the Guarantor unless and until the Guaranteed Obligations are indefeasibly paid in full, any commitment to lend under the Loan Agreement is terminated.

Section 9. Stay of Acceleration. If acceleration of the time for payment of any of the Guaranteed Obligations is stayed upon the insolvency, bankruptcy or reorganization of the Borrower, all such amounts otherwise subject to acceleration under the terms of the Loan Agreement, shall nonetheless be payable by the Guarantor hereunder forthwith on demand by the City.

Section 10. Limitation on Obligations.

(a) It is the intention of the Guarantor and the City that the obligations of the Guarantor hereunder shall be in, but not in excess of, as of any date, the maximum amount (such amount being the Guarantor's "Maximum Liability") not subject to avoidance under Title II of the United States Code, as same may be amended from time to time, or any applicable state law (collectively, the "Bankruptcy Code"). To that end, but as to the Maximum Liability of the Guarantor, only to the extent such obligations would otherwise be subject to avoidance under the Bankruptcy Code if the Guarantor is not deemed to have received valuable consideration, fair value or reasonably equivalent

value for its obligations hereunder, the Guarantor's obligations hereunder shall be reduced to that amount which, after giving effect thereto, would not render the Guarantor insolvent, or leave the Guarantor with an unreasonably small capital to conduct its business, or cause the Guarantor to have incurred debts (or intended to have incurred debts) beyond its ability to pay such debts as they mature, at the time such obligations are deemed to have been incurred. As used herein, the terms "insolvent" and "unreasonably small capital" shall likewise be determined in accordance with the Bankruptcy Code. This Section 10(a) with respect to the Maximum Liability of the Guarantor is intended solely to preserve the rights of the City hereunder to the maximum extent not subject to avoidance under the Bankruptcy Code, and neither any Guarantor nor any other person or entity shall have any right or claim under this Section 10(a) with respect to the Maximum Liability, except to the extent necessary so that the obligations of such Guarantor hereunder shall not be rendered voidable under the Bankruptcy Code.

(b) The Guarantor agrees that the Guaranteed Obligations may at any time and from time to time exceed the Maximum Liability of the Guarantor without impairing this Guaranty or affecting the rights and remedies of the City hereunder. Nothing in this Section 10(b) shall be construed to increase the Guarantor's obligations hereunder beyond its Maximum Liability.

Section 11. Application of Payments. All payments received by the City, as applicable, hereunder shall be applied by the City to payment of the Guaranteed Obligations in the following order unless a court of competent jurisdiction shall otherwise direct;

(a) First, to payment of all reasonable costs and expenses of the City incurred in connection with the collection and enforcement of the Guaranteed Obligations or of any security interest granted to the City in connection with any collateral securing the Guaranteed Obligations;

(b) Second, to payment of that portion of the Guaranteed Obligations constituting accrued and unpaid interest and fees owed to the City;

(c) Third, to payment of the principal of the Guaranteed Obligations then due and unpaid from the Borrower to the City; and

(d) Fourth, to payment of any other Guaranteed Obligations (other than those listed above).

Section 12. Notices. All notices, requests and other communications to any party hereunder shall be given or made by telecopier or other writing and telecopied, or mailed or delivered to the intended recipient at its address or telecopier number set forth on the signature pages hereof or such other address or telecopy number as such party may hereafter specify for such purpose by notice to the City in accordance with the provisions of Section 15 of the Loan Agreement. Except as otherwise provided in this Guaranty, all such communications shall be deemed to have been duly given when transmitted by telecopier, or personally delivered or, in the case of a mailed notice sent by certified mail return-receipt requested, on the date set forth on

the receipt (provided, that any refusal to accept any such notice shall be deemed to be notice thereof as of the time of any such refusal), in each case given or addressed as aforesaid.

Section 13. No Waivers. No failure or delay by the City in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided in this Guaranty and the Loan Agreement shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 14. No Duty to Advise. The Guarantor assumes all responsibility for being and keeping itself informed of the Borrower's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations and the nature, scope and extent of the risks that the Guarantor assumes and incurs under this Guaranty, and agrees that the City has no duty to advise the Guarantor of information known to it regarding those circumstances or risks.

Section 15. Successors and Assigns. This Guaranty is for the benefit of the City and its successors and assigns and in the event of an assignment of any amounts payable under the Loan Agreement, the rights hereunder, to the extent applicable to the indebtedness so assigned, shall be transferred with such indebtedness. This Guaranty shall be binding upon the Guarantor and its successors and permitted assigns.

Section 16. Changes in Writing. Neither this Guaranty nor any provision hereof may be changed, waived, discharged or terminated orally, but only in writing signed by the Guarantor and the City.

Section 17. Costs of Enforcement. The Guarantor agrees to pay all reasonable costs and expenses including, without limitation, all court costs and reasonable attorneys' fees and expenses paid or incurred by the City in endeavoring to collect all or any part of the Guaranteed Obligations from, or in prosecuting any action against, the Borrower, the Guarantor or any other guarantor of all or any part of the Guaranteed Obligations.

Section 18. Governing Law; Submission to Jurisdiction; Waiver of Jury Trial. THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF INDIANA. EACH OF THE CITY AND THE GUARANTOR HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF INDIANA AND OF ANY INDIANA STATE COURT SITTING IN HAMILTON COUNTY, INDIANA AND FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO NILS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH OF THE CITY AND THE GUARANTOR IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH ANY OF THEM MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. THE GUARANTOR AND THE CITY HEREBY IRREVOCABLY WAIVE ANY AND ALL

RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 19. Taxes, etc. All payments required to be made by the Guarantor hereunder shall be made without setoff or counterclaim and free and clear of and without deduction or withholding for or on account of, any present or future taxes, levies, imposts, duties or other charges of whatsoever nature imposed by any government or any political or taxing authority thereof, provided, however, that if the Guarantor is required by law to make such deduction or withholding, such Guarantor shall forthwith (i) pay to the City such additional amount as results in the net amount received by the City equaling the full amount which would have been received by the City had no such deduction or withholding been made, (ii) pay the full amount deducted to the relevant authority in accordance with applicable law, and (iii) furnish to the City certified copies of official receipts evidencing payment of such withholding taxes within 30 days after such payment is made.

Section 20. Setoff. Without limiting the rights of the City under applicable law, if all or any part of the Guaranteed Obligations is then due, whether pursuant to the occurrence of a Default or otherwise, then the Guarantor authorizes the City to apply any sums standing to the credit of such Guarantor with City toward the payment of the Guaranteed Obligations.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be duly executed by its authorized officer as of the day and year first above written.

“GUARANTOR”

JC HART HOLDINGS, LLC,  
an Indiana limited liability company

Address:

805 City Center Drive, #120  
Carmel, IN 46032  
Attn: John C. Hart, Jr.  
Facsimile: 317.573.4808

By: \_\_\_\_\_  
Printed: John C. Hart, Jr.  
Title: Managing Member

JOHN C. HART, JR.,  
an adult resident of Hamilton County, Indiana

Address:

\_\_\_\_\_  
\_\_\_\_\_  
Facsimile: \_\_\_\_\_

\_\_\_\_\_

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**LOAN AGREEMENT**

**between**

**CITY OF WESTFIELD, INDIANA**

**and**

**UNION STREET FLATS, LLC**

**Dated as of June 1, 2012**

**\$2,000,000**

**CITY OF WESTFIELD, INDIANA  
TAXABLE ECONOMIC DEVELOPMENT  
TAX INCREMENT REVENUE BONDS OF 2012  
(UNION STREET FLATS AT GRAND JUNCTION APARTMENTS)**

**Certain of the rights of the Issuer hereunder have been assigned to Regions Bank,  
as Trustee under an Indenture of Trust dated as of the date hereof, from the Issuer.**

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(This Index is not a part of the Agreement  
but rather is for convenience of reference only.)

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## LOAN AGREEMENT

THIS LOAN AGREEMENT, dated as of June 1, 2012, by and between the CITY OF WESTFIELD, INDIANA, a municipal corporation of the State of Indiana, duly created and existing as such under the constitution and laws of the State of Indiana (the “Issuer”), and UNION STREET FLATS, LLC, an Indiana limited liability company duly organized and validly existing under and by virtue of the laws of the State of Indiana (the “Borrower”), under the circumstances summarized in the following recitals (the capitalized terms not defined above or in the recitals hereto shall have the meanings set forth in Article I hereof unless the context or use clearly indicates another meaning or intent):

WHEREAS, the Indiana Code, Title 36, Article 7, Chapters 11.9 and 12, as supplemented and amended (the “Act”), authorizes and empowers the Issuer to issue revenue bonds and loan the proceeds therefrom to an individual or entity for the purpose of financing or refinancing the acquisition, construction, rehabilitation, installation and equipping of economic development facilities (whether for profit or nonprofit), and vests such Issuer with powers that may be necessary to enable it to accomplish such purposes; and

WHEREAS, the Act declares that the financing of economic development facilities constitutes a public purpose; and

WHEREAS, the Project is of the character and will accomplish the purposes of the Act, will create additional employment opportunities within the City of Westfield, Indiana, and will increase business opportunities within the City of Westfield, Indiana, and will be to the benefit of the health, safety, morals, right to gainful employment and general welfare of the citizens of the City of Westfield, Indiana; and

WHEREAS, no written comments were received by the executive director or the chairman of the plan commission or the superintendent of the school corporation having jurisdiction over the Project within five (5) days after the receipt of the report of the Economic Development Commission of the Issuer; and

WHEREAS, after giving notice in accordance with the Act, the Economic Development Commission of the Issuer held a public hearing with regard to the proposed financing and then adopted certain resolutions finding the proposed financing will be of benefit to the health or general welfare of the area where the Project is to be located, and complies with the purposes and provisions of the Act; and

WHEREAS, in order to assist in the financing of the Project and subject to the requirements set forth herein and in the Indenture of Trust, dated as of June 1, 2012 (the “Indenture”) between the Issuer and Regions Bank, as trustee (the “Trustee”), the Issuer has determined to issue the Bonds, pursuant to the Act, in the aggregate principal amount of \$2,000,000; and

WHEREAS, this Loan Agreement provides for the repayment by the Borrower of the loan of the proceeds of the Bonds and further provides for the Borrower's repayment obligation to be evidenced by the Note (the "Note") in substantially the form attached hereto as Exhibit D;

WHEREAS, pursuant to the Indenture, the Issuer will pledge and assign the Note and assign certain of its rights under this Loan Agreement to the Trustee as security for the Bonds; and

WHEREAS, in order to secure said Bonds, the Issuer has entered into the Indenture, which pledges and assigns its rights in the security to the Trustee for the benefit of the Holders of the Bonds; and

WHEREAS, the Borrower and the Issuer each have full right and lawful authority to enter into this Loan Agreement, and to perform and observe the provisions hereof on their respective parts to be performed and observed;

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto covenant, agree and bind themselves as follows, provided that any obligation of the Issuer created by or arising out of this Loan Agreement shall be a special obligation of the Issuer and shall never constitute a debt or a pledge of the faith and credit or the taxing power of the Issuer, the State of Indiana (the "State") or any political subdivision or taxing district thereof, but shall be payable solely out of the Security, anything herein contained to the contrary by implication or otherwise notwithstanding:

## ARTICLE I

### DEFINITIONS

Section 1.1. Use of Defined Terms. In addition to the words and terms defined elsewhere in this Agreement or by reference to another document, the words and terms set forth in Section 1.2 hereof shall have the meanings set forth therein unless the context or use clearly indicates another meaning or intent. Such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms defined therein. Capitalized terms used and not defined in this Agreement shall have the meanings assigned to them in the Indenture.

Section 1.2. Definitions. As used herein:

“Act” means collectively, Indiana Code, Title 36, Article 7, Chapters 11.9 and 12, as from time to time supplemented and amended.

“Additional Payments” means the amounts required to be paid by the Borrower pursuant to the provisions of Section 4.2 hereof.

“Agreement” means this Loan Agreement as amended, restated, supplemented or otherwise modified from time to time.

“Authenticating Agent” means the Authenticating Agent as defined in the Indenture.

“Bank” means, initially, Regions Capital Advantage, Inc., Birmingham, Alabama, and its successors and assigns in its capacity as the original Bondholder.

“Bond Fund” means the Bond Fund created in the Indenture.

“Bond Legislation” means the ordinance providing for the issuance of the Bonds and approving this Agreement, the Indenture and related matters.

“Bondholder” or “Holder of a Bond” means the Person in whose name a Bond is registered on the Register.

“Bond” or “Bonds” means the Issuer’s Taxable Economic Development Tax Increment Revenue Bonds of 2012 (Union Street Flats at Grand Junction Apartments), in the aggregate principal amount of Two Million Dollars (\$2,000,000).

“Bond Service Charges” means, for any period or payable at any time, the principal of, premium, if any, and interest due on the Bonds for that period or payable at that time whether due at maturity or upon acceleration or redemption.

“Bond Year” means Bond Year as defined in the Indenture.

“Borrower” means Union Street Flats, LLC, an Indiana limited liability company, and its lawful successors and assigns to the extent permitted by this Agreement.

“Business Day” means any day of the year other than (i) a Saturday or Sunday, (ii) any day on which banks located in the city in which the principal corporate trust office of the Trustee is located are required or authorized by law to remain closed or (iii) any day on which the New York Stock Exchange is closed.

“Completion Date” means the date of completion of the Project evidenced in accordance with the requirements of Section 3.4 hereof.

“Construction Period” means the period between the beginning of the acquisition, construction, installation, equipment or improvement of the Project or the date on which the Bonds are delivered to the Original Purchaser, whichever is earlier, and the Completion Date.

“Counsel” means Counsel as defined in the Indenture.

“Defeasance Account” means the Defeasance Account created under Section 5.01 of the Indenture.

“Designated Representative” means the person or persons at the time designated to act on behalf of the Borrower by written certificate furnished to the Issuer, the Bank, or the Trustee, containing the specimen signature of that person or persons and signed on behalf of the Borrower by a duly authorized officer thereof. That certificate may designate an alternate or alternates. In the event that all persons so designated become unavailable or unable to act and the Borrower fails to designate a replacement within 10 days after such unavailability or inability to act, the Trustee may appoint an interim Designated Representative until such time as the Borrower designates that person.

“Eligible Investments” means Eligible Investments as defined in the Indenture.

“Engineer” means an individual or firm acceptable to the Trustee and qualified to practice the profession of engineering or architecture under the laws of the State.

“Event of Default” means any of the events described as an Event of Default in Section 7.1 hereof.

“Force Majeure” means any of the causes, circumstances or events described as constituting Force Majeure in Section 7.1. hereof.

“Indenture” means the Indenture of Trust, dated as of even date herewith, between the Issuer and the Trustee, as amended, restated, supplemented or otherwise modified from time to time.

“Issuer” means City of Westfield, Indiana, a municipal corporation of the State of Indiana, duly created and existing as such under the constitution and laws of the State.

“Legislative Authority” means the Common Council of the Issuer.

“Loan” means the loan by the Issuer to the Borrower of the proceeds received from the sale of the Bonds.

“Loan Payment Date” means, (a) each Interest Payment Date, or (b) any other date on which any principal of or interest or any premium on the Bonds shall be due and payable, whether at maturity, upon acceleration, call for redemption or otherwise.

“Loan Payments” means the amounts required to be paid by the Borrower in repayment of the Loan pursuant to the provisions of Section 4.1 hereof and the Note.

“Notice Address” means:

- (a) As to the Issuer: City of Westfield, Indiana  
130 Penn Street  
Westfield, Indiana 46074  
Attention: Clerk-Treasurer  
Telephone: 317-804-3000  
Telecopy: 317-804-3024
  
- (b) As to the Borrower: Union Street Flats, LLC  
c/o John C. Hart, Jr.  
805 City Center Drive, #120  
Carmel, Indiana 46032  
Telephone: 317-\_\_\_\_\_  
Telecopy: 317-\_\_\_\_\_
  
- (c) As to the Trustee: Regions Bank  
Attention: Corporate Trust Division  
John D. Alexander  
One Indiana Square  
Suite 115  
Indianapolis, Indiana 46204  
Telephone: (317) 221-6275  
Telecopy: (317) 221-6010
  
- (d) As to the Bank: Regions Capital Advantage, Inc.  
Attention: Katie Smith  
One Indiana Square  
Suite 903  
Indianapolis, Indiana 46204  
Telephone: (317) 221-6111  
Telecopy: (317) 221-6120

or such additional or different address, notice of which is given under Section 8.3 hereof.

“Note” means the note of the Borrower evidencing its repayment obligation for the loan of the proceeds of the Bonds, in substantially the form attached hereto as Exhibit D.

“Original Purchaser” means the Bank.

“Paying Agent” means the Paying Agent as defined in the Indenture.

“Person” or words importing persons mean firms, associations, partnerships (including without limitation, general and limited partnerships), joint ventures, societies, estates, trusts, corporations, public or governmental bodies, other legal entities and natural persons.

“Plans and Specifications” means the Borrower’s plans and specifications describing the Project Facilities relating to the Project.

“Project” means the construction on the Project Site thereof of approximately 237 apartment units and a clubhouse, swimming pool amenity area and other ancillary improvements in or directly serving the East Side Economic Development Allocation Area as further described herein, together constituting a “project” as defined in the Act.

“Project Costs” means the costs of the Project specified in Section 3.4 hereof.

“Project Facilities” means the Project Facilities described in Exhibit A hereto, together with any additions, modifications and substitutions to those facilities.

“Project Fund” means the Project Fund created in the Indenture.

“Project Purposes” means the acquisition, construction, furnishing, equipping and improving of real and personal property comprising an apartment development, for use by the Borrower or its designee and any other use which may be permitted by the Act and this Agreement.

“Project Site” means the real estate described in Exhibit B hereto, and any additions thereto, less any removals therefrom.

“Register” means the books kept and maintained by the Registrar for the registration and transfer of Bonds pursuant to Section 2.04 of the Indenture.

“Registrar” means the Registrar as defined in the Indenture.

“Revenues” means the Revenues as defined in the Indenture.

“State” means the State of Indiana.

“Trustee” means Regions Bank, until a successor Trustee shall have become such pursuant to the applicable provisions of the Indenture, and thereafter “Trustee” shall mean the successor Trustee.

“Unassigned Issuer’s Rights” means all of the rights of the Issuer to receive Additional Payments under Section 4.2 hereof, to be held harmless and indemnified under Section 5.3 hereof, to be reimbursed for attorneys’ fees and expenses under Section 7.4 hereof, and to

give or withhold consent to amendments, changes, modifications, alterations and termination of this Agreement under Section 8.6 hereof.

Section 1.3. Interpretation. Any reference herein to the Issuer, to the Legislative Authority or to any member or officer of either includes entities or officials succeeding to their respective functions, duties or responsibilities pursuant to or by operation of law or lawfully performing their functions.

Any reference to a section or provision of the Constitution of the State or the Act, or to a section, provision or chapter of the Indiana Code or to any statute of the United States of America, includes that section, provision or chapter or statute as amended, modified, revised, supplemented or superseded from time to time; provided, that no amendment, modification, revision, supplement or superseding section, provision or chapter or statute shall be applicable solely by reason of this provision, if it constitutes in any way an impairment of the rights or obligations of the Issuer, the Holders, the Trustee, the Bank, or the Borrower under this Agreement.

Unless the context indicates otherwise, words importing the singular number include the plural number, and vice versa; the terms “hereof”, “hereby”, “herein”, “hereto”, “hereunder” and similar terms refer to this Agreement; and the term “hereafter” means after, and the term “heretofore” means before, the date of delivery of the Bonds. Words of any gender include the correlative words of the other genders, unless the sense indicates otherwise.

Section 1.4. Captions and Headings. The captions and headings in this Agreement are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Articles, Sections, subsections, paragraphs, subparagraphs or clauses hereof.

(End of Article I)

## ARTICLE II

### REPRESENTATIONS

#### Section 2.1. Representations of the Issuer; No Warranty By Issuer .

(a) Representations of the Issuer. The Issuer represents that (a) it is duly organized and validly existing under the laws of the State; (b) it has duly accomplished all conditions necessary to be accomplished by it prior to the issuance and delivery of the Bonds and the execution and delivery of this Agreement and the Indenture; (c) it is not in violation of or in conflict with any provisions of the laws of the State which would impair its ability to carry out its obligations contained in this Agreement or the Indenture; (d) it is empowered to enter into the transactions contemplated by this Agreement and the Indenture; and (e) it has duly authorized the execution, delivery and performance of this Agreement and the Indenture.

(b) No Warranty By Issuer. THE BORROWER RECOGNIZES THAT THE ISSUER HAS NOT MADE AN INSPECTION OF THE PROJECT OR OF ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, AND THE ISSUER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED OR OTHERWISE WITH RESPECT TO THE SAME OR THE LOCATION, USE, DESCRIPTION, DESIGN, MERCHANTABILITY, FITNESS FOR USE FOR ANY PARTICULAR PURPOSE, CONDITION OR DURABILITY THEREOF, OR AS TO THE BORROWER'S TITLE THERETO OR OWNERSHIP THEREOF OR OTHERWISE, IT BEING AGREED THAT ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY THE BORROWER. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE IN THE PROJECT OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER PATENT OR LATENT, THE ISSUER SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO. THE PROVISIONS OF THIS SECTION HAVE BEEN NEGOTIATED AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES OR REPRESENTATIONS BY THE ISSUER EXPRESS OR IMPLIED, WITH RESPECT TO THE PROJECT OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER ARISING PURSUANT TO THE UNIFORM COMMERCIAL CODE OF THE STATE OF INDIANA OR ANOTHER LAW NOW OR HEREAFTER IN EFFECT OR OTHERWISE.

Section 2.2. Representations and Covenants of the Borrower. The Borrower represents and covenants that:

(a) The Borrower is a limited liability company duly organized and validly existing under the laws of the State and duly qualified to carry on its operations under the laws of the State.

(b) The Borrower has full corporate power and authority to execute, deliver and perform its obligations under this Agreement and the Note and to enter into and carry out the transactions contemplated by those documents, and that execution, delivery and performance of

its obligations thereunder do not, and will not, violate any provision of law applicable to the Borrower or its governing documents and do not, and will not, conflict with or result in a default under any agreement or instrument to which the Borrower is a party or by which it is bound. This Agreement and the Note have, by proper corporate action, been duly authorized, executed and delivered by the Borrower and all steps necessary have been taken to constitute this Agreement and the Note as the valid and binding obligations of the Borrower.

(c) The provision of financial assistance to be made available to the Borrower under this Agreement and the commitments therefor made by the Issuer have induced the Borrower to undertake the transactions contemplated by this Agreement and none of the proceeds of the Bonds will be used in any manner that will be inconsistent with the Act.

(d) The Project will be completed in accordance with the Plans and Specifications and will be operated and maintained in such manner as to conform with all applicable zoning, planning, building, environmental and other applicable governmental regulations and as to be consistent with the Act.

(e) The Project Facilities are located entirely within the boundaries of the Issuer.

(f) As of the Closing Date, except as disclosed in writing to the Issuer, the Trustee and the Bank, the Borrower does not have any liabilities, contingent or otherwise, whether due or to become due, including, without limitation, liabilities as guarantor under any guaranty, liabilities for taxes, liabilities for long-term leases, liabilities for unusual forward or long-term commitments or judgments.

(g) All property to be purchased from moneys on deposit in the Project Fund will be owned by the Borrower.

(h) The Borrower is not in default in the payment of principal of, or interest on, any of the Borrower's indebtedness for borrowed money, or in default under any instrument under which, or subject to which, any indebtedness has been incurred, and no event has occurred and is continuing under the provisions of any agreement involving the Borrower that, with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder.

(i) No litigation nor any proceeding before any governmental agency or other tribunal involving the Borrower is pending or, to the knowledge of the Borrower, threatened, in which any liability of the Borrower is not adequately covered by insurance or in which any judgment or order would have a material and adverse effect upon the business or assets of the Borrower or would materially and adversely affect the operation of the Project, the validity of the bond documents to which it is a party or the performance of the Borrower's obligations thereunder or the transactions contemplated hereby.

(j) All moneys lent to the Borrower hereunder will be used solely for Project Costs relating to the Project.

All representations and covenants of the Borrower contained in this Section 2.2 shall remain in effect and be binding on the Borrower until all of the Bonds have been paid and retired,

notwithstanding any early termination of this Agreement or any provision for payment of principal of and premium, if any, and interest on the outstanding Bonds.

Section 2.3. [Reserved].

Section 2.4. [Reserved].

Section 2.5. [Reserved].

Section 2.6. [Reserved].

Section 2.7 Control. The Borrower represents that the Bank does not control, either directly or indirectly through one or more intermediaries, the Borrower. The Borrower further represents, likewise, the Borrower does not control, either directly or indirectly, through one or more intermediaries, the Bank. "Control" for this purpose has the meaning given to such term in Section 2(a)(9) of the Investment Company Act of 1940, as amended and as interpreted by the Securities and Exchange Commission. (Under Section 2(a)(9), "control" means the power to exercise a controlling influence over the management or policies of a company, unless such power is solely the result of an official position with such company. Any Person who owns beneficially, either directly or through one or more controlled companies, more than 25% of the voting securities of any company shall be presumed not to control such company.) The Borrower will provide written notice to the Trustee 30 days prior to consummation of any transaction that would result in the Borrower controlling or being controlled by the Bank.

(End of Article II)

## ARTICLE III

### COMPLETION OF THE PROJECT;

#### ISSUANCE OF THE BONDS

Section 3.1. Acquisition, Construction, Installation, Equipment and Improvement. The Borrower (a) will acquire, construct, furnish, equip and improve the Project Facilities on the Project Site relating to the Project in accordance with the Plans and Specifications, (b) will pay all fees, costs and expenses incurred in connection with that construction, installation, equipment and improvement from funds made available therefor in accordance with this Agreement or otherwise, and (c) will ask, demand, sue for, levy, recover and receive all those sums of money, debts and other demands whatsoever which may be due, owing and payable under the terms of any contract, order, receipt, writing and instruction in connection with the construction, furnishing, equipping and improvement of the Project, and shall enforce the provisions of any contract, agreement, obligation, bond or other performance security with respect thereto. It is understood that the Project is that of the Borrower and any contracts made by the Borrower with respect thereto, whether construction contracts or otherwise, or any work to be done by the Borrower on the Project are made or done by the Borrower on its own behalf and not as agent or contractor for the Issuer.

Section 3.2. Plans and Specifications. The Plans and Specifications have been filed with the Issuer. The Borrower may revise the Plans and Specifications from time to time, provided that no revision shall be made which would change the Project Purposes, without the approval of the Issuer, and no revision shall be made which would change the Project Purposes to other than purposes permitted by the Act.

Section 3.3. Issuance of the Bonds; Application of Proceeds. To provide funds to make the Loan for the purposes of paying the Project Costs relating to the Project, the Issuer has issued, sold and delivered the Bonds. The Bonds have been issued pursuant to the Indenture in the aggregate principal amount, will bear interest, will mature and will be subject to redemption as set forth therein. The Borrower hereby approves the terms and conditions of the Indenture and the Bonds, and of the terms and conditions under which the Bonds will be issued, sold and delivered.

Neither the Issuer nor the Borrower have or shall have any interest in the Defeasance Account created under Section 5.01 of the Indenture or the proceeds of the remarketing of the Bonds from whatever source and wherever deposited.

Section 3.4. Disbursements from the Project Fund . Disbursements from the Project Fund shall be made only to reimburse or pay the Borrower, or any person designated by the Borrower, for the following Project Costs (the "Project Costs") relating to the Project or any future project:

- (a) Costs incurred directly or indirectly for or in connection with the construction, furnishing, equipment or improvement of the Project, including costs

incurred in respect of the Project for preliminary planning and studies; architectural, legal, engineering, accounting, consulting, supervisory and other services; labor, services and materials; and recording of documents and title work.

(b) Premiums attributable to any surety bonds and insurance required to be taken out and maintained during the Construction Period with respect to the Project Site and the Project Facilities relating to the Project.

(c) Taxes, assessments and other governmental charges in respect of the Project that may become due and payable during the Construction Period.

(d) Costs incurred directly or indirectly in seeking to enforce any remedy against any contractor or subcontractor in respect of any actual or claimed default under any contract relating to the Project Facilities relating to the Project.

(e) Financial, legal, accounting, printing and engraving fees, charges and expenses, and all other such fees, charges and expenses incurred in connection with the authorization, sale, issuance and delivery of the Bonds, including, without limitation, the fees and expenses of the Trustee and any paying agent properly incurred under the Indenture that may become due and payable during the Construction Period.

(f) Any other costs, expenses, fees and charges properly chargeable to the cost of construction, furnishing, equipment or improvement of the Project.

(g) Payment of interest on the Bonds or fees for credit enhancement devices applicable to the Bonds, to the extent such fees constitute a reasonable charge for the transfer of credit risk, during the Construction Period.

Any disbursements from the Project Fund for the payment of the Project Costs relating to the Project shall be made by the Trustee only upon the written order of the Designated Representative with written approval of the Issuer, except as otherwise provided herein. Each such written order shall be in substantially the form of the disbursement request attached hereto as Exhibit C and shall be consecutively numbered and accompanied by invoices or other appropriate documentation supporting the payments or reimbursements requested. The Issuer agrees to take action to approve or deny any disbursement request submitted to it not later than 10 days following receipt. The Issuer and the Borrower agree that if the Issuer does not take action on a disbursement request within 10 days of submission to the Issuer by the Borrower, then such disbursement shall be deemed approved by the Issuer, and the Borrower may submit such disbursement request to the Trustee for disbursement, along with a certificate certifying to the Trustee that such disbursement request has been deemed approved by the Issuer in accordance herewith (a "Deemed Approved Certificate"). Notwithstanding anything contained in this Agreement, in the event that a disbursement is deemed approved in accordance with this Section, it shall not contain an Issuer signature, but shall instead be accompanied by a Deemed Approved Certificate. At or prior to submitting a request for disbursement in the form attached as Exhibit C to this Agreement, the Designated Representative shall provide the Trustee with either appropriate mechanics' lien affidavits or waivers from each payee under each such prior disbursement request

or with evidence or documentation satisfactory to the Trustee that provision against the filing of any mechanics' or similar liens with respect to the payment being made has been taken by the Borrower by deposit or bonding. In case any contract provides for the retention by the Borrower of a portion of the contract price, there shall be paid from the Project Fund only the net amount remaining after deduction of any such portion, and only when that retained amount is due and payable, may it be paid from the Project Fund.

The Completion Date shall be evidenced to the Trustee and Issuer by a certificate signed by the Designated Representative stating that, except for amounts retained by the Trustee at Borrower's direction for any Project Costs not then due and payable or being contested in good faith, (i) the construction of the Project has been completed and any and all labor, services, materials and supplies used in such construction have been paid for and (ii) all other items necessary in connection with the Project have been constructed and all costs and expenses incurred in connection therewith have been paid. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being. Upon receipt of such certificate, the Trustee shall in accordance with Section 4.02 of the Indenture apply any moneys then in the Project Fund in accordance with the written direction of the Designated Representative as provided in this Section 3.4.

Any moneys in the Project Fund remaining after the Completion Date and payment, or provision for payment, in full of the Project Costs relating to the Project, at the direction of the Designated Representative, promptly shall be

- (i) used to construct, install, equip and improve such additional real or personal property in connection with the Project as is designated by the Designated Representative and the construction, installation, equipment and improvement of which will be permitted under the Act;
- (ii) used for the purchase of Bonds in the open market for the purpose of cancellation at prices not exceeding the full market value thereof plus accrued interest thereon to the date of payment therefor;
- (iii) paid into the Bond Fund to be applied to the redemption of the Bonds; or
- (iv) used for a combination of the foregoing as is provided in that direction.

Notwithstanding the foregoing, upon the occurrence and continuance of an "Event of Default" as defined in Section 10.01 of the Indenture because of which acceleration of the principal amount of the Bonds has been declared pursuant to Section 10.02 of the Indenture, any moneys remaining in the Project Fund shall be promptly transferred by the Trustee to the Bond Fund.

Section 3.5. Borrower Required to Cause the Costs To Be Paid In Event Project Fund Insufficient. To the extent the Project has not been fully completed, if moneys in the Project Fund are not sufficient to pay all Project Costs in full, the Borrower nonetheless has an obligation

to cause the Project to be completed in accordance with the Plans and Specifications and shall cause to be paid all such additional Project Costs relating to the Project. The Borrower shall not be entitled to any reimbursement for any such additional Project Costs from the Issuer, the Trustee, the Bank, or any Holder; nor shall they be entitled to any abatement, diminution or postponement of the Loan Payments. THE ISSUER DOES NOT MAKE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, THAT THE MONEYS WHICH WILL BE DEPOSITED INTO THE PROJECT FUND, AND WHICH UNDER THE PROVISIONS OF THIS AGREEMENT WILL BE AVAILABLE FOR PAYMENT OF THE COST OF THE PROJECT, WILL BE SUFFICIENT TO PAY ALL OF THE COSTS WHICH WILL BE INCURRED IN CONNECTION THEREWITH. The Borrower agrees that if, after exhaustion of the moneys in the Project Fund, the Borrower should cause to be paid and have moneys deposited in the Project Fund for the payment of any portion of the said Cost of the Project pursuant to the provisions of this Section 3.5, no party shall not be entitled to any reimbursement therefor from the Issuer, the Trustee, the Bank, or the Holders and owners of the Bonds, nor shall it be entitled to any diminution of the amounts payable herein.

Section 3.6. [Reserved].

Section 3.7. Investment of Fund Moneys. At the oral (promptly confirmed in writing) or written request of the Designated Representative, any moneys held as part of the Bond Fund (except moneys in the Defeasance Account created under Section 5.01 of the Indenture), the Project Fund, the Reserve Fund or the Rebate Fund shall be invested or reinvested by the Trustee in Eligible Investments.

Section 3.8. [Reserved].

(End of Article III)

## ARTICLE IV

### LOAN BY ISSUER; REPAYMENT OF THE LOAN; LOAN PAYMENTS AND ADDITIONAL PAYMENTS

#### Section 4.1. Loan Repayment

Upon the terms and conditions of this Agreement, the Issuer has made the Loan to the Borrower. In consideration of and in repayment of the Loan, the Borrower shall make, as Loan Payments pursuant to the Note, payments to the Trustee sufficient in amount to pay when due the Bond Service Charges payable on the Bonds.

The Borrower shall be entitled to a credit against the Loan Payments next required to be made to the extent that the balance of the Bond Fund (other than any balance in the Defeasance Account) is then in excess of amounts required (a) for payment of Bonds theretofore matured or theretofore called for redemption, (b) for payment of interest for which checks or drafts have been drawn and mailed by the Trustee, and (c) for deposit in the Bond Fund for use other than for the payment of Bond Service Charges on the Interest Payment Date next following the applicable Loan Payment Date. In any event, however, if on any Interest Payment Date, the balance in the Bond Fund is insufficient to make required payments of Bond Service Charges, the Borrower forthwith will pay to the Trustee, for the account of the Issuer and for deposit into the Bond Fund, any deficiency.

Except for such interest of the Borrower as may hereafter arise pursuant to Section 8.2 hereof or Section 5.07 of the Indenture, the Borrower and the Issuer each acknowledge that neither the Borrower nor the Issuer have any interest in the the Defeasance Account of the Bond Fund and any moneys deposited therein shall be in the custody of and held by the Trustee in trust for the benefit of the holders.

Section 4.2. Additional Payments. The Borrower shall pay directly, as Additional Payments hereunder, any and all costs and expenses incurred by the Issuer in connection with the issuance and delivery of the Bonds or otherwise related to actions taken by the Issuer under this Agreement or the Indenture.

The Borrower shall pay to the Trustee, the Registrar and any Paying Agent or Authenticating Agent, their reasonable fees, charges and expenses for acting as such under the Indenture.

The Borrower shall pay to the Trustee in federal or other immediately available funds not later than Noon, New York, New York time, an amount equal to the amount the Trustee requires in order to purchase on behalf of the Borrower the Bonds pursuant to Article III of the Indenture on the date payment is to be made.

#### Section 4.3. [Reserved].

Section 4.4. Obligations Unconditional. The obligations of the Borrower to make Loan Payments, Additional Payments and any payments required of the Borrower under Section 5.05 of the Indenture shall be absolute and unconditional, and the Borrower shall make

such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim which the Borrower may have or assert against the Issuer, the Trustee or any other Person.

Section 4.5. Assignment of Agreement and Revenues. To secure the payment of Bond Service Charges on, and the purchase of, the Bonds, the Issuer shall assign to the Trustee, by the Indenture, any of its rights, title and interest in this Agreement (except for the Unassigned Issuer's Rights), Defeasance Account of the Bond Fund and all moneys and investments therein and shall grant to the Trustee, by the Indenture, a security interest in its rights under and interest in (i) the Project Fund and all moneys and investments therein, (ii) the Reserve Fund, and (iii) the Revenues (other than such accounts of the Bond Fund and all investments therein). The Borrower hereby agrees and consents to that assignment and grant.

Section 4.6. [Reserved].

(End of Article IV)

## ARTICLE V

### ADDITIONAL AGREEMENTS AND COVENANTS

Section 5.1. Right of Inspection. Subject to reasonable security and safety regulations and upon reasonable notice, the Issuer and the Trustee, and their respective agents, shall have the right during normal business hours to inspect the Project.

Section 5.2. Lease, Sale or Grant of Use by Borrower. Subject to the prior written consent of the Bank and the Trustee, the Borrower may lease, sell or grant the right to occupy and use the Project, in whole or in part, to others, provided that no such grant, sale or lease shall relieve the Borrower from its obligations under this Agreement.

Section 5.3. Indemnification. The Borrower releases and agrees to hold harmless, defend and indemnify the Issuer from and against all liabilities, claims, costs and expenses, including attorneys fees and expenses, imposed upon, incurred or asserted against the Issuer, on account of: (a) any loss or damage to property or injury to or death of or loss by any person that may be occasioned by any cause whatsoever pertaining to the construction, maintenance, operation and use of the Project; (b) any breach, default or failure to comply on the part of the Borrower in the performance of any covenant, obligation or agreement of the Borrower under this Agreement or any related document, or arising from any act or failure to act by the Borrower, or any of its agents, contractors, servants, employees or licensees; (c) the authorization, issuance, sale, trading, redemption or servicing of the Bonds and the provision of any information or certification furnished in connection therewith concerning the Bonds, the Project, or the Borrower; (d) the Borrower's failure to comply with any requirement of this Agreement; (e) any failure of compliance with the provisions of all other applicable federal, state and local laws, rules and regulations; and (f) any claim, action or proceeding brought with respect to the matters set forth in (a), (b), (c), (d) and (e) above.

The Borrower shall also release, hold harmless, defend and indemnify the Issuer for all reasonable costs and expenses including reasonable attorneys' fees incurred in (i) enforcing any obligation of the Borrower under this Agreement, the Indenture or any related agreement (ii) taking any action requested by the Borrower, (iii) taking any action required by this Agreement, the Indenture or any related agreement or (iv) taking any action reasonably considered necessary by the Issuer and which is authorized by this Agreement, Indenture or any related agreement.

The Borrower agrees to indemnify the Trustee for, and to hold them harmless against, all liabilities, claims, costs and expenses incurred without negligence or bad faith on the part of the Trustee on account of any action taken or omitted to be taken by the Trustee in accordance with the terms of this Agreement, the Bonds, or the Indenture or any action taken at the request of or with the consent of the Borrower, including the reasonable and documented costs and expenses of the Trustee in defending themselves against any such claim, action or proceeding brought in connection with the exercise or performance of any of their powers or duties under this Agreement, the Bonds or the Indenture.

In case any action or proceeding is brought against the Issuer or the Trustee in respect of which indemnity may be sought hereunder, the party seeking indemnity promptly shall give notice of that action or proceeding to the Borrower, and the Borrower upon receipt of that notice shall have the obligation and the right to assume the defense of the action or proceeding; provided, that failure of a party to give that notice shall not relieve the Borrower from any of their obligations under this Section. At its own expense, an indemnified party may employ separate counsel and participate in the defense. The Borrower shall not be liable for any settlement made without its consent.

If the Issuer is to take any action under this Agreement or any other instrument executed in connection herewith for the benefit of the Borrower, it will do so if and only if (i) the Issuer is a necessary party to any such action or proceeding, (ii) the Issuer has received specific written direction from the Borrower as required hereunder or under any other instrument executed in connection herewith, as to the action to be taken by the Issuer and (iii) payment of the Issuer's costs, liabilities and expenses has been made or a written agreement of indemnification and payment of costs, liabilities and expenses satisfactory to the Issuer has been executed by the Borrower prior to the taking of any such action by the Issuer.

The indemnification set forth above is intended to and shall include the indemnification of all affected officials, directors, officers and employees of the Issuer and the Trustee, respectively. The indemnification provide herein is intended to and shall be enforceable by the Issuer and the Trustee, respectively, to the full extent permitted by law. The indemnification provided herein shall survive the termination of this Agreement.

Section 5.4. [Reserved].

Section 5.5. Borrower's Performance Under Indenture. The Borrower has examined the Indenture and approves the form and substance of, and agrees to be bound by, its terms. The Borrower, for the benefit of the Issuer and each Bondholder, shall do and perform all acts and things required or contemplated in the Indenture to be done or performed by the Borrower. The Borrower is a third party beneficiary of certain provisions of the Indenture, and Section 8.05 of the Indenture is hereby incorporated herein by reference.

Section 5.6 Maintenance of Project. The Borrower shall keep and maintain or make arrangements with others to maintain the Project in accordance with the purposes and requirements of the Act and the Code.

Section 5.7 Nature of Business. The Borrower will not change the general character of its business as conducted at the date hereof, or engage in any type of business not reasonably related to its purpose.

(End of Article V)

## ARTICLE VI

### REDEMPTION AND PURCHASE OF BONDS

Section 6.1. Optional Redemption. Provided no Event of Default shall have occurred and be subsisting, at any time and from time to time, the Borrower may deliver moneys to the Trustee in addition to Loan Payments or Additional Payments required to be made and direct the Trustee to use the moneys so delivered for the purpose of purchasing Bonds or of calling Bonds for optional redemption in accordance with the applicable provisions of the Bond Legislation and Indenture providing for optional redemption at the redemption price stated in the Indenture; provided, however, that any moneys so used for optional redemption shall be from the sources set forth in paragraphs (i) and (ii) of Section 5.01(c) of the Indenture. Pending application for those purposes, any moneys so delivered shall be held by the Trustee in a special account in the Bond Fund and delivery of those moneys shall not operate to abate or postpone Loan Payments or Additional Payments otherwise becoming due or to alter or suspend any other obligations of the Borrower under this Agreement, but the Borrower shall received a credit for any moneys deposited by the Trustee in the Bond Fund for payment on the Bonds against the obligation of the Borrower to pay the principal, premium, if any, and interest on the Note as the same become due.

Section 6.2. Extraordinary Optional Redemption. The Borrower shall have, subject to the conditions hereinafter imposed, the option to direct the redemption of the entire unpaid principal balance of the Bonds in accordance with the applicable provisions of the Indenture upon the occurrence of any of the following events:

(a) The Project shall have been damaged or destroyed to such an extent that (1) it cannot reasonably be expected to be restored, within a period of 6 months, to the condition thereof immediately preceding such damage or destruction or (2) its normal use and operation is reasonably expected to be prevented for a period of 6 consecutive months.

(b) Title to, or the temporary use of, all or a significant part of the Project shall have been taken under the exercise of the power of eminent domain (1) to such extent that the Project cannot reasonably be expected to be restored within a period of 6 months to a condition of usefulness comparable to that existing prior to the taking or (2) as a result of the taking, normal use and operation of the Project is reasonably expected to be prevented for a period of 6 consecutive months.

(c) As a result of any changes in the Constitution of the State, the Constitution of the United States of America, or state or federal laws or as a result of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Issuer or the Borrower in good faith, this Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed in this

Agreement, or if unreasonable burdens or excessive liabilities shall have been imposed with respect to the Project or the operation thereof, including, without limitation, federal, state or other ad valorem, property, income or other taxes not being imposed on the date of this Agreement other than ad valorem taxes presently levied upon privately owned property used for the same general purpose as the Project.

(d) Changes in the economic availability of raw materials, operating supplies, energy sources or supplies, or facilities (including, but not limited to, facilities in connection with the disposal of industrial wastes) necessary for the operation of the Project for the Project Purposes shall have occurred or technological or other changes shall have occurred which the Borrower cannot reasonably overcome or control and which in the Borrower's reasonable judgment render the Project uneconomic for the Project Purposes.

To exercise that option, the Borrower shall, within 90 days following the event authorizing the exercise of that option, or at any time during the continuation of the condition referred to in clause (d) above, give notice to the Issuer and to the Trustee specifying the date on which the Borrower will deliver the funds required for that redemption, which date shall be not more than 90 days from the date that notice is mailed and shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption.

The amount payable by the Borrower in the event of their exercise of the option granted in this Section shall be the sum of the following:

(i) An amount of money which, when added to the moneys and investments held to the credit of the Bond Fund, will be sufficient pursuant to the provisions of the Indenture to pay, at par, and discharge all then outstanding Bonds on the earliest applicable redemption date, that amount to be paid to the Trustee, plus

(ii) An amount of money equal to the Additional Payments relating to the Bonds accrued and to accrue until actual final payment and redemption of the Bonds, that amount or applicable portions thereof to be paid to the Trustee or to the Persons to whom those Additional Payments are or will be due.

The requirement of (ii) above with respect to Additional Payments to accrue may be met if provisions satisfactory to the Trustee and the Issuer are made for paying those amounts as they accrue.

The Borrower also shall have the option, in the event that title to or the temporary use of a portion of the Project shall be taken under the exercise of the power of eminent domain, even if the taking is not of such nature as to permit the exercise of the redemption option upon an event specified in (b) above, to direct the redemption, at a redemption price of 100% of the principal amount thereof prepaid, plus accrued interest to the redemption date, of that part of the outstanding principal balance of the Bonds as may be payable from the proceeds received by the Borrower (after the payment of costs and expenses incurred in the collection thereof) received in

the eminent domain proceeding, provided, that, the Borrower shall furnish to the Issuer and the Trustee a certificate of an Engineer stating that (1) the property comprising the part of the Project taken is not essential to continued operations of the Project in the manner existing prior to that taking, (2) the Project has been restored to a condition substantially equivalent to that existing prior to the taking, or (3) other improvements have been acquired or made which are suitable for the continued operation of the Project.

The rights and options granted to the Borrower in this Section may be exercised whether or not the Borrower is in default hereunder; provided, that such default will not relieve the Borrower from performing those actions which are necessary to exercise any such right or option granted hereunder.

Section 6.3. [Reserved].

Section 6.4. Mandatory Redemption. The Borrower shall deliver to the Trustee the moneys needed to redeem the Bonds in accordance with any mandatory redemption provisions relating thereto as may be set forth in the Indenture.

Section 6.5. Actions by Issuer. At the request of the Borrower or the Trustee, the Issuer shall take all steps required of it under the applicable provisions of the Indenture or the Bonds to effect the redemption of all or a portion of the Bonds pursuant to this Article VI.

(End of Article VI)

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES

Section 7.1. Events of Default. Each of the following shall be an Event of Default:

(a) The Borrower shall fail to pay any Loan Payment on or prior to the Loan Payment Date on which that Loan Payment is due and payable;

(b) The Borrower shall fail to deliver to the Trustee, or cause to be delivered on their behalf, the moneys needed (i) to redeem any outstanding Bonds in the manner and upon the date requested in writing by the Trustee as provided in Section 6.1, 6.2 or 6.4 of this Agreement or (ii) to purchase any Bonds in the manner and upon the date as provided in Section 4.2 of this Agreement;

(c) The Borrower shall fail to observe and perform any other agreement, term or condition contained in this Agreement, and the continuation of such failure for a period of 30 days after notice thereof shall have been given to the Borrower by the Issuer or the Trustee, or for such longer period as the Issuer and the Trustee may agree to in writing; provided, that if the failure is other than the payment of money and is of such nature that it can be corrected but not within the applicable period, that failure shall not constitute an Event of Default so long as the Borrower institutes curative action within the applicable period and diligently pursues that action to completion;

(d) The Borrower shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) have an order for relief entered in any case commenced by or against them under the federal bankruptcy laws, as now or hereafter in effect; (iii) commence a proceeding under any other federal or state bankruptcy, insolvency, reorganization or similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for ninety days; (iv) make an assignment for the benefit of creditors; or (v) have a receiver or trustee appointed for them or for the whole or any substantial part of their property;

(e) There shall occur an “Event of Default” as defined in Section 10.01 of the Indenture.

Notwithstanding the foregoing, if, by reason of Force Majeure, the Borrower is unable to perform or observe any agreement, term or condition hereof which would give rise to an Event of Default under subsection (c) hereof, the Borrower shall not be deemed in default during the continuance of such inability. However, the Borrower shall promptly give notice to the Trustee and the Issuer of the existence of an event of Force Majeure and shall use its best efforts to remove the effects thereof; provided that the settlement of strikes or other industrial disturbances shall be entirely within its discretion.

The term Force Majeure shall mean, without limitation, the following:

(i) acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; droughts; floods; arrests; restraint of government and people; explosions; breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; shortages of labor, materials, supplies or transportation; or

(ii) any cause, circumstance or event not reasonably within the control of the Borrower.

The declaration of an Event of Default under subsection (d) above, and the exercise of remedies upon any such declaration, shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding that declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings.

Section 7.2. Remedies on Default. Whenever an Event of Default shall have happened and be subsisting, any one or more of the following remedial steps may be taken:

(a) If acceleration of the principal amount of the Bonds has been declared pursuant to Section 10.02 of the Indenture, the Trustee shall declare all Loan Payments to be immediately due and payable, whereupon the same shall become immediately due and payable;

(b) The Issuer, the Bank or the Trustee may have access to, inspect, examine and make copies of the books, records, accounts and financial data of the Borrower pertaining to the Project; or

(c) The Issuer or the Trustee may pursue all remedies now or hereafter existing at law or in equity to collect all amounts then due and thereafter to become due under this Agreement or to enforce the performance and observance of any other obligation or agreement of the Borrower under those instruments.

Notwithstanding the foregoing, the Issuer shall not be obligated to take any step which in its opinion will or might cause it to expend time or money or otherwise incur liability unless and until a satisfactory indemnity bond has been furnished to the Issuer at no cost or expense to the Issuer. Any amounts collected as Loan Payments or applicable to Loan Payments and any other amounts which would be applicable to the payment of Bond Service Charges collected pursuant to action taken under this Section shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture or, if the outstanding Bonds have been paid and discharged in accordance with the provisions of the Indenture, shall be paid as provided in Section 5.06 of the Indenture for transfers of remaining amounts in the Bond Fund.

The provisions of this Section are subject to the further limitation that the rescission by the Trustee of its declaration that all of the Bonds are immediately due and payable also shall constitute an annulment of any corresponding declaration made pursuant to paragraph (a) of this Section and a waiver and rescission of the consequences of that declaration and of the Event of Default with respect to which that declaration has been made, provided that no such waiver or rescission shall extend to or affect any subsequent or other default or impair any right consequent thereon.

Section 7.3. No Remedy Exclusive. No remedy conferred upon or reserved to the Issuer or the Trustee by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement, or now or hereafter existing at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair that right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than any notice required by law or for which express provision is made herein.

Section 7.4. Agreement to Pay Attorneys' Fees and Expenses. If an Event of Default should occur and the Issuer or the Trustee should incur expenses, including attorneys' fees, in connection with the enforcement of this Agreement or the collection of sums due thereunder, the Borrower shall reimburse the Issuer and the Trustee, as applicable, for the reasonable expenses so incurred upon demand.

Section 7.5. No Waiver. No failure by the Issuer or the Trustee to insist upon the strict performance by the Borrower of any provision hereof shall constitute a waiver of their right to strict performance and no express waiver shall be deemed to apply to any other existing or subsequent right to remedy the failure by the Borrower to observe or comply with any provision hereof.

The Issuer and the Trustee may waive any Event of Default hereunder only with the prior written consent of the Bank.

Section 7.6. Notice of Default. The Borrower and the Issuer shall each notify the Trustee and the Bank immediately when each becomes aware of the occurrence of any Event of Default hereunder or of any fact, condition or event which, with the giving of notice or passage of time or both, would become an Event of Default. The Borrower shall also provide such notice to the Issuer.

Section 7.7. [Reserved].

Section 7.8. Limited Liability of Issuer. Notwithstanding any provision or obligation to the contrary hereinabove set forth, no provision of this Agreement shall be construed so as to give rise to a pecuniary liability of the Issuer or to give rise to a charge upon the general credit of the Issuer. The liability of the Issuer hereunder shall be limited to its interest in the Project, this Agreement, the Indenture and all other related documents and collateral and the lien

of any judgment shall be restricted thereto. In the performance of the agreements of the Issuer herein contained, any obligation it may incur for the payment of money shall not be a debt of the Issuer nor shall the Issuer be liable on any obligation so incurred. The Issuer does not assume general liability for the repayment of the Bonds or for the costs, fees, penalties, taxes, interest, omissions, charges, insurance or any other payments recited herein, and shall have no obligation for such costs. The Issuer shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Borrower if a default shall occur hereunder.

(End of Article VII)

## ARTICLE VIII

### MISCELLANEOUS

Section 8.1. Term of Agreement. This Agreement shall be and remain in full force and effect from the date of delivery of the Bonds to the Bank until such time as all of the Bonds shall have been fully paid (or provision made for such payment) pursuant to the Indenture and all other sums payable by the Borrower under this Agreement shall have been paid, except for obligations of the Borrower under Sections 4.2 and 5.3 hereof, which shall survive any termination of this Agreement.

Section 8.2. Amounts Remaining in Funds. Any amounts in the Bond Fund remaining unclaimed by the holders of Bonds for 2 years after the due date thereof (whether at stated maturity, by redemption or pursuant to any mandatory sinking fund requirements or otherwise), shall be paid to the Borrower; provided that if the Trustee shall have received written notice from the Bank that amounts are still due to the Bank, such amount remaining in the Bond Fund shall belong and be paid first to the Bank to the extent such amounts due by the Borrower have not been paid. With respect to the principal of and interest on the Bonds to be paid from moneys paid to the Borrower or the Bank pursuant to the preceding sentence, the holders of the Bonds entitled to those moneys shall look solely to the Borrower for the payment of those moneys.

Further, any other amounts remaining in the Bond Fund and Reserve Fund (other than in the Defeasance Account) and any amounts remaining in any other special funds or accounts (other than the Project Fund) created under this Agreement or the Indenture after all of the outstanding Bonds shall be deemed to have been paid and discharged under the provisions of the Indenture and all other amounts required to be paid under this Agreement and the Indenture have been paid, shall be paid to the Borrower to the extent that those moneys are in excess of the amounts necessary to effect the payment and discharge of the outstanding Bonds; provided that if the Trustee shall have received written notice from the Bank that amounts due by the Borrower have been paid, such amounts shall belong and be paid first to the Bank to the extent it has not been so paid.

Section 8.3. Notices. All notices, certificates, requests or other communications hereunder shall be in writing and shall be deemed to be sufficiently given when mailed by registered or certified mail, postage prepaid, and addressed to the appropriate Notice Address. A duplicate copy of each notice, certificate, request or other communication given hereunder to the Issuer, the Borrower, the Bank, or the Trustee shall also be given to the others. The Borrower, the Issuer, the Bank, and the Trustee, by notice given hereunder, may designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 8.4. Extent of Covenants of the Issuer; No Personal Liability. All covenants, obligations and agreements of the Issuer contained in this Agreement or the Indenture shall be effective to the extent authorized and permitted by applicable law. The obligations of the Issuer under this Agreement are special, limited obligations of the Issuer, payable solely out of the

revenues and income derived under this Agreement and the Indenture (except to the extent paid out of moneys attributable to the proceeds derived from the sale of the Bonds or income from the temporary investment of such funds or other funds held under the Indenture). The obligations of the Issuer hereunder shall not be deemed to constitute an indebtedness or an obligation of the Issuer, the State of Indiana or any political subdivision, nor a charge against the credit or general taxing powers of any of them. Neither the Issuer nor any elected or appointed official, employee or agent of the Issuer nor any person executing the Bonds shall be liable personally for the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds. No recourse shall be had for the payment of the principal of, redemption premium, if any, and interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in the Indenture, this Agreement or the Bond Purchase Agreement against any past, present or future elected or appointed official, agent or employee of the Issuer, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such elected or appointed official, employee, or agent as such is hereby expressly waived and released as a condition of and in consideration for the execution of the Indenture and this Agreement and the issuance of the Bonds.

Section 8.5. Binding Effect. This Agreement shall inure to the benefit of and shall be binding in accordance with its terms upon the Issuer, the Borrower and their respective permitted successors and assigns provided that this Agreement may not be assigned by the Borrower (except in connection with a lease, sale or grant of use pursuant to Section 5.2 hereof) and may not be assigned by the Issuer except to the Trustee pursuant to the Indenture or as otherwise may be necessary to enforce or secure payment of Bond Service Charges. This Agreement may be enforced only by the parties, their assignees and others who may, by law, stand in their respective places.

Section 8.6. Amendments and Supplements. Except as otherwise expressly provided in this Agreement or the Indenture, subsequent to the issuance of the Bonds and prior to all conditions provided for in the Indenture for release of the Indenture having been met, this Agreement may not be effectively amended, changed, modified, altered or terminated except in accordance with the provisions of Article XIV of the Indenture, as applicable.

Section 8.7. Execution Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

Section 8.8. Severability. If any provision of this Agreement, or any covenant, obligation or agreement contained herein is determined by a court to be invalid or unenforceable, that determination shall not affect any other provision, covenant, obligation or agreement, each of which shall be construed and enforced as if the invalid or unenforceable portion were not contained herein. That invalidity or unenforceability shall not affect any valid and enforceable application thereof, and each such provision, covenant, obligation or agreement shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

Section 8.9. Governing Law. This Agreement shall be deemed to be a contract made under the laws of the State and for all purposes shall be governed by and construed in accordance with the laws of the State.

(End of Article VIII)

IN WITNESS WHEREOF, the Issuer and the Borrower has caused this Agreement to be duly executed in their respective names, all as of the date hereinbefore written.

*[Remainder of page intentionally left blank.]*

SIGNATURE PAGE OF ISSUER  
TO  
LOAN AGREEMENT  
FOR UNION STREET FLATS AT GRAND JUNCTION APARTMENTS

CITY OF WESTFIELD, INDIANA

By: \_\_\_\_\_  
J. Andrew Cook, Mayor

ATTEST:

\_\_\_\_\_  
Cindy Gossard, Clerk-Treasurer

SIGNATURE PAGE OF BORROWER  
TO  
LOAN AGREEMENT  
FOR UNION STREET FLATS AT GRAND JUNCTION APARTMENTS

UNION STREET FLATS, LLC

By: \_\_\_\_\_  
John C. Hart, Jr., Managing Member

## EXHIBIT A

### PROJECT FACILITIES

The construction on the Project Site thereof of approximately 237 apartment units and a clubhouse, swimming pool amenity area and other ancillary improvements in the Grand Junction Consolidated Economic Development Area and directly serving the East Side Economic Development Area as further described in the Loan Agreement.

EXHIBIT B  
PROJECT SITE

Parcel I

Beginning at a point in the East line of said Northeast Quarter of said Section 506.00 feet North of the Southeast corner of said Northeast Quarter, thence North on and along the East line of said Northeast Quarter Section 58.00 feet to a point, thence West 268.00 feet to a point, thence South 183.675 feet to a point, thence East 83.00 feet to a point, thence North 126.33 feet to a point, thence East 185.00 feet to the place of beginning, which boundaries are parallel to the South line and the East line respectively of said Northeast Quarter of Section 1, Township 18 North, Range 3 East, in Hamilton County, Indiana.

Parcel II

Begin at a point 441.04 feet North, to the Southeast corner of the Northeast Quarter of Section 1, Township 18 North, Range 3 East, thence North 65 feet to a point, thence West 185 feet to an iron stake, thence South 65 feet to an iron stake, thence East 185 feet to the place of beginning.

Parcel II

Part of the Northeast Quarter of Section 1, Township 18 North, Range 3 East in Hamilton County, Indiana and being a portion of the land of Robert Haskett, Jr. as recorded in Deed Book 225, page 30 in the Recorder's Office of said County and being more particularly described as follows:

Beginning at a point in the South line of said Northeast Quarter of said Section 619.74 feet West of the Southeast corner of the Northeast Quarter of said Section, thence North 179.355 feet to a point, thence East 338.74 feet to a point, thence North 100 feet to a point, thence East 13.00 feet to a point, thence North 356.145 feet to a point, thence West 351.74 feet to a point, thence North 283.39 feet to a point (which point lies 619.74 feet West and 919.71 feet North of the Southeast corner of the Northeast Quarter), thence West 572.22 feet to a point, thence South 947.21 feet to a point in the South line of the Northeast Quarter of said Section, thence on and along the line of the Northeast Quarter, 565.95 feet to the place of beginning, which boundaries are parallel to the South line and the East line of the Northeast Quarter of Section 1, Township 18 North, Range 3 East in Hamilton County, Indiana.

Parcel IV

Part of the Northeast Quarter of Section 1, Township 18 North, Range 3 East, described as follows:

Begin at a point 379.66 feet North of the Southeast corner of the Northeast Quarter of Section 1, Township 18 North, Range 3 East, thence North 61.38 feet to a point, thence West 185.0 feet to an iron stake, thence South 61.38 feet to an iron stake, thence East 185.0 feet to the place of beginning.

Parcel V

Part of the Northeast Quarter of Section 1, Township 18 North, Range 3 East in Hamilton County, Indiana, more particularly described as follows:

Commencing at the Southeast corner of the Northeast Quarter of Section 1, Township 18 North, Range 3 East; thence North 00 degrees 00 minutes (assumed bearing) on and along the East line of the Northeast Quarter 86.355 feet; thence South 88 degrees 15 minutes West 236.0 feet; thence North 00 degrees 00 minutes parallel with said East line 93.0 feet; thence South 88 degrees 15 minutes West 166.72 feet to the Point of Beginning; thence South 88 degrees 15 minutes West 209.10 feet; thence South 02 degrees 19 minutes East 179.355 feet to the South line of said Northeast Quarter; thence North 88 degrees 14 minutes 30 seconds East on and along said South line 209.10 feet; thence North 02 degrees 19 minutes West 179.3 feet, more or less to the Point of Beginning, containing .86 acres, more or less.

NOTE: The acreage is included above for descriptive purposes only.

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Part of the Northeast Quarter of Section 1, Township 18 North, Range 3 East in Hamilton County, Indiana, and being more particularly described as follows:

Begin on the East line of said Quarter North 00 degrees 00 minutes 00 seconds East (assumed bearing) a distance of 279.36 feet from the Southeast corner of said Quarter, thence leaving said line South 88 degrees 14 minutes 30 seconds West a distance of 281.00 feet; thence North 00 degrees 00 minutes 00 seconds East a distance of 104.00 feet; thence North 89 degrees 03 minutes 26 seconds East a distance of 280.91 feet to the said East line; thence South 00 degrees 00 minutes 00 seconds West on said line a distance of 100.00 feet to the Point of Beginning. Contains 0.66 acres, more or less.

NOTE: The acreage is included above for descriptive purposes only.

EXHIBIT C

FORM OF PROJECT FUND DISBURSEMENT REQUEST

STATEMENT NO. \_\_\_\_\_ REQUESTING DISBURSEMENT OF FUNDS  
FROM PROJECT FUND  
PURSUANT TO SECTION 3.4 OF THE  
LOAN AGREEMENT DATED AS OF JUNE 1, 2012 BETWEEN  
CITY OF WESTFIELD, INDIANA AND  
UNION STREET FLATS, LLC

Pursuant to Section 3.4 of the Loan Agreement (the “Loan Agreement”) between City of Westfield, Indiana (the “Issuer”), and Union Street Flats, LLC (the “Borrower”) dated as of June 1, 2012, the undersigned Designated Representative hereby requests and authorizes Regions Bank, as trustee (the “Trustee”), as depository of the Project Fund created by the Indenture and defined in the Loan Agreement, to pay to the Borrower or to the person(s) listed on the Disbursement Schedule hereto out of the moneys deposited in the Union Street Flats at Grand Junction Apartments Improvements Account of the Project Fund the aggregate sum of \$\_\_\_\_\_ to pay such person(s) or to reimburse the Borrower in full, as indicated in the Disbursement Schedule, for the advances, payments and expenditures made by it in connection with the items listed in the Disbursement Schedule.

In connection with the foregoing request and authorization, the undersigned hereby certifies that:

- (a) Each item for which disbursement is requested hereunder is properly payable out of the Union Street Flats at Grand Junction Apartments Improvements Account of the Project Fund in accordance with the terms and conditions of the Loan Agreement and none of those items has formed the basis for any disbursement heretofore made from said Project Fund.
- (b) Each such item is or was necessary in connection with the construction, furnishing, equipment or improvement of the Project, as defined in the Loan Agreement.
- (c) The Borrower has received, or will concurrently with payment hereunder receive and deliver to the Trustee, appropriate waivers of any mechanics’ or other liens with respect to each item which has been paid pursuant to a prior disbursement request;
- (d) This statement and all exhibits hereto, including the Disbursement Schedule, shall be conclusive evidence of the facts and statements set forth herein and shall constitute full warrant, protection and authority to the Trustee for its actions taken pursuant hereto.
- (e) This statement constitutes the approval of the Borrower of each disbursement hereby requested and authorized.

Submitted to the Issuer by the Borrower this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

By: \_\_\_\_\_  
Authorized Signor on behalf of  
Union Street Flats, LLC

Pursuant to Section 3.4 of the Loan Agreement, the foregoing disbursement request is hereby  
***[Insert “approved” or “disapproved”]*** this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_ and  
submitted by Issuer to the Trustee this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

By: \_\_\_\_\_  
Designated Representative

DISBURSEMENT SCHEDULE

TO STATEMENT NO. \_\_\_\_\_ REQUESTING AND AUTHORIZING DISBURSEMENT  
OF FUNDS FROM UNION STREET FLATS AT GRAND JUNCTION APARTMENTS  
IMPROVEMENTS ACCOUNT OF THE PROJECT FUND PURSUANT TO  
SECTION 3.4 OF THE LOAN AGREEMENT DATED AS OF JUNE 1, 2012  
BETWEEN CITY OF WESTFIELD, INDIANA AND UNION STREET FLATS

| PAYEE | AMOUNT | PURPOSE | METHOD OF PAYMENT* |
|-------|--------|---------|--------------------|
|-------|--------|---------|--------------------|

\*Insert method of payment, i.e., either "Check" and include address for mailing or insert "Wire Transfer" and include wire transfer information.

## EXHIBIT D

### UNION STREET FLATS, LLC

#### NOTE

FOR VALUE RECEIVED, the undersigned, Union Street Flats, LLC (the “Borrower”), an Indiana limited liability company organized and existing under the laws of the State of Indiana, hereby promises to pay to the order of the City of Westfield, Indiana (“Issuer”), in immediately available funds, the principal sum of \$2,000,000.00, or so much of such principal amount as has been advanced and not repaid on the Bonds (defined below), and interest thereon, during the term of the Loan Agreement (the “Loan Agreement”) dated as of June 1, 2012 between Issuer and Borrower, commencing fifteen (15) days prior to February 1, 2015, and at least fifteen (15) days prior to each February 1 and August 1 thereafter, a sum which will equal the principal and interest which will become due on the next Interest Payment Date on the Bonds (as hereinafter defined), all subject to the credits described in the Loan Agreement and to the presence of other available money for such installment in the Bond Fund under the Indenture of Trust dated as of June 1, 2012 between the Issuer and Regions Bank, as Trustee (the “Trustee”).

Payments of both principal and interest are to be endorsed to the Trustee, and are to be made directly to the Trustee for the account of the Issuer pursuant to such endorsement. Such endorsement is to be made as security for the payment of the bonds designated “Taxable Economic Development Tax Increment Revenue Bonds of Series 2012 (Union Street Flats at Grand Junction Apartments)” (the “Bonds”). All of the terms, conditions and provisions of the Indenture are, by this reference thereto, incorporated herein as a part of this Note.

This Note is issued pursuant to the Loan Agreement, and is entitled to the benefits, and is subject to the conditions thereof. The obligations of Borrower to make the payments required hereunder shall be absolute and unconditional without any defense or right of set-off, counterclaim or recoupment by reason of any default by Issuer under the Loan Agreement or under any other agreement between Borrower and Issuer or out of any indebtedness or liability at any time owing to the Borrower by the Issuer or for any other reason.

The principal of this Note is subject to prepayment prior to maturity in the manner stated in the Loan Agreement.

In certain events and in the manner set forth in the Loan Agreement, the entire principal amount of this Note and the interest accrued thereon may be declared to be due and payable. In certain events and in the manner set forth in the Loan Agreement, the Borrower shall be obligated to pay additional amounts.

The Borrower hereby unconditionally waives diligence, presentment, protest, notice of dishonor and notice of default of the payment of any amount at any time payable to the Issuer under or in connection with this Note. All amounts payable hereunder are payable with reasonable attorneys fees and costs of collection and without relief from valuation and appraisal laws.

In any case where the date of payment hereunder shall be a Saturday, Sunday or a legal holiday or a day on which banking institutions are authorized by law to close, then such payment shall be made on the next preceding business day with the same force and effect as if made on the date of payment hereunder.

All terms used in this Note which are defined in the Loan Agreement shall have the meanings assigned to them in the Loan Agreement.

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed and attested by its duly authorized officer all as of June \_\_, 2012.

Issue Date: June \_\_, 2012

UNION STREET FLATS, LLC

By: \_\_\_\_\_  
John C. Hart, Jr., Managing Member

BOND PURCHASE AGREEMENT

Dated as of  
June \_\_, 2012

Relating to

\$2,000,000  
City of Westfield, Indiana  
Taxable Economic Development  
Tax Increment Revenue Bonds of 2012  
(Union Street Flats at Grand Junction Apartments)

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## **BOND PURCHASE AGREEMENT**

This BOND PURCHASE AGREEMENT, dated as of June \_\_, 2012, is by and among the CITY OF WESTFIELD, INDIANA (the “Issuer”), a municipal corporation and political subdivision duly organized and existing under the laws of the State of Indiana (the “State”), UNION STREET FLATS, LLC (the “Borrower”), an Indiana limited liability company, and REGIONS CAPITAL ADVANTAGE, INC., a Tennessee Corporation, as purchaser of the hereinafter defined Bonds (the “Purchaser”).

### 1. Background.

(a) The Issuer proposes to issue (i) \$2,000,000 principal amount of City of Westfield, Indiana Taxable Economic Development Tax Increment Revenue Bonds of 2012 (Union Street Flats at Grand Junction Apartments) (the “Bonds”) and to loan the proceeds of the Bonds to the Borrower for the purpose of (i) financing a portion of the costs of the acquisition and construction of certain apartment facilities as further described in the Loan Agreement (as hereinafter defined) (the “Project”), (ii) funding a debt service reserve fund for the Bonds (if required), (iii) funding capitalized interest, and (iv) financing certain costs of issuance associated with the issuance of the Bonds. All facilities to be financed or reimbursed with the proceeds of the Bonds will be owned by the Borrower.

(b) The Bonds shall mature on the dates and in the principal amounts, bear interest at the interest rates and be subject to prior redemption as set forth in the hereinafter defined Indenture. The Bonds will be issued pursuant to an ordinance adopted by the Issuer on June 25, 2012 (the “Bond Ordinance”), and will be secured under an Indenture of Trust dated as of June 1, 2012 (the “Indenture”) between the Issuer and Regions Bank, Indianapolis, Indiana, as trustee (the “Trustee”), for the holders of the Bonds. The Bonds will be payable from money pledged and assigned by the Indenture, including the Tax Increment Revenues (as defined in the Indenture) and the loan payments received by the Issuer under the Loan Agreement dated as of June 1, 2012, between the Issuer and the Borrower (the “Loan Agreement”). Pursuant to the Loan Agreement, the Issuer will loan the proceeds of the Bonds to the Borrower for the purposes of financing the costs of constructing the Project. The loan to the Borrower of the proceeds of (i) the Bonds will be evidenced by the execution and delivery by the Borrower of a promissory note (the “Note”) in an amount equal to the principal amount of Bonds issued. The proceeds of the Bonds will be applied as provided in the Indenture and the Loan Agreement.

(c) It is intended that the Bonds may be purchased by the Purchaser without registration of any security under the Securities Act of 1933, as amended (the “Securities Act”), or qualification of any indenture under the Trust Indenture Act of 1939 (the “Trust Indenture Act”). The Bonds will not be publicly offered for sale and will instead be purchased directly by the Purchaser which will provide its sophisticated investor letter, as described below, on the Closing Date stating that it is an “accredited investor” within the meaning of the Securities Act and will not reoffer the Bonds without prior compliance with applicable registration and disclosure requirements.

(d) To induce the Issuer to enter into this Bond Purchase Agreement and to issue and deliver the Bonds, the Borrower has entered into this Bond Purchase Agreement.

2. Sale and Closing.

(a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Purchaser hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Purchaser, all (but not less than all) of the Bonds as contemplated herein. The purchase price for all of the Bonds shall be \$\_\_\_\_\_, representing a par amount of \$2,000,000.00, less a Purchaser's fee of \$\_\_\_\_\_, there being no accrued interest thereon. The expenses described in Section 10 hereof shall be payable (assuming all of the conditions precedent set forth herein are satisfied) by wire transfer in immediately available funds on the Closing Date.

(b) It shall be a condition of the Issuer's obligation to sell and deliver the Bonds to the Purchaser and an obligation of the Purchaser to purchase and accept delivery of the Bonds, that the entire \$2,000,000.00 aggregate principal amount of the Bonds shall be tendered for sale and delivered by the Issuer and accepted and paid for by the Purchaser on the Closing Date. On the Closing Date, the Purchaser will deliver a sophisticated investor letter to the Issuer and the Borrower in the form set forth in Exhibit A attached hereto certifying, among other matters, that it is an "accredited investor" within the meaning of the Securities Act and is purchasing the Bonds for investment for its own account and not with the present view of re-selling or otherwise disposing of all or any part thereof, and will so certify and that it will not sell, convey, pledge or otherwise transfer the Bonds without prior compliance with applicable registration and disclosure requirements of state and federal securities laws.

(c) At 10:00 a.m. Eastern Standard Time on June \_\_, 2012, or at such earlier or later time or date as shall be agreed by the Issuer, the Borrower and the Purchaser (such time and date being herein referred to as the "Closing Date"), the Issuer will issue and deliver the Bonds in definitive form (registered in the name of the Purchaser), duly executed by the Issuer and authenticated by the Trustee (or Authenticating Agent if an entity separate from the Trustee is acting as an authenticating agent) as provided for in the Indenture; and the Purchaser shall purchase the Bonds as set forth in paragraph (a) of this section by wire transfer in immediately available funds to an account specified by the Trustee, for the account of the Issuer (such delivery and payment being herein referred to as the "Closing"). The Bonds shall be made available to the Trustee a reasonable time before the Closing Date for purposes of inspection, packaging and authentication. The Trustee shall deliver the Bonds to the Purchaser immediately upon authentication and confirmation that the purchase price therefor has been paid concurrently with the Closing. Concurrently with the Closing, the Issuer will execute and deliver the Loan Agreement and the Indenture.

(d) Each of the parties hereto represents and agrees that it has not knowingly participated in and will not knowingly participate in, and is not aware of, any offering or sale of any tax-exempt obligations (i) which has been, is being or will be conducted during the period commencing 15 days prior to the date hereof and ending 15 days after the Closing Date, (ii) which has been, is being or will be paid from the same source of funds as the Bonds, determined

without regard to guarantees from unrelated parties, and (iii) which was, is being or will be made pursuant to the same plan of financing. For purposes of the foregoing sentence, tax-exempt obligations issued pursuant to the same plan of financing means tax-exempt obligations issued to finance a single facility or related facilities. The Purchaser further represent that it is purchasing the Bonds for investment for its own account and not with the present view of reselling or otherwise disposing of the same.

3. Issuer's Representations and Warranties. The Issuer makes the following representations and warranties:

(a) The Issuer is a municipal corporation and political subdivision created and validly existing under the laws of the State, and has full power and authority under Indiana Code Title 36, Article 7, Chapters 11.9 and 12, as supplemented and amended (collectively, the "Act"), among other things, (i) to issue revenue bonds, such as the Bonds, and to make the proceeds of the Bonds available to persons such as the Borrower for the purposes described in the Indenture and the Loan Agreement, payable from and secured by the Tax Increment Revenues and the Loan Agreement, and (ii) to secure such Bonds in the manner contemplated by the Indenture.

(b) The Issuer has the legal right, power and authority pursuant to the Act (i) to adopt the Bond Ordinance and enter into this Bond Purchase Agreement and the Loan Agreement, (ii) to issue, sell and deliver the Bonds as provided herein, and (iii) to carry out and consummate all other transactions contemplated by each of the aforesaid documents, and the Issuer has complied in all material respects with applicable law, including the Act, in matters relating to such transactions.

(c) The Issuer has duly authorized (i) the issuance, sale and delivery of the Bonds upon the terms set forth herein and in the Indenture, (ii) the execution, delivery and due performance of this Bond Purchase Agreement, the Bonds, the Indenture and the Loan Agreement, and (iii) the taking of any and all such actions as may be required on the part of the Issuer to carry out, give effect to and consummate the transactions contemplated by such instruments.

(d) The Bond Ordinance has been duly adopted by the Issuer and is in full force and effect. This Bond Purchase Agreement when executed and delivered constitutes, and the Indenture and the Loan Agreement, when executed and delivered, will constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, except that enforceability may be limited by laws relating to bankruptcy, reorganization or other similar laws affecting the rights of creditors, by the exercise of judicial discretion in accordance with general principles of equity, and by matters of public policy.

(e) When duly authenticated by the Trustee, delivered to and paid for by the Purchaser at the Closing in accordance with the provisions of this Bond Purchase Agreement, the Bonds will have been duly authorized, executed, issued and delivered and will constitute legal, valid and binding special limited obligations of the Issuer in conformity with the laws of the State, including the Act, will be entitled to the benefit and security of the Loan Agreement and the Indenture, and will be enforceable in accordance with their terms, except that enforceability

may be limited by laws relating to bankruptcy, reorganization or other similar laws affecting the rights of creditors.

(f) To the best knowledge of the Issuer, neither the adoption of the Bond Ordinance, the execution and delivery of this Bond Purchase Agreement, the Bonds, the Indenture or the Loan Agreement, nor the consummation of the transactions contemplated therein or the compliance with the provisions thereof, will conflict in any material respect with, or constitute on the part of the Issuer a material violation of, or a material breach of or material default under, any statute, indenture, mortgage, commitment, note or other agreement or instrument to which the Issuer is a party or by which it is bound, or under any provision of the Indiana Constitution or under any existing material law, rule, regulation, resolution, charter, judgment, order or decree to which the Issuer is subject.

(g) Other than the Indenture and the Loan Agreement, to its knowledge, the Issuer has not entered into any contract or arrangement of any kind which would give rise to any lien or encumbrance on the security pledged thereunder.

(h) To the best of the Issuer's knowledge, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or threatened against the Issuer, which questions the powers of the Issuer referred to in paragraph (a) above, or the validity of any proceedings taken by the Issuer in connection with the issuance of the Bonds, or wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by, or the validity or enforceability of, the Bond Ordinance, the Indenture, the Loan Agreement, the Bonds, or this Bond Purchase Agreement.

(i) Any certificate relating to the Bonds signed by the Issuer and delivered to the Borrower, Krieg DeVault LLP ("Bond Counsel"), or the Purchaser at or before the Closing Date shall be deemed a representation and warranty by the Issuer to the Borrower, Bond Counsel, and the Purchaser, as to the truth of the statements therein contained.

(j) The Issuer has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Issuer is a bond issuer whose arbitrage certifications may not be relied upon.

4. Borrower's Representations and Warranties. The Borrower makes the following representations and warranties:

(a) The Borrower is a limited liability company duly organized and validly existing under the laws of the State, is duly authorized to conduct business in the State and has full legal right, power and authority to own the Borrower's properties and conduct the Borrower's business.

(b) The Borrower has full legal right, power and authority to execute and deliver this Bond Purchase Agreement, the Loan Agreement and the Note, and to provide for the operation and management of the Project, and to take any and all such action as may be required on its part

to carry out, give effect to and consummate the transactions contemplated by this Bond Purchase Agreement, the Loan Agreement and the Note.

(c) The Borrower has duly executed and delivered this Bond Purchase Agreement, and on the Closing Date will have duly authorized, executed and delivered the Loan Agreement and the Note, and has taken or will take all such action as may be required on the part of the Borrower to carry out, give effect to and consummate the transactions contemplated by each of such documents. This Bond Purchase Agreement constitutes, and the Loan Agreement and the Note, when executed and delivered, will, assuming the due and valid authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding obligations of the Borrower, enforceable in accordance with their respective terms, except that enforceability may be limited by laws relating to bankruptcy, reorganization or other similar laws affecting the rights of creditors or by equitable principles which may affect the availability of specific performance or other equitable remedies.

(d) Neither the execution and delivery of this Bond Purchase Agreement, the Loan Agreement or the Note, nor the consummation of the transactions contemplated therein or the compliance with the provisions thereof, will conflict with, or constitute on the part of the Borrower a violation of, or a breach of or default under the Borrower's Operating Agreement or any material indenture, mortgage, commitment, note or other agreement or instrument to which the Borrower is a party or by which the Borrower is bound, or any material order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities or properties. All consents, approvals, authorizations and orders of governmental or regulatory authorities (except as required under state securities laws) which are required for the Borrower's execution and delivery of, consummation of the transactions contemplated by and compliance with the provisions of this Bond Purchase Agreement, the Loan Agreement and the Note have been obtained, or with respect to the construction and equipping of the Project, are expected to be obtained in due course.

(e) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the best of the knowledge of the Borrower, threatened, against or affecting the Borrower, or the actions taken or contemplated to be taken by the Borrower, nor, to the best of the knowledge of the Borrower, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the business or financial condition of the Borrower, or the transactions contemplated by, or the validity or enforceability of, this Bond Purchase Agreement, the Loan Agreement or the Note.

(f) No event has occurred and no condition exists which, upon issuance of the Bonds, would constitute (or with the giving of notice or lapse of time, or both, would constitute) an "event of default" under the Loan Agreement.

(g) The Borrower is not in violation of any provisions of, or in default under its Articles of Organization or Bylaws or any statute, indenture, mortgage, commitment, note or other agreement or instrument to which he is a party or by which it is bound, or any order, rule, regulation or decision of any court or governmental agency or body having jurisdiction over it or

any of its activities or properties, which violation would materially and adversely affect its business or financial condition.

(h) Any certificate signed by any duly authorized officer of the Borrower and delivered to the Issuer, Bond Counsel or the Purchaser at or before the Closing Date shall be deemed a representation and warranty by the Borrower to the Issuer and the Purchaser as to the truth of the statements therein contained as of such date.

5. Covenants of the Issuer. The Issuer covenants that it will in all material respects observe all covenants of the Issuer in the Indenture and the Loan Agreement (to the extent required of the Issuer therein) and will not issue or sell any bonds or obligations other than the Bonds, the principal of, premium, if any, and interest on which are payable in whole or in part from the Loan Agreement or are to be secured by any lien on, or pledge of, the Loan Agreement.

6. Covenants of the Borrower. The Borrower covenants as follows:

(a) The Borrower will apply the proceeds of the Bonds as provided in and subject to all of the terms and provisions of the Loan Agreement and will observe all covenants of the Borrower in the Loan Agreement.

(b) The Borrower will take such action as may be reasonably requested to facilitate the timely consummation of the transactions contemplated by this Bond Purchase Agreement.

(c) The Borrower will notify the Issuer and the Purchaser of any material adverse change in the business, properties or financial condition of the Borrower occurring before the Closing Date.

7. Conditions to the Obligations of the Purchaser. The obligation of the Purchaser to cause payment for the Bonds to be made on the Closing Date shall be subject, at the option of the Purchaser, to the accuracy in all material respects of the representations and warranties on the part of the Issuer and the Borrower contained herein as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the Issuer and the Borrower made in any certificates or other documents furnished pursuant to the provisions hereof: to the performance by the Issuer and the Borrower of their respective obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

(a) At the Closing Date, the Indenture, the Bonds, the Loan Agreement and the Note shall have been duly authorized, executed and delivered by the respective parties thereto, and none of the foregoing agreements shall have been amended, modified or supplemented so as to materially affect the content thereof, except as may have been agreed to in writing by the Purchaser, and there shall have been taken in connection therewith, with the issuance of the Bonds, and with the transactions contemplated thereby and by this Bond Purchase Agreement, all such actions as the Purchaser reasonably shall deem to be necessary and appropriate;

(b) At or prior to the Closing Date, the Purchaser shall have received an original or copies of the following documents, in each case satisfactory in form and substance to the Purchaser:

(i) The Indenture, the Bonds, the Loan Agreement and the Note, each duly executed and delivered by the respective parties thereto, with such amendments, modifications or supplements as may have been agreed to in writing by the Purchaser;

(ii) The opinion of Wooden & McLaughlin, LLP, counsel to the Borrower, dated the Closing Date, in substantially the form attached as Exhibit B hereto;

(iii) The opinion of Bond Counsel, dated the Closing Date, in substantially the form attached as Exhibit C hereto;

(iv) The opinion of Krieg DeVault LLP, counsel to the Issuer, dated the Closing Date, in substantially the form attached as Exhibit D hereto;

(v) A certificate, dated the Closing Date, signed by a duly authorized official of the Issuer, in form satisfactory to the Purchaser, to the effect that the representations and warranties of the Issuer set forth in Section 3 hereof are true, correct and complete on the date thereof;

(vi) A certificate, dated the Closing Date, signed by a duly authorized officer of the Borrower, in form satisfactory to the Purchaser, to the effect that the representations and warranties of the Borrower set forth in Section 4 hereof are true, correct and complete on the date thereof;

(vii) Such additional legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel or the Purchaser may reasonably request to evidence compliance by the Trustee, the Issuer or the Borrower with legal requirements of closing, and to certify the truth and accuracy as of the Closing Date, of the representations of the Issuer and the Borrower contained herein and the due performance or satisfaction by the Issuer and the Borrower at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by each of them.

(c) Between the date hereof and the Closing Date, legislation shall not have been enacted by the Congress or be actively considered for enactment by Congress, or recommended to the Congress for passage by the President of the United States, or introduced to either house of the Congress, nor a decision rendered by any court of competent jurisdiction, or the United States Tax Court, nor any order, ruling, regulation or official statement made by the United States Treasury Department or the Internal Revenue Service, with the purpose or effect of imposing federal income taxation upon revenues or other income of the character derived by the Issuer under the Loan Agreement.

(d) Between the date hereof and the Closing Date, legislation shall not have been enacted by the Congress or be actively considered for enactment by Congress, or recommended

to the Congress for enactment by the President of the United States, or introduced or favorably reported for passage to either house of the Congress, and neither a decision, order or decree of a court of competent jurisdiction, nor an order, ruling, regulation or official statement of or on behalf of the Securities and Exchange Commission shall have been rendered or made, with the purpose or effect that the issuance, offering or sale of the Bonds or any related security or obligations of the general character of the Bonds or any related security as contemplated hereby, or the execution and delivery of the Indenture, is or would be in violation of any provision of, or is or would be subject to registration or qualification requirements under, the Securities Act or the Trust Indenture Act.

(e) None of the following shall have occurred: (i) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange or such trading shall have been suspended; (ii) the New York Stock Exchange or other national securities exchange, or the National Association of Securities Dealers, Inc. or other national securities association, or the Municipal Securities Rulemaking Board or other similar national self-regulatory rule-making board, or any governmental authority, shall impose, as to the Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or change in the net capital requirements of, Purchaser; (iii) a general banking moratorium shall have been declared by federal, New York or Indiana authorities; or (iv) a war involving the United States of America (other than the current war on terrorism), whether or not declared, or any other national or international calamity or crisis, or a financial crisis, shall have occurred, the effect of which, in the judgment of the Purchaser, would make it impracticable to market the Bonds or would materially and adversely affect the ability of the Purchaser to enforce contracts for the sale of the Bonds.

(f) Between the date hereof and the Closing Date, there shall not have occurred any action by the Comptroller of the Currency or any governmental agency or court which calls into question the validity or enforceability of the investment letter to be delivered by the Purchaser in connection with its purchase of the Bonds.

If the conditions to the Purchaser' obligations contained in this Bond Purchase Agreement are not satisfied or if the Purchaser' obligations shall be terminated for any reason permitted herein, this Bond Purchase Agreement shall, at the option of the Purchaser, terminate and neither the Purchaser, the Issuer, nor the Borrower shall have any further obligations hereunder, except as provided in Section 10 with respect to the payment of certain expenses.

8. No Pecuniary Liability of Issuer. No provision, covenant, or agreement contained in this Bond Purchase Agreement, and no obligation herein imposed upon the Issuer, or the breach thereof, shall constitute an indebtedness of the Issuer or the State or any political subdivision thereof within the meaning of any Indiana constitutional provision or statutory limitation or shall constitute or give rise to a pecuniary liability of the Issuer or the State or any political subdivision thereof or a charge against any general credit or taxing powers thereof, if any. In making the agreements, provisions and covenants set forth in this Bond Purchase Agreement, the Issuer has not obligated itself, except to the extent that the Issuer is authorized to act pursuant to Indiana law and except with respect to the payments under the Loan Agreement

and the Note. The Issuer and any of its officials, officers or employees shall have no monetary liability arising out of the obligations of the Issuer hereunder or in connection with any covenant, representation or warranty made by the Issuer herein, and neither the Issuer nor its officials shall be obligated to pay any amounts in connection with the transactions contemplated hereby other than from amounts received from the Borrower under the Loan Agreement and the Note.

9. Survival of Representations, Warranties, Covenants, Agreements and Indemnities. All representations, warranties, covenants, agreements and indemnities contained in this Bond Purchase Agreement, or contained in the certificates of members, officials, partners or officers of the Issuer or of the Borrower submitted pursuant hereto, shall remain operative and in full force and effect, regardless of any investigation by or on behalf of the Purchaser or any person controlling the Purchaser, and shall survive delivery of the Bonds to the Purchaser and payment therefor by the Purchaser.

10. Expenses. All costs and expenses incident to the performance of the Issuer's and the Borrower's obligations in connection with the authorization, issuance and sale of the Bonds shall be paid by the Borrower, including the costs for printing or reproducing the Bonds, fees and expenses of the Issuer, including the fees and expenses of its counsel, fees and expenses of the Trustee, fees and expenses of Bond Counsel and counsel to the Purchaser, fees and expenses of the financial advisor to the Issuer, and all expenses of selling the Bonds. All expenses of the Purchaser, except as described above, shall be paid by the Purchaser. All such fees, costs and expenses shall be paid by the Borrower whether or not the Bonds are actually issued and sold. To the extent statements for such costs and expenses are available on the Closing Date, the Borrower shall pay such costs and expenses on the Closing Date.

11. Reserved.

12. Parties in Interest. This Bond Purchase Agreement is made solely for the benefit of the Purchaser, the Issuer, the Borrower and their respective successors and assigns, and the Indemnified Parties, and no other person, partnership, association, corporation or limited liability company shall acquire or have any rights under or by virtue of this Bond Purchase Agreement.

13. Notices. Any notice or other communication to be given to any party to this Bond Purchase Agreement may be given by delivering the same in writing at the respective addresses set forth below:

Issuer: City of Westfield, Indiana  
130 Penn Street  
Westfield, IN 46074  
Attn: Clerk-Treasurer

Borrower: Union Street Flats, LLC  
805 City Center Drive, #120  
Carmel, IN 46032  
Attn: John C. Hart, Jr.

Purchaser: Regions Capital Advantage, Inc.  
One Indiana Square, Suite 903  
Indianapolis, IN 46204  
Attn: Katie Smith

14. Severability. If any provisions of this Bond Purchase Agreement shall be held or deemed to be or shall, in fact, be inoperative, invalid or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or any other reason, such circumstance shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Bond Purchase Agreement invalid, inoperative or unenforceable to any extent whatever.

15. Applicable Law. This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Indiana.

16. Counterparts. This Bond Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]**

*(Signature Page of Issuer to Bond Purchase Agreement)*

**CITY OF WESTFIELD, INDIANA**

By: \_\_\_\_\_  
J. Andrew Cook, Mayor

ATTEST:

\_\_\_\_\_  
Cindy Gossard, Clerk-Treasurer

*(Signature Page of Borrower to Bond Purchase Agreement)*

**UNION STREET FLATS, LLC**

By: \_\_\_\_\_  
John C. Hart, Jr., Managing Member

*(Signature Page of Purchaser to Bond Purchase Agreement)*

**REGIONS CAPITAL ADVANTAGE, INC.**

By: \_\_\_\_\_  
Bo Buckner, Senior Vice President

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**EXHIBIT A**

[FORM OF INVESTMENT LETTER]

June \_\_, 2012

City of Westfield, Indiana  
Westfield, Indiana

Krieg DeVault LLP  
Indianapolis, Indiana

Re: \$2,000,000 City of Westfield, Indiana  
Taxable Economic Development Tax Increment Revenue Bonds of 2012  
(Union Street Flats at Grand Junction Apartments)

Ladies and Gentlemen:

We are this day purchasing from the City of Westfield, Indiana (the “Issuer”), pursuant to a Bond Purchase Agreement dated as of June \_\_, 2012 by and among the Issuer, Union Street Flats, LLC, an Indiana limited liability company (the “Borrower”), and the undersigned Regions Capital Advantage, Inc. as purchaser, Two Million Dollars (\$2,000,000) in aggregate principal amount of the above-described City of Westfield, Indiana Taxable Economic Development Tax Increment Revenue Bonds of 2012 (Union Street Flats at Grand Junction Apartments) (the “Bonds”), issued pursuant to an Indenture of Trust dated as of June 1, 2012 between the Issuer and Regions Bank, as Trustee (the “Indenture”). The proceeds of the Bonds will be loaned to the Borrower pursuant to a Loan Agreement dated as of June 1, 2012 (the “Loan Agreement”) to pay the costs of all or a portion of the acquisition and construction of certain apartment facilities (the “Facilities”), to be owned by the Borrower. We understand that loan payments pursuant to the Loan Agreement are pledged to the repayment of the Bonds. In consideration of the agreement of the Issuer to sell the Bonds, and as an inducement thereto, we hereby make the following representations and warranties upon which you may rely in connection with this transaction:

1. We understand that the Bonds are special, limited obligations of the Issuer, payable solely from the Issuer’s rights in, to, and under the Note (as defined in the Indenture) and under the Loan Agreement (except the right of the Issuer to receive certain payments), the Tax Increment Revenues (as defined in the Indenture) and all funds and accounts established by or pursuant to the Indenture to the extent provided therein (collectively, the “Trust Estate”); that the Issuer has no taxing authority which extends to the raising of revenue for the purpose of paying the Bonds; and that the payment of the Bonds depends upon the limited payment of the Tax Increment Revenues as heretofore stated, and the payment by the Borrower of its loan payments to the Issuer under the Loan Agreement.

2. We are a qualified institutional buyer as defined in Rule 144A adopted pursuant to the Securities Act of 1933, as amended (the “Securities Act”), and an “accredited investor”

within the meaning of Regulation D of the Securities Act. We are a sophisticated investor with sufficient knowledge and experience in financial and business matters, including the purchase and ownership of taxable municipal obligations, to be able to evaluate the economic risks and merits of the investment represented by the purchase of the Bonds.

3. We are familiar with the business, management and operations of the Borrower; we have received such information concerning the Borrower as we deem to be necessary in connection with investment in the Bonds. During the course of this transaction and prior to the purchase of the Bonds, we have been provided with the opportunity to ask questions of and receive answers from the Borrower, or persons acting on behalf of the Borrower, concerning the terms and conditions of the Bond offering, and to obtain any additional information needed in order to verify the accuracy of the information obtained to the extent that the Borrower possess such information or can acquire it without unreasonable effort or expense; and we are not relying on Krieg DeVault LLP (“Bond Counsel”) for information concerning the financial status of the Borrower or the ability of the Borrower to honor its financial obligations and other covenants under the Loan Agreement. We have made our own inquiry and analysis concerning the Issuer, the Borrower, the Facilities, the Bonds and the security therefore and payment thereof, and other material factors affecting the investment, so that we have been able to make our decision to purchase the Bonds.

4. We have knowledge of federal tax laws relating to governmental bonds such as the Bonds generally, including, among other things, matters concerning the deductibility of interest expense allocable to taxable obligations held by banks and other financial institutions, alternative minimum taxes and other matters that may affect the Bonds and the interest thereon. We have our own tax advisor and are not relying on any tax advice from the Issuer, the Borrower or from Bond Counsel, except as set forth in the approving opinion of Bond Counsel delivered with the Bonds.

5. We have been advised that the Bonds (a) are not being registered under the Securities Act of 1933 and is not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (b) will not be listed on any stock or other securities exchange and (c) will not be readily marketable.

6. We represent to you that we are purchasing the Bonds for investment for our own account and not with the present view of re-selling or otherwise disposing of all or any part thereof and that we will not sell, convey, pledge or otherwise transfer the Bonds without prior compliance with applicable registration and disclosure requirements of state and federal securities laws.

Sincerely,

REGIONS CAPITAL ADVANTAGE, INC.

By: \_\_\_\_\_  
Bo Buckner, Senior Vice President

**EXHIBIT B**

[OPINION OF COUNSEL TO BORROWER]

June \_\_, 2012

City of Westfield, Indiana  
Westfield, Indiana

Regions Bank  
Indianapolis, Indiana

Re: \$2,000,000 City of Westfield, Indiana  
Taxable Economic Development Tax Increment Revenue Bonds of 2012  
(Union Street Flats at Grand Junction Apartments) (the "Bonds")

Ladies and Gentlemen:

We have acted as counsel to Union Street Flats, LLC, an Indiana limited liability company (the "Company"), in connection with the preparation, execution and delivery of the Loan Agreement by and between the Company and the City of Westfield, Indiana (the "City") dated as of June 1, 2012 (the "Loan Agreement"), the Note from the Company to the City dated the date of this opinion (the "Note"), the Project Agreement dated as of \_\_\_\_\_, 2012 (the "Project Agreement") between the City and the Company, and the Bond Purchase Agreement dated as of \_\_\_\_\_, 2012 (the "Bond Purchase Agreement") by and among the City, the Borrower and Regions Capital Advantage, Inc., as purchaser of the Bonds and as counsel to John C. Hart, Jr. ("Hart") and JC Hart Holdings, LLC, an Indiana limited liability company ("Hart Holdings") with respect to the Unconditional Guaranty (the "Unconditional Guaranty") from Hart and Hart Holdings (collectively, the "Guarantors"), dated the date of this opinion.

In connection with this opinion, we have examined executed copies of the Loan Agreement, the Note, the Unconditional Guaranty, the Bond Purchase Agreement and the Project Agreement.

As to questions of fact, we have relied upon information provided by Company officials and others, including information in the Company Certificate and other certificates of officers of the Company and the representations of the Company contained in the Loan Agreement, the Note, the Unconditional Guaranty and the Project Agreement (the Loan Agreement, the Note, the Unconditional Guaranty, the Bond Purchase Agreement and the Project Agreement collectively, the "Transaction Documents") and of Hart and Hart Holdings with respect to the Unconditional Guaranty, without undertaking to verify the same by independent investigation.

The law covered by the opinions expressed herein is limited to the federal law of the United States of America and the law of the State of Indiana, and we express no opinion with respect to the laws of any other state or jurisdiction.

Based upon and subject to the foregoing and the other terms and provisions hereof, we are of the opinion that:

1. The Company is a limited liability company validly existing under the laws of the State of Indiana, and has full power to execute and delivery and carry out and perform its obligations under the Transaction Documents.

2. The execution, delivery and performance by the Company of the Transaction Documents are within the Company's power, have been duly authorized by all necessary action, and do not (i) violate the Company's Operating Agreement or by-laws, (ii) violate, in any material respect, any law, rule or regulation applicable to the Company, or (iii) to our knowledge, breach, in any material respect, any contractual restriction binding on or affecting the Company.

3. No authorization, approval or other action by, and no notice to or filing or registration with, any governmental authority or regulatory body is required for the enforceability against the Company of the Transaction Documents, which authorization, approval or other action has not been obtained or which notice, filing or registration has not been made.

4. Each of the Transaction Documents has been duly executed and delivered by the Company and constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

5. Hart Holdings is a limited liability company validly existing under the laws of the State of Indiana, and Hart is an adult person, each of whom has full power to execute and delivery and carry out and perform its obligations under the Unconditional Guaranty.

6. The execution, delivery and performance by the Guarantors of the Unconditional Guaranty are within the Guarantors' power, have been duly authorized by all necessary action, and do not (i) violate the Hart Holdings' Operating Agreement or by-laws, (ii) violate, in any material respect, any law, rule or regulation applicable to the Guarantors, or (iii) to our knowledge, breach, in any material respect, any contractual restriction binding on or affecting the Guarantors.

7. No authorization, approval or other action by, and no notice to or filing or registration with, any governmental authority or regulatory body is required for the enforceability against the Guarantors of the Unconditional Guaranty, which authorization, approval or other action has not been obtained or which notice, filing or registration has not been made.

8. The Unconditional Guaranty has been duly executed and delivered by the Guarantors and constitutes a valid and binding obligation of the Guarantors, enforceable against the Guarantors in accordance with its terms.

9. To our knowledge, there is no pending or threatened action or proceeding against the Company or any of the Guarantors before any court, governmental agency or arbitrator which is likely to have a material adverse effect upon the financial condition or operations of the Company or any of the Guarantors or which seeks to restrain or would otherwise have a material adverse effect on the transactions contemplated by the Transaction Documents or the Unconditional Guaranty.

The opinions set forth herein, including without limitation the opinion set forth in paragraphs 4 and 8 hereof, are subject to the following qualifications:

- (a) The enforceability of each of the Transaction Documents and the Unconditional Guaranty is subject to the effect of bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent transfers, fraudulent conveyance and other similar laws affecting the rights and remedies of debtors and creditors generally.
- (b) The enforceability of each of the Transaction Documents and the Unconditional Guaranty is subject to the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether applied by a court of law or equity.

This opinion letter speaks only as of its date. We undertake no obligation to advise you or any other person of changes of law or fact that occur after the date hereof, even though such changes 'may affect a legal analysis, a legal conclusion or an informational confirmation herein.

This opinion letter may be relied upon by you and any participants in the Transaction Documents only in connection with the Transaction. This opinion letter may not be used or relied upon by you for any other purpose or by any other person for any purpose whatsoever, without in each instance our prior written consent.

Very truly yours,

**EXHIBIT C**

[OPINION OF BOND COUNSEL]

June \_\_, 2012

City of Westfield, Indiana  
Westfield, Indiana

Regions Bank  
Indianapolis, Indiana

Re: \$2,000,000 City of Westfield, Indiana  
Taxable Economic Development Tax Increment Revenue Bonds of 2012  
(Union Street Flats at Grand Junction Apartments) (the "Bonds")

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of Westfield, Indiana (the "Issuer") of \$2,000,000 aggregate principal amount of its Taxable Economic Development Tax Increment Revenue Bonds of 2012 (Union Street Flats at Grand Junction Apartments), dated June \_\_, 2012 (the "Bonds"), pursuant to Indiana Code 36-7-11.9-1, *et seq.* and Indiana Code 36-7-12-1, *et seq.*, an ordinance adopted by the Common Council of the Issuer on November 28, 2011 (the "Ordinance"), an Indenture of Trust, with respect to the Bonds, between the Issuer and Regions Bank, as trustee, dated as of June 1, 2012 (the "Indenture"), and a Loan Agreement, with respect to the Bonds, between the Issuer and Union Street Flats, LLC (the "Borrower"), dated as of June 1, 2012 (the "Loan Agreement"). We have examined the law and such certified proceedings and such other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer and the Borrower contained in the Ordinance, the Indenture and the Loan Agreement, the certified proceedings and other certifications of public officials furnished to us, and certifications, representations and other information furnished to us by or on behalf of the Issuer, the Borrower and others, without undertaking to verify the same by independent investigation. We have relied upon the legal opinions of Wooden & McLaughlin, LLP, counsel to the Borrower, John C. Hart, Jr. and JC Hart Holdings, LLC, each dated the date hereof, as to the matters stated therein.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized, executed and delivered by the Issuer, and are valid and binding special and limited obligations of the Issuer, enforceable in accordance

with their terms. The Bonds are payable solely from the sources provided therefor in the Indenture.

2. Each of the Indenture and the Loan Agreement has been duly authorized, executed and delivered by the Issuer, and is a valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms.

3. Interest on the Bonds is exempt from income taxation in the State of Indiana (the "State") for all purposes except the State financial institutions tax.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the Bonds, and we express no opinion relating thereto.

We express no opinion regarding any tax consequences arising with respect to the Bonds, other than as expressly set forth herein.

With respect to the enforceability of any document or instrument, this opinion is subject to the qualifications that: (i) the enforceability of such document or instrument may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance and similar laws relating to or affecting the enforcement of creditors' rights; (ii) the enforceability of equitable rights and remedies provided for in such document or instrument is subject to judicial discretion, and the enforceability of such document or instrument may be limited by general principles of equity; (iii) the enforceability of such document or instrument may be limited by public policy; and (iv) certain remedial, waiver and other provisions of such document or instrument may be unenforceable, provided, however, that in our opinion the unenforceability of those provisions would not, subject to the other qualifications set forth herein, affect the validity of such document or instrument or prevent the practical realization of the benefits thereof.

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

Very truly yours,

**EXHIBIT D**

[OPINION OF ISSUER'S COUNSEL]

June \_\_, 2012

City of Westfield, Indiana  
Westfield, Indiana

Regions Capital Advantage, Inc.  
Indianapolis, Indiana

Regions Bank, as trustee  
Indianapolis, Indiana

Re:     \$2,000,000 City of Westfield, Indiana  
          Taxable Economic Development Tax Increment Revenue Bonds of 2012  
          (Union Street Flats at Grand Junction Apartments) (the "Bonds")

Ladies and Gentlemen:

We have acted as counsel for the City of Westfield, Indiana (the "Issuer") in connection with the authorization and issuance of the above-referenced Bonds. We have examined and are familiar with (a) the proceedings of the Issuer with regard to the creation of the Economic Development Commission of the Issuer (the "Commission"); and (b) certified copies of the proceedings of the Issuer and the Commission relating to the authorization and execution by the Issuer of the (i) Indenture of Trust, with respect to the Bonds, between the Issuer and Regions Bank, as trustee (the "Trustee"), dated as of June 1, 2012 (the "Indenture"); (ii) Loan Agreement, with respect to the Bonds, between the Issuer and Union Street Flats, LLC (the "Company"), dated as of June 1, 2012 (the "Loan Agreement"); (iii) Bonds; (iv) Project Agreement, between the Company and the Issuer, dated as of June \_\_, 2012 (the "Project Agreement") and (v) Bond Purchase Agreement, by and among the Issuer, the Company and Regions Capital Advantage, Inc., dated as of June \_\_, 2012 (the "Bond Purchase Agreement") (the Indenture, Loan Agreement, Project Agreement, Bond Purchase Agreement and the Bonds being collectively referred to as the "Transaction Documents").

Based upon such examination and the examination of such other information, papers, documents and laws as we believe necessary or advisable, we are of the opinion that:

1.     The Issuer is a duly constituted municipal corporation of the State of Indiana, validly existing under the constitution and statutes of the State of Indiana, and has the power and authority to execute, deliver and perform its obligations under the Transaction Documents to which it is a party and consummate all transactions contemplated by the Transaction Documents.

2. The Commission is a commission of the Issuer, duly constituted and validly existing under the statutes of the State of Indiana, for the benefit of the Issuer. In entering into the Transaction Documents to which it is a party and performing its obligations thereunder, the Commission and the Issuer are acting in furtherance of a public purpose for which they were created.

3. The Issuer has the power and authority to finance the Project (as such term is defined in the Loan Agreement); has made the necessary findings of public purpose, and has taken all steps and followed all procedures required by the Constitution and the laws of the State of Indiana, as amended and supplemented, and other applicable law in connection therewith; has full legal right, power and authority to (i) enter into the Transaction Documents to which it is a party, (ii) issue, sell and deliver the Bonds, and (iii) carry out and consummate all other transactions contemplated by the Transaction Documents; and has complied with all provisions of applicable law in all material matters relating to such transactions.

4. The Issuer has duly authorized (i) the execution and delivery of; and the performance of its obligations under the Transaction Documents, and (ii) the taking of any and all such action as may be required on the part of the Issuer to carry out, give effect to and consummate the transactions contemplated by the Transaction Documents, and has complied with all provisions of applicable law in all material matters relating to such transaction.

5. Each of the Transaction Documents to which it is a party has been duly authorized, executed and delivered by the Issuer.

6. To the best of our knowledge and in reliance upon representations of officers of the Issuer and the Commission there is no action, suit, proceeding, inquiry or investigation, at law or in equity, pending or threatened against the Issuer or the Commission, wherein an unfavorable decision, ruling or finding would in any material respect adversely affect the enforcement of the Transaction Documents.

7. The execution, delivery and performance by the Issuer of the Transaction Documents do not: (a) to the best of our knowledge, conflict with, or result in any breach of any of the provisions of, or constitute a default under, any agreement or instrument to which the Issuer is a party or by which it or any of its property is or may be bound; (b) to the best of our knowledge, breach or otherwise violate any existing obligation of the Issuer under any court or administrative order, writ, judgment or decree that names the Issuer and is specifically directed to it or its property; or (c) violate any laws, rules or regulations applicable to the Issuer.

8. All consents, approvals, authorizations and order of governmental or regulatory authorities which are required of the Issuer for the consummation of transactions contemplated by the Transaction Documents have been obtained, and provided that no opinion is expressed as to compliance with state securities or blue sky laws.

9. All ordinances adopted by the Common Council of the Issuer relating to the Transaction Documents, and all related proceedings comply with all rules and regulations of the

Issuer and the Common Council thereof and all such actions of the Common Council of the Issuer referred to in the transcript of which this opinion is a part were taken at a meeting or meetings open to the general public, notice of which complied in all respects with Title 5, Article 14, Chapter 1.5, Section I of the Indiana Code.

10. To our knowledge, without independent investigation and in reliance upon representations of the Issuer, no member of the Common Council of the Issuer has any pecuniary interest in any contract, employment, lease, purchase or sale made pursuant to the provisions of Title 36, Article 7, Chapters 11.9 and 12 of the Indiana Code (collectively, the “Act”) for which disclosure and abstention pursuant to Section 16 of the Act were not properly undertaken.

11. None of the proceedings had or actions taken with regard to any of the documents mentioned herein has or have been repealed, rescinded or revoked.

Very truly yours,