

ORDINANCE NO. 14-13

ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF FRANKLIN, INDIANA ECONOMIC DEVELOPMENT REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2014 (THE FRANKLIN UNITED METHODIST HOME, INC. PROJECT), AND TO LOAN THE PROCEEDS THEREOF TO THE FRANKLIN UNITED METHODIST HOME, INC. AND AUTHORIZING AND APPROVING OTHER ACTIONS IN RESPECT THERETO

WHEREAS, the City of Franklin, Indiana (the "City"), is a municipal corporation and political subdivision of the State of Indiana and by virtue of I.C. 36-7-11.9 and I.C. 36-7-12 (collectively, the "Act"), is authorized and empowered to adopt this ordinance (this "Bond Ordinance") and to carry out its provisions; and

WHEREAS, the City issued its City of Franklin, Indiana Economic Development Revenue Refunding and Improvement Bonds, Series 2010 (The Franklin United Methodist Home, Inc. Project) (the "2010 Bonds"), the proceeds of which were loaned to The Franklin United Methodist Home, Inc. (the "Borrower") to finance prior bonds issued in 2007 and the construction and equipping of certain economic development facilities; and

WHEREAS, the Borrower desires to refinance the 2010 Bonds, a certain other taxable loan, and provide funds to finance the acquisition, construction, and/or equipping of various capital improvements not to exceed \$800,000 to the facility of the Borrower's comprehensive retirement care community and the costs of issuance of the Bonds (the "Project"); and

WHEREAS, the Borrower has advised the City of Franklin Economic Development Commission (the "Commission") and the City that it proposes that the City issue revenue bonds in an amount not to exceed Twenty-Seven Million Dollars (\$27,000,000) (the "Bonds") under the Act and loan the proceeds of such Bonds to the Borrower for the refinancing and financing the Project; and

WHEREAS, the completion of the Project results in the diversification of industry, assists in retaining employment opportunities and payroll in the City, together with the creation of several jobs and the creation of business opportunities in the City; and

WHEREAS, pursuant to I.C. § 36-7-12-24, the Commission published notice of a public hearing (the "Public Hearing") on the proposed issuance of the Bonds to finance the Project; and

WHEREAS, on December 9, 2014, the Commission held the Public Hearing on the Project and received uncontroverted evidence that there are no facilities which are similar to the Project and have already been constructed or operating in or near the City; and

WHEREAS, the Commission has performed all actions required of it by the Act preliminary to the adoption of this Bond Ordinance and has approved and forwarded to the Common Council the forms of: (1) a Loan Agreement, between the City and the Borrower (including a Series 2014 Note) (the "Loan Agreement"); (2) a Trust Indenture, with respect to the Bonds, between the City and The Huntington National Bank, as trustee (the "Trustee") (the "Indenture"); (3) the Bonds; (4) a Bond Purchase Agreement among the City, the Borrower and The Huntington National Bank (the "Purchaser") (the "Bond Purchase Agreement"); and (5) this

Bond Ordinance (the Loan Agreement, the Indenture, the Bonds, the Bond Purchase Agreement, the and this Bond Ordinance, collectively, the “Financing Agreements”).

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

Section 1. Findings; Public Benefits. The Common Council hereby finds and determines that the Project involves the refinancing, acquisition, construction, and equipping of an “economic development facility” as that phrase is used in the Act; that the Project will increase employment opportunities and increase diversification of economic development in the City, will improve and promote the economic stability, development and welfare in the City, will encourage and promote the expansion of industry, trade and commerce in the City and the location of other new industries in the City; that the public benefits to be accomplished by this Bond Ordinance, in tending to overcome insufficient employment opportunities and insufficient diversification of industry, are greater than the cost of public services (as that phrase is used in the Act) which will be required by the Project; and, therefore, that the financing of the Project by the issue of the Bonds under the Act, including without limitation the refunding of the outstanding 2010 Bonds; (i) will be of benefit to the health and general welfare of the City; and (ii) complies with the Act.

Section 2. Approval of Financing. The proposed financing of the Project by the issuance of the Bonds under the Act, in the form that such financing was approved by the City of Franklin Economic Development Commission, is hereby approved.

Section 3. Authorization of the Bonds. The issuance of the Bonds, payable solely from revenues and receipts derived from the Financing Agreements, is hereby authorized.

Section 4. Terms of the Bonds. The Bonds, in the aggregate principal amount not to exceed Twenty-Seven Million Dollars (\$27,000,000), shall (i) be executed at or prior to the closing date by the manual or facsimile signatures of the Mayor and the Clerk-Treasurer of the City, (ii) be dated as of the date of delivery, (iii) mature on a date not later than thirty-five years after the date of issuance; (iv) bear interest at such rates as determined through negotiation with the Purchaser, with such interest payable as provided in the Financing Agreements; (v) be issuable in such denominations as set forth in the Financing Agreements; (vi) be issuable only in fully registered form; (vii) be payable in lawful money of the United States of America; (viii) be subject to optional redemption prior to maturity and subject to redemption as otherwise provided in the Financing Agreements; and (ix) contain such other terms and provisions as may be provided in the Financing Agreements.

(b) The Bonds and the interest thereon do not and shall never constitute an indebtedness of, or a charge against the general credit or taxing power of, the City, but shall be special and limited obligations of the City, payable solely from revenues and other amounts derived from the Financing Agreements. Forms of the Financing Agreements are before this meeting and are by this reference incorporated in this Bond Ordinance, and the Clerk-Treasurer of the City is hereby directed, in the name and on behalf of the City, to keep them on file.

Section 5. Sale of the Bonds. The Mayor and the Clerk-Treasurer of the City are hereby authorized and directed, in the name and on behalf of the City, to sell the Bonds to the Purchaser at the price, in the manner and at the time set forth in the Bond Purchase Agreement, at such prices as are determined on the date of sale and approved by the Mayor and the Clerk-Treasurer of the City.

Section 6. Execution and Delivery of Financing Agreements. The Mayor and the Clerk-Treasurer of the City are hereby authorized and directed, in the name and on behalf of the City, to execute or endorse and deliver the Loan Agreement, the Series 2014 Note from the Borrower to the City, the Indenture, the Bonds and the Bond Purchase Agreement, submitted to the Common Council, which are hereby approved in all respects.

Section 7. Changes in Financing Agreements. The Mayor and the Clerk-Treasurer of the City are hereby authorized, in the name and on behalf of the City, without further approval of the Common Council or the Commission, to approve such changes in the Financing Agreements as may be permitted by Act, such approval to be conclusively evidenced by their execution thereof.

Section 8. Public Hearing. The Commission is hereby appointed to conduct a public hearing on behalf of the City pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended, and the Commission's having conducted such a hearing on December 9, 2014 (the "Public Hearing"), as such appointee, is hereby ratified and approved.

Section 9. Public Approval. The Common Council hereby approves the issue of the Bonds and the Project to be financed by the Bonds, which facilities are described in the published notice of the Public Hearing.

Section 10. Redemption of 2010 Bonds. The outstanding 2010 Bonds shall be redeemed on a date not more than 90 days after the issuance of the Bonds.

Section 11. General. The Mayor and the Clerk-Treasurer of the City, and each of them, are hereby authorized and directed, in the name and on behalf of the City, to execute or endorse any and all agreements, documents and instruments, perform any and all acts, approve any and all matters, and do any and all other things deemed by them, or either of them, to be necessary or desirable in order to carry out and comply with the intent, conditions and purposes of this Bond Ordinance (including the preambles hereto and the documents mentioned herein), the Project, the issuance and sale of the Bonds, and the securing of the Bonds under the Financing Agreements, and any such execution, endorsement, performance or doing of other things heretofore effected be, and hereby is, ratified and approved.

Section 12. Binding Effect. The provisions of this Bond Ordinance and the Financing Agreements shall constitute a binding contract between the City and the holders of the Bonds, and after issuance of the Bonds this Bond Ordinance shall not be repealed or amended in any respect which would adversely affect the rights of the holders of the Bonds as long as the Bonds or interest thereon remains unpaid.

Section 13. Repeal. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 14. Effective Date. This Bond Ordinance shall be in full force and effect immediately upon adoption and compliance with I.C. § 36-4-6-14.

Introduced and Filed on the 1<sup>st</sup> day of December, 2014.

DULY PASSED on this \_\_\_\_ day of \_\_\_\_\_, 2014, by the Common Council of the City of Franklin, Johnson County, Indiana, having been passed by a vote of \_\_\_\_ in Favor and \_\_\_\_ Opposed.

CITY OF FRANKLIN, INDIANA, BY ITS COMMON COUNCIL:

**Voting Affirmative:**

**Voting Opposed:**

\_\_\_\_\_  
Stephen D. Barnett, President

\_\_\_\_\_  
Stephen D. Barnett, President

\_\_\_\_\_  
Kenneth W. Austin, Vice President

\_\_\_\_\_  
Kenneth W. Austin, Vice President

\_\_\_\_\_  
Joseph P. Abban

\_\_\_\_\_  
Joseph P. Abban

\_\_\_\_\_  
Joseph R. Ault

\_\_\_\_\_  
Joseph R. Ault

\_\_\_\_\_  
Robert D. Henderson

\_\_\_\_\_  
Robert D. Henderson

\_\_\_\_\_  
Stephen D. Houglan

\_\_\_\_\_  
Stephen D. Houglan

\_\_\_\_\_  
Richard Wertz

\_\_\_\_\_  
Richard Wertz

Attest:

\_\_\_\_\_  
Janet P. Alexander, Clerk-Treasurer

Presented by me to the Mayor of the City of Franklin for his approval or veto pursuant to Indiana Code § 36-4-6-15, 16, this \_\_\_\_ day of \_\_\_\_\_, 2014 at \_\_\_\_\_ o'clock a.m./p.m.

\_\_\_\_\_  
Janet P. Alexander, Clerk-Treasurer

This ordinance having been passed by the legislative body and presented to me and approved by me and duly adopted, pursuant to Indiana Code § 36-4-6-16(a)(1) this \_\_\_\_ day of \_\_\_\_\_, 2014 at \_\_\_\_\_ o'clock a.m./p.m.

\_\_\_\_\_  
Joseph E. McGuinness, Mayor

Attest:

\_\_\_\_\_  
Janet P. Alexander, Clerk-Treasurer

Approved As To Form:

\_\_\_\_\_  
Lynette Gray, City Attorney

Prepared By: Richard C. Starkey, Esq., Barnes & Thornburg LLP, 11 S. Meridian Street, Indianapolis, Indiana  
46204

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**LOAN AGREEMENT**

**between**

**CITY OF FRANKLIN, INDIANA**

**and**

**THE FRANKLIN UNITED METHODIST HOME, INC.**

**Dated as of December 1, 2014**

**\$27,000,000**

**CITY OF FRANKLIN**

**ECONOMIC DEVELOPMENT REVENUE REFUNDING AND  
IMPROVEMENT BONDS, SERIES 2014**

**(THE FRANKLIN UNITED METHODIST HOME, INC. PROJECT)**

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but rather is for convenience of reference only.)

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## LOAN AGREEMENT

THIS LOAN AGREEMENT, dated as of December 1, 2014, by and between the CITY OF FRANKLIN, 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 THE FRANKLIN UNITED METHODIST HOME, INC., (the “Borrower”), an Indiana nonprofit corporation 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 Franklin, Indiana, and will increase business opportunities within the City of Franklin, 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 Franklin, Indiana; and

WHEREAS, no written comments were received by the executive director or the chairman of the plan commission 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 and § 147(f) of the Code, 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 refunding of the Prior Bonds (as hereinafter defined) and the financing of the Project and subject to the requirements set forth herein and in the Indenture of Trust, dated as of December 1, 2014 (the “Indenture”) between the Issuer and The Huntington National Bank, as trustee (the “Trustee”), the Issuer has determined to issue the Bonds, pursuant to the Act, in the aggregate principal amount of \$27,000,000; 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.

“Adjusted LIBOR Rate” means the Adjusted LIBOR Rate on the Bonds established in accordance with Section 2.02(c)(iv) of the Indenture.

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

“Alternate Credit Facility” means any irrevocable direct pay letter of credit or other credit enhancement or support facility that has terms which are the same in all material respects (except for the term and maximum interest rate but including coverage of accrued interest on the Bonds for 98 days if the Bonds bear interest at the Weekly Rate or for 183 days if the Bonds bear interest at the Semi-Annual Rate or the Long-Term Rate) as the then current Credit Facility and (i) shall have a term of not less than one year, (ii) shall be issued by a bank, a trust company or other financial institution or credit provider, and (iii) the Trustee shall have received the opinions required by Section 6.03 of the Indenture.

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

“Bank” means, initially, The Huntington National Bank, Grand Rapids, Michigan, 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 resolution providing for the issuance of the Bonds and approving this Agreement, the Indenture and related matters.

“Bondowner Agreement” means the Bank Bondowner Agreement, dated as of even date herewith, between the Borrower and the Bank, as amended, restated, supplemented or otherwise modified from time to time.

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

“Bonds” means the \$27,000,000 City of Franklin Economic Development Revenue Refunding and Improvement Bonds, Series 2014 (The Franklin United Methodist Home, Inc. Project).

“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 The Franklin United Methodist Home, Inc., an Indiana nonprofit corporation, 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, or city in which the office of a Credit Facility Issuer at which demands for payment under the applicable Credit Facility are to be presented is located are required or authorized by law to remain closed, (iii) any day on which the New York Stock Exchange is closed, or (iv) while the Bonds bear interest at an Adjusted LIBOR Rate, any day on which dealings in U.S. dollars are carried on in the London Interbank Eurodollar Market.

“Code” means the Internal Revenue Code of 1986, as amended, including, when appropriate, the statutory predecessor of the Code, and all applicable regulations (whether proposed, temporary or final) under that Code and the statutory predecessor of the Code, and any official rulings and judicial determinations under the foregoing applicable to the Bonds.

“Completion Date” means the date of completion of the Series 2014 Project evidenced in accordance with the requirements of Section 3.6 hereof.

“Construction Period” means the period between the beginning of the acquisition, construction, installation, equipment or improvement of the Series 2014 Project or the date on which the Bonds are delivered to the Original Purchaser, whichever is earlier, and the Completion Date.

“Conversion” means (a) any conversion from time to time in accordance with the terms of the Indenture of the Bonds from one Interest Rate Mode to another Interest Rate Mode and (b) the end of any Long-Term Rate Period.

“Conversion Date” means the first date any Conversion becomes effective.

“Counsel” means Counsel as defined in the Indenture.

“Credit Facility” means Credit Facility as defined in the Indenture.

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

“Credit Facility Issuer” means Credit Facility Issuer as defined in the Indenture.

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

“Designated Representative” means the person at the time designated to act on behalf of the Borrower by written certificate furnished to the Issuer, the Bank, the Credit Facility Issuer, if any, and the Trustee, containing the specimen signature of that person 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 Franklin, Indiana, a municipal corporation of the State of Indiana, duly created and existing as such under the constitution and laws of the State.

“Interest Rate Mode” means the Adjusted LIBOR Rate, the Weekly Rate, the Semi-Annual Rate or the Long-Term Rate.

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

“LIBOR Rate Interest Period” means the LIBOR Rate Interest Period as defined in the Indenture.

“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.

“Long-Term Rate” means the Long-Term Rate on the Bonds established in accordance with Section 2.02(c)(iii) of the Indenture.

“Long-Term Rate Period” means the Long-Term Rate Period as defined in the Indenture.

“Notice Address” means:

- (a) As to the Issuer: City of Franklin, Indiana  
70 E. Monroe Street  
Franklin, Indiana 46131  
Attention: Clerk  
Telephone: (317) 736-3609
  
- (b) As to the Borrower: The Franklin United Methodist Home, Inc.  
1070 W. Jefferson St.  
Franklin, Indiana 46131  
Attention: Executive Director  
Telephone: (317) 736-7185  
Telecopy: (317) 736-1150
  
- (c) As to the Trustee: The Huntington National Bank  
Corporate Trust Department  
45 North Pennsylvania Street (INHP22)  
Indianapolis, IN 46204  
Attention: Mark Hudson  
Telephone: (317) 237-2542  
Telecopy: (317) 229-4022

- (d) As to the Bank: The Huntington National Bank  
50 Monroe Ave. NW  
Grand Rapids, Michigan 49403  
Attention: Tom Gibbons  
Telephone: (616) 235-6454  
Telecopy: (616) 771-0226
- (f) As to the Tender Agent: The Huntington National Bank  
Corporate Trust Department  
45 North Pennsylvania Street (INHP22)  
Indianapolis, IN 46204  
Attention: Mark Hudson  
Telephone: (317) 237-2542  
Telecopy: (317) 229-4022

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

“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 Series 2014 Project.

“Prior Bonds” means the City of Franklin Economic Development Revenue Refunding and Improvement Bonds, Series 2010 (The Franklin United Methodist Home, Inc. Project).

“Private Business Use” means use (directly or indirectly) in a trade or business carried on by any Private Person other than use as a member of, and on the same basis as, the general public. Any activity carried on by a Private Person (other than a natural person) shall be treated as a trade or business.

“Private Person” means any natural person or any artificial person, including a corporation, partnership, trust or other entity, that is not a governmental unit (within the meaning of Section 141(b)(6) of the Code) and that is not acting solely and directly as an officer or employee of or on behalf of the Issuer or another governmental unit. “Private Person” includes the United States and any agency or instrumentality of the United States.

“Project” means, collectively, the refunding of the Prior Bonds, the Project Site and the Project Facilities, together constituting a “project” as defined in the Act, and includes the Series 2014 Project.

“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 a nonprofit facility, 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.

“Rebate Fund” means the Rebate Fund created under Section 5.05 of the Indenture.

“Redemption Premium Account” means the Redemption Premium Account created in the Indenture.

“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.

“Reimbursement Agreement” means Reimbursement Agreement as defined in the Indenture.

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

“Remarketing Agreement” means Remarketing Agreement as defined in the Indenture.

“Remarketing Proceeds Account” means the Remarketing Proceeds Account created in the Indenture.

“Revenues” means (a) the Loan Payments, (b) all amounts payable to the Trustee with respect to the principal or redemption price of, or interest on, the Bonds (i) by the Borrower as required hereunder, (ii) upon deposit in the Bond Fund from the proceeds of the Bonds; and (iii) by the Credit Facility Issuer, if any, under a Credit Facility, and (c) investment income with respect to any moneys held by the Trustee in the Bond Fund. The term “Revenues” does not include any moneys or investments in the Rebate Fund.

“Semi-Annual Rate” means the semi-annual interest rate on the Bonds established in accordance with Section 2.02(c)(ii) of the Indenture.

“Series 2014 Project” means the construction, installation, and improvement of certain facilities of the Borrower, as further described herein.

“State” means the State of Indiana.

“Tax-Exempt Organization” means a nonprofit entity organized under the laws of one of the states of the United States or the District of Columbia which is an organization described in Section 501(c)(3) of the Code and exempt from federal income taxes under Section 501(a) of the Code or any predecessor or successor provisions of similar import heretofore or hereafter enacted.

“Tender Agent” means, initially, The Huntington National Bank, and any successor Tender Agent as determined or designated under or pursuant to the Indenture.

“Trustee” means The Huntington National 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, the Credit Facility Issuer, if any, 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 nonprofit corporation 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. The Borrower is a Tax-Exempt Organization, receiving such status in a letter from the Internal Revenue Service, which determination has not been adversely modified, limited or revoked. It is in compliance with all terms and conditions of that determination, the facts and circumstances that form the basis of that determination as represented to the Internal Revenue Service continue substantially to exist, and it is not aware of any facts or circumstances that could cause a revocation of that

determination. It is exempt from federal income taxes under Section 501(a) of the Code, except for unrelated business income subject to taxation. It has not taken and will not take any actions that would jeopardize its status as a Tax-Exempt Organization as long as the Bonds are outstanding. The Borrower agrees that it will not take any action or omit to take any action or cause or permit any circumstance within its control to arise or continue if such action or circumstance or omission would cause any revocation or adverse modification of such federal income tax status, unless it obtains an Opinion of Bond Counsel, addressed to the Trustee, that such revocation or modification will not adversely affect the exclusion from gross income under Section 103(a) of the Code of interest paid on the Bonds or cause the interest on the Bonds, or any portion thereof, to become an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Code.

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

(c) The Borrower's Articles of Incorporation, Constitution and operations conform and the Borrower covenants and agrees that the same do and will conform at all times until the date on which the Bonds have been fully paid (i) for the interest on the Bonds to remain excluded from gross income of Bondholders for federal income tax purposes and (ii) to be and remain a duly constituted and empowered Indiana nonprofit corporation, organized and eligible to borrow the proceeds of the Bonds issued under the Act.

(d) 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 or the Code.

(e) The Series 2014 Project has been 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.

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

(g) 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.

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

(i) 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.

(j) 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.

(k) All moneys lent to the Borrower hereunder were used solely for (i) the refunding of the Prior Bonds, and (ii) Project Costs relating to the Series 2014 Project.

(m) The Borrower represents that it has taken and caused to be taken, and covenants that it will take and cause to be taken, all actions that may be required of it, alone or in conjunction with the Issuer, for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes and from treatment as an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations under the Code. The Borrower represents that it has not taken or permitted to be taken on its behalf, and covenants that it will not take or permit to be taken on its behalf, any actions that would adversely affect those exclusions under the provisions of the Code.

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. Representations, Warranties and Covenants of the Borrower Relating to Tax-Exempt Status of the Bonds. The Borrower represents, warrants and covenants that:

(a) It is a Tax-Exempt Organization, and it has received a determination letter from the Internal Revenue Service to the effect that it is a Tax-Exempt Organization, which determination letter has not been adversely modified, limited or revoked. It is in compliance with all terms and conditions of that letter, the facts and circumstances which form the basis of that letter as represented to the Internal Revenue Service continue substantially to exist, and it is not aware of any facts or circumstances that could cause a revocation of that letter. It has not taken and will not take any actions that would jeopardize its status as a Tax-Exempt Organization.

(b) All property financed by the Bonds are owned by a Tax-Exempt Organization.

(c) It has used at least 95% of the net proceeds of the Bonds plus all income derived

from the investment of such net proceeds to pay, or to reimburse the Borrower for the payment of, or to refund outstanding obligations, to the extent the proceeds of such obligation were used to pay or reimburse, costs incurred in connection with the acquisition, construction, improvement, installation and equipping of property that (i) is owned, or will be owned, by a Tax-Exempt Organization and (ii) is used or will be used by a Tax-Exempt Organization in activities which do not constitute an “unrelated trade or business” within the meaning of Section 513(a) of the Code. For purposes of this Section 2.3, the term “net proceeds” shall mean the “issue price” of the Bonds within the meaning of Section 1273(b) of the Code, less (i) accrued interest, and (ii) any amount deposited in a reasonably required reserve or replacement fund.

(d) (i) It has not used more than 5% of the net proceeds of the Bonds plus all income derived from the investment of such net proceeds to pay, or reimburse the Borrower for the payment of, costs incurred in connection with the acquisition, construction, improvement, installation and equipping of property that is used by any Tax-Exempt Organization in activities that constitute an “unrelated trade or business” within the meaning of Section 513(a) of the Code or by any Private Person for any Private Business Use, and (ii)(A) it will not cause or permit more than 5% of either the principal of or the interest on the Bonds to be derived from payments (whether or not to the Borrower) in respect of property, or borrowed money, used or to be used by any Private Person for any Private Business Use or (B) it will not secure directly or indirectly more than 5% of either the principal of or the interest on the Bonds by (I) any interest in property used or to be used by any Tax-Exempt Organization in activities that constitute an “unrelated trade or business” within the meaning of Section 513(a) of the Code or by any Private Person for any Private Business Use or (II) payment in respect of property used or to be used by any Tax-Exempt Organization in activities that constitute an “unrelated trade or business” within the meaning of Section 513(a) of the Code or by any Private Person for any Private Business Use. For purposes of this paragraph, any costs of issuing the Bonds which are paid from net proceeds of the Bonds (or income derived from the investment of such net proceeds) are to be treated as a use of net proceeds which does not satisfy the purposes or uses permitted by this paragraph (d)(i).

(e) Except as permitted by Section 149(b)(3) of the Code, it will not permit the Bonds to be federally guaranteed within the meaning of Section 149(b)(2) of the Code.

(f) The weighted average maturity of the Bonds will not exceed 120% of the weighted average reasonably expected economic life of the facilities financed or refinanced with the proceeds of the Bonds, determined in accordance with Section 147(b) of the Code.

(g) The statements concerning the Bonds and the application of their proceeds required by Section 149(e) of the Code as prepared by and submitted by the Borrower on behalf of the Issuer, are true and complete for the purposes for which intended. The Borrower shall prepare and submit, or cause to be submitted, true and complete amendments of, or supplements to, those statements if in the Opinion of Bond Counsel such amendments or supplements are deemed to be necessary or advisable.

Section 2.4. Calculations and Payments of Rebate to the United States. At no time will any funds constituting gross proceeds of the Bonds be used in a manner as to constitute failure of compliance with Section 148(f) of the Code. The Borrower will make each determination, file each report and make each payment required to be made or filed by Section 148(f) of the Code in

the manner and within the time periods prescribed by said section. The Borrower agrees to make such payments to the Trustee as are required of it under Section 5.10 of the Indenture for the Bonds and to pay the costs and expenses of any independent certified public accounting firm, nationally recognized bond counsel or qualified rebate analyst engaged in accordance with said Section. The obligation of the Borrower to make such payments shall remain in effect and be binding upon the Borrower notwithstanding the release and discharge of the Indenture.

Section 2.5. Covenant as to Arbitrage. The Issuer and the Borrower each hereby covenants, to the extent it controls that use, that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time of the delivery of and payment for the Bonds, so that the Bonds will not constitute arbitrage bonds under Sections 103(b)(2) and 148 of the Code. Any officer of the Issuer having responsibility with respect to the issuance of the Bonds is authorized and directed, alone or in conjunction with any other officer, employee or consultant of the Issuer or the Borrower, to give an appropriate certificate on behalf of the Issuer, for inclusion in the transcript of proceedings for the Bonds, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to Sections 103(b)(2) and 148 of the Code. The Borrower further agrees that it will submit to the Issuer for the Issuer to submit to the Internal Revenue Service, an appropriate statement, and any necessary supplements, setting forth the information required by Section 149(e)(2) of the Code.

Section 2.6. Use of Bond Financed Facilities.

(a) General Prohibition on Private Business Use. Except to the extent permitted under paragraphs (b), (c), or (d) of this Section 2.6, the Borrower will not use any portion of the facilities financed with proceeds of the Bonds (referred to in this Section as the “Bond-Financed Facilities”) or suffer or permit any portion of the Bond-Financed Facilities to be used (i) in an unrelated trade or business as defined in Section 513(a) of the Code or (ii) directly or indirectly for a Private Business Use by any Private Person.

(b) Permitted Incidental Uses. For the purposes of this Section 2.6, the Borrower may disregard any incidental Private Business Use of the Bond-Financed Facilities by any Private Person if (i) except for vending machines, pay telephones, kiosks, and similar uses, the use by the Private Person does not involve the transfer to the Private Person of possession and control of space that is separated from other areas of the Bond-Financed Facilities by walls, partitions, or other physical barriers (such as a night gate affixed to a structural component of a building), (ii) the use is not functionally related to any other use of the Bond-Financed Facilities by the same Private Person, and (iii) all such incidental uses of the Bond-Financed Facilities by Private Persons do not, in the aggregate, involve the use of more than 2.5 percent of the Bond-Financed Facilities.

(c) Certain Contracts Not Involving Private Business Use. A contract with a Private Person for the management or other use of any portion of the Bond-Financed Facilities will not be treated as involving Private Business Use of the Bond-Financed Facilities if such contract is (i) a contract for services that are solely incidental to the primary function of the Bond-Financed Facilities (including contracts for janitorial, equipment repair, hospital billing, or similar services), (ii) a contract for services if the only compensation is the reimbursement of the service

provider for actual and direct expenses paid by the service provider to unrelated parties.

(d) Permitted Management Contracts. The Borrower may enter into management contracts with respect to the use and operation of the Bond-Financed Facilities, or any portion thereof, provided that such agreements comply with all of the requirements of subparagraphs (i) through (iv), certain terms in which are defined below in paragraph (e):

(i) The contract provides for reasonable compensation to the Private Person, no portion of which is based, in whole or in part, on a share of net profits from the Bond-Financed Facilities. For such purposes, reimbursement of the Private Person for actual and direct expenses paid by the Private Person to unrelated third parties shall not be treated as “compensation,” and a compensation arrangement shall not be treated as based on a share of “net profits” if it is based on (A) a percentage of gross revenues (or adjusted gross revenues) of the Bond-Financed Facilities, or a percentage of the expenses from such Facilities, but not both, (B) a capitation fee, or (C) a per-unit fee.

(ii) The Private Person is not granted an ownership or leasehold interest in any portion of the Bond-Financed Facilities (except that the Private Person may be granted exclusive use of portions of the Bond-Financed Facilities to the extent necessary for the Private Person to perform its obligations under the contract).

(iii) The contract complies with one of the following combinations of compensation and term limits:

(A) at least 95 percent of the compensation for each annual period is based on a periodic fixed fee (which, for purposes of subparagraphs (A) or (B), may provide for a one-time productivity reward equal to a stated dollar amount, based on increases or decreases in gross revenues (or adjusted gross revenues) or decreases in total expenses, but not both), and the term of the contract does not exceed the shorter of 15 years or 80 percent of the useful life of the Bond-Financed Facilities;

(B) at least 80 percent of the compensation for each annual period is based on a periodic fixed fee, and the term of the contract does not exceed the shorter of 10 years or 80 percent of the useful life of the Bond-Financed Facilities;

(C) the compensation for each annual period is either (I) at least 50 percent based on a periodic fixed fee, (II) 100 percent based on a capitation fee, or (III) 100 percent based on a combination of a capitation fee and a periodic fixed fee, and the term of the contract does not exceed 5 years (terminable by the Borrower without penalty or cause on reasonable notice at the end of the third year of the contract term);

(D) all compensation is based on either (I) a per-unit fee or (II) a combination of a per-unit fee and a periodic fixed fee, and the term of the contract does not exceed 3 years (terminable by the Borrower without penalty or cause on

reasonable notice at the end of the second year of the contract term); or

(E) the term of the contract does not exceed 2 years (terminable without penalty or cause by the Borrower on reasonable notice at the end of the first year of the contract term), and all compensation is based on either (I) a percentage of fees charged or (II) a combination of a per-unit fee and a percentage of revenue or expenses, *except* that, this subparagraph (E) applies only to contracts for the provision of services to third parties or during an initial start-up period where there have been insufficient operations to estimate annual gross revenues and expenses, in which latter case, the compensation may be based, during such initial start-up period, upon a percentage of (III) gross revenues, (IV) adjusted gross revenues, or (V) expenses of the Bond-Financed Facilities.

(iv) Not more than 20 percent of the voting power of the governing body of the Borrower is vested in the Private Person and its directors, officers, shareholders, and employees; any overlapping board members between the Borrower and the Private Person do not include the chief executive officers of the Private Person or its governing body or the chief executive officers of the Borrower or its governing body; and the Borrower and the Private Person are not otherwise treated as “related parties” within the meaning of Treasury Regulations § 1.150-1(c). Members of the governing body of the Borrower do not own a controlling interest in the Private Person.

(e) Certain Definitions Relating to Management Contracts. As used in paragraph (d) of this Section, the following terms have the following meanings:

(i) “Periodic fixed fee” means a stated dollar amount for services for a specified period (*e.g.*, a stated dollar amount per month). The fee may automatically increase according to a specified, objective, external standard (*e.g.*, the consumer price index) not linked to the output or efficiency of the Bond-Financed Facilities.

(ii) “Capitation fee” means a fixed periodic amount for each person for whom the Private Person or the Borrower assumes responsibility to provide all needed service for a specified period, which fee may include a variable component of up to 20 percent of the total fee to protect against risks such as catastrophic loss.

(iii) “Per-unit fee” means a fee based on a unit of service specified in the contract or determined by an independent third party or by the Borrower.

(iv) “Adjusted gross revenues” means gross revenues less allowances for bad debts and contractual and similar allowances.

(v) The “term” of a contract includes periods subject to a renewal option by the Private Person, where the Private Person has a legally enforceable right to extend the contract for such period.

(vi) “Penalties” for terminating a contract include a limitation on the Borrower’s right to compete with the Private Person, a requirement that the Borrower purchase

equipment, goods, or services from the Private Person, and a requirement that the Borrower pay liquidated damages for cancellation of the contract. A requirement, upon cancellation, that the Borrower reimburse the Private Person for ordinary and necessary expenses or a restriction on the Borrower from hiring key personnel of the Private Person is not a “penalty.” A “penalty” may be contained in the terms of another contract between the Borrower and the Private Person if that other contract contains terms that are not customary or arm’s-length that could operate to prevent the Borrower from terminating the management contract.

(f) Modification. The Borrower may depart from complying with the provisions set forth in paragraphs (a), (b), (c), or (d) of this Section if it delivers to the Trustee, at the Borrower’s expense, an Opinion of Bond Counsel that such departure would not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

(g) Permitted Incidental Uses. For the purpose of this Section 2.6, the Borrower may make incidental use of the Bond-Financed Facilities for purposes in furtherance of its primary operational purpose consistent with the Borrower’s Purpose and Statement of Principle and with its Philosophy and Purpose statement.

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.

Prior to arranging for the delivery of any Credit Facility under the Indenture, the Borrower shall deliver to the Trustee and the Remarketing a document containing the representations, warranties and covenants in the immediately preceding paragraph with regard to its relationship to the applicable Credit Facility Issuer.

(End of Article II)

## ARTICLE III

### COMPLETION OF THE SERIES 2014 PROJECT;

#### ISSUANCE OF THE BONDS

Section 3.1. Acquisition, Construction, Installation, Equipment and Improvement. The Borrower has acquired, constructed, furnished, equipped and improved the Project Facilities on the Project Site relating to the Series 2014 Project in accordance with the Plans and Specifications, (b) has paid 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) has asked, demanded, sued for, levied, recovered and received 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, equipment and improvement of the Series 2014 Project, and shall enforce the provisions of any contract, agreement, obligation, bond or other performance security with respect thereto. It is understood that the Series 2014 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 in 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 and the Code.

Section 3.3. Issuance of the Bonds; Application of Proceeds. To provide funds to make the Loan for the purposes of (i) refunding the Prior Bonds, and (ii) paying the Project Costs relating to the Series 2014 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 any Credit Facility, the Credit Facility Account, the Defeasance Account, the Redemption Premium Account or the Remarketing Proceeds 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 . Provided there are monies in the future so deposited, subject to the provisions below, 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 Series 2014 Project or any future project:

(a) Costs incurred directly or indirectly for or in connection with the construction, furnishing, equipment or improvement of the Series 2014 Project, including costs incurred in respect of the Series 2014 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 Series 2014 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; provided that the amount of the proceeds of the Bonds used to finance issuance costs shall not exceed 2% of the aggregate face amount of the Bonds within the meaning of Section 147(g) of the Code.

(f) Any other costs, expenses, fees and charges properly chargeable to the cost of construction, furnishing, equipment or improvement of the Series 2014 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.

(h) Payments made to the Rebate Fund.

Any disbursements from the Project Fund for the payment of the Project Costs relating to the Series 2014 Project shall be made by the Trustee only upon the written order of the Designated Representative with written approval of the Bank. 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. Any disbursement for any item not described in, or the cost for which item is other than as described in, the information statement filed by the Issuer in connection with the issuance of the Bonds as required by Section 149(e) of the Code and referred to in Section 2.2 hereof, shall be accompanied by evidence satisfactory to the Trustee that the average reasonably expected economic life of the facilities being financed by the Bonds is not less than 5/6ths of the average maturity of the Bonds or, if such evidence is not

presented with the disbursement or at the request of the Trustee, by an opinion of nationally recognized bond counsel to the effect that such disbursement will not result in the interest on the Bonds becoming included in the gross income of the Bondholders for federal income tax purposes. At or prior to submitting a request for disbursement pursuant to 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.

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 Series 2014 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 Series 2014 Project as is designated by the Designated Representative and the construction, installation, equipment and improvement of which will be permitted under the Act, provided that any such use shall be accompanied by evidence satisfactory to the Trustee that the average reasonably expected economic life of such additional property, together with the other property theretofore acquired with the proceeds of the Bonds, will not be less than 5/6ths of the average maturity of the Bonds or, if such evidence is not presented with the direction, an opinion of nationally recognized bond counsel to the effect that the acquisition of such additional property will not result in the interest on the Bonds becoming included in the gross income of the Bondholders for federal income tax purposes;

(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.

In all such cases, any payments made pursuant to the immediately preceding paragraph shall be made only to the extent that such use or application will not, in the opinion of nationally recognized bond counsel or under ruling of the Internal Revenue Service, result in the interest on the Bonds becoming included in the gross income of the Holders for federal income tax purposes.

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 10.03 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 Pay Costs in Event Project Fund Insufficient.

To the extent the Series 2014 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 complete the Series 2014 Project in accordance with the Plans and Specifications and shall pay all such additional Project Costs relating to the Series 2014 Project from its own funds. The Borrower shall not be entitled to any reimbursement for any such additional Project Costs from the Issuer, the Trustee, the Bank, the Credit Facility Issuer, if any, 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 pay or deposit moneys 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, it shall not be entitled to any reimbursement therefor from the Issuer, the Trustee, the Bank, the Credit Facility Issuer, if any, or the Holders and owners of the Bonds, nor shall it be entitled to any diminution of the amounts payable herein.

Section 3.6. [Intentionally Omitted].

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 Credit Facility Account, Defeasance Account, Remarketing Proceeds Account, or Redemption Premium Account created under Section 5.01 of the Indenture), the Project Fund or the Rebate Fund shall be invested or reinvested by the Trustee in Eligible Investments. The Issuer and the Borrower each hereby covenant that they will restrict that investment and reinvestment and the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time of delivery of and payment for the Bonds, so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code.

Any officer of the Issuer having responsibility for issuing the Bonds is authorized and directed, alone or in conjunction with any of the foregoing or with any other officer, employee or agent of or consultant to the Issuer, or with the Borrower or any officer, employee or agent of or consultant to the Borrower, to give an appropriate certificate of the Issuer pursuant to said Section 148, for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the Issuer regarding the amount and use of the proceeds of the Bonds and the facts, estimates and circumstances on which those expectations are based, that certificate to be premised on the reasonable expectations and the facts, estimates and circumstances on which those expectations are based, as provided by the Borrower, all as of the date of delivery of and payment for the Bonds. The Borrower shall provide the Issuer with, and the Issuer's

certificate shall be based on, a certificate of an appropriate officer, employee or agent of or consultant to the Borrower setting forth the reasonable expectations of the Borrower on the date of delivery of and payment for the Bonds regarding the amount and use of the proceeds of the Bonds and the facts, estimates and circumstances on which they are based.

In particular, the Issuer and the Borrower represent that their present expectations are as follows:

- (a) substantial binding obligations have been, or within six (6) months of the date hereof will be, entered into requiring payment of an amount equal to not less than \$100,000 or 2-1/2% of that portion of the costs of the Series 2014 Project to be financed by the Bonds, whichever is less, which substantial binding obligations are comprised of contracts for the acquisition, construction, furnishing, improvement and equipping of the Project;
- (b) thereafter, construction, furnishing, improvement and equipping of the Series 2014 Project will proceed with due diligence to completion;
- (c) moneys received as accrued interest, if any, upon the sale of the Bonds will be credited to the Bond Fund and used in their entirety for the first payment of interest on the Bonds;
- (d) an amount equal to not less than 85% of the spendable proceeds of the Bonds, net of the proceeds used to refund the Prior Bonds, will be expended on the Series 2014 Project within 3 years of the date of issuance of the Bonds;
- (e) any income derived from the investment of any proceeds of the Bonds and from investment of such investment income (except to the extent any such income constitutes Excess Earnings, as defined in the Indenture) will, at the direction of the Designated Representative, be (i) used to construct, install, equip and improve additional real and personal property in connection with the Series 2014 Project, (ii) used to purchase Bonds in the open market, (iii) paid into the Bond Fund, or (iv) paid or used in any combination of the foregoing, within 3 years from the date of issuance of the Bonds, or within one year after receipt of such investment income, whichever is later;
- (f) all moneys paid as Loan Payments pursuant to this Agreement will be deposited in the Bond Fund and used to pay principal of, premium, if any, and interest on the Bonds and there will be no debt service fund other than the Bond Fund that will be so used; any additional amounts paid pursuant to this Agreement as reimbursement for costs or expenses of the Issuer or the Trustee

will be applied upon receipt of those costs and expenses requiring such amounts to be so paid; any money deposited in the Bond Fund will be spent within a 13 month period beginning on the date of deposit, and any amount received from investment of money held in the Bond Fund will be spent within a one year period beginning on the date of receipt;

- (g) neither the Series 2014 Project nor any part thereof will be sold or otherwise disposed of prior to the maturity date of the Bonds, other than as a result of normal obsolescence and wear and tear;
- (h) the original proceeds of the Bonds will not exceed by more than 5% the amount necessary for the purpose of the issuance of the Bonds;
- (i) no artifice or device will be used to exploit the difference between tax-exempt and taxable interest rates in order to gain any material financial advantage and no artifice or device will be used to increase the burden on the market for tax-exempt obligations, including increasing such burden by selling obligations that would not otherwise be sold, by selling more obligations that would otherwise be necessary or by issuing obligations sooner or allowing obligations to remain outstanding longer than would otherwise be necessary.

Section 3.8. Rebate Fund. The Borrower agrees to make such payments to the Trustee as are required of it under Section 5.05 of the Indenture and to pay the costs and expenses of the independent certified public accounting firm or firm of attorneys engaged in accordance with Section 5.05 of the Indenture. The obligation of the Borrower to make such payments shall remain in effect and be binding upon the Borrower notwithstanding the release and discharge of the Indenture.

(End of Article III)

## ARTICLE IV

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

Section 4.1. Loan Repayment; Delivery of Credit Facility. 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, payments sufficient in amount to pay when due the Bond Service Charges payable on the Bonds. Notwithstanding the foregoing, while the Bank is the Bondholder, the Borrower shall make all such Loan Payments directly to the Bank in the manner provided for in the Bondowner Agreement and the Bank shall apply such amounts to the payment of Bond Service Charges under the Indenture. The obligations of the Borrower to make any payment referred to in this Section 4.1, thereby providing for the payment of the Bond Service Charges as provided in Section 2.8 of the Indenture, shall be deemed satisfied and discharged to the extent of the payment made directly by the Borrower to the Bank. It is understood, however, that such payment shall not relieve the Borrower of any of its other payment obligations that may due and payable under the Bondowner Agreement.

In addition, while a Credit Facility is in effect, the Borrower shall deposit all such Loan Payments directly with the Credit Facility Issuer to reimburse the Credit Facility Issuer for draws on the Credit Facility, and the Credit Facility Issuer shall apply such amounts to the reimbursement obligation of the Borrower. The obligations of the Borrower to make any payment referred to in this Section 4.1 shall be deemed satisfied and discharged to the extent of the corresponding payment made by a Credit Facility Issuer to the Trustee under a Credit Facility. It is understood, however, that such payment by the Credit Facility Issuer shall not relieve the Borrower of any of its obligations under the Reimbursement Agreement, including the obligation to reimburse the Credit Facility Issuer for any draw on the Credit Facility.

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 Credit Facility Account, Defeasance Account, Redemption Premium Account or Remarketing Proceeds 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 5.06 of the Indenture, the Borrower and the Issuer each acknowledge that neither the Borrower nor the Issuer have any interest in the Credit Facility Account, if any, the Redemption Premium Account, the Remarketing Proceeds Account and 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 and, to the extent of draws under the Credit Facility, if any, the Credit Facility Issuer.

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, the remarketing of the Bonds and the Conversion 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 the Remarketing Agent and Tender Agent, as Additional Payments hereunder, the fees and expenses of the Remarketing Agent and Tender Agent under the Indenture for services rendered in connection with the Bonds.

The Borrower shall pay to the Tender Agent in federal or other immediately available funds not later than 3:00 p.m., New York, New York time, an amount equal to the amount the Tender Agent requires in order to purchase on behalf of the Borrower Bonds pursuant to Article III of the Indenture on the date payment is to be made; provided, however, that the amount required to be paid under this paragraph shall be reduced by an amount equal to the sum of the amounts made available to the Tender Agent for such purpose from the proceeds of the remarketing of such Bonds by the Remarketing Agent or proceeds of a draw under the Credit Facility. The Borrower hereby authorizes the Trustee to draw such moneys under the Credit Facility, as are necessary for the purchase of Bonds pursuant to said Article III.

Section 4.3. Place of Payments. As provided in Section 4.1 hereof, while the Bank is the Bondholder, the Borrower shall make all Loan Payments directly to the Bank at its corporate trust office, unless otherwise notified by the Bank in a written direction to the Borrower and the Trustee.

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, the Remarketing Agent, the Tender Agent, the Bank, the Credit Facility Issuer, if any, or any other Person.

Section 4.5. Assignment of Agreement and Revenues. To secure, first, the payment of Bond Service Charges on, and the purchase of, the Bonds, and the performance by the Borrower under the Bondowner Agreement and, second, the payment to the Credit Facility Issuer, if any, and performance by the Borrower under the Reimbursement Agreement, 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), and the Credit Facility Account, Redemption

Premium Account, Remarketing Proceeds Account and Defeasance Account of the Bond Fund and all moneys and investments therein (including without limitation the proceeds of a Credit Facility) 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, and (ii) the Revenues (other than such accounts of the Bond Fund, all investments therein and the proceeds of the Credit Facility). The Borrower hereby agrees and consents to that assignment and grant.

Section 4.6. Credit Facility. Prior to the Conversion of the Bonds to any Interest Rate Mode other than the Adjusted LIBOR Rate, the Borrower shall obtain and deliver, to the Trustee, a Credit Facility. The Credit Facility shall be issued initially by the Credit Facility Issuer pursuant to the Reimbursement Agreement; shall be dated the Conversion Date; shall obligate the Credit Facility Issuer to pay (a) an amount equal to the principal amount of the Bonds (i) to pay the principal of the Bonds when due whether at stated maturity, upon redemption or acceleration or (ii) to enable the Tender Agent to pay the purchase price or portion of the purchase price equal to the principal amount of Bonds purchased pursuant to Section 3.01 of the Indenture to the extent remarketing proceeds are not available for such purpose, plus (b) an amount equal to 98 days' interest accrued on the Bonds if the Bonds will bear interest at a Weekly Rate after the Conversion, or 183 days' interest accrued on the Bonds if the Bonds will bear interest at a Semi-Annual Rate or Long-Term Rate after the Conversion, at the maximum rate per annum specified in such Credit Facility (i) to pay interest on the Bonds when due or (ii) to enable the Tender Agent to pay the portion of the purchase price of the Bonds purchased pursuant to Section 3.01 of the Indenture equal to the interest accrued, if any, on such Bonds to the extent remarketing proceeds are not available for such purpose.

The Borrower shall take whatever action may be reasonably necessary to maintain the Credit Facility in full force and effect during the period required by the Indenture, including the payment of any reasonable and documented transfer fees required by the Bank upon any transfer of the Credit Facility to any successor Trustee pursuant to Section 11.12 of the Indenture.

(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 provisions of Section 2.6 hereof and the Bondowner Agreement and with the written consent of the Bank, 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 or adversely affect the exclusion from gross income of interest on the Bonds.

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, the Bondowner Agreement, the Reimbursement Agreement, if any, 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, including without limitation, the Offering Circular, any information furnished by the Borrower for and included in or used as a basis for preparation of any certifications, information statements or reports furnished by the Issuer and any other information or certification obtained from the Borrower to assure the exclusion of the interest on the Bonds from gross income for federal income tax purposes; (d) the Borrower's failure to comply with any requirement of this Agreement or the Code pertaining to such exclusion of that interest including the covenants in Section 5.4 hereof; (e) any failure of compliance with the provisions of Sections 4582.37 of the Ohio Revised Code and 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 and the Tender Agent 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 and the Tender Agent on account of any action taken or omitted to be taken by the Trustee and the Tender Agent in accordance with the terms of this Agreement, the Bonds, the Bondowner Agreement, the Reimbursement Agreement, if any, the Credit Facility, if any, 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 and the Tender Agent 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, the Indenture, the Bondowner Agreement, or the Reimbursement Agreement or the Credit Facility, if any.

In case any action or proceeding is brought against the Issuer, the Tender Agent 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 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, the Tender Agent and the Trustee, respectively. That indemnification is intended to and shall be enforceable by the Issuer, the Tender Agent 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. Borrower Not to Adversely Affect Exclusion from Gross Income of Interest on Bonds. The Borrower hereby represents that it has taken and caused to be taken, and covenants that it will take and cause to be taken, all actions that may be required of it, alone or in conjunction with the Issuer, for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, and represents that it has not taken or permitted to be taken on its behalf, and covenants that it will not take or permit to be taken on its behalf, any actions that would adversely affect such exclusion under the provisions of the Code.

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.

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 Series 2014 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. Mandatory Redemption in Event of Inclusion in Gross Income of Interest on Bonds. If, as provided in the Bonds and the Indenture, the Bonds become subject to mandatory redemption because interest on any of the Bonds is determined to be included for federal income tax purposes in the gross income of the Holder of any Bonds (other than because a Holder is a “substantial user” of the Project or a “related person”, as those terms are used in Section 147(a) of the Code), the Borrower shall deliver to the Trustee, upon the date requested by the Trustee, the moneys needed to pay in full the Bonds in accordance with the mandatory redemption provisions relating thereto set forth in the Bonds and the Indenture.

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, 6.3 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 (other than with respect to Section 5.4 hereof), 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 the Credit Facility 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 the Credit Facility, 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 Credit Facility 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 Remedies Subject to Credit Facility Issuer's Direction. Except in the case of an Event of Default pursuant to Section 10.01(g) or (h) of the Indenture, the Credit Facility Issuer shall have the right to direct the remedies to be exercised by the Trustee, whether under Article VII of this Agreement or under Article X of the Indenture.

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 (i) received written notice from the Bank that amounts are still due to the Bank under the Bondowner Agreement, 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 under the Bondowner Agreement have not been paid; or (ii) drawn on the Credit Facility, if any, and the Credit Facility Issuer has not been reimbursed by the Borrower pursuant to the Reimbursement Agreement, such amounts remaining

in the Bond Fund shall belong and be paid first to the Credit Facility Issuer to the extent it has not been so reimbursed. With respect to that principal of and any premium and interest on the Bonds to be paid from moneys paid to the Borrower, the Bank or the Credit Facility Issuer 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 (other than in the Credit Facility Account, the Remarketing Proceeds Account, the Redemption Premium Account and the Defeasance Account) and any amounts remaining in any other special funds or accounts (other than the Project Fund and the Rebate 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 under the Bondowner Agreement have been paid, such amounts shall belong and be paid first to the Bank to the extent it has not been so paid; and provided further, that if the Trustee shall have drawn on a Credit Facility, if any, and the Credit Facility Issuer has not been reimbursed by the Borrower pursuant to the Reimbursement Agreement, such amounts shall belong and be paid first to the Credit Facility Issuer to the extent it has not been so reimbursed.

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, the Remarketing Agent, if any, the Tender Agent, the Trustee or the Credit Facility Issuer, if any, shall also be given to the others. The Borrower, the Issuer, the Bank, the Remarketing Agent, if any, the Tender Agent, the Trustee and the Credit Facility Issuer, if any, 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, the Credit Facility 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 or sale or transfer of assets pursuant to the Bondowner Agreement or Reimbursement Agreement) 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.

SIGNATURE PAGE OF ISSUER  
TO  
LOAN AGREEMENT FOR THE FRANKLIN UNITED METHODIST HOME, INC. PROJECT  
CITY OF FRANKLIN, INDIANA

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

ATTEST:

\_\_\_\_\_  
Clerk-Treasurer

SIGNATURE PAGE OF BORROWER  
TO  
LOAN AGREEMENT

THE FRANKLIN UNITED METHODIST  
HOME, INC.

By: \_\_\_\_\_  
Keith B. Van Deman, Executive Director

## EXHIBIT A

### PROJECT FACILITIES

#### LEGAL DESCRIPTION

##### PARCEL 1:

A part of the Southwest quarter and a part of the Southeast quarter of Section 15, Township 12 North, Range 4 East of Second Principal Meridian, Franklin, Johnson County, Indiana, described as follows:

Beginning at the Northeast corner of said Southwest quarter section; thence South 88 degrees 18 minutes 33 seconds West (previous survey bearing) on and along the North line of said Southwest quarter section 224.51 feet, measured (224.40 feet deed) to an iron pin set and marking the Northeast corner of the Second Addition to Camelot Estates (recorded in Plat Book 7, page 46); thence South 00 degrees 07 minutes 48 seconds West and parallel to the East line of said Southwest quarter section 1887.05 feet to an iron pin set on the Northerly right of way of Indiana State Road 144; (Indiana Highway Project #226, Sect. B-1, Franklin-Indianapolis Road), said point also being located approximately 40 feet from the centerline of said road and on a curve to the left; thence Southeasterly on an arc of said curve to the left an arc distance of 858.82 feet to an iron pin set, said curve having a radius of 2251.83 feet, a chord bearing of South 78 degrees 51 minutes 07 seconds East and a chord length of 853.62 feet, last said iron pin also being located 613.80 feet East of the West line of said Southeast quarter section; thence North 00 degrees 06 minutes 52 seconds East 2076.81 feet to an iron pin found in place and being located on the North line of said Southeast quarter section; thence South 88 degrees 18 minutes 33 seconds West on and along last said North line 613.23 feet, measured (613.80 feet deed) to the Place of Beginning.

##### PARCEL 2:

A part of the North half of Section 15, Township 12 North, Range 4 East of the Second Principal Meridian, Johnson County, Indiana, more particularly described as follows:

Beginning at the Southeast corner of the Northwest quarter of said Section 15; thence South 88 degrees 14 minutes 15 seconds West on and along the South line of said quarter section, also being the North line of the Third Section of Camelot Estates 1348.75 feet to the Southwest corner of the East half of said Northwest quarter section; thence North 00 degrees 07 minutes 39 seconds West on and along the West line of said half quarter section also being the East line of Camelot Estates Fourth Section a distance of 1210.11 feet to the Northeast corner of said subdivision; thence North 00 degrees 03 minutes 36 seconds West a distance of 261.28 feet to a point on the South right of way of Westview Drive; thence Northeasterly on and along said South right of way being a curve to the left an arc distance of 401.21 feet with a radius of 1887.35 feet and a chord bearing and distance of North 73 degrees 27 minutes 46 seconds East a

distance of 400.45 feet; thence North 67 degrees 22 minutes 23 seconds East on and along said South right of way a distance of 1478.96 feet; thence Northeasterly on and along said South right of way being a curve to the left an arc distance of 127.72 feet, a radius of 1958.07 feet and a chord bearing and distance of North 65 degrees 30 minutes 16 seconds East a distance of 127.70 feet; thence South 02 degrees 39 minutes 00 seconds East a distance of 2149.25 feet to a point on the South line of the Northeast quarter of Section 15, said point also being the Northeast corner of the lands of the Methodist Home, Miscellaneous Record 52, page 519; thence South 88 degrees 14 minutes 15 seconds West on and along the South line of said quarter section a distance of 613.8 feet to the Point of Beginning.

PARCEL 3:

Six (6) feet by parallel lines off the West side of Lot numbered 2 in Richardson's Subdivision, an Addition to the City of Franklin, as recorded in Plat Book 2, page 152, in the Office of the Recorder of Johnson County, Indiana.

PARCEL 4:

Lot numbered 1 in Richardson's Subdivision, an Addition to the City of Franklin, as recorded in Plat Book 2, page 152, in the Office of the Recorder of Johnson County, Indiana.

PARCEL 5:

A part of the East half of the Southwest quarter of Section 15, Township 12 North, Range 4 East of the Second Principal Meridian, Johnson County, Indiana, described as follows:

Beginning at a point 224.40 feet West and 1524.48 feet South of the Northeast corner of said quarter section; thence South and parallel with the East line 375 feet to the middle line of the Franklin and Hopewell Gravel Road; thence North 66 degrees 11 minutes West with the middle line of said road 107.19 feet; thence North and parallel with the East line 375 feet; thence South 66 degrees 11 minutes East 107.19 feet to the Place of Beginning.

EXCEPT:

Part of the East half of the Southwest quarter of Section 15, Township 12 North, Range 4 East of the Second Principal Meridian, Johnson County, Indiana, described as follows:

Beginning at a point that is 232.30 feet West of and 1556.20 feet South of the Northeast corner of the said half quarter section; thence North 66 degrees 11 minutes West 107.19 feet; thence deflecting 111 degrees 43 minutes left and running Southerly 95.32 feet; thence East 99.85 feet; thence North and parallel to the West line of this described tract 56.03 feet to the Place of Beginning.

PARCEL 6:

A part of the East half of the Southwest quarter of Section 15, Township 12 North, Range 4 East of the Second Principal Meridian, City of Franklin, Johnson County, Indiana, described as follows:

Commencing at a stone marking the Northeast corner of said East half quarter section; thence South 88 degrees 18 minutes 33 seconds West (previous survey bearing) on and along the North line of said East half quarter section 224.51 feet to an iron rod marking the most Northwesterly corner of the Methodist Home site and the Northeast corner of the Second Addition to Camelot Estates (Record Plat Book 7, Page 46); thence South 00 degrees 07 minutes 48 seconds West on and along the Westerly line of said Methodist Home tract and parallel to the East line of said East half quarter section 1555.85 feet to a capped rebar set and marking the Point of Beginning of this tract; thence North 68 degrees 20 minutes 43 seconds West 105.28 feet (measured) to a capped rebar set and marking the apparent Northwest corner of a 0.17 acre tract; thence continuing North 68 degrees 20 minutes 43 seconds West 106.71 feet to an iron rod round in place; thence South 00 degrees 07 minutes 48 seconds West and parallel to the said East line of said East half quarter section 373.73 feet (measured) to center of State Highway #144 (375 feet – deed to center of Franklin-Hopewell Gravel Road); thence South 68 degrees 13 minutes 02 seconds East on and along the said centerline of said Highway #144 a distance of 106.80 feet; thence North 00 degrees 07 minutes 48 seconds East and parallel to last said East line 278.6 feet to a capped rebar set and marking the apparent Southwest corner of said 0.17 acre tract; said point also being 95.32 feet (deed and measured) South of the Northwest corner of said tract; thence North 89 degrees 44 minutes 36 seconds East 97.94 feet measured (99.85 feet – deed) to a capped rebar set and marking the apparent Southeast corner of said 0.17 acre tract; thence North 00 degrees 07 minutes 48 seconds East 56.03 feet (deed and measured) to the Point of Beginning.

PARCEL 7:

The West half of the following:

Part of the East half of the Southwest quarter of Section 15, Township 12 North, Range 4 East of the Second Principal Meridian, Johnson County, Indiana, described as follows:

Beginning 107.19 feet North 66 degrees 11 minutes West of a point 224.40 feet West and 1524.48 feet South of the Northeast corner of said quarter section, being the Northwest corner of said quarter section, being the Northwest corner of a tract of land conveyed to Robert Smith and wife, October 29, 1937, and recorded in Deed Record 80, page 534, of the deed records of the Recorder's Office, Johnson County, Indiana; thence North 66 degrees 11 minutes West 213.42 feet; thence South 375 feet to the middle line of the Franklin and Hopewell Road; thence East with the middle line of said road, 213.42 feet to the Southwest corner of said Smith's lot; thence North on the West line of said Smith's lot 375 feet to the Place of Beginning.

THE ABOVE DESCRIBED PARCELS ARE ALSO DESCRIBED BY THE FOLLOWING MODERNIZED LEGAL DESCRIPTION:

A PART OF SECTION 15, TOWNSHIP 12 NORTH, RANGE 4 EAST OF THE SECOND PRINCIPAL MERIDIAN, FRANKLIN TOWNSHIP, JOHNSON COUNTY, INDIANA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION; THENCE SOUTH 88 DEGREES 14 MINUTES 15 SECONDS WEST

ALONG THE NORTH LINE OF SAID QUARTER 224.51 FEET TO THE POINT OF BEGINNING: THENCE CONTINUING SOUTH 88 DEGREES 14 MINUTES 15 SECONDS WEST ALONG SAID NORTH LINE AND ALONG THE NORTH LINE OF CAMELOT ESTATES, SECTIONS 2 (PLAT BOOK 7, PAGE 46) AND SECTION 3 (PLAT BOOK 7, PAGE 72) A DISTANCE OF 1124.24 FEET TO THE SOUTHEAST CORNER OF CAMELOT ESTATES, SECTION 4 (PLAT BOOK 8, PAGE 30); THENCE NORTH 00 DEGREES 07 MINUTES 39 SECONDS WEST ALONG THE EAST LINE OF SECTION 4 AND SECTION 5 (PLAT BOOK 8, PAGE 64) AND THE EXTENSION THEREOF 1210.11 FEET; THENCE NORTH 00 DEGREES 03 MINUTES 36 SECONDS WEST 261.28 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY OF WESTVIEW DRIVE, SAID POINT ALSO BEING A POINT OF NON-TANGENTIAL CURVATURE HAVING A RADIUS OF 1887.35 FEET, THE RADIUS POINT OF WHICH BEARS NORTH 10 DEGREES 26 MINUTES 51 SECONDS WEST; THENCE NORTHEASTERLY ALONG SAID CURVE AND RIGHT-OF-WAY AN ARC DISTANCE OF 401.20 FEET, THE CHORD OF WHICH BEARS NORTH 73 DEGREES 27 MINUTES 46 SECONDS EAST A CHORD DISTANCE OF 400.45 FEET; THENCE NORTH 67 DEGREES 22 MINUTES 23 SECONDS EAST ALONG SAID RIGHT-OF-WAY 1478.96 FEET TO A POINT OF TANGENTIAL CURVATURE HAVING A RADIUS OF 1958.07 FEET, THE RADIUS POINT OF WHICH BEARS NORTH 22 DEGREES 37 MINUTES 37 SECONDS WEST; THENCE NORTHEASTERLY ALONG SAID CURVE AND RIGHT-OF-WAY AN ARC DISTANCE OF 127.72 FEET, THE CHORD OF WHICH BEARS NORTH 65 DEGREES 30 MINUTES 16 SECONDS EAST A CHORD DISTANCE OF 127.70 FEET; THENCE SOUTH 02 DEGREES 39 MINUTES 00 SECONDS EAST ALONG THE WEST LINE OF CANARY CREEK ESTATES SECTIONS 1 (PLAT BOOK C, PAGE 692), 2 (PLAT BOOK D, PAGE 5) AND 3 (PLAT BOOK D, PAGE 181) AND THE EXTENSIONS THEREOF 2149.26 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 1; THENCE SOUTH 00 DEGREES 02 MINUTES 34 SECONDS WEST 2076.83 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY OF JEFFERSON STREET (STATE ROAD 144), SAID POINT ALSO BEING A POINT OF NON-TANGENTIAL CURVATURE HAVING A RADIUS OF 2251.83 FEET, THE RADIUS POINT OF WHICH BEARS NORTH 00 DEGREES 08 MINUTES 10 SECONDS EAST; THENCE NORTHWESTERLY ALONG SAID CURVE AND NORTH RIGHT-OF-WAY AN ARC DISTANCE OF 859.38 FEET, THE CHORD OF WHICH BEARS NORTH 78 DEGREES 55 MINUTES 51 SECONDS WEST A CHORD DISTANCE OF 854.17 FEET; THENCE SOUTH 00 DEGREES 03 MINUTES 30 SECONDS WEST 10.58 FEET; THENCE NORTH 68 DEGREES 22 MINUTES 37 SECONDS WEST ALONG SAID NORTH RIGHT-OF-WAY 320.51 FEET; THENCE NORTH 00 DEGREES 18 MINUTES 59 SECONDS EAST 340.75 FEET; THENCE SOUTH 68 DEGREES 26 MINUTES 18 SECONDS EAST 318.73 FEET; THENCE NORTH 00 DEGREES 03 MINUTES 30 SECONDS EAST ALONG THE EAST LINE OF CAMELOT ESTATES SECTION 2 AND THE EXTENSION THEREOF 1555.91 FEET TO THE POINT OF BEGINNING, CONTAINING 120.00 ACRES, MORE OR LESS.

ALSO, LOT NUMBERED 1 AND SIX (6) FEET OFF THE ENTIRE WEST SIDE OF LOT NUMBERED 2 IN RICHARDSON'S SUBDIVISION, AN ADDITION TO THE CITY OF FRANKLIN, AS PER PLAT THEREOF RECORDED IN PLAT BOOK 2, PAGE 152 IN THE OFFICE OF THE RECORDER OF JOHNSON COUNTY, INDIANA.

IN ALL CONTAINING 120.29 ACRES, MORE OR LESS. SUBJECT TO ALL RIGHT-OF-WAYS, EASEMENTS AND OTHER RESTRICTIONS OF RECORD.

EXHIBIT B  
PROJECT SITE

1070 W. Jefferson Street  
Franklin, Indiana 46131  
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EXHIBIT C

FORM OF DISBURSEMENT REQUEST

STATEMENT NO. \_\_\_\_\_ REQUESTING DISBURSEMENT OF FUNDS  
FROM PROJECT FUND PURSUANT TO SECTION 3.4 OF THE  
LOAN AGREEMENT DATED AS OF DECEMBER 1, 2014 BETWEEN  
CITY OF FRANKLIN, INDIANA AND  
THE FRANKLIN UNITED METHODIST HOME, INC.

Pursuant to Section 3.4 of the Loan Agreement (the "Agreement") between City of Franklin, Indiana (the "Issuer"), and The Franklin United Methodist Home, Inc. (the "Borrower") dated as of December 1, 2014, the undersigned Designated Representative hereby requests and authorizes The Huntington National Bank, as trustee (the "Trustee"), as depository of the Project Fund created by the Indenture and defined in the Agreement, to pay to the Borrower or to the person(s) listed on the Disbursement Schedule hereto out of the moneys deposited in 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 Project Fund in accordance with the terms and conditions of the 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 Series 2014 Project, as defined in the 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) Each item for which disbursement is requested hereunder, and the cost for each such item, is as described in the information statement filed by the Issuer in connection with the issuance of the Bonds (as defined in the Agreement), as required by Section 149(e) of the Code; provided that if any such item is not as described in that information statement, attached hereto is a computation evidencing that the average reasonably expected economic life of the facilities which have been and will be paid for with moneys in the Project Fund is not less than 5/6ths of the average maturity of the Bonds.

- (e) 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.
- (f) This statement constitutes the approval of the Borrower of each disbursement hereby requested and authorized.

This \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

Pursuant to Section 3.4 of the Agreement the foregoing disbursement request is hereby approved:

\_\_\_\_\_  
Designated Representative

THE HUNTINGTON NATIONAL BANK, as Bank

By: \_\_\_\_\_  
Tom Gibbons, Vice President

DISBURSEMENT SCHEDULE

TO STATEMENT NO. \_\_\_\_\_ REQUESTING AND AUTHORIZING DISBURSEMENT  
OF FUNDS FROM PROJECT FUND PURSUANT TO SECTION 3.4 OF THE LOAN  
AGREEMENT DATED AS OF DECEMBER 1, 2014 BETWEEN CITY OF FRANKLIN,  
INDIANA AND THE FRANKLIN UNITED METHODIST HOME, INC.

PAYEE

AMOUNT

PURPOSE