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***This Preliminary Official Statement is deemed “nearly final”
and is dated November 29, 2018***

In the opinion of Bose McKinney & Evans LLP (“Bond Counsel”), under federal statutes, decisions, regulations and rulings, interest on the Series 2018 Bonds (hereinafter defined) is not excludable from gross income for federal income tax purposes. In the opinion of Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2018 Bonds is exempt from income taxation in the State of Indiana except for the financial institutions tax. See “TAX MATTERS” herein.

\$1,425,000*

TOWN OF PENDLETON, INDIANA
TAXABLE ECONOMIC DEVELOPMENT LEASE RENTAL REVENUE BONDS, SERIES 2018 (Wellness Center Project)
(Ad Valorem Special Benefits Tax Back-up)

Original Date: Date of Delivery (Anticipated to be December 19, 2018) Due February 1 and August 1, as shown on inside cover page

The Town of Pendleton, Indiana (the “Town”) is issuing \$1,425,000* of its Taxable Economic Development Lease Rental Revenue Bonds, Series 2018 (Wellness Center Project) (the “Series 2018 Bonds”) pursuant to Indiana Code 36-7-11.9 and 12, each as amended (collectively, the “Act”). The Town, the Pendleton Redevelopment Commission (the “Redevelopment Commission”), the Town of Pendleton Redevelopment Authority and Madison County Tennis & Wellness, LLC (the “Developer”), entered into a Development Agreement, dated September 19, 2018 (the “Development Agreement”), with respect to an indoor recreation and wellness facility and related costs to be constructed by the Developer in the southeastern portion of the Falls Pointe Business Park (the “Project”) in the Town.

The Town has agreed to issue the Series 2018 Bonds to (i) finance a portion of the costs of the Project, (ii) fund a debt service reserve, (iii) pay capitalized interest, and (iv) pay cost of issuance expenses. The Town is issuing the Series 2018 Bonds pursuant to the Trust Indenture between the Town and The Bank of New York Mellon Trust Company, N.A. in Indianapolis, Indiana (the “Trustee”), dated December 1, 2018 (the “Trust Indenture”), and will lend the proceeds of the Series 2018 Bonds to the Pendleton Municipal Facilities Building Corporation (the “Building Corporation”) pursuant to the provisions of the Loan Agreement, dated December 1, 2018, between the Town and the Building Corporation (the “Loan Agreement”) for the purpose of paying certain costs of the Project, paying to fund a debt service reserve, paying capitalized interest, and paying costs of issuance of the Series 2018 Bonds.

The Series 2018 Bonds are special limited obligations of the Town, payable solely from and secured exclusively by (i) the Note, Series 2018 (the “2018 Note”), (ii) the Lease Rentals (as defined herein), and (iii) all other moneys assigned by the Trust Indenture (collectively, the “Trust Estate”). The Building Corporation, as borrower, has agreed to make loan payments under the Loan Agreement to the Town in an amount sufficient to pay principal of and interest on the Series 2018 Bonds (the “Loan Payments”) as evidenced by the 2018 Note. Such Loan Payments shall be made by the Building Corporation solely from fixed, semiannual lease rental payments (the “Lease Rentals”) to be paid by the Redevelopment Commission directly to the Trustee pursuant (a) to a Lease, between the Building Corporation, as lessor, and the Redevelopment Commission, as lessee, dated October 25, 2018 (the “Lease”) and (b) the Trust Indenture.

Such Lease Rentals are payable from Tax Increment (herein defined) collected in the Pendleton-Falls Pointe Allocation Area #1 (the “Allocation Area”, as further defined herein). **To the extent that Tax Increment is insufficient, an ad valorem property tax (a “Special Benefits Tax”) will be levied on all taxable property in the Pendleton (Indiana) Redevelopment District (the “District”) pursuant to IC 36-7-14-27 in an amount sufficient to pay the Lease Rental as it becomes due and payable.** The boundaries of the District are coterminous with the Town. Additional security will be provided through the funding of a debt service reserve. The Series 2018 Bonds shall not constitute an indebtedness of the Town or the District within the meaning of the provisions and limitations of the Constitution of the State of Indiana.

The Series 2018 Bonds will be issued only as fully registered bonds, and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”). Purchases of beneficial interests in the Series 2018 Bonds will be made in book-entry-only form in the denomination of \$5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Series 2018 Bonds (the “Beneficial Owners”) will not receive physical delivery of certificates representing their interests in the Series 2018 Bonds. Interest on the Series 2018 Bonds will be payable semiannually on February 1 and August 1 of each year, beginning August 1, 2019. Principal will be payable semiannually on February 1 and August 1 of each year, beginning August 1, 2021. Principal and interest will be disbursed on behalf of the Building Corporation by The Bank of New York Mellon Trust Company, N.A., in Indianapolis, Indiana (the “Registrar” and “Paying Agent”). Interest on the Series 2018 Bonds will be paid by check, mailed one business day prior to the interest payment date or by wire transfer to depositories. The principal of and premium, if any, on the Series 2018 Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Paying Agent. Interest on, together with the principal of, the Series 2018 Bonds will be paid directly to DTC by the Paying Agent so long as DTC or its nominee is the registered owner of the Series 2018 Bonds. The final disbursement of such payments to the Beneficial Owners of the Series 2018 Bonds will be the responsibility of the DTC Participants and the Indirect Participants. See “The Series 2018 Bonds - BOOK-ENTRY-ONLY SYSTEM”. The Series 2018 Bonds will be subject to optional redemption prior to maturity, as more fully described herein. The Series 2018 Bonds may be issued as “Term Bonds” at the Underwriter’s (hereinafter defined) discretion and subject to mandatory sinking fund redemption as more fully described herein. See “Securities Being Offered - Security and Sources of Payment” herein.

*Preliminary, subject to change. The Town reserves the right to resize and adjust the principal maturities of the Series 2018 Bonds to achieve its financial objectives with respect to the Series 2018 Bonds.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

MATURITY SCHEDULE
(Base CUSIP** _____)

<u>Maturity*</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Maturity*</u>	<u>Principal*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>
August 1, 2021	\$25,000				August 1, 2030	\$40,000			
February 1, 2022	30,000				February 1, 2031	40,000			
August 1, 2022	30,000				August 1, 2031	40,000			
February 1, 2023	30,000				February 1, 2032	40,000			
August 1, 2023	30,000				August 1, 2032	40,000			
February 1, 2024	30,000				February 1, 2033	45,000			
August 1, 2024	30,000				August 1, 2033	45,000			
February 1, 2025	30,000				February 1, 2034	45,000			
August 1, 2025	30,000				August 1, 2034	45,000			
February 1, 2026	35,000				February 1, 2035	50,000			
August 1, 2026	30,000				August 1, 2035	50,000			
February 1, 2027	35,000				February 1, 2036	50,000			
August 1, 2027	35,000				August 1, 2036	50,000			
February 1, 2028	35,000				February 1, 2037	50,000			
August 1, 2028	35,000				August 1, 2037	50,000			
February 1, 2029	35,000				February 1, 2038	55,000			
August 1, 2029	35,000				August 1, 2038	55,000			
February 1, 2030	40,000				February 1, 2039	55,000			

*Preliminary, subject to change. The Town reserves the right to resize and adjust the principal maturities of the Series 2018 Bonds to achieve its financial objectives with respect to the Series 2018 Bonds.

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INFORMATION FOR BIDDING

Date and Time of Sale: Upon 24 hours' notice. Anticipated to take place on December 6, 2018, at 11:00 am (ET)
Place of Sale: Umbaugh, 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240
Maximum Interest Rate: 6.0% **Minimum Purchase Price:** 99% (\$1,410,750*)
Multiples: 1/8, 1/20, or 1/100 of 1% **Anticipated Closing Date:** December 19, 2018
Good Faith Deposit: \$14,250 certified or cashier's check bond or wire transfer submitted by the winning bidder no later than 3:30 p.m. (ET) on the business day following the award
Method of Bidding: Electronic bidding by PARITY® or traditional bidding.
Basis of Award: Net True Interest Cost (TIC)
Adjust Maturities: The Town reserves the right to adjust principal amounts within maturities of the Series 2018 Bonds to achieve level annual debt service coverage for the Series 2018 Bonds based upon rates bid by the successful bidder.
Issue Price Determination: As set forth in the Preliminary Official Statement, the bidder agrees by submission of their bid to assist the Town in establishing the issue price of the Series 2018 Bonds under the terms outlined in Appendix G and shall execute and deliver to the Town at closing an "issue price" certificate, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Purchaser, the Town and bond counsel. Provided the winning bidder is purchasing the Series 2018 Bonds as an Underwriter (as defined in Appendix G) and is not purchasing the Series 2018 Bonds with the intent to hold the Series 2018 Bonds for its own account, then the Town and the Purchaser shall agree to the process by which issue price will be established on the date of sale of the Series 2018 Bonds in the event that the Competitive Sale Requirements (as defined in Appendix G) are not met. The winning bidder must agree to execute the applicable schedules depending on the sale results.

For a complete description of terms and conditions for bidding, please refer to the next section of this Official Statement (Appendix i) for the Notice of Intent to Sell Bonds.

The Series 2018 Bonds are being offered for delivery when, as and if issued and received by the Underwriter (hereinafter defined) and subject to the approval of legality by Bose McKinney & Evans LLP, Indianapolis, Indiana, Bond Counsel. Certain legal matters will be passed on by Bose McKinney & Evans LLP as Attorney for the Town and Building Corporation. The Series 2018 Bonds are expected to be available for delivery to DTC in New York, New York, on or about December 19, 2018.

IN CONNECTION WITH THIS OFFERING THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2018 BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, AND SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No dealer, broker, salesman or other person has been authorized by the Building Corporation to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Building Corporation. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities described herein by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Building Corporation, and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the securities described herein shall, under any circumstances, create any implication that there has been no change in the affairs of the Building Corporation since the date of delivery of the securities described herein to the initial purchaser thereof. However, upon delivery of the securities, the Building Corporation will provide a certificate stating that there have been no material changes in the information contained in the Final Official Statement since its delivery.

REFERENCES TO WEB SITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEB SITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS OFFICIAL STATEMENT FOR THE PURPOSES OF, AND AS THAT TERM IS DEFINED IN, SEC RULE 15C2-12.

*Preliminary, subject to change.

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- C Summary of Certain Provisions of the Trust Indenture and Loan Agreement
- D Summary of the Lease
- E Legal Opinion
- F Continuing Disclosure Undertaking Agreement
- G Issue Price Determination

*Preliminary, subject to change.

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PROJECT PERSONNEL

Name and positions of officials and professionals who have taken part in the planning of the bond issue are:

Building Corporation

Joshua T. Ring, President
Heather Upton, Vice President
Jody Shiveley, Secretary

Redevelopment Commission

Chad Wolfe, President
Craig Campbell, Vice President
Michael Wright, Secretary
Jessica Bastin
Steve Davis
Bill Hutton

Town Council

Robert Jones, President
Chad Wolfe, Vice President
Chet Babb
Jessica Smith
Jessica Bastin

Town Manger

Tim McClintick

Deputy Clerk-Treasurer

Linda Kreigh

Town Attorney

Alex C. Intermill
Bose McKinney & Evans LLP
111 Monument Circle, Suite 2700
Indianapolis, Indiana 46204

Bond Counsel

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111 Monument Circle, Suite 2700
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Municipal Advisor

Brian C. Colton
H.J. Umbaugh & Associates
Certified Public Accountants, LLP
8365 Keystone Crossing, Suite 300
Indianapolis, Indiana 46240

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This introduction to the Official Statement contains certain information for quick reference only. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

PRELIMINARY OFFICIAL STATEMENT

\$1,425,000*

TOWN OF PENDLETON, INDIANA
TAXABLE ECONOMIC DEVELOPMENT LEASE RENTAL REVENUE BONDS, SERIES 2018
(Wellness Center Project)
(Ad Valorem Special Benefits Tax Back-up)

INTRODUCTION TO THE OFFICIAL STATEMENT

The Town of Pendleton, Indiana (the “Town”) is issuing \$1,425,000* of Taxable Economic Development Lease Rental Revenue Bonds, Series 2018 (Wellness Center Project) (the “Series 2018 Bonds”).

PURPOSE

The Series 2018 Bonds are being issued for the purpose of financing (i) a portion of the costs of an indoor recreation and wellness facility and related costs to be constructed by Madison County Tennis & Wellness, LLC (the “Developer”) in the southeastern portion of the Falls Pointe Business Park in the Town (the “Project”), (ii) a debt service reserve, (iii) capitalized interest, and (iv) costs of issuance for the Series 2018 Bonds.

SECURITY AND SOURCES OF PAYMENT

The Town is issuing the Series 2018 Bonds pursuant to a Trust Indenture between the Town and The Bank of New York Mellon Trust Company, N.A. in Indianapolis, Indiana (the “Trustee”) dated as of December 1, 2018 (the “Trust Indenture”) and the provisions on Indiana Code 36-7-11.9 and 12, each as amended (collectively, the “Act”). Proceeds of the Series 2018 Bonds will be loaned to the Pendleton Municipal Facilities Building Corporation (the “Building Corporation”) pursuant to the Loan Agreement between the Town and the Building Corporation, dated as of December 1, 2018 (the “Loan Agreement”). The Building Corporation, as borrower, has agreed to make loan payments under the Loan Agreement to the Town in the amount sufficient to pay principal of and interest on the Series 2018 Bonds (the “Loan Payments”), such obligation to make Loan Payments to be evidenced by the Building Corporation’s Note, Series 2018 (the “2018 Note”). See Appendix C – “Summary of Certain Provisions of the Trust Indenture and Loan Agreement”.

The Series 2018 Bonds are special limited obligations of the Town, payable solely from and secured exclusively by (i) the 2018 Note, (ii) the Lease Rentals (as defined herein), and (iii) all other moneys assigned by the Trust Indenture (collectively, the “Trust Estate”). Payments on the 2018 Note shall be made by the Building Corporation solely from (a) fixed, semiannual lease rental payments (the “Lease Rentals”) received from the Pendleton Redevelopment Commission (the “Redevelopment Commission”) pursuant to a Lease, dated as of October 25, 2018, between the Building Corporation, as lessor, and the Redevelopment Commission, as lessee (the “Lease”) and (b) the Trust Indenture. See Appendix D – “Summary of Certain Provisions of the Lease” herein.

The Lease Rentals are payable from a pledge of Tax Increment (herein defined) collected in the Pendleton-Falls Pointe #1 Allocation Area (the “Allocation Area”), and to the extent that the Tax Increment is insufficient, from an ad valorem property tax (a “Special Benefits Tax”) to be levied on all taxable property in the Pendleton Redevelopment District (the “District”) pursuant to IC 36-7-14-27 in an amount sufficient to pay the Lease Rental as it becomes due and payable. The District is coterminous with the Town. Additional security will be provided through the funding of a debt service reserve.

The Series 2018 Bonds, and the interest payable thereon, do not and shall not represent or constitute a debt of the Town, the State or any political subdivision or taxing authority thereof within the meaning of the provisions of the constitution or statutes of the State or a pledge of the faith and credit of the Town, the State or any political subdivision or taxing authority thereof.

*Preliminary, subject to change.

The Series 2018 Bonds, as to both principal and interest, are not a general obligation or liability of the Town, the State or of any political subdivision or taxing authority thereof, but are special, limited obligations of the Town and are payable solely and only from the Trust Estate established under the Trust Indenture, consisting of funds and accounts held under the Trust Indenture (including a debt service reserve fund), and the Lease Rentals payable from Tax Increment collected in the Allocation Area, and to the extent that the Tax Increment is insufficient, from a Special Benefits Tax. Neither the faith and credit nor the taxing power of the Town, the State or any political subdivision or taxing authority thereof is pledged to the payment of the principal of or the interest on the Series 2018 Bonds.

The Redevelopment Commission agrees to pay fixed Lease Rentals for the Leased Premises (herein defined) during the term of the Lease, payable in equal semiannual installments. The Lease Rentals to be paid by the Redevelopment Commission are required to be in amounts sufficient to pay principal of and interest on the Series 2018 Bonds. Lease Rentals are payable semiannually on January 15 and July 15 if each year and will commence on July 15, 2021, in advance of the August 1, 2021 payment due on the Series 2018 Bonds. Interest will be fully capitalized through and including February 1, 2021. The leased premises under the Lease shall consist of all or a portion of the Town's interest in Heritage Way, Pioneer Trace and Enterprise Drive, which shall be leased by the Town to the Building Corporation so long as the Lease is in effect (the "Leased Premises").

The Lease Rentals are subject to certain conditions regarding commencement and abatement. See "Risks to Bondholders" herein.

CIRCUIT BREAKER TAX CREDIT

Indiana Code Title 6, Article 1.1, Chapter 20.6 provides taxpayers with a tax credit for all property taxes in an amount that exceeds the gross assessed value of real and personal property eligible for the credit ("Circuit Breaker Tax Credit"). If applicable, the Circuit Breaker Tax Credit will result in a reduction of property tax collections for each political subdivision in which the Circuit Breaker Tax Credit is applied. The legislation requires local governments to fund their debt service obligations regardless of any property tax revenue shortfalls due to the Circuit Breaker Tax Credit. The State may intercept funds to pay debt service. (See "Circuit Breaker Tax Credit" herein).

REDEMPTION PROVISIONS

The Series 2018 Bonds are subject to optional redemption beginning on or after February 1, 2029 as more fully described herein. The Series 2018 Bonds may be issued as Term Bonds at the discretion of the Underwriter and in that case, would be subject to mandatory sinking fund redemption as more fully described herein.

DENOMINATIONS

The Series 2018 Bonds are being issued in the denomination of \$5,000 or integral multiple thereof.

REGISTRATION AND EXCHANGE FEATURES

The Trustee shall keep at its designated corporate trust office, a record for the registration of the Series 2018 Bonds. Each registered bond shall be transferable or exchangeable only on such record at the designated corporate trust office of the Trustee at the written request of the registered owner thereof or his attorney duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his duly authorized attorney.

BOOK-ENTRY-ONLY SYSTEM

The Series 2018 Bonds shall initially be issued and held in book-entry form on the books of the central depository system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2018 Bonds. The Series 2018 Bonds will be issued as fully-registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered Bond certificate will be issued for each maturity of the Series 2018 Bonds, in the aggregate principal amount of each maturity, and will be deposited with DTC. The Building Corporation and the Registrar and Paying Agent may deem and treat the Clearing Agency (Cede & Co.) as the absolute owner and holder of such Series 2018 Bond for all purposes including, without limitation, the receiving of payment of the principal of, premium, if any, and interest on such Series 2018 Bonds, the receiving of notice and the giving of consent.

PROVISIONS FOR PAYMENT

The principal on the Series 2018 Bonds shall be payable at the designated corporate trust office of the Registrar and Paying Agent, or by wire transfer to DTC or any successor depository. All payments of interest on the Series 2018 Bonds shall be paid by check, mailed one business day prior to the interest payment date to the registered owners as the names appear as of the fifteenth day of the month immediately preceding the interest payment date and at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Registrar or by wire transfer to DTC or any successor depository. If payment of principal or interest is made to DTC or any successor depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time). Payments on the Series 2018 Bonds shall be made in lawful money of the United States of America, which, on the date of such payment, shall be legal tender.

So long as DTC or its nominee is the registered owner of the Series 2018 Bonds, principal and interest on the Series 2018 Bonds will be paid directly to DTC by the Paying Agent. (The final disbursement of such payments to the Beneficial Owners of the Series 2018 Bonds will be the responsibility of the DTC Participants and Indirect Participants, as defined and more fully described herein.)

NOTICES

If the office location at which principal is payable changes, the Trustee will give notice of such change by first-class mail to registered owners at least 15 days prior to the first principal payment date following the date of such change in location.

If the Trustee resigns, notice shall be given to the registered owners by mail at least 20 days prior to the date when such resignation shall take effect.

Notice of redemption shall be mailed to the registered owners of all Series 2018 Bonds, not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption.

TAX MATTERS

In the opinion of Bose McKinney & Evans LLP (“Bond Counsel”), interest on the Series 2018 Bonds is not excludable from gross income for federal income tax purposes. In the opinion of Bond Counsel, interest on the Series 2018 Bonds is exempt from income taxation in the State of Indiana, except for the financial institutions tax. *See* “Tax Matters” and Appendix E herein.

MISCELLANEOUS

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

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2018 Bonds, the security for the payment of the Series 2018 Bonds and the rights and obligations of the owners thereof. A complete text of the Trust Indenture will be provided upon request. Additional information may be requested from the Town of Pendleton Clerk-Treasurer, 100 West State Street, P.O. Box 358, Pendleton, Indiana, 46064, phone (765) 778-7937.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the owners of the Series 2018 Bonds.

THE PROJECT

PROJECT DESCRIPTION

The proceeds from the sale of the Series 2018 Bonds will be used to: (i) to provide funds to the Developer, through the Building Corporation, in accordance with the Development Agreement dated as of September 19, 2018 (the "Development Agreement") among the Town, the Redevelopment Commission, the Pendleton Redevelopment Authority, and the Developer, which will be used for the Project, (ii) to fund a debt service reserve, (iii) to pay capitalized interest, and (iv) to pay issuance costs.

PROJECT COSTS AND FUNDING

Estimated Project Costs:*

Net proceeds available for infrastructure or incentive	\$1,000,000
Capitalized interest through February 1, 2021	129,831
Debt service reserve (1)	119,053
Allowance for underwriter's discount (1.00%)	14,250
Allowance for Bond issuance costs and contingencies	<u>161,866</u>
 Total Estimated Project Costs	 <u>\$1,425,000</u>

Estimated Project Funding:*

Proposed Taxable Economic Development Lease Rental Revenue Bonds, Series 2018	<u>\$1,425,000</u>
 Total Estimated Project Funding	 <u>\$1,425,000</u>

*Preliminary, subject to change.

SCHEDULE OF AMORTIZATION OF \$1,425,000* PRINCIPAL AMOUNT OF
TAXABLE ECONOMIC DEVELOPMENT LEASE RENTAL REVENUE BONDS, SERIES 2018 (WELLNESS CENTER PROJECT)

<u>Payment Date</u>	<u>Principal Outstanding</u> (-----In Thousands-----)	<u>Principal</u>	<u>Interest Rates</u> (%)	<u>Interest</u>	<u>Total</u>	<u>Budget Year Total</u>
08/01/2019	\$1,425					
02/01/2020	1,425					
08/01/2020	1,425					
02/01/2021	1,425					
08/01/2021	1,425	\$25				
02/01/2022	1,400	30				
08/01/2022	1,370	30				
02/01/2023	1,340	30				
08/01/2023	1,310	30				
02/01/2024	1,280	30				
08/01/2024	1,250	30				
02/01/2025	1,220	30				
08/01/2025	1,190	30				
02/01/2026	1,160	35				
08/01/2026	1,125	30				
02/01/2027	1,095	35				
08/01/2027	1,060	35				
02/01/2028	1,025	35				
08/01/2028	990	35				
02/01/2029	955	35				
08/01/2029	920	35				
02/01/2030	885	40				
08/01/2030	845	40				
02/01/2031	805	40				
08/01/2031	765	40				
02/01/2032	725	40				
08/01/2032	685	40				
02/01/2033	645	45				
08/01/2033	600	45				
02/01/2034	555	45				
08/01/2034	510	45				
02/01/2035	465	50				
08/01/2035	415	50				
02/01/2036	365	50				
08/01/2036	315	50				
02/01/2037	265	50				
08/01/2037	215	50				
02/01/2038	165	55				
08/01/2038	110	55				
02/01/2039	55	55				
Totals		<u>\$1,425</u>				

*Preliminary, subject to change. The Town reserves the right to resize the principal maturities of the Series 2018 Bonds to achieve its financial objectives with respect to the Series 2018 Bonds.

SECURITIES BEING OFFERED

AUTHORIZATION AND APPROVAL PROCESS

The Series 2018 Bonds are being issued under the authority of Indiana law, including, without limitation, IC 36-7-11.9 and -12 as in effect on the date of delivery of the Series 2018 Bonds (the “Act”) and pursuant to the Trust Indenture and the Lease (*See* Appendix C for a Summary of Certain Provisions of the Trust Indenture and Loan Agreement and Appendix D for a Summary of Certain Provisions of the Lease).

The Building Corporation has been created as a non-profit corporation for the purpose of, among others, financing, acquiring, constructing and leasing to the Commission certain local public improvements (including the Project). The Town has created a 5-member Redevelopment Commission to undertake redevelopment and economic development efforts in the Town in accordance with the IC 36-7-14 and -12 (the “Redevelopment Act”). On September 27, 2018, the Commission adopted a Declaratory Resolution, in accordance with the Redevelopment Act to establish the Pendleton-Falls Pointe Economic Development Area #1 (the “Area”) and a coterminous allocation area (the “Allocation Area”) for purposes of capturing all incremental real property tax revenues (Tax Increment, as herein defined) in the Allocation Area. (Refer to “Economic Development Area and Allocation Area” section herein.) The Project serves and benefits the Area.

TAX INCREMENT

Tax Increment consists of the tax proceeds attributable to all non-residential real property and (if designated) certain designated depreciable personal property assessed value within an allocation area, as of the assessment date, in excess of the base assessed value as defined in IC 36-7-14-39(a). The base assessed value means the net assessed value of all the property in an allocation area as finally determined for the assessment date immediately preceding the effective date of a declaratory resolution adopted pursuant to IC 36-7-14-39 establishing an allocation area. The Department of Local Government Finance (“DLGF”) is required to adjust the base net assessed value after a general reassessment of property and after each annual trending of property values for the purpose of neutralizing the effects on Tax Increment.

The incremental assessed values are determined by subtracting the base net assessed values from the current net assessed values as of the assessment dates. The incremental assessed values are then multiplied by the current property tax rate, exclusive of any rate established by referendum, to determine the tax increment (the “Tax Increment”). After property taxes are paid to the county treasurer on or before each May 10 and November 10, such taxes are paid over to the county auditor who, based on previous year’s certification, pays the portion of property tax receipts which represents Tax Increment into an allocation fund on or before June 30 or December 31.

The Redevelopment Commission has pledged Tax Increment collected in the Allocation Area for the payment of the debt service due on the Series 2018 Bonds.

IC 6-1.1-21.2 allows several methods of replacing lost Tax Increment caused by legislative or administrative changes (to the extent it causes Tax Increment to be inadequate to pay debt service and contractual obligations), including a property tax levy imposed on the District (the “TIF Replacement Levy”). It is not currently anticipated that such a shortfall will occur, and, therefore, no TIF Replacement Levy was assumed in the Tax Increment estimates provided in the Accounting Report in Appendix B.

For additional information on Tax Increment, please refer to the Accounting Report in Appendix B. Also refer to “Economic Development Area and Allocation Area” under this caption, and “Procedures for Property Assessment, Tax Levy and Collection” and “Circuit Breaker Tax Credit” herein.

ECONOMIC DEVELOPMENT AREA AND ALLOCATION AREA

The Redevelopment Commission adopted a declaratory resolution on May 25, 2017 (the “Original Declaratory Resolution”) establishing the Town of Pendleton Consolidated Redevelopment Area #1 (the “Original Consolidated Redevelopment Area”) as a redevelopment area, and designating a portion of the Original Redevelopment Area as an allocation area (the “Original Consolidated Allocation Area”), and approved the Redevelopment Plan for the Original Redevelopment Area (the “Original Consolidated Plan”).

On April 5, 2018, the Redevelopment Commission adopted a declaratory resolution (the “Enlargement Declaratory Resolution”) amending the Original Declaratory Resolution to enlarge the Original Consolidated Redevelopment Area (the “Enlarged Consolidated Redevelopment Area”) and the Original Consolidated Allocation Area (the “Enlarged Consolidated Allocation Area”) and amending the Original Plan (the “Enlarged Consolidated Plan”).

On September 27, 2018, the Redevelopment Commission adopted a declaratory resolution (the “Declaratory Resolution”) amending the Enlarged Declaratory Resolution to remove certain parcels (the “Removed Property”) from the Enlarged Consolidated Redevelopment Area (the “Consolidated Redevelopment Area”) and the Enlarged Consolidated Allocation Area (the “Consolidated Allocation Area”) and amending the Enlarged Consolidated Plan (the “Consolidated Plan”). The Removed Property includes real estate on which the Project will be located.

On, September 27, 2018, the Redevelopment Commission adopted a declaratory resolution (the “Establishing Declaratory Resolution”) establishing the Pendleton-Falls Pointe Economic Development Area #1 (the “Area”) and an Allocation Area (the “Allocation Area”) that is coterminous with the Area and includes the Removed Property, as an economic development area under the Redevelopment Act. The Establish Declaratory Resolution approved an economic development plan (the “Plan”) for the Area, which contained specific recommendations for economic development in the Area. The Establishing Declaratory Resolution allows for the capture of Tax Increment resulting from the growth in all non-residential real property assessed value within the Area in excess of the base assessed value defined in the Redevelopment Act. The Allocation Area will expire no later than 25 years after the date on which the first obligation is incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues derived from the Allocation Area.

(For additional information on Tax Increment as it relates to the Series 2018 Bonds, please refer to the “Accounting Report” in Appendix B, and to the “Security and Sources of Payment” section of this Official Statement.)

LEASED PREMISES

The Leased Premises consist of all or a portion of the Building Corporation’s interest in Heritage Way, Pioneer Trace, and Enterprise Drive.

SECURITY AND SOURCES OF PAYMENT

The Series 2018 Bonds are special limited obligations of the Town payable in accordance with the terms of the Trust Indenture and secured by the pledge and assignment to the Trustee of the funds and accounts defined and described therein, including the Lease Rentals and other income as defined in the Trust Indenture (the “Trust Estate”). The Trust Indenture creates a continuing pledge by the Town to the bondholders to pay principal and interest on the Series 2018 Bonds, until the principal sum shall be fully paid.

The Building Corporation has agreed to make Loan Payments to the Town in an amount sufficient to pay the principal of and interest on the Series 2018 Bonds. Such Loan Payments shall be made by the Building Corporation solely from the Lease Rentals under the Lease received by the Building Corporation, as lessor, from the Redevelopment Commission, as lessee. On or before each January 15 and July 15, the Lease Rentals shall be paid by or on behalf of the Redevelopment Commission to the Trustee under the Trust Indenture, who shall deposit such Lease Rentals in the Bond Fund for the repayment of the Series 2018 Bonds on the next February 1 and August 1. The transfers to the Bond Fund shall serve as a credit against the Building Corporation’s obligations under the 2018 Note and the Loan Agreement and shall be considered as payment to the Building Corporation of Lease Rentals payable under the Lease.

The leased premises under the Lease are complete and ready for occupancy, and shall commence (the “Lease Rentals”) on July 15, 2021. Each semiannual installment of Lease Rentals is based on the value of the Leased Premises which is available for use and occupancy by the Redevelopment Commission at the time such semiannual installment is made.

Pursuant to Indiana Code 36-7-14, the Redevelopment Commission and the Town have determined that the Lease Rentals provided for in the Lease are fair and reasonable, that the execution of the Lease is necessary and that the service provided by the Project will serve the public purpose of the Town and is in the best interest of its residents. The term of the Lease shall begin on the date of issuance of the Series 2018 Bonds and end on the earlier of the date the Series 2018 Bonds are no long outstanding or January 15, 2039.

The Lease Rentals due during the term of the Lease are required to be in amounts sufficient to pay the principal of and interest on the Series 2018 Bonds. Such Lease Rentals are payable by the Redevelopment Commission from Tax Increment, and to the extent that Tax Increment is insufficient, a Special Benefits Tax (an ad valorem property tax) will be levied on all taxable property in the District in an amount sufficient to pay the Lease Rental as it becomes due and payable. The Series 2018 Bonds are further secured by a debt service reserve fund.

The Lease Rentals shall be payable as follows:

From Tax Increment: Pursuant to the Lease, the Redevelopment Commission will make Lease Rental payments to the Trustee (for the Building Corporation) from the Tax Increment collected in the Allocation Area.

Upon the Redevelopment Commission's receipt of each semiannual distribution from the County Auditor, all Tax Increment shall be immediately distributed to the Redevelopment Commission's allocation account held by the Clerk-Treasurer, to be used (i) to pay Lease Rentals on the Series 2018 Bonds due within the next twelve calendar months; and (ii) to pay amounts due within the next twelve calendar months under any obligations or leases junior and subordinate to the Lease.

(For additional information on Tax Increment as it relates to the Series 2018 Bonds, please refer to the "Accounting Report" in Appendix B, and to the "Tax Increment", "Economic Development Area and Allocation Area", and "Procedures for Property Assessment, Tax Levy and Collection" sections of this Official Statement.)

From a Special Benefits Tax: Each year beginning in 2020 when the Town prepares its budget, the Redevelopment Commission shall estimate the amount of Tax Increment expected to be collected in the subsequent calendar year. To the extent that the Tax Increment together with the funds on deposit in the allocation account and the funds held under the Trust Indenture (the "Funds on Deposit") are not available or are not expected to be available on the dates on which the Lease Rental payments are due on the Lease in the subsequent bond year for which the budget is being prepared, the Redevelopment Commission shall annually levy the Special Benefits Tax on all taxable property in the District in an amount sufficient, when combined with the aforementioned funds, to pay the lease rental due under the Lease on their due dates. If the ensuing collection of the Tax Increment together with the Funds on Deposit are insufficient to pay any Lease Rentals when due under the Lease, the Redevelopment Commission shall immediately initiate proceedings to levy the Special Benefits Tax on all taxable property in the District in accordance with IC 36-7-14-27 sufficient to pay any shortfall. To the extent that funds held in the Reserve Fund (defined herein) are used to pay the debt service due on the Series 2018 Bonds, the Redevelopment Commission shall levy the Special Benefits Tax to replenish the Reserve Fund to the Reserve Requirement.

If the Leased Premises should ever be substantially or totally destroyed, the Lease Rentals will be abated during the period in which the Leased Premises are unfit or unavailable for their intended use. However, under the terms of the Lease, the Redevelopment Commission and the Town have the ability to substitute other existing public improvements of substantially equivalent value for the Leased Premises in order to maintain the ability of the Redevelopment Commission to continue to pay the Lease Rentals under the Lease. (Please refer to the "Summary of Certain Provisions of the Trust Indenture and Loan Agreement" shown in Appendix C, the "Summary of Certain Provisions of the Lease" shown in Appendix D, and also to the section entitled "Risks to Bondholders" under this caption.)

The principal and interest due on the Series 2018 Bonds will be payable as follows:

From the Bond Fund: The Trustee shall deposit in the Bond Fund from each Lease Rental payment received from the Redevelopment Commission pursuant to the Lease, an amount equal to the lesser of the following: (1) all of such rental payment, or (2) an amount which equals the sum of the principal and interest on the Series 2018 Bonds due on, before or within twenty (20) days after the date such Lease Rental payment becomes due.

From the Debt Service Reserve Fund: The Series 2018 Debt Service Reserve Fund (the "Reserve Fund") will be funded in an amount equal to the lesser of (i) the maximum annual debt service on the Series 2018 Bonds, or (ii) 125% of the average annual debt service on the Series 2018 Bonds, or (iii) 10% of the proceeds of the Series 2018 Bonds (the "Reserve Requirement"). The Reserve Fund will be initially funded from Series 2018 Bonds and replenished (if necessary) from Lease Rentals. If moneys in the Reserve Fund are used to pay principal of or interest on the Series 2018 Bonds, the depletion of the balance of the Reserve Fund shall be restored from Lease Rentals as described under Section 4.4 of the Trust Indenture. The Reserve Fund will assist with the timely payment of principal and interest on the Series 2018 Bonds during such time before a Special Benefits Tax can be levied and collected.

Please refer to the “Summary of Certain Provisions of the Trust Indenture and Loan Agreement” provided in Appendix C, “Summary of Certain Provisions of the Lease” contained in Appendix D, and also to the section entitled “Risks to Bondholders” contained in this Official Statement.

FUNDS AND ACCOUNTS

The Trust Indenture establishes certain funds and accounts and the flow of funds. For greater detail, refer to the “Summary of Certain Provisions of the Trust Indenture and Loan Agreement” provided in Appendix C. A copy of the complete Trust Indenture may be obtained from the Town.

RELATIONSHIP OF ANNUAL LEASE RENTAL PAYMENTS TO ANNUAL DEBT SERVICE REQUIREMENTS

The Lease Rentals to be paid by the Redevelopment Commission each January 15 and July 15 for the use and occupancy of the Leased Premises will be equal to an amount which, when added to funds in the Bond Fund will be sufficient to pay unpaid principal and interest on the Series 2018 Bonds which is due on or before the February 1 and August 1 following such January 15 and July 15, plus an amount sufficient to provide for the fees of the Trustee and incidental expenses of the Town.

All Lease Rentals shall be paid by or on behalf of the Redevelopment Commission to the Trustee under the Trust Indenture or to such other bank or trust company as may from time to time succeed the Trustee as provided thereunder. All payments so made by or on behalf of the Redevelopment Commission shall be considered as payment to the Building Corporation of Lease Rentals payable under the Lease.

RISKS TO BONDHOLDERS

The Redevelopment Commission expects to make the lease rental payments from the Tax Increment. There are certain risks associated with Tax Increment; however, to the extent that the Tax Increment Revenues are insufficient, the Redevelopment Commission is required to levy the Special Benefits Tax. A firm estimate of the Tax Increment Revenues should be available by the time of the decision to levy the Special Benefits Tax for the next lease rental payment. If the Tax Increment Revenues are insufficient, the Redevelopment Commission may not be able to impose an additional Special Benefits Tax levy until the following budget year which may cause a timing delay as receipt of the Special Benefits Tax may occur after the lease rental payment is due. The Reserve Fund established pursuant to the Trust Indenture helps to mitigate this timing risk, but does not eliminate it. Should this shortfall occur, the Redevelopment Commission is permitted to use other legally available funds to make the lease rental payments.

- (1) Risks Associated with Lease Rental Payments: Prospective investors in the Series 2018 Bonds should be aware that there are risk factors associated with the Series 2018 Bonds.

The principal of and interest on the Series 2018 Bonds are payable only from Loan Payments, and in turn, the Lease Rentals received by the Trustee on behalf of the Building Corporation from the Redevelopment Commission pursuant to the Lease. The Town has no source of funds from which to pay debt service on the Series 2018 Bonds except monies collected from Lease Rentals and funds held under the Trust Indenture. The Trustee will have funds from capitalized interest and earnings thereon, to fully pay interest due through and including February 1, 2021.

- a. According to the Lease, the Lease Rentals will commence on July 15, 2021. Bond proceeds will be held by the Trustee in the Capitalized Interest Account to fully pay interest due through and including February 1, 2021.
- b. The Redevelopment Commission is legally permitted to pay Lease Rentals only for portions of the Leased Premises are complete and ready for use and occupancy. If, for any reason, the Leased Premises are damaged or destroyed and unavailable for use, the Redevelopment Commission would no longer be able to pay Lease Rentals. The Lease allows for the substitution of the Leased Premises, which should enable the Lease Rentals to continue.

- (2) Risks Associated with the Special Benefits Tax: There are risk factors associated with the Special Benefits Tax.

- a. Tax Collection. In the event of delayed billing, collection or distribution by the County Auditor of ad valorem property taxes, including the Special Benefits Tax levied on the District, sufficient funds may not

be available to the Redevelopment Commission in time to pay the Lease Rentals when due. This risk is inherent in all property tax-supported obligations.

The Debt Service Reserve Fund established pursuant to the Trust Indenture helps to mitigate this timing risk, but does not eliminate it completely.

- b. *Circuit Breaker Tax Credit.* If applicable, the Circuit Breaker Tax Credit results in a reduction of property tax collections for each political subdivision in which the Circuit Breaker Tax Credit is applied. A political subdivision may not increase its property tax levy or borrow money to make up for any property tax revenue shortfall due to the application of the Circuit Breaker Tax Credit.

IC 6-1.1-20.6-10 requires political subdivisions to fully fund any levies for the payment of outstanding debt service or lease rental obligations regardless of any reduction in property tax collections due to the application of the Circuit Breaker Tax Credit. IC 6-1.1-20.6-9.8 further provides that property taxes imposed by a political subdivision to pay for debt service obligations of a political subdivision (including lease rental payments on leases) are “protected taxes.” If property tax collections are insufficient to fully fund debt service or lease rental levies due to the Circuit Breaker Tax Credit, political subdivisions must use non-property tax revenues or revenues from property tax levies for other funds (including operating) to offset revenue loss to the debt service fund. See “Procedures for Property Assessment, Tax Levy and Collection” and “Circuit Breaker Tax Credit” herein.

This application of property tax revenues may impact the ability of political subdivisions to provide existing levels of service and, in extreme cases, the ability to make debt service or lease rental payments on bonds secured by intercepted funds. There has been no judicial interpretation of this legislation. In addition, there can be no assurance as to future events or legislation that may affect the Circuit Breaker Tax Credit or the collection of property taxes.

- c. *Reassessment and Trending.* All Indiana counties are required to reassess 25% of all parcels of real property annually or in accordance with its reassessment plan. All real property must be reassessed under the plan once every four years. Trending is scheduled to occur on an annual basis. Delays in the reassessment and trending process or appeals of reassessments could adversely affect the collection of property taxes.

(3) *Risks Associated with Tax Increment:* The Redevelopment Commission expects to make the Lease Rental payments from the Tax Increment. There are certain risks associated with Tax Increment as outlined below:

- a. *General Risks Related to Tax Increment Collection include:* (i) destruction of property in the Allocation Area caused by natural disaster; (ii) delinquent taxes or adjustments of or appeals on assessments by property owners in the Allocation Area; (iii) a decrease in the assessed value of properties in the Allocation Area due to increases in depreciation, obsolescence, legislative changes affecting the assessment, or other factors by the assessor; (iv) acquisition of property in the Allocation Area by a tax-exempt entity; (v) removal or demolition of real property improvements by property owners in the Allocation Area; (vi) delayed billing, collection, or distribution of Tax Increment by the county auditor; (vii) a decrease in property tax rates; (viii) the General Assembly, the courts, the DLGF or other administrative agencies with jurisdiction in the matter could enact new laws or regulations or interpret, amend, alter, change or modify the laws or regulations governing the calculation, collection, definition or distribution of Tax Increment including laws or regulations relating to reassessment, or a revision in the property tax system; or (ix) a change in any of the civil unit’s funding mechanisms (i.e., no longer funding it with property taxes) could adversely affect the Tax Increment. Any such changes could cause the Tax Increment to fall below the levels set forth in the estimates shown in Appendix B.
- b. *Reduction of Tax Rates or Tax Collection Rates.* The Tax Increment estimates assume that the property tax rates will remain at approximately the same level throughout the term of the Series 2018 Bonds. Any substantial increase in State funding, federal aid or other sources of local revenues which would reduce local required fiscal support for certain public programs or any substantial increase in assessments outside the Allocation Area could reduce the rates of taxation by the taxing bodies levying taxes upon property with the Allocation Area and have an adverse effect on the amount of Tax Increment received by the Redevelopment Commission. Economic conditions or administrative action could reduce the collection rate achieved by the Town within its jurisdiction, including the Allocation Area.

- c. *Effects of Property Tax Relief Local Income Tax (LIT).* Eligible uses for LIT taxes include credits against property taxes, and this use provides for a reduction in effective tax rates for property taxpayers resulting in a reduction in the amount of Tax Increment received by the Redevelopment Commission. If there is an adjustment in the property tax relief LIT, then the change could have an impact on the amount of Tax Increment generated in the Allocation Area.
- d. *Circuit Breaker Tax Credit.* The Circuit Breaker Tax Credit provides different levels of tax caps for various classes of property taxpayers. (See “Circuit Breaker Tax Credit” herein.) The Tax Increment is not estimated to be reduced by the Circuit Breaker Tax Credit as shown in Appendix B. There can be no assurance that the levies and tax rates of the Town and overlapping taxing units will not increase in some future year to the point of causing the Circuit Breaker Tax Credit to be applied to property taxpayers’ tax bills.
- e. *Reassessment and trending.* Property values change periodically due to reassessment and training. The DLGF is required by law to annually neutralize the effect of a reassessment on property within tax increment allocation areas, including the Allocation Area. Delays in the reassessment and trending process, the inability to neutralize the effect of reassessment, or appeals of reassessments could adversely affect the Tax Increment.
- f. *Future Developments.* Estimates of the Tax Increment assume that certain levels of development will occur at certain times. If this development does not occur, is delayed, is changed in size and scope, or if the actual assessed values are less than estimated, the Tax Increment collected may be less than projected.
- g. *Delayed Tax Distribution.* In the event of delayed billing, collection or distribution by the County Auditor of ad valorem property taxes levied in the District, sufficient funds may not be available to the Town in time to pay the Lease Rentals when due. This risk is inherent in all property tax-supported obligations.

The availability of a Debt Service Reserve Fund should help alleviate the timing risk caused by incorrect estimates of the Tax Increment Revenues at budget time compared to deficiencies in actual Tax Increment collections in the subsequent year. The Debt Service Reserve Fund should serve to ensure the timely payment of principal and interest on the Series 2018 Bonds during such time before the Special Benefits Tax can be levied and collected.

ADDITIONAL BONDS AND LEASES

(1) Tax Increment

Pursuant to the Lease, the Redevelopment Commission reserves the right to enter into leases or other obligations of the Redevelopment Commission, acting in the name of the Town, payable from Tax Increment, in whole or in part, and entitled to the pledge of Tax Increment (the “Parity Obligations”) for the purpose of raising money for future property acquisition, redevelopment or economic development in or serving the Area, for refunding any previously issued and outstanding Parity Obligations, or for any other legally permitted purpose. The authorization and issuance of such Parity Obligations shall be subject to the following conditions precedent:

- (a) All Lease Rentals due under the Lease and all payments on any Parity Obligations payable from Tax Increment shall be current to date in accordance with the terms thereof, with no payment in arrears.
- (b) For Parity Obligations payable from Tax Increment without a special benefits tax levy under IC 36-7-14-27 the Building Corporation, the Redevelopment Commission, and the Trustee shall have received a certificate prepared by an independent, qualified accountant or feasibility consultant (“Certifier”) certifying the amount of Tax Increment estimated to be received in each succeeding year, adjusted as provided below, which estimated amount shall be at least equal to one hundred twenty-five percent (125%) of the lease rental and debt service requirements with respect to the Lease, any other outstanding Parity Obligations, and the proposed Parity Obligations, for each respective year during the term of the Lease and Parity Obligations. In estimating the Tax Increment to be received in any future year, the Certifier shall base the calculation on assessed valuation actually assessed or estimated to be assessed as of the assessment date immediately preceding the issuance of the proposed Parity Obligations; provided, however, the Certifier shall adjust such assessed values for the current and future reductions of real property tax abatements granted to

property owners in the Allocation Area and the Certifier may take into account the effect of reassessment on Tax Increment to the extent it can be reasonably estimated. If the proposed Parity Obligations are secured by a special benefits tax levy under IC 36-7-14-27 the requirements of this paragraph need not be met.

- (c) Payments on any Parity Obligations or junior obligations shall be payable semiannually in approximately equal installments on January 15 and July 15.

INVESTMENT OF FUNDS

The proceeds of this issue are to be invested in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds as set forth in the Trust Indenture. The Town shall direct the investment of Series 2018 Bond proceeds held under the Trust Indenture

THE SERIES 2018 BONDS

INTEREST CALCULATION

Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

REDEMPTION PROVISIONS

Optional Redemption:

The Series 2018 Bonds maturing on or after August 1, 2029 are redeemable prior to maturity at the option of the Town in whole or in part in any order of maturity as determined by the Town and by lot within maturities, on any date not earlier than February 1, 2029, at face value plus accrued interest to the date fixed for redemption and without any redemption premium.

Mandatory Sinking Fund Redemption:

If any Series 2018 Bonds are issued as Term Bonds, the Trustee shall credit against the mandatory sinking fund requirement for the Term Bonds, and corresponding mandatory redemption obligation, in the order determined by the Town, any Term Bonds which have previously been redeemed (otherwise than as a result of a previous mandatory redemption requirement) or delivered to the Trustee for cancellation or purchased for cancellation by the Trustee and not theretofore applied as a credit against any redemption obligation. Each Term Bond so delivered or canceled shall be credited by the Trustee at 100% of the principal amount thereof against the mandatory sinking fund obligation on such mandatory redemption date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of that Term Bond to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Trustee shall only credit such Term Bond to the extent received on or before 45 days preceding the applicable mandatory redemption date.

If fewer than all the Series 2018 Bonds are called for redemption at one time, the Series 2018 Bonds shall be redeemed in order of maturity determined by the Town and by lot within maturity. Each \$5,000 principal amount shall be considered a separate bond for purposes of optional and mandatory redemption. If some Series 2018 Bonds are to be redeemed by optional and mandatory sinking redemption on the same date, the Trustee shall select by lot the Series 2018 Bonds for optional redemption before selecting the Series 2018 Bonds by lot for the mandatory sinking fund redemption.

Notice of Redemption:

Notice of redemption shall be mailed to the registered owners of all Series 2018 Bonds to be redeemed at least thirty (30) days but not more than sixty (60) days prior to the date fixed for such redemption. If any of the Series 2018 Bonds are so called for redemption, and payment therefore is made to the Trustee in accordance with the terms of the Trust Indenture, then such Series 2018 Bonds shall cease to bear interest from and after the date fixed for redemption in the call.

BOOK-ENTRY-ONLY SYSTEM

The Series 2018 Bonds will be available only in book-entry form in the principal amount of \$5,000 or any integral multiple thereof. DTC will act as the initial securities depository for the Series 2018 Bonds. The ownership of one fully registered Series 2018 Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC.

SO LONG AS CEDE & CO, AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE SERIES 2018 BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS (OR THE OWNERS) WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2018 Bonds. The Series 2018 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2018 Bond will be issued for each maturity of the Series 2018 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of Series 2018 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2018 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2018 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2018 Bonds, except in the event that use of the book-entry system for the Series 2018 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2018 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2018 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership.

DTC has no knowledge of the actual Beneficial Owners of the Series 2018 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2018 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Beneficial Owners of Series 2018 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2018 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Series 2018 Bonds may wish to ascertain that the nominee holding the Series 2018 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2018 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2018 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2018 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, interest and redemption amounts, if any, on the Series 2018 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursements of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2018 Bonds at any time by giving reasonable notice to the Town or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

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

The information contained in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but neither the Town nor the Underwriter takes any responsibility for the accuracy thereof.

In the event that the book-entry-only system is discontinued, the Paying Agent will provide for the registration of the Series 2018 Bonds in the name of the Beneficial Owners thereof. The Town, the Registrar, the Paying Agent and any other Fiduciary would treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purposes of making and receiving payment of the principal thereof and interest thereon, and for all other purposes, and none of these parties would be bound by any notice or knowledge to the contrary.

Revision of Book-Entry-Only System:

In the event that either (1) the Town receives notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities as a clearing agency for the Series 2018 Bonds or (2) the Town elects to discontinue its use of DTC as a clearing agency for the Series 2018 Bonds, then the Town and the Paying Agent will do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the Series 2018 Bonds, as are necessary or appropriate to discontinue use of DTC as a clearing agency for the Series 2018 Bonds and to transfer the ownership of each of the Series 2018 Bonds to such person or persons, including any other clearing agency, as the holder of such Series 2018 Bonds may direct in accordance with the Trust Indenture. Any expenses of such a discontinuation and transfer, including any expenses of printing new certificates to evidence the Series 2018 Bonds will be paid by the Town.

PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION

To the extent the Tax Increment is insufficient, the Lease Rentals are payable from special ad valorem property taxes required by law to be levied by or on behalf of the Redevelopment Commission. Article 10, Section 1 of the Constitution of the State of Indiana (“Constitutional Provision”) provides that, for property taxes first due and payable in 2012 and thereafter, the Indiana General Assembly shall, by law, limit a taxpayer’s property tax liability to a specified percentage of the gross assessed value of the taxpayer’s real and personal property. The Indiana General Assembly enacted legislation (Indiana Code Title 6, Article 1.1, Chapter 20.6), which implements the Constitutional Provision and provides taxpayers with a tax credit for all property taxes in an amount that exceeds a certain percentage of the gross assessed value of eligible property. See “CIRCUIT BREAKER TAX CREDIT” herein for further details on the levy and collection of property taxes.

Real and personal property in the State is assessed each year as of January 1. On or before August 1 of each year, the County Auditor must submit a certified statement of the assessed value of each taxing unit for the ensuing year to the Department of Local Government Finance (“DLGF”). The DLGF shall make the certified statement available on its gateway website located at <https://gateway.ifionline.org/> (“Gateway”). The County Auditor may submit an amended certified statement at any time before December 31 of the year preceding the budget year (as defined in IC 6-1.1-17-16(k)(2)), the date by which the DLGF must certify the taxing units’ budgets.

The certified statement of assessed value is used when the governing body of a local taxing unit meets to establish its budget for the next fiscal year (January 1 through December 31) and to set tax rates and levies. In preparing the taxing unit’s estimated budget, the governing body must consider the net property tax revenue that will be collected by the taxing unit during the ensuing year, after taking into account the DLGF’s estimate of the amount by which the taxing unit’s distribution of property taxes will be reduced by the application of the Circuit Breaker Tax Credit (as defined in the summary of “CIRCUIT BREAKER TAX CREDIT” herein), and after taking into account the DLGF’s estimate of the maximum amount of net property tax revenue and miscellaneous revenue that the taxing unit will receive in the ensuing year. Before May 1 of each year after 2017, the fiscal officer of each political subdivision shall provide the DLGF with an estimate of the total amount of its debt service obligations (as defined in IC 6-1.1-20.6-9.8) that will be due in the last six months of the current year and in the ensuing year. Beginning in 2018, the DLGF shall provide to each political subdivision: (1) an estimate of the maximum property tax rate that may be imposed by the political subdivision for the ensuing year for each cumulative fund or other fund for which a maximum property tax rate is established by law; and (2) an estimate of property taxes payable for the ensuing year for debt service. Before August 1 of each year, the DLGF shall provide to each taxing unit (1) an estimate of the maximum amount of net property tax revenue and miscellaneous revenue that the unit will receive in the ensuing year if the unit’s tax rates are imposed at the maximum allowable rate and levy under law and (2) an estimate of the amount by which the taxing unit’s distribution of property taxes will be reduced due to the Circuit Breaker Tax Credit. Beginning in 2018, the State Budget Agency must provide to the DLGF and the County Auditor an estimate of the certified local income tax distribution before June 1, and the DLGF must provide by July 1, the estimated amounts to be distributed at the taxing level to the County Auditor.

The taxing unit must submit the following information to the DLGF via Gateway: (i) its estimated budget; (ii) the estimated maximum permissible tax levy, as determined by the DLGF; (iii) the current and proposed tax levies of each fund; (iv) the estimated amount, determined by the DLGF, by which the taxing unit’s property taxes may be reduced by the Circuit Breaker Tax Credit; (v) the amount of excess levy appeals to be requested, if any; and (vi) the time and place at which the taxing unit will conduct a public hearing related to the information submitted to Gateway. The public hearing must be conducted at least ten days prior to the date the governing body establishes the budget, tax rate and levy, which by statute must each be established no later than November 1.

The budget, tax levy and tax rate of each taxing unit are subject to review by the DLGF, and the DLGF shall certify the tax rates and tax levies for all funds of taxing units subject to the DLGF’s review. The DLGF may not increase a taxing district’s budget by fund, tax rate or tax levy to an amount which exceeds the amount originally fixed by the taxing unit unless the taxing unit meets all of the following: (i) the increase is requested in writing by the taxing unit; (ii) the requested increase is published on the DLGF’s advertising internet website; and (iii) notice is given to the county fiscal body of the DLGF’s correction.

Taxing units have until December 31 of the calendar year immediately preceding the ensuing calendar year to file a levy shortfall appeal. Beginning with budget year 2019, the DLGF must complete its review and certification of budgets, tax rates and levies, not later than December 31 of the year preceding the budget year, unless a taxing unit in

the county issues debt after December 1 or intends to file a shortfall appeal under IC 6-1.1-18.5-16 in which case the DLGF must certify the budgets for the taxing units in the county by January 15 of the budget year.

On or before March 15, the County Auditor prepares the tax duplicate, which is a roll of property taxes payable in that year. The County Auditor publishes a notice of the tax rate in accordance with Indiana statutes. The County Treasurer mails tax statements at least 15 days prior to the date that the first installment is due (due dates may be delayed due to a general reassessment or other factors). Property taxes are due and payable to the County Treasurer in two installments on May 10 and November 10, unless the mailing of tax bills is delayed or a later due date is established by order of the DLGF. If an installment of property taxes is not completely paid on or before the due date, a penalty of 10% of the amount delinquent is added to the amount due; unless the installment is completely paid within thirty (30) days of the due date and the taxpayer is not liable for delinquent property taxes first due and payable in a previous year for the same parcel, the amount of the penalty is five percent (5%) of the amount of the delinquent taxes. On May 11 and November 11 of each year after one year of delinquency, an additional penalty equal to 10% of any taxes remaining unpaid is added. The penalties are imposed only on the principal amount of the delinquency. Property becomes subject to tax sale procedures after 15 months of delinquency. The County Auditor distributes property tax collections to the various taxing units on or about June 30 after the May 10 payment date and on or about December 31 after the November 10 payment date.

Pursuant to State law, personal property is assessed at its actual historical cost less depreciation, in accordance with 50 IAC 4.2, the DLGF's Rules for the Assessment of Tangible Personal Property. Effective January 1, 2016, state law annually exempts from property taxation new tangible business personal property with an acquisition cost of less than \$20,000. Pursuant to State law, real property is valued for assessment purposes at its "true tax value" as defined in the Real Property Assessment Rule, 50 IAC 2.4, the 2011 Real Property Assessment Manual ("Manual"), as incorporated into 50 IAC 2.4 and the 2011 Real Property Assessment Guidelines, Version A ("Guidelines"), as adopted by the DLGF. P.L. 204-2016, SEC. 3, enacted in 2016, retroactive to January 1, 2016, amends State law to provide that "true tax value" for real property does not mean the value of the property to the user and that true tax value shall be determined under the rules of the DLGF. As a result of P.L. 204-2016, the DLGF has begun the process of amending the Manual. In the case of agricultural land, true tax value shall be the value determined in accordance with the Guidelines and IC 6-1.1-4, as amended by P.L. 180-2016. Except for agricultural land, as discussed below, the Manual permits assessing officials in each county to choose any acceptable mass appraisal method to determine true tax value, taking into consideration the ease of administration and the uniformity of the assessments produced by that method. The Guidelines were adopted to provide assessing officials with an acceptable appraisal method, although the Manual makes it clear that assessing officials are free to select from any number of appraisal methods, provided that they produce "accurate and uniform values throughout the jurisdiction and across all classes of property". The Manual specifies the standards for accuracy and validation that the DLGF uses to determine the acceptability of any alternative appraisal method. "Net Assessed Value" or "Taxable Value" represents the "Gross Assessed Value" less certain deductions for mortgages, veterans, the aged, the blind, economic revitalization areas, resource recovery systems, rehabilitated residential property, solar energy systems, wind power devices, hydroelectric systems, geothermal devices and tax-exempt property. The "Net Assessed Value" or "Taxable Value" is the assessed value used to determine tax rates.

Changes in assessed values of real property occur periodically as a result of the county's reassessment plan, as well as when changes occur in the property value due to new construction or demolition of improvements. Before July 1, 2013, and before May 1 of every fourth year thereafter, each county assessor will prepare and submit to the DLGF a reassessment plan for the county. The DLGF must complete its review and approval of the reassessment plan before January 1 of the year following the year in which the reassessment plan is submitted by the county. The reassessment plan must divide all parcels of real property in the county into four (4) different groups of parcels. Each group of parcels must contain approximately twenty-five percent (25%) of the parcels within each class of real property in the county.

All real property in each group of parcels shall be reassessed under the county's reassessment plan once during each four (4) year cycle. The reassessment of a group of parcels in a particular class of real property shall begin on May 1 of a year, and must be completed on or before January 1 of the year after the year in which the reassessment of the group of parcels begins. For real property included in a group of parcels that is reassessed, the reassessment is the basis for taxes payable in the year following the year in which the reassessment is to be completed. The county may submit a reassessment plan that provides for reassessing more than twenty-five percent (25%) of all parcels of real property in the county in a particular year. A plan may provide that all parcels are to be reassessed in one (1) year. However, a plan must cover a four (4) year period. All real property in each group of parcels shall be reassessed under the county's current reassessment plan once during each reassessment cycle. The reassessment of the first group of

parcels under a county's reassessment plan begins on May 1, 2018, and is to be completed on or before January 1, 2019. Since 2007, all real property assessments are revalued annually to reflect market value based on comparable sales data ("Trending"). When a change in assessed value occurs, a written notification is sent to the affected property owner. If the owner wishes to appeal this action, the owner may file a petition requesting a review of the action. This petition must be filed with the county assessor in which the property is located within 45 days after the written notification is given to the taxpayer or May 10 of that year, whichever is later. While the appeal is pending, the taxpayer may pay taxes based on the current year's tax rate and the previous or current year's assessed value.

Beginning in 2018, the County Auditor shall submit to the DLGF parcel level data of certified net assessed values as required by and according to a schedule provided by the DLGF.

CIRCUIT BREAKER TAX CREDIT

Description of Circuit Breaker:

Article 10, Section 1 of the Constitution of the State of Indiana (the "Constitutional Provision") provides that, for property taxes first due and payable in 2012 and thereafter, the Indiana General Assembly shall, by law, limit a taxpayer's property tax liability to a specified percentage of the gross assessed value of the taxpayer's real and personal property. IC 6-1.1-20.6 (the "Statute") authorizes such limits in the form of a tax credit for all property taxes in an amount that exceeds the gross assessed value of real and personal property eligible for the credit (the "Circuit Breaker Tax Credit"). For property assessed as a homestead (as defined in IC 6-1.1-12-37), the Circuit Breaker Tax Credit is equal to the amount by which the property taxes attributable to the homestead exceed 1% of the gross assessed value of the homestead. Property taxes attributable to the gross assessed value of other residential property, agricultural property, and long-term care facilities are limited to 2% of the gross assessed value, property taxes attributable to other non-residential real property and personal property are limited to 3% of the gross assessed value. The Statute provides additional property tax limits for property taxes paid by certain senior citizens.

If applicable, the Circuit Breaker Tax Credit will result in a reduction of property tax collections for each political subdivision in which the Circuit Breaker Tax Credit is applied. Political subdivisions may not increase their property tax levy or borrow money to make up for any property tax revenue shortfall due to the application of the Circuit Breaker Tax Credit.

The Constitutional Provision excludes from the application of the Circuit Breaker Tax Credit property taxes first due and payable in 2012, and thereafter, that are imposed after being approved by the voters in a referendum. The Statute codifies this exception, providing that, with respect to property taxes first due and payable in 2012 and thereafter, property taxes imposed after being approved by the voters in a referendum will not be considered for purposes of calculating the limits to property tax liability under the provisions of the Statute. In accordance with the Constitutional Provision, the General Assembly has, in the Statute, designated Lake County and St. Joseph County as "eligible counties" and has provided that property taxes imposed in these eligible counties to pay debt service and make lease rental payments for bonds or leases issued or entered into before July 1, 2008 or on bonds issued or leases entered into after June 30, 2008 to refund those bonds or leases, will not be considered for purposes of calculating the limits to property tax liability under the provisions of the Statute, through and including December 31, 2019.

The Statute requires political subdivisions to fully fund the payment of outstanding debt service or lease rental obligations payable from property taxes ("Debt Service Obligations"), regardless of any reduction in property tax collections due to the application of the Circuit Breaker Tax Credit. Upon: (i) the failure of a political subdivision to pay any of its Debt Service Obligations; and (ii) notification of that event to the treasurer of the State by a claimant; the treasurer of State is required to pay the unpaid Debt Service Obligations from money in the possession of the State that would otherwise be available to the political subdivision under any other law.

A deduction must be made: (i) first, from local income tax distributions that would otherwise be distributed to the county; and (ii) second, from any other undistributed funds of the political subdivision in possession of the State.

The Statute categorizes property taxes levied to pay Debt Service Obligations as "protected taxes," regardless of whether the property taxes were approved at a referendum, and all other property taxes as "unprotected taxes." The total amount of revenue to be distributed to the fund for which the protected taxes were imposed shall be determined without applying the Circuit Breaker Tax Credit. The application of the Circuit Breaker Tax Credit must reduce only the amount of unprotected taxes distributed to a fund. The Town may allocate the reduction by using a combination of unprotected taxes of the Town in those taxing districts in which the Circuit Breaker Tax Credit caused a reduction

in protected taxes. The tax revenue and each fund of any other political subdivisions must not be affected by the reduction.

If the allocation of property tax reductions to funds receiving only unprotected taxes is insufficient to offset the amount of the Circuit Breaker Tax Credit, the revenue for a fund receiving protected taxes will also be reduced. If a fund receiving protected taxes is reduced, the Statute provides that a political subdivision may transfer money from any other available source in order to meet its Debt Service Obligations. The amount of this transfer is limited to the amount by which the protected taxes are insufficient to meet Debt Service Obligations.

The Town cannot predict the timing, likelihood or impact on property tax collections of any future actions taken, amendments to the Constitution of the State of Indiana or legislation enacted, regulations or rulings promulgated or issued to implement any such regulations, statutes or the Constitutional Provision described above or of future property tax reform in general. There has been no judicial interpretation of this legislation. In addition, there can be no assurance as to future events or legislation that may affect the Circuit Breaker Tax Credit or the collection of property taxes by the Town.

For example, in March, 2016, the Indiana General Assembly passed legislation which revises the factors used to calculate the assessed value of agricultural land. This legislation is retroactive to the January 1, 2016, assessment date and applies to each assessment date thereafter. The revised factors enacted in the legislation may reduce the total assessed value of agricultural land, which could shift property tax liability from agricultural property owners to other property owners. In addition, the reduction in the assessed value of agricultural land may result in a reduction of the total assessed value of a town. A lower assessed value of a town may result in higher tax rates in order for a town to receive its approved property tax levy. See "PROCEDURES FOR PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION" herein.

Estimated Circuit Breaker Tax Credit for the Town:

According to the DLGF, the Circuit Breaker Tax Credit allocable to the Town for budget years 2016, 2017 and 2018 were \$218,268, \$234,143 and \$244,099, respectively. These estimates do not include the estimated debt service on the Series 2018 Bonds and the lease rentals on the Lease securing the Series 2018 Bonds.

The Circuit Breaker Tax Credit amounts above do not reflect the potential effect of any further changes in the property tax system or methods of funding local government that may be enacted by the Indiana General Assembly in the future. The effects of these changes could affect the Circuit Breaker Tax Credit and the impact could be material. Other future events, such as the loss of a major taxpayer, reductions in assessed value, increases in property tax rates of overlapping taxing units or the reduction in local option income taxes applied to property tax relief could increase effective property tax rates and the amount of the lost revenue due to the Circuit Breaker Tax Credit, and the resulting increase could be material.

CONTINUING DISCLOSURE

Pursuant to continuing disclosure requirements promulgated by the Securities and Exchange Commission in SEC Rule 15c2-12, as amended (the "SEC Rule"), the Town will enter into a Continuing Disclosure Undertaking (the "Undertaking"), in connection with the sale of the Bonds. **The Town represents that no Obligated Person is an obligated person (within the meaning of the SEC Rule) with respect to more than \$10,000,000 in aggregate amount of outstanding municipal securities including the Series 2018 Bonds and excluding municipal securities that were offered in a transaction exempt from the SEC Rule pursuant to paragraph (d)(1) of the SEC Rule.** Pursuant to the terms of the Undertaking, the Town agrees to provide the information detailed in the Undertaking, the form of which is attached hereto as Appendix F.

The Town may, from time to time, amend or modify the Undertaking without the consent of or notice to the owners of the Series 2018 Bonds if either (a)(i) such amendment or modification is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Town, or type of business conducted; (ii) the Undertaking, as so amended or modified, would have complied with the requirements of the SEC Rule on the date of execution of the Undertaking, after taking into account any amendments or interpretations of the SEC Rule, as well as any change in circumstances; and (iii) such amendment or modification does not materially impair the interests of the holders of the Series 2018 Bonds, as determined either by (A) nationally recognized bond counsel or (B) an approving vote of the holders of the Series 2018 Bonds pursuant to the terms of the Resolution or Trust Indenture at the time of such amendment or modification; or (b) such amendment

or modification (including an amendment or modification which rescinds the Undertaking) is permitted by the SEC Rule, then in effect.

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

The purpose of the Undertaking is to enable the Underwriter to purchase the Series 2018 Bonds by providing for an undertaking by the Town in satisfaction of the SEC Rule. The Undertaking is solely for the benefit of the owners of the Series 2018 Bonds and creates no new contractual or other rights for the SEC, underwriters, brokers, dealers, municipal securities dealers, potential customers, other obligated persons or any other third party. The sole remedy against the Town for any failure to carry out any provision of the Undertaking shall be for specific performance of the Town's disclosure obligations under the Undertaking and not for money damages of any kind or in any amount or any other remedy. The Town's failure to honor its covenants under the Undertaking shall not constitute a breach or default of the Series 2018 Bonds, the Resolution or any other agreement.

In order to assist the Underwriter in complying with the Underwriter's obligations pursuant to SEC Rule, the Town represents that in the previous five years it has not fully complied with its previous undertakings including, but not limited to, the following instances:

- Audit was not timely filed for the calendar year 2012. The audits are now available on the MSRB's EMMA system.
- Unaudited annual financial statements were not timely filed/filed late for the calendar years 2013-2016. The unaudited annual financial statement is now available on the MSRB's EMMA system.
- Certain operating data was filed late for the calendar years 2013-2016. The operating data is now available on the MSRB's EMMA system.

The Town makes no representation as to any potential materiality of such prior instances, as materiality is dependent upon individual facts and circumstances. The Town has instituted procedures for ongoing compliance with such previous undertakings thereafter. The Town has retained Umbaugh (as hereinafter defined) as its dissemination agent.

BOND RATING

S&P Global Ratings ("S&P Global") has assigned a bond rating of "___" to the Series 2018 Bonds. Such rating reflects only the view of S&P and any explanation of the significance of such rating may only be obtained from S&P Global.

The rating is not a recommendation to buy, sell or hold the Series 2018 Bonds, and such rating may be subject to revision or withdrawal at any time by S&P Global. Any downward revision or withdrawal of the rating may have an adverse effect upon the market price of the Series 2018 Bonds.

The Town did not apply to any other rating service for a rating on the Series 2018 Bonds.

UNDERWRITING

The Series 2018 Bonds are being purchased by _____ (the "Underwriter") at a purchase price of \$_____, which is the par amount of the Series 2018 Bonds of \$_____ less the underwriter's discount of \$_____ plus the original issue premium of \$_____. The Notice of Intent to Sell Bonds provides that all of the Series 2018 Bonds will be purchased by the Underwriter if any of such Series 2018 Bonds are purchased.

The Underwriter intends to offer the Series 2018 Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Underwriter may allow concessions to certain dealers (including dealers in a selling group of the Underwriter and other dealers depositing the Series 2018 Bonds into investment trusts), who may reallocate concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Underwriter.

MUNICIPAL ADVISOR

H.J. Umbaugh & Associates, Certified Public Accountants, LLP (the "Municipal Advisor") ("Umbaugh") has been retained by the Town to provide certain financial advisory services including, among other things, preparation of the

deemed “nearly final” Preliminary Official Statement and the Final Official Statement (the “Official Statements”). The information contained in the Official Statements has been compiled from records and other materials provided by Town officials and other sources deemed to be reliable. The Municipal Advisor has not and will not independently verify the completeness and accuracy of the information contained in the Official Statements.

The Municipal Advisor’s duties, responsibilities and fees arise solely as Municipal Advisor to the Town and they have no secondary obligations or other responsibility. However, Umbaugh is preparing the Lease Sufficiency Report for the Series 2018 Bonds. The Municipal Advisor’s fees are expected to be paid from proceeds of the Series 2018 Bonds.

Municipal Advisor Registration:

Umbaugh is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. As such, Umbaugh is providing certain specific municipal advisory services to the Town, but is neither a placement agent to the Town nor a broker/dealer and cannot participate in the underwriting of the Series 2018 Bonds.

The offer and sale of the Series 2018 Bonds shall be made by the Town, in the sole discretion of the Town, and under its control and supervision. The Town agrees that Umbaugh does not undertake to sell or attempt to sell the Series 2018 Bonds, and will take no part in the sale thereof.

Other Financial Industry Activities and Affiliations:

Umbaugh Cash Advisory Services, LLC (“UCAS”) is a wholly-owned subsidiary of Umbaugh. UCAS is registered as an investment adviser with the Securities and Exchange Commission under the federal Investment Advisers Act. UCAS provides non-discretionary investment advice with the purpose of helping clients create and maintain a disciplined approach to investing their funds prudently and effectively. UCAS may provide advisory services to the clients of Umbaugh.

UCAS has no other activities or arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

LEGISLATIVE PROPOSALS

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2018 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Series 2018 Bonds. Prospective purchasers of the Series 2018 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Legislation affecting municipal bonds is considered from time to time by the United States Congress and the Executive Branch, including some proposed changes under consideration at the time of issuance of the Series 2018 Bonds. Bond Counsel’s opinion is based upon the law in existence on the date of issuance of the Series 2018 Bonds. It is possible that legislation enacted after the date of issuance of the Series 2018 Bonds or proposed for consideration will have an adverse effect on the excludability of all or a part of the interest on the Series 2018 Bonds from gross income, the manner in which such interest is subject to federal income taxation or the market price of the Series 2018 Bonds.

Legislation affecting municipal bonds is considered from time to time by the Indiana legislature and Executive Branch. It is possible that legislation enacted after the date of the Series 2018 Bonds or proposed for consideration will have an adverse effect on payment or timing of payment or other matters impacting the Series 2018 Bonds.

The Town cannot predict the outcome of any such federal or state proposals as to passage, ultimate content or impact if passed, or timing of consideration or passage. Purchasers of the Series 2018 Bonds should reach their own conclusions regarding the impact of any such federal or state proposals.

TAX MATTERS

In the opinion of Bose McKinney & Evans LLP, Indianapolis, Indiana, Bond Counsel, under federal statutes, decisions, regulations and rulings, the interest on the Series 2018 Bonds is not excludable for federal tax income purposes. In the opinion of Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2018 Bonds is exempt from income taxation in the State of Indiana, except for the State financial institutions tax. *See* Appendix E for the form of Bond Counsel opinion.

LITIGATION

To the knowledge of the officers and counsel for the Building Corporation, Redevelopment Commission and the Town there is no litigation pending, or threatened, against the Building Corporation, Redevelopment Commission or the Town, which in any way questions or affects the validity of the Series 2018 Bonds, or any proceedings or transactions relating to the issuance, sale or delivery thereof.

The officers and counsel for the Building Corporation, Redevelopment Commission and the Town will certify at the time of delivery of the Series 2018 Bonds that there is no litigation pending or in any way threatened questioning the validity of the Series 2018 Bonds, or any of the proceedings had relating to the authorization, issuance and sale of the Series 2018 Bonds, the Trust Indenture, the Loan Agreement, the Lease or the Project would result in a material adverse impact on the financial condition of the Town.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Series 2018 Bonds are subject to the unqualified approving opinion of Bose McKinney & Evans LLP, Indianapolis, Indiana, Bond Counsel, whose approving opinion will be available at the time of delivery of the Series 2018 Bonds. Bose McKinney & Evans LLP has not been asked nor has it undertaken to review the accuracy or sufficiency of this Official Statement, and will express no opinion thereon. The form of opinion of Bond Counsel is included as Appendix E of this Official Statement.

LEGAL OPINIONS AND ENFORCEABILITY OF REMEDIES

The various legal opinions to be delivered concurrently with the delivery of the Series 2018 Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

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

The various legal opinions to be delivered concurrently with the delivery of the Series 2018 Bonds will be qualified as to the enforceability of the various legal instruments by the valid exercise of the constitutional powers of the Town, the State of Indiana and the United States of America and bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

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

The Town certifies to the best of their knowledge and belief that this Official Statement, as of its date and as it relates to the Town and its economic and financial condition, (i) is complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material facts or information which would make the statements contained herein misleading.

This Official Statement and its execution are duly authorized.

TOWN OF PENDLETON (INDIANA)

By: Robert Jones
Town Council, President

Attest: Linda Keogh
Deputy Clerk-Treasurer

APPENDIX i

TOWN OF PENDLETON, INDIANA

NOTICE OF INTENT TO SELL BONDS

Upon not less than twenty-four (24) hours' notice given by telephone by H.J. Umbaugh & Associates, Certified Public Accountants, LLP (the "Municipal Advisor"), as designee for Town of Pendleton, Indiana ("Issuer"), the Issuer will receive by mail at the offices of the Municipal Advisor, 8365 Keystone Crossing, Suite 300, Indianapolis, Indiana 46240, and consider bids for the purchase of the following described bonds (or in the alternative, bids may be submitted via "PARITY" or via E-Mail at bids@umbaugh.com). Any person interested in submitting a bid for the bonds must furnish in writing to the Issuer, c/o its Municipal Advisor, at the aforementioned address or email address, on or before 11:00 a.m. (Eastern Daylight Time) on December 3, 2018, the person's name, address, and telephone number and if desired, E-Mail address. The Issuer's representative or its designee will notify (or cause to be notified) each person so registered of the date and time bids will be received not less than twenty-four (24) hours before the date and time of sale. The notification shall be made by telephone at the number furnished by such person and also by e-mail, if an E-Mail has been received. The sale is expected to take place on or about 11:00 a.m. (Eastern Daylight Time) on December 4, 2018.

At the time designated for the sale, the Issuer will receive and consider bids for the purchase of the bonds of the Issuer designated as "Town of Pendleton, Indiana Taxable Economic Development Lease Rental Revenue Bonds, Series 2018 (Wellness Center Project)", in the principal amount of \$1,425,000 (the "Bonds"). Each bid must be for not less than all of the Bonds described herein. Bidders may bid a discount not to exceed 99.0% of the face amount of the Bonds. The Bonds will bear interest at a rate or rates not to exceed 6.0% per annum (the exact interest rate or rates will be determined by bidding). Interest will be calculated on a 30/360-day basis and will be payable on August 1, 2019, and semiannually thereafter on February 1 and August 1 of each year. Said Bonds will be dated the date of delivery, will be in the denominations of \$5,000 or integral multiples thereof and will mature semiannually on February 1 and August 1 on the dates and in the amounts* as follows:

<u>Date</u>	<u>Amount*</u>	<u>Date</u>	<u>Amount*</u>
08/01/2021	\$25,000	08/01/2030	\$40,000
02/01/2022	30,000	02/01/2031	40,000
08/01/2022	30,000	08/01/2031	40,000
02/01/2023	30,000	02/01/2032	40,000
08/01/2023	30,000	08/01/2032	40,000
02/01/2024	30,000	02/01/2033	45,000
08/01/2024	30,000	08/01/2033	45,000
02/01/2025	30,000	02/01/2034	45,000
08/01/2025	30,000	08/01/2034	45,000
02/01/2026	35,000	02/01/2035	50,000
08/01/2026	30,000	08/01/2035	50,000
02/01/2027	35,000	02/01/2036	50,000
08/01/2027	35,000	08/01/2036	50,000
02/01/2028	35,000	02/01/2037	50,000

08/01/2028	35,000	08/01/2037	50,000
02/01/2029	35,000	02/01/2038	50,000
08/01/2029	35,000	08/01/2038	55,000
02/01/2030	40,000	02/01/2039	55,000

* The Issuer reserves the right to modify the amounts above following the sale of the Bonds to achieve the financial objectives of the Issuer.

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

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

The Bonds maturing on or after August 1, 2029 are redeemable at the option of the Issuer in whole or in part in any order of maturity as determined by the Issuer and by lot within maturities, on any date not earlier than February 1, 2029, at face value plus accrued interest to the date fixed for redemption and without any premium.

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

Each bid must be for all of said Bonds and must state the rate or rates of interest in multiples of 1/8, 1/20 or 1/100 of 1%. Any bids specifying two or more interest rates shall also specify the amount and maturities of the Bonds bearing each rate, but all Bonds maturing on the same date shall bear the same single interest rate. The award will be made to the bidder complying with the terms of sale and offering the lowest true interest cost to the Issuer. The true interest cost rate is the rate which when used to compute the total present value as of the date of delivery of the Bonds of all debt service payments on the Bonds on the basis of semiannual compounding, produces an amount equal to the sum of the par value of the Bonds minus any premium bid plus any discount. No conditional bid or bid for less than 99.0% of the face value of said Bonds will be considered. The right is reserved to reject any and all bids. If no satisfactory bids are received at the time and on the date fixed for the sale, the sale may be continued from day to day thereafter without further advertisement for a period of thirty (30) days, during which time no bid which provides a higher net interest cost to the Issuer than the best bid received at the time of the advertised sale will be considered.

Each bid must be on a customary bid form addressed to the Issuer’s representative and marked “Town of Pendleton, Indiana Taxable Economic Development Lease Rental Revenue Bonds, Series 2018 (Wellness Center Project).” The winning bidder must submit a good faith deposit equal to one percent (1%) of the aggregate principal amount of the Bonds (\$14,250)

issued in the form of a certified or cashier's check, financial surety bond or wire transfer no later than 3:30 p.m. (E.D.T.) on the business day following the award. If a check is submitted, the check shall be drawn on a bank or trust company which is insured by the Federal Deposit Insurance Corporation. In either case, the deposit shall be payable to the "Town of Pendleton, Indiana" and shall be held as a guaranty of the performance of the bid if the same be accepted, or immediately returned if the bid is not accepted. If a financial surety bond is used, it must be from an insurance company licensed to issue such bond in the State of Indiana, and such bond must be submitted to the Issuer prior to the opening of the bids. The financial surety bond must identify each bidder whose good faith deposit is guaranteed by such financial surety bond. No interest on the deposit will accrue to the purchaser. The deposit will be applied to the purchase price of the Bonds. The successful bidder will be required to make payment for such Bonds in Federal Reserve funds or other immediately available funds and accept delivery of the Bonds through the facility of DTC within five (5) days after being notified that the Bonds are ready for delivery. It is anticipated that the Bonds will be ready for delivery within thirty (30) days of the sale date, and if not ready for delivery within forty-five (45) days after the sale date, the purchaser shall be entitled to rescind the sale and obtain the return of the good faith deposit. The opinion of Bose McKinney & Evans LLP, Bond Counsel, of Indianapolis, Indiana, approving the legality of said Bonds, together with a transcript of the bond proceedings, and closing certificates in the usual form showing no litigation, will be furnished to the successful bidder at the expense of the Issuer.

Bids may be submitted electronically via PARITY in accordance with this notice until the time fixed for the sale, but no bid will be received after such time. To the extent any instructions or directions set forth in PARITY conflict with this notice, the terms of this notice shall control. For further information about PARITY, potential bidders may contact the Municipal Advisor at the address set forth herein, or may contact i-Deal LLC at 1539 Broadway, 2nd Floor, New York, New York 10018 (phone: 212-849-5021).

If a potential bidder has questions related to the Issuer, the financing or submission of bids, questions should be submitted by email to the addresses above no later than 11:00 a.m. (Indianapolis Time) on December 3, 2018. To the best of the Issuer's ability, all questions will be addressed by or on behalf of the Issuer and sent to potential bidders, including any bidders requesting 24 hours' notice of sale, no later than 5:00 p.m. (Indianapolis Time) on December 3, 2018. Additionally, upon request, the written responses will be emailed to any other interested bidder. Bidders should review this notice as well as the Preliminary Official Statement and submit any questions in advance of this deadline to submit questions.

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

successful bidder. The successful bidder will also be responsible for any other fees or expenses it incurs in connection with the resale of the Bonds, including any charges in connection with DTC.

The Bonds are being issued under the provisions of Indiana Code 36-7-11.9 and -12 for the purpose of providing funds for (i) the construction and equipping of an indoor recreation and wellness facility, and related costs, by Madison County Tennis & Wellness, LLC (the “Developer”), pursuant to a Development Agreement among the Issuer, the Developer, the Redevelopment Commission (as herein defined) and the Issuer’s Redevelopment Authority, (ii) the funding of capitalized interest, (iii) the funding of a debt service reserve and (iv) paying costs of issuance of the Bonds.

The Bonds will be secured pursuant to the terms of a Trust Indenture dated as of the first day of the month in which the Bonds are delivered, between the Issuer and a trustee to be selected by the Issuer (the “Indenture”), and are payable from lease rental payments under a Lease, dated September 16, 2008, between the Issuer, as Lessor, and the Town of Pendleton Redevelopment Commission (the “Redevelopment Commission”), as Lessee (the “Lease”). Lease rental payments under the Lease are payable by the Redevelopment Commission to the Issuer from (i) tax increment revenues generated in the Pendleton-Falls Pointe Economic Development Area #1 (the “TIF Revenues”) and (ii) to the extent TIF Revenues are ever insufficient to pay such rentals, from the revenues of *ad valorem* taxes to be levied and collected on all taxable property within the Town of Pendleton Redevelopment District (the boundaries of which are coterminous with the boundaries of the Issuer).

After the sale of all Bonds, the lease rentals shall be reduced to an amount equal to the multiple of \$1,000 next highest to the highest sum of principal and interest due on such Bonds in each twelve month period ending on February 1 plus \$5,000, payable in equal semiannual installments. All bidders shall be deemed to be advised as to the provisions of the abovementioned Indenture, Lease and the provisions of the Act. The Bonds, and the interest payable thereon, do not and shall not represent or constitute a debt of the Issuer within the meaning of the provisions of the constitution or statutes of the State of Indiana or a pledge of the faith and credit of the Issuer. The Bonds, as to both principal and interest, are not an obligation or liability of the State of Indiana, or of any political subdivision or taxing authority thereof, but are a special limited obligation of the Issuer and are payable solely and only from the trust estate consisting of the funds and accounts held under the Indenture and the revenues derived therefrom, including the lease rentals and other funds pledged under the Indenture. Neither the faith and credit nor the taxing power of the Issuer, the State of Indiana or any political subdivision or taxing authority thereof is pledged to the payment of the principal of, premium, if any, or the interest on the Bonds.

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

The Issuer has prepared an Official Statement relating to the Bonds which it deems to be nearly final. A copy of the nearly final Official Statement may be obtained from the Municipal Advisor. Information concerning the Issuer may be obtained from the Municipal Advisor.

Within seven (7) business days of the sale, the Issuer will provide the successful bidder with 10 copies of the final Official Statement at the Issuer's expense and such additional copies as may be requested, within five (5) business days of the sale, by the successful bidder at the expense of the successful bidder. Inquiries concerning matters contained in the nearly final Official Statement must be made and pricing and other information necessary to complete the final Official Statement must be submitted by the successful bidder within two (2) business days following the sale to be included in the final Official Statement.

Dated this 14th day of November, 2018.

/s/ Virgil Mabrey
Clerk-Treasurer

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APPENDIX A

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TOWN OF PENDLETON

GENERAL PHYSICAL AND DEMOGRAPHIC INFORMATION

LOCATION

The Town of Pendleton (the “Town”) is located in Madison County (the “County”) in east central Indiana. The Town is approximately eight miles southwest of Anderson, Indiana, 15 miles from Noblesville, Indiana, 16 miles from Fishers, Indiana, and 25 miles northeast of Indianapolis.

GENERAL CHARACTERISTICS

The Town has the advantage of being located in the Indianapolis metropolitan area. Many educational, recreational and industrial opportunities are available to local residents. The Town is primarily residential and is within commuting distance to Anderson, Noblesville, Fishers, and Indianapolis. The residents of the Town have extensive cultural opportunities within driving distance, such as Ruoff Home Mortgage Music Center, Hamilton Town Center, Hoosier Park Racing and Casino, Anderson University, and the Paramount Theatre Centre & Ballroom, which hosts performances.

The Town is located along Interstate 69 (“I-69”), providing a reasonable commute to Indiana’s largest city and capital, Indianapolis. Within Indianapolis there are multiple music venues, professional sports, minor league baseball, the Indy Eleven Soccer Team, the Indianapolis Zoo, and White River State Park.

GOVERNMENTAL STRUCTURE

The Town is governed by a five-member Town Council, with each member elected to a four-year term. The Town Council President serves as the chief executive of the Town and serves a four-year term. The Clerk Treasurer, also elected to a four-year term, is responsible for the financial records of the Town. The Town also employs a full-time manager. Additional Town departments include the following:

Administration	Police Department
Cemetery	Storm Water
Electric	Street
Falls Pointe	Town Court
Historic Preservation	Volunteer Fire
Park	Water
Planning and Zoning	

The Town employs 36 full and 5 part-time employees with no union representation.

PLANNING AND ZONING

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

EDUCATION

The South Madison School Corporation serves residents of the Town, operating one high school, one middle school, and three elementary schools. The superintendent’s office reports preliminary 2018 – 2019 enrollment for the School Corporation at 4,359 students, with approximately 258 certified and 310 non-certified staff. Hancock-South Madison Joint Services provides a wide variety of educational programs and services to students with disabilities.

HIGHER EDUCATION

Anderson University (the “University”) is a 77-acre liberal arts university founded in 1917 by the Church of God and is located on the east side of the City of Anderson. The University provides 50 undergraduate majors and graduate degrees to approximately 1,800 students. Purdue University College of Technology, Harrison College, and Ivy Tech Community College are also located in the City of Anderson. Ball State University is located 25 miles away from Anderson in nearby Muncie, Indiana. Purdue University created the Polytechnic Institute in the City of Anderson. The facility was built on 11.6 acres that used to be part of the General Motors Plant. The Polytechnic Institute leases 44,000 square-feet and the remaining 50,000 square-feet is available for startup companies. The goal of the campus is to promote education and collaboration with companies that use and promote the latest in advanced manufacturing technology. The Polytechnic Institute offers six undergraduate majors, two certificates, and one associate degree.

PENSION OBLIGATIONS

Public Employees’ Retirement Fund

Plan Description

The Indiana Public Employees’ Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member’s annuity savings account. The annuity savings account consists of members’ contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member’s account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

Employer contributions for the year 2017 were \$214,071.

Other Post-Employment Benefits

If a retiree is at least 60 years old with 25 years of full-time service the retiree will be entitled to retain medical coverage until eligible for Medicare. The Town will pay the same percentage of premiums as specified in each year’s salary ordinance. If a retiree has less than 25 years of full-time service with a minimum of 15 years of service, the Town will decrease the portion of the premium paid by 5% of each year of service less than 25 years.

There are currently three retirees having 85% of their medical premiums paid by the Town. In 2017, the Town paid \$34,462 for these benefits. The Town does pay out unused vacation, sick, and personal time upon voluntary or involuntary termination of employment. In 2017, the Town paid \$967 in unused vacation time and \$2,900 in unused sick and personal time.

GENERAL ECONOMIC AND FINANCIAL INFORMATION

COMMERCE AND INDUSTRY

The Town's economy is filled with companies that operate in several industries, including the financial services, construction, and retail sectors. The Town is also home to the Falls Pointe Business Park, which is conveniently located at the intersection of I-69 and State Road 38. Additionally, residents of the Town have access to the growing northeast suburbs of Indianapolis, which include the Cities of Fishers and Noblesville.

Tractor Supply Company's distribution center, located in the Falls Pointe Business Park, currently employs approximately 350 workers, according to the Corporation for Economic Development, Madison County, Indiana USA (the "CED"). The company offers a wide range of products for farming and rural needs, including livestock products, pet products, sports products, and clothing. The Herald Bulletin, a local news source, reported in June 2018 that the company will invest approximately \$11 million into its Pendleton facility as part of a three-year expansion effort. The investment is expected to create approximately 50 new jobs. In addition to its Pendleton facility, the company has distribution centers in Arizona, Georgia, Kentucky, Maryland, Nebraska, New York, Texas, and Washington.

Tyler Truss Systems, Inc. manufactures aluminum truss systems for concerts, corporate events, and other entertainment purposes. Tyler Truss Systems, Inc. works hand-in-hand with Dodd Technologies, Inc., which is managed by the same company personnel and both operate in the Town. Dodd Technologies, Inc. provides lighting, audio, video, rigging, and multimedia services for events throughout the world. The company's services have been utilized at concerts for notable performers, including George Strait, Brad Paisley, AC/DC, Elton John, and Billy Joel. According to company personnel, there are currently 99 employees who work for the company.

GVC Mortgage ("GVC") provides financial services for prospective homeowners throughout the Midwest. The company is headquartered in the Town where they currently employ approximately 85 workers, according to company personnel. GVC was established in 1996 and offers specialized loan services for different market segments, including rural, affluent, and poorer customers as well as veterans and doctors who are finishing residency.

Fredericks, Inc. was founded in 1977 and specializes in commercial construction. The company offers several contracting services, including roofing, cabinetry, and electrical work from its location in the Town. The company's services are utilized in the education, healthcare, sports, and religious sectors and were used in the construction of the Anderson University Wellness Center. The company currently employs approximately 72 workers, according to company personnel.

RenCon Services was founded in 2008 and offers commercial construction, maintenance, and repair services. The company has been headquartered in a 5,000 square-foot facility in the Town since 2012 and currently employs approximately 40 workers, according to company personnel. In addition to its headquarters in the Town, the company has a facility in Dallas, Texas. The company's clients include notable brands such as Chick-fil-A, Taco Bell, Domino's, GNC, and Dollar Tree. In addition, the Muncie Star Press reported in August 2018 that the company will renovate a Ball State University facility that was recently acquired from Muncie Community School Corporation. The approximately \$1.5 million project will include new rooftop HVAC equipment and an automatic sprinkler system throughout the facility, among other renovations.

In August 2018, Inside Indiana Business reported that an approximately \$14 million health and wellness facility would be developed in the Town. The facility will be developed by Klipsch-Card Athletic Facilities, which developed the Pacers Athletic Center at Westfield's Grand Park. The new Town facility will feature a café, eight tennis courts, a daycare center, and spaces for yoga, spinning, weight training, and other activities. The facility is anticipated to be 115,000 square-feet and will be named the Community Sports & Wellness Center. Construction is expected to begin in late 2018 and be completed by early 2019.

BorgWarner opened a new \$28 million, 100,000 square-foot tech facility in Noblesville where the company relocated in June 2018. In the process, the company consolidated its Anderson and Pendleton workforce, which is comprised of approximately 300 employees. BorgWarner manufactures automotive components and was previously known in the Town as Remy International.

In April 2018, Inside Indiana Business reported that I-69 will be undergoing approximately \$79 million of renovations in the Town and the surrounding area. Improvements include bridge repairs, pothole maintenance, and lane-widening throughout the highway. Renovations are anticipated to be finished by summer 2020.

Residents of the Town also have convenient access to the City of Fishers, which is approximately 20-minutes away on I-69. Some of Fishers' newest companies include Topgolf and IKEA, which both opened in October 2017. Topgolf is a golf entertainment leader that offers climate-controlled hitting bays, over 200 high-definition flat screen TVs, and an extensive food and beverage menu. Topgolf's \$18 million, 65,000 square-foot Fishers facility currently employs approximately 500 workers, according to company personnel. IKEA is the world's leading home furnishing retailer. The company features 10,000 exclusively-designed items, a 325-seat IKEA Restaurant, 50 room settings, three model home interiors, and approximately 1,000 parking spaces. IKEA currently employs approximately 300 workers at its \$40 million, 289,000 square-foot facility, according to company personnel.

SMC relocated its North American headquarters and primary engineering, manufacturing, and distributing center to the nearby City of Noblesville in 2009. The company constructed a 700,000 square-foot facility on a 94-acre site within the Noblesville Corporate Campus. In 2012, SMC invested \$19 million in a 600,000 square-foot expansion project that increased the facility size by 1.5 million square-feet and was completed at the end of 2012. The expansion increased employment and the company currently has 895 employees, according to the Noblesville Economic Development Department. In 2015, SMC acquired 118 acres adjacent to its site for future expansion.

LARGE EMPLOYERS

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

<u>Name</u>	<u>Year Established</u>	<u>Type of Business</u>	<u>Reported Employment</u>
Pendleton Correctional Facilities	1923	Correctional facilities	955 (1)
Madison County	1823	County government	855 (2)
South Madison Community School Corporation	-	Public education	568 (3)
Tractor Supply Company	-	Distribution center	350 (1)
Rawlins House & Fall Creek Retirement	-	Assisted living facility	116 (4)
Tyler Truss/Dodd Technologies	-	Event planning and truss manufacturing	99 (5)
GVC Mortgage	1996	Mortgage lender	85
Fredericks, Inc.	1977	Construct commercial and office buildings	72
Town of Pendleton	1854	Public government	41 (6)
Needlers (formerly Marsh)	2017	Supermarket	40
RenCon Services	2012	Commercial construction, maintenance, and repair	40

(1) Per the Corporation for Economic Development Madison County, Indiana.

(2) Per the County, includes 576 full and 279 part-time staff.

(3) Per the School Corporation, includes 258 certified and 310 non-certified staff.

(4) Per Hoosiers by the Numbers.

(5) Per company personnel, includes 64 employees at Tyler Truss and 35 employees at Dodd Technologies.

(6) Per the Town, includes 36 full and 5 part-time staff.

EMPLOYMENT

<u>Year</u>	<u>Unemployment Rate</u>		<u>Madison County Labor Force</u>
	<u>Madison County</u>	<u>Indiana</u>	
2013	9.3%	7.7%	58,069
2014	7.1%	6.0%	57,897
2015	5.7%	4.8%	58,222
2016	5.0%	4.4%	58,937
2017	3.9%	3.5%	58,889
2018, August	4.0%	3.7%	60,989

Source: Indiana Business Research Center. Data collected as of October 2, 2018.

BUILDING PERMITS

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

<u>Year</u>	<u>Residential</u>		<u>Commercial</u>	
	<u>Total Permits</u>	<u>Estimated Costs</u>	<u>Total Permits</u>	<u>Estimated Costs</u>
2013	60	\$1,853,990	13	\$2,261,940
2014	64	3,058,544	12	2,080,006
2015	71	2,583,221	20	596,045
2016	130	3,428,625	33	1,960,733
2017	183	7,386,896	52	2,093,270

Source: Town of Pendleton Building Department and the Town Manager.

POPULATION

<u>Year</u>	<u>Town of Pendleton</u>		<u>Madison County</u>	
	<u>Population</u>	<u>Percent of Change</u>	<u>Population</u>	<u>Percent of Change</u>
1970	2,243	-9.26%	138,522	10.10%
1980	2,130	-5.04%	139,336	0.59%
1990	2,309	8.40%	130,669	-6.22%
2000	3,873	67.73%	133,358	2.06%
2010	4,253	9.81%	131,636	-1.29%
2017, Est.	4,287	0.80%	129,498	-1.62%

Source: U.S. Census Bureau

AGE STATISTICS

	<u>Town of Pendleton</u>	<u>Madison County</u>
Under 25 Years	1,409	42,302
25 to 44 Years	1,166	33,704
45 to 64 Years	1,042	35,396
65 Years and Over	636	20,234
Totals	<u>4,253</u>	<u>131,636</u>

Source: U.S. Census Bureau's 2010 Census

EDUCATIONAL ATTAINMENT

<u>Years of School Completed</u>	<u>Persons 25 and Over</u>	
	<u>Town of Pendleton</u>	<u>Madison County</u>
Less than 9th grade	2.1%	2.9%
9th to 12th grade, no diploma	3.8%	9.6%
High school graduate	31.6%	39.2%
Some college, no degree	24.7%	22.1%
Associate's degree	8.9%	8.8%
Bachelor's degree	17.2%	11.7%
Graduate or professional degree	11.8%	5.7%

Source: U.S. Census Bureau's 2012-2016 American Community Survey 5-Year Estimates

MISCELLANEOUS ECONOMIC INFORMATION

	<u>Town of Pendleton</u>	<u>Madison County</u>	<u>Indiana</u>
Per capita income, past 12 months*	\$32,809	\$22,997	\$26,117
Median household income, past 12 months*	\$60,156	\$44,795	\$50,433
Average weekly earnings in manufacturing (1st qtr. of 2018)	N/A	\$1,115	\$1,348
Land area in square miles - 2010	11.17	451.92	35,826.11
Population per land square mile - 2010	380.8	291.3	181.0
Retail sales in 2012:			
Total retail sales	\$90,118,000	\$1,378,713,000	\$85,857,962,000
Sales per capita**	\$21,189	\$10,474	\$13,242
Sales per establishment	\$4,505,900	\$3,984,720	\$3,974,722

*In 2016 inflation-adjusted dollars – 5-year estimates

**Based on 2010 Population.

Source: Bureau of Census Reports and the Indiana Business Research Center. Data collected as of October 2, 2018.

<u>Employment and Earnings - Madison County 2016</u>	<u>Earnings (In 1,000s)</u>	<u>Percent of Earnings</u>	<u>Distribution of Labor Force</u>
Services	\$891,827	38.15%	46.40%
Manufacturing	404,696	17.32%	8.15%
Government	339,946	14.55%	12.44%
Construction	151,266	6.47%	5.14%
Retail trade	150,753	6.45%	11.39%
Transportation and warehousing	127,109	5.44%	4.73%
Finance, insurance, and real estate	115,346	4.94%	6.24%
Other*	100,023	4.28%	2.72%
Farming	27,679	1.18%	1.46%
Information	23,559	1.01%	0.98%
Mining	3,700	0.16%	0.14%
Forestry, fishing, related activities	1,174	0.05%	0.21%
Totals	\$2,337,078	100.00%	100.00%

*In order to avoid disclosure of confidential information, specific earnings and employment figures are not available for the Wholesale trade and Utilities Sectors. The data is incorporated here.

Source: Bureau of Economic Analysis and the Indiana Business Research Center. Data collected as of October 2, 2018.

<u>Adjusted Gross Income</u>	<u>Year</u>	<u>Madison County Total</u>
	2011	\$2,177,209,595
	2012	2,298,361,342
	2013	2,277,723,749
	2014	2,344,078,124
	2015	2,380,714,301

Source: Indiana Department of Revenue

SCHEDULE OF INDEBTEDNESS

The following schedule shows the outstanding indebtedness of the Town and the taxing units within and overlapping its jurisdiction as of October 3, 2018, including issuance of the Bonds, as reported by the respective taxing units.

<u>Direct Debt</u>	<u>Original Par Amount</u>	<u>Final Maturity</u>	<u>Outstanding Amount</u>
Tax Supported Debt			
Taxable Economic Development Lease Rental Revenue Bonds, Series 2018	\$1,425,000 *	02/01/39	\$1,425,000 *
General Obligation Bonds, Series 2017	1,165,000	01/15/33	1,135,000
Lease Rental Revenue Bonds, Series 2015	2,000,000	01/15/31	1,825,000
Waterworks District Bonds, Series 2015	4,625,000	01/01/31	3,970,000
Municipal Building Corporation Lease	600,000	02/15/22	<u>188,000</u>
Subtotal			<u>8,543,000</u>
Self-Supporting Revenue Debt			
Electric Utility Refunding Revenue Bonds, Series 2017	1,565,000	01/01/24	<u>1,425,000</u>
Subtotal			<u>1,425,000</u>
Total Direct Debt			<u><u>\$9,968,000</u></u>

<u>Overlapping Debt</u>	<u>Total Debt</u>	<u>Percent Allocable to Town (1)</u>	<u>Amount Allocable to Town</u>
Tax Supported Debt			
Pendleton-Fall Creek Township Fire Station Building Corporation (2)	\$57,573	45.00%	\$25,908
Pendleton-Fall Creek Park District	4,803,000	44.99%	2,160,870
Madison County	14,126,141	5.50%	776,938
South Madison Community School Corporation	49,015,842	23.46%	11,499,117
Pendleton Community Public Library	1,605,000	24.10%	<u>386,805</u>
Total Overlapping Debt			<u><u>\$14,849,638</u></u>

*Preliminary, subject to change.

(1) Based upon the 2017 payable 2018 net assessed valuation of the respective taxing units.

(2) The Town anticipates entering into a loan agreement with the Pendleton-Fall Creek Township Fire Station Building Corporation in which it will pledge up to \$300,000 payable from property tax before the end of the year.

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

DEBT RATIOS

The following presents the ratios relative to the tax supported indebtedness of the taxing units within and overlapping the Town as of October 3, 2018, including issuance of the Bonds.

	Direct Tax Supported Debt*	Allocable Portion of All Other Overlapping Tax Supported Debt	Total Direct and Overlapping Tax Supported Debt*
	<u>\$8,543,000</u>	<u>\$14,849,638</u>	<u>\$23,392,638</u>
Per capita (1)	\$1,992.77	\$3,463.88	\$5,456.65
Percent of net assessed valuation (2)	4.40%	7.65%	12.05%
Percent of gross assessed valuation (3)	2.64%	4.60%	7.24%

*Preliminary, subject to change.

- (1) According to the U.S. Census Bureau, the estimated 2017 population of the Town is 4,287.
- (2) The net assessed valuation of the Town for taxes payable in 2018 is \$194,084,566 according to the Madison County Auditor's office.
- (3) The gross assessed valuation of the Town for taxes payable in 2018 is \$323,087,138 according to the Madison County Auditor's office.

SCHEDULE OF HISTORICAL NET ASSESSED VALUATION

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

<u>Year</u> <u>Payable</u>	<u>Real Estate</u>	<u>Utilities</u>	<u>Personal</u> <u>Property</u>	<u>Total</u> <u>Taxable Value</u>
2014	\$158,618,263	\$3,180,150	\$13,381,887	\$175,180,300
2015	158,199,555	3,366,560	14,834,875	176,400,990
2016	170,572,416	3,379,820	13,764,237	187,716,473
2017	170,803,461	2,772,000	16,024,178	189,599,639
2018	173,769,162	2,625,180	17,690,224	194,084,566
2019				205,171,905 (1)

(1) Certified net assessed valuation per the Department of Local Government Finance ("DLGF").

NOTE: Net assessed valuations represent the assessed value less certain deductions for mortgages, veterans, the aged and the blind, as well as tax-exempt property.

Real property is valued for assessment purposes at its true tax value as defined in the Real Property Assessment Rule, 50 IAC 2.4, the 2011 Real Property Assessment Manual ("Manual"), as incorporated into 50 IAC 2.4, and the 2011 Real Property Assessment Guidelines ("Guidelines"), as adopted by the DLGF. In the case of agricultural land, true tax value is the value determined in accordance with the Guidelines adopted by the DLGF and IC 6-1.1-4-13. In the case of all other real property, true tax value is defined as "the market value-in-use of a property for its current use, as reflected by the utility received by the owner or by a similar user, from the property."

P.L. 180-2016 revises the factors used to calculate the assessed value of agricultural land. This legislation is retroactive to the January 1, 2016 assessment date and applies to each assessment date thereafter. The revised factors enacted in the legislation may reduce the total assessed value of agricultural land, which could shift property tax liability from agricultural property owners to other property owners. In addition, the reduction in the assessed value of agricultural land may result in a reduction of the total assessed value of a Town. Lower assessed values of a Town may result in higher tax rates in order for a Town to receive its approved property tax levy.

Real property assessments are annually adjusted to market value based on sales data. The process of adjusting real property assessments to reflect market values has been termed "trending" by the DLGF.

The Manual permits assessing officials in each county to choose any acceptable mass appraisal method to determine true tax value, taking into consideration the ease of administration and the uniformity of the assessments produced by that method. The Guidelines were adopted to provide assessing officials with an acceptable appraisal method, although the Manual makes it clear that assessing officials are free to select from any number of appraisal methods, provided that they produce accurate and uniform values throughout the jurisdiction and across all classes of property. The Manual specifies the standards for accuracy and validation that the DLGF uses to determine the acceptability of any alternative appraisal method.

DETAIL OF NET ASSESSED VALUATION
 Assessed 2017 for Taxes Payable in 2018
 (As Provided by the Madison County Auditor's Office)

	<u>Town of Pendleton</u>	<u>Pendleton - Green</u>	<u>Total</u>
Gross Value of Land	\$53,857,400	\$7,993,700	\$61,851,100
Gross Value of Improvements	<u>224,808,055</u>	<u>15,713,960</u>	<u>240,522,015</u>
Total Gross Value of Real Estate	278,665,455	23,707,660	302,373,115
Less: Mortgage Exemptions, Veterans, Blind Age 65 & Other Exemptions	(89,658,291)	(7,760,976)	(97,419,267)
Tax Exempt Property	(6,586,632)	(104,800)	(6,691,432)
TIF	<u>(24,493,254)</u>	<u> </u>	<u>(24,493,254)</u>
Net Assessed Value of Real Estate	<u>157,927,278</u>	<u>15,841,884</u>	<u>173,769,162</u>
Business Personal Property	18,047,733	41,110	18,088,843
Less: Deductions	<u>(398,619)</u>	<u> </u>	<u>(398,619)</u>
Net Assessed Value of Personal Property	<u>17,649,114</u>	<u>41,110</u>	<u>17,690,224</u>
Net Assessed Value of Utility Property	<u>2,415,010</u>	<u>210,170</u>	<u>2,625,180</u>
Total Net Assessed Value	<u><u>\$177,991,402</u></u>	<u><u>\$16,093,164</u></u>	<u><u>\$194,084,566</u></u>

COMPARATIVE SCHEDULE OF CERTIFIED TAX RATES

Per \$100 of Net Assessed Valuation

	Year Taxes Payable				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Detail of Certified Tax Rate:					
General	\$0.3418	\$0.3480	\$0.3356	\$0.3483	\$0.3624
Debt Payment	0.0323	0.0329	0.0301	0.0296	0.0290
Motor Vehicle Highway	0.0916	0.0961	0.0911	0.0972	0.0991
Fire Building Debt	0.0647	0.0569	0.0567	0.0415	0.0130
Fire Equipment Debt	0.0284	0.0285	0.0265	0.0257	0.0193
Park	0.0782	0.0802	0.0797	0.0836	0.0859
Park Bond	0.0878	0.0940	0.1147	0.0942	0.1046
Cumulative Capital Development	0.0211	0.0211	0.0198	0.0198	0.0198
Lease Rental Payment	0.0261				
Bond #2					0.0596
Totals	<u>\$0.7720</u>	<u>\$0.7577</u>	<u>\$0.7542</u>	<u>\$0.7399</u>	<u>\$0.7927</u>
Total District Certified Tax Rate (1)					
Town of Pendleton	\$3.0115	\$3.1254	\$2.9970	\$3.0795	\$3.1227
Pendleton - Green	\$3.0328	\$3.1476	\$3.0176	\$3.1008	\$3.1452

(1) Includes certified tax rates of overlapping taxing units.

Source: DLGF Certified Budget Orders for the Town.

PROPERTY TAXES LEVIED AND COLLECTED

<u>Collection Year</u>	<u>Certified Taxes Levied</u>	<u>Circuit Breaker Tax Credit</u> (1)	<u>Certified Taxes Levied Net of Circuit Breaker Tax Credit</u>	<u>Taxes Collected</u>	<u>Collected as Percent of Gross Levy</u>	<u>Collected as Percent of Net Levy</u>
2013	\$1,744,811	(\$312,687)	\$1,432,124	\$1,490,794	85.44%	104.10%
2014	1,713,203	(193,750)	1,519,453	1,518,270	88.62%	99.92%
2015	1,707,127	(218,630)	1,488,497	1,519,144	88.99%	102.06%
2016	1,839,923	(218,268)	1,621,655	1,654,759	89.94%	102.04%
2017	1,793,125	(234,143)	1,558,982	1,579,818	88.10%	101.34%
2018	1,952,078	(244,099)	1,707,979	(-----In Process of Collection-----)		

Source: The Madison County Auditor's Office and the DLGF Certified Budget Orders for the Town.

(1) Circuit Breaker Tax Credits allocable to the Town per the DLGF.

Indiana Code 6-1.1-20.6 (the "Statute") provides taxpayers with a tax credit for all property taxes in an amount that exceeds the gross assessed value of real and personal property eligible for the credit ("Circuit Breaker Tax Credit").

Property taxes for residential homesteads are limited to 1.0% of the gross assessed value of the homestead; property taxes for agricultural, other residential property and long term care facilities are limited to 2.0% of their gross assessed value; and property taxes for all other real and personal property are limited to 3.0% of gross assessed value. Additional property tax limits have been made available to certain senior citizens. School corporations are authorized to impose a referendum tax levy to replace property tax revenue that the school corporation will not receive due to the Circuit Breaker Tax Credit. Other political subdivisions may not increase their property tax levy or borrow money to make up for any property tax revenue shortfall due to the application of the Circuit Breaker Tax Credit.

The Statute categorizes property taxes levied to pay Debt Service Obligations as "protected taxes," regardless of whether the property taxes were approved at a referendum, and all other property taxes as "unprotected taxes." The total amount of revenue to be distributed to the fund for which the protected taxes were imposed shall be determined without applying the Circuit Breaker Tax Credit. The application of the Circuit Breaker Tax Credit must reduce only the amount of unprotected taxes distributed to a fund. The political subdivision may allocate the reduction by using a combination of unprotected taxes of the political subdivision in those taxing districts in which the Circuit Breaker Tax Credit caused a reduction in protected taxes. The tax revenue and each fund of any other political subdivisions must not be affected by the reduction.

LARGE TAXPAYERS (1)

The following is a list of the ten largest taxpayers located within the Town.

<u>Name</u>	<u>Type of Business</u>	<u>2017/2018 Net Assessed Valuation</u>	<u>Percent of Total Net Assessed Valuation (3)</u>
Wells Fargo (2)	Financial services	\$8,290,060	4.27%
Pendleton Place Apartments/Ashbury Point LP (2)	Apartments	5,502,460	2.84%
Rawlins House Property LLC (2)	Assisted living facilities	4,948,920	2.55%
Falls Park Plaza II LLC/Spiritual Enterprises LLC (2)	Shopping center	4,429,060	2.28%
Tractor Supply Co. (2)	Distribution center	4,243,340	2.19%
Needlers (formerly Marsh Supermarket) (2)	Grocery	4,029,400	2.08%
Tyler Truss/Dodd Technologies	Event planning and truss manufacturing	3,288,750	1.69%
Pioneer Trace Phase One and Two (2)	Real estate	2,915,700	1.50%
Speedway LLC (2)	Gas station	2,593,860	1.34%
G. Douglass Owens/Herbert R. Fannin/ Max D. Mercer (2)	Residential	<u>2,546,190</u>	<u>1.31%</u>
Totals		<u><u>\$42,787,740</u></u>	<u><u>22.05%</u></u>

- (1) Does not include the following taxpayer due to capture in a tax increment allocation area ("TIF"): Tower Pendleton LLC.
- (2) A portion is located in a TIF area, and the net assessed value shown is net of TIF, i.e. base assessed value is included and increment captured as TIF is excluded.
- (3) The total net assessed valuation of the Town is \$194,084,566 for taxes payable in 2018, according to the Madison County Auditor's office.

Source: County Auditor's office and the DLGF. Individual parcel data is submitted by the County Auditor to the DLGF once a year for preparation of the county abstract.

Note: The following financial statements on pages A-16 - A-17 are excerpts from the Town's January 1, 2013 to December 31, 2016 examination report of the Indiana State Board of Accounts. Consequently, these schedules do not include all disclosures required by generally accepted accounting principles. A complete examination report will be furnished upon request. Current reports are available at <http://www.in.gov/sboa/resources/reports/audit/>.

TOWN OF PENDLETON

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS**

For The Year Ended December 31, 2015

<u>Fund</u>	<u>Beginning Balance 1/1/2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Balance 12/31/2015</u>
General Fund	\$484,659	\$2,264,632	\$2,130,141	\$619,150
Motor Vehicle Highway	120,756	462,904	384,484	199,176
Local Road & Street	134,635	44,052	122,000	56,687
Economic Dev TIF Bond	1,574,351	729,669	768,068	1,535,952
Trash Collection Fee Fund	0	149,652	138,294	11,358
Local Law Enf Cont Ed	19,583	10,101	13,151	16,533
Clerk Record Perpetuation	3,201	6,543	4,741	5,003
Unsafe Building	6,649		250	6,399
Park & Recreation	39,749	765,853	667,564	138,038
User Fee Fund	15,142	4,945	10,117	9,970
Rainy Day Fund	0	24,984		24,984
LOIT Special Distribution	0			0
Cum Cap Imp- Cig Tax	52,099	28,809	35,921	44,987
Cum Cap Development	25,652	73,666	45,008	54,310
Victim Impact Fund	7,375	8,409	8,934	6,850
LOIT- Public Safety	90,620	152,804	180,715	62,709
Petty Cash	875			875
Payroll Withholdings	12,295	1,623,638	1,623,288	12,645
Town Court Fiduciary Fund	93,634	199,011	270,100	22,545
Fire Service Fee Fund	16,114	5,381	3,585	17,910
Park Bond Proceeds 2013	604,808	280,396	624,345	260,859
2005 Pool Construct Note	1,413	1,433	2,741	105
2005 Pool Interest	17	3	20	0
Town Donations & Grant	38,034	51,906	59,481	30,459
Tree Donation	297	440		737
Public Defender Services	540	201		741
S.R. 38 Transfer	208,720	202,661	405,060	6,321
Fire Truck Debt	26,382	54,026	52,666	27,742
Fire Station Lease B&I	63,704	108,021	112,808	58,917
Town Hall Lease	30,166	62,380	60,303	32,243
Park Bond	198,145	415,841	392,167	221,819
Police Lease B&I	34,772	24,932	33,832	25,872
Park Donation	25,263	78,636	38,090	65,809
Storage Business	25,305	30,193	25,505	29,993
Electric Operating Fund	451,377	6,954,715	6,934,092	472,000
Electric Meter Deposit	162,030	32,775	21,535	173,270
Electric Depreciation	1,708,316	747,276	450,781	2,004,811
Electric Bond & Int Fund	201,523	323,508	394,370	130,661
Electric Debt Reserve	464,340	1,574		465,914
Electric Cap Improvement	1,764,413	843,191	487,816	2,119,788
Electric Revenue Fund	0	8,438,628	8,438,628	0
Electric In Lieu Of Taxes	0	106,000	106,000	0
Water Operating Fund	80,000	690,358	690,358	80,000
Water Meter Deposit Fund	50,908	7,740	5,770	52,878
Water Depreciation Fund	171,067	93,943	92,133	172,877
Waterworks Construction Fund	0	8,782,088	4,580,395	4,201,693
Water Bond & Interest	189,270	129,707	191,549	127,428
Water Revenue Fund	0	1,013,369	1,013,369	0
Water In Lieu Of Taxes	0	9,600	9,600	0
Water Capital Improvement	231,954	696,584	746,750	181,788
Water Debt Reserve Fund	90,849	308		91,157
Totals	<u>\$9,521,002</u>	<u>\$36,737,486</u>	<u>\$32,376,525</u>	<u>\$13,881,963</u>

TOWN OF PENDLETON

**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS**

For The Year Ended December 31, 2016

	Beginning Balance <u>1/1/2016</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Balance <u>12/31/2016</u>
General Fund	\$619,150	\$1,792,668	\$1,722,756	\$689,062
Motor Vehicle Highway	199,176	519,341	416,506	302,011
Local Road & Street	56,687	43,736		100,423
Economic Dev TIF Bond	1,535,952	843,697	390,323	1,989,326
Trash Collection Fee Fund	11,358	166,773	168,982	9,149
Local Law Enf Cont Ed	16,533	11,582	4,028	24,087
Clerk Record Perpetuation	5,003	9,379	5,722	8,660
Unsafe Building	6,399			6,399
Park & Recreation	138,038	790,547	791,444	137,141
User Fee Fund	9,970	4,760	3,843	10,887
Rainy Day Fund	24,984	203,446	15,660	212,770
LOIT Special Distribution	0	165,446	165,446	0
Cum Cap Imp- Cig Tax	44,987	10,840	14,539	41,288
Cum Cap Development	54,310	36,508	65,838	24,980
Victim Impact Fund	6,850	6,215	9,365	3,700
LOIT- Public Safety	62,709	148,262	178,653	32,318
Petty Cash	875			875
Payroll Withholdings	12,645	1,791,051	1,786,713	16,983
Town Court Fiduciary Fund	22,545	231,382	224,474	29,453
Fire Service Fee Fund	17,910	500	2,038	16,372
Park Bond Proceeds 2013	260,859	69,828	139,750	190,937
2005 Pool Construct Note	105			105
2005 Pool Interest	0			0
Town Donations & Grant	30,459	58,264	14,199	74,524
Tree Donation	737	1,013	648	1,102
Public Defender Services	741			741
S.R. 38 Transfer	6,321	23		6,344
Fire Truck Debt	27,742	53,446	52,666	28,522
Fire Station Lease B&I	58,917	114,406	112,050	61,273
Town Hall Lease	32,243	60,781	60,385	32,639
Park Bond	221,819	532,574	445,455	308,938
Police Lease B&I	25,872			25,872
Park Donation	65,809	35,932	19,218	82,523
Storage Business	29,993	28,817	12,169	46,641
Electric Operating Fund	472,000	7,086,968	7,119,494	439,474
Electric Meter Deposit	173,270	450	33,945	139,775
Electric Depreciation	2,004,811	717,818	504,479	2,218,150
Electric Bond & Int Fund	130,661	308,756	309,221	130,196
Electric Debt Reserve	465,914	1,693		467,607
Electric Cap Improvement	2,119,788	518,889	348,931	2,289,746
Electric Revenue Fund	0	8,378,962	8,378,962	0
Electric In Lieu Of Taxes	0	150,000	150,000	0
Water Operating Fund	80,000	667,556	667,556	80,000
Water Meter Deposit Fund	52,878	120	9,315	43,683
Water Depreciation Fund	172,877	94,131	65,664	201,344
Waterworks Construction Fund	4,201,693	360,775	859,140	3,703,328
Water Bond & Interest	127,428	64,709	192,137	0
Water Revenue Fund	0	1,035,187	1,035,187	0
Water In Lieu Of Taxes	0	9,600	9,600	0
Water Capital Improvement	181,788	590,198	289,709	482,277
Water Debt Reserve Fund	91,157	167,719	64,709	194,167
Totals	<u>\$13,881,963</u>	<u>\$27,884,748</u>	<u>\$26,860,919</u>	<u>\$14,905,792</u>

The following schedules on pages A-18 - A-20 contain limited and unaudited financial information which is presented solely for the purpose of conveying a statement of cash and investment balances for the Town. Consequently, these schedules do not include all disclosures required by generally accepted accounting principles. Current reports are available at https://gateway.ifionline.org/report_builder/.

TOWN OF PENDLETON

STATEMENT OF RECEIPTS AND DISBURSEMENTS

(Unaudited)

<u>Fund</u>	<u>Beginning Balance 1/1/2017</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Balance 12/31/2017</u>
General Fund	\$689,062	\$1,885,510	\$1,831,803	\$742,770
2005 Pool Construct Note	105			105
Motor Vehicle Highway	302,011	598,009	481,069	418,952
Local Road & Street	100,423	58,357		158,780
Park & Recreation	137,141	758,317	741,900	153,558
Town Donations & Grant	74,524	40,209	38,140	76,593
Victim Impact Fund	3,700	5,085	4,525	4,260
Tree Donation	1,102	100	494	708
Economic Dev Tif Bond	1,989,326	1,550,543	1,337,521	2,202,348
Local Law Enf Cont Ed	24,087	7,753	19,252	12,588
Public Defender Services	741			741
Clerk Record Perpetuation	8,660	8,762	11,347	6,075
Unsafe Building	6,399			6,399
Rainy Day Fund	212,770	34,388	179,551	67,607
Loit-Public Safety	32,318	174,899	205,808	1,410
Fire Service Fee Fund	16,372	14,770	484	30,658
S.R. 38 Transfer	6,344	32		6,376
Trash Collection Fee Fund	9,149	168,969	174,664	3,454
Fire Truck Debt	28,522	52,079	52,666	27,935
Fire Station Lease B&I	61,273	84,021	112,856	32,437
Town Hall Lease	32,639	59,944	59,599	32,984
Park Bond	308,938	437,790	483,832	262,896
Police Lease B&I	25,872			25,872
Cum Cap Imp - Cig Tax	41,288	10,343	42,502	9,129
Cum Cap Development	24,980	66,084		91,064
Go Bond Proceeds	0	1,090,765		1,090,765
Park Bond Proceeds 2013	190,937	956		191,893
Park Donation	82,523	24,858	44,737	62,644
Storage Business	46,641	26,458	40,070	33,029
Payroll Withholdings	16,983	1,944,897	1,943,213	18,667
User Fee Fund	10,887	73,868	73,472	11,283
Town Court Fiduciary Fund	29,453	223,407	228,441	24,418
Petty Cash	875			875
Electric Operating Fund	439,474	6,824,931	7,024,846	239,558
Electric Bond & Int Fund	130,196	597,219	530,556	196,859
Electric Depreciation	2,218,150	971,354	890,144	2,299,361
Electric Meter Deposit	139,775		16,648	123,127
Electric Debt Reserve	467,607	2,350	313,457	156,500
Electric Cap Improvement	2,289,746	415,967	415,238	2,290,474
Electric Revenue Fund	0	7,902,006	7,902,006	0
Electric In Lieu Of Taxes	0	150,000	150,000	0
Electric Energy Efficiency	0	15,869		15,869
Water Operating Fund	80,000	667,427	667,634	79,793
Water Depreciation Fund	201,344	152,590	189,308	164,626
Water Meter Deposit Fund	43,683		4,395	39,288
Water Revenue Fund	0	1,085,491	1,084,145	1,346
Water In Lieu Of Taxes	0	9,600	9,600	0
Water Capital Improvement	482,277	673,856	365,174	790,959
Water Debt Reserve Fund	194,167	976		195,143
Waterworks Construction Fund	<u>3,703,328</u>	<u>3,217,386</u>	<u>6,407,113</u>	<u>513,601</u>
Totals	<u>\$14,905,793</u>	<u>\$32,088,193</u>	<u>\$34,078,209</u>	<u>\$12,915,776</u>

TOWN OF PENDLETON

DETAIL OF GENERAL FUND RECEIPTS AND DISBURSEMENTS

(Unaudited)

Receipts:

Taxes and Intergovernmental:	
General Property Taxes	\$538,849
ABC Excise Tax Distribution	5,907
Casino/Riverboat Distribution	227,132
Cigarette Tax Distribution	2,821
Financial Institution Tax distribution	1,600
Vehicle/Aircraft Excise Tax Distribution	43,275
Commercial Vehicle Excise Tax Distribution (CVET)	4,629
ABC Gallonage Tax Distribution	9,451
Local Income Tax (LIT) Certified Shares	429,280
Federal and State Grants and Distributions - Public Safety	3,918
Licenses and Permits:	
Planning, Zoning, and Building Permits and Fees	60,023
Cable TV Licenses	71,629
Charges for Services:	
Fire Protection Contracts and Service Fees	118,488
Rental of Property	99,865
Police Protection Contracts and Service Fees	26,967
Other Charges for Services, Sales, and Fees/101442.00 - Recycle	14,231
Fines, Forfeitures and Fees:	
Court Costs and Fees	20,680
Other Fines and Forfeitures/101510.000 - Fines and Fees	20,234
Other Receipts:	
Earnings on Investments and Deposits	5,564
Refunds and Reimbursements	3,422
Transfers In - Transferred from Another Fund	159,600
Other Receipts/101499.00 - Miscellaneous Revenue	3,218
Other Receipts/101913.00 - Insurance Reimbursement	14,730
	<hr/>
Total Receipts	\$1,885,510

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TOWN OF PENDLETON

(Cont'd)

DETAIL OF GENERAL FUND RECEIPTS AND DISBURSEMENTS

Disbursements:

Salaries and Wages	\$807,393
Employee Benefits	340,331
Office Supplies	16,338
Operating Supplies	45,403
Repair and Maintenance Supplies	8,848
Professional Services	106,206
Communication and Transportation	27,629
Printing and Advertising	2,599
Insurance	53,085
Utility Services	44,080
Repairs and Maintenance	63,046
Rentals	104,283
Other Services and Charges	132,402
Machinery, Equipment, and Vehicles	<u>80,160</u>
Total Disbursements	<u>1,831,803</u>
Net increase (decrease)	53,708
Beginning balance	<u>689,062</u>
Ending balance	<u><u>\$742,770</u></u>

The Authority and Commission certify to the best of their knowledge and belief that this Official Statement, as of its date and as it relates to the Commission and its economic and financial condition, (i) is complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material facts or information which would make the statements contained herein misleading.

This Official Statement and its execution are duly authorized.

TOWN OF PENDLETON (INDIANA)

By: Robert Jones
Town Council President

Attest: Jmda D. Neugh
Deputy Clerk/Treasurer

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APPENDIX B

UMBAUGH

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8365 Keystone Crossing
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Indianapolis, IN 46240-2687
Phone: 317-465-1500
Fax: 317-465-1550
www.umbaugh.com

November 29, 2018

Town of Pendleton, Indiana
Town of Pendleton Redevelopment Commission
Town Hall
100 West State Street, P.O. Box 230
Pendleton, Indiana 46064

In connection with the issuance of \$1,425,000* principal amount of the Taxable Economic Development Lease Rental Revenue Bonds, Series 2018 (Wellness Center Project), we have prepared this special purpose report including the following schedules for inclusion in the Preliminary Official Statement dated November 29, 2018.

Page(s)

B-2 - B-10	General Comments
B-11	Estimated Project Costs and Funding
B-12	Preliminary Amortization of \$1,425,000* Principal Amount of Taxable Economic Development Lease Rental Revenue Bonds, Series 2018
B-13	Estimated Annual Lease Rental Payments
B-14	Comparison of Estimated Tax Increment and Estimated Lease Rentals
B-15	Estimated Tax Increment for the Proposed Investment in Real Property

In the preparation of these schedules, assumptions were made as noted regarding certain future events. As is the case with such assumptions regarding future events and transactions, some or all may not occur as expected and the resulting differences could be material. We have not examined the underlying assumptions nor have we audited or reviewed the historical data. Consequently, we express no opinion or provide any other form of assurance thereon, nor do we have a responsibility to prepare subsequent reports.

*Preliminary, subject to change.



TOWN OF PENDLETON, INDIANA

GENERAL COMMENTS

The Town of Pendleton, Indiana (the "Town") is issuing \$1,425,000* of its Taxable Economic Development Lease Rental Revenue Bonds, Series 2018 (Wellness Center Project) (the "Series 2018 Bonds") pursuant to Indiana Code 36-7-11.9 and 12, each as amended (collectively, the "Act"). The Town, the Pendleton Redevelopment Commission (the "Redevelopment Commission"), the Town of Pendleton Redevelopment Authority and Madison County Tennis & Wellness, LLC (the "Developer"), entered into a Development Agreement, dated September 19, 2018 (the "Development Agreement"), with respect to an indoor recreation and wellness facility and related costs to be constructed by the Developer in the southeastern portion of the Falls Pointe Business Park (the "Project").

The Town has agreed to issue the Series 2018 Bonds to (i) finance a portion of the costs of the Project, (ii) fund a debt service reserve, (iii) pay capitalized interest, and (iv) pay cost of issuance expenses. The Town is issuing the Series 2018 Bonds pursuant to the Trust Indenture between the Town and The Bank of New York Mellon Trust Company, N.A. in Indianapolis, Indiana (the "Trustee"), dated December 1, 2018 (the "Trust Indenture"), and will lend the proceeds of the Series 2018 Bonds to the Pendleton Municipal Facilities Building Corporation (the "Building Corporation") pursuant to the provisions of the Loan Agreement, dated December 1, 2018, between the Town and the Building Corporation (the "Loan Agreement") for the purpose of paying certain costs of the Project, paying to fund a debt service reserve, paying capitalized interest, and paying costs of issuance of the Series 2018 Bonds.

The Series 2018 Bonds are special limited obligations of the Town, payable solely from and secured exclusively by (i) the Note, Series 2018 (the "2018 Note"), (ii) the Lease Rentals (as defined herein), and (iii) all other moneys assigned by the Trust Indenture (collectively, the "Trust Estate"). The Building Corporation, as borrower, has agreed to make loan payments under the Loan Agreement to the Town in an amount sufficient to pay principal of and interest on the Series 2018 Bonds (the "Loan Payments") as evidenced by the 2018 Note. Such Loan Payments shall be made by the Building Corporation solely from fixed, semiannual lease rental payments (the "Lease Rentals") to be paid by the Redevelopment Commission directly to the Trustee pursuant (a) to a Lease, between the Building Corporation, as lessor, and the Redevelopment Commission, as lessee, dated October 25, 2018 (the "Lease") and (b) the Trust Indenture.

Such Lease Rentals are payable from Tax Increment (herein defined) collected in the Pendleton-Falls Pointe #1 Allocation Area (the "Allocation Area", as further defined herein). **To the extent that Tax Increment is insufficient, an ad valorem property tax (a "Special Benefits Tax") will be levied on all taxable property in the Pendleton (Indiana) Redevelopment District (the "District") pursuant to IC 36-7-14-27 in an amount sufficient to pay the Lease Rental as it becomes due and payable.** The boundaries of the District are coterminous with the Town. Additional security will be provided through the funding of a debt service reserve. The Series 2018 Bonds shall not constitute an indebtedness of the Town or the District within the meaning of the provisions and limitations of the Constitution of the State of Indiana.

The Series 2018 Bonds, and the interest payable thereon, do not and shall not represent or constitute a debt of the Town, the State or any political subdivision or taxing authority thereof within the meaning of the provisions of the constitution or statutes of the State or a pledge of the faith and credit of the Town, the State or any political subdivision or taxing authority thereof.

*Preliminary, subject to change.

(Continued on next page)

GENERAL COMMENTS

The Series 2018 Bonds, as to both principal and interest, are not a general obligation or liability of the Town, the State or of any political subdivision or taxing authority thereof, but are a special, limited obligation of the Town and are payable solely and only from the Trust Estate established under the Trust Indenture, consisting of funds and accounts held under the Trust Indenture (including a debt service reserve fund), and the Lease Rentals payable from tax increment. Neither the faith and credit nor the taxing power of the Town, the State or any political subdivision or taxing authority thereof is pledged to the payment of the principal of or the interest on the Series 2018 Bonds.

The Redevelopment Commission agrees to pay fixed Lease Rentals for the Leased Premises (herein defined) during the term of the Lease, payable in equal semiannual installments. The Lease Rentals to be paid by the Redevelopment Commission are required to be in amounts sufficient to pay principal of and interest on the Series 2018 Bonds. Lease Rentals are payable semiannually on January 15 and July 15 of each year and will commence on July 15, 2021 in advance of the August 1, 2021 payment. Interest will be fully capitalized through and including February, 2021. The leased premises under the Lease shall consist of all or a portion of the Town's interest in Heritage Way, Pioneer Trace and Enterprise Drive, which shall be leased from the Town to the Building Corporation so long as the Lease is in effect (the "Leased Premises").

The Lease Rentals are subject to certain conditions regarding commencement and abatements. See "Risks to Bondholders" herein.

Tax Increment

Tax Increment consists of the tax proceeds attributable to all non-residential real property and (if designated) certain designated depreciable personal property assessed value within an allocation area, as of the assessment date, in excess of the base assessed value as defined in IC 36-7-14-39(a). The base assessed value means the net assessed value of all the property in an allocation area as finally determined for the assessment date immediately preceding the effective date of a declaratory resolution adopted pursuant to IC 36-7-14-39 establishing an allocation area. The Department of Local Government Finance ("DLGF") is required to adjust the base net assessed value after a general reassessment of property and after each annual trending of property values for the purpose of neutralizing the effects on Tax Increment.

The incremental assessed values are determined by subtracting the base net assessed values from the current net assessed values as of the assessment dates. The incremental assessed values are then multiplied by the current property tax rate, exclusive of any rate established by referendum, to determine the tax increment (the "Tax Increment"). After property taxes are paid to the county treasurer on or before each May 10 and November 10, such taxes are paid over to the county auditor who, based on previous year's certification, pays the portion of property tax receipts which represents Tax Increment into an allocation fund on or before June 30 or December 31.

IC 6-1.1-21.2 allows several methods of replacing lost Tax Increment caused by legislative or administrative changes (to the extent it causes Tax Increment to be inadequate to pay debt service and contractual obligations), including a property tax levy imposed on the District (the "TIF Replacement Levy"). It is not currently anticipated that such a shortfall will occur, and, therefore, no TIF Replacement Levy was assumed in the Tax Increment estimates provided in this Report.

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GENERAL COMMENTSTax Increment (Cont'd)

For additional information on Tax Increment as it relates to the Series 2018 Bonds, please refer to the “Procedures for Property Assessment, Tax Levy and Collection” and “Circuit Breaker Tax Credit” in the Preliminary Official Statement dated November 29, 2018.

Circuit Breaker

Article 10, Section 1 of the Constitution of the State of Indiana (the “Constitutional Provision”) provides that, for property taxes first due and payable in 2012 and thereafter, the Indiana General Assembly shall, by law, limit a taxpayer's property tax liability to a specified percentage of the gross assessed value of the taxpayer's real and personal property.

IC 6-1.1-20.6 (the “Statute”) authorizes such limits in the form of a tax credit for all property taxes in an amount that exceeds the gross assessed value of real and personal property eligible for the credit (the “Circuit Breaker Tax Credit”). For property assessed as a homestead (as defined in IC 6-1.1-12-37), the Circuit Breaker Tax Credit is equal to the amount by which the property taxes attributable to the homestead exceed 1% of the gross assessed value of the homestead. Property taxes attributable to the gross assessed value of other residential property, agricultural property, and long-term care facilities are limited to 2% of the gross assessed value, property taxes attributable to other non-residential real property and personal property are limited to 3% of the gross assessed value. The Statute provides additional property tax limits for property taxes paid by certain senior citizens.

If applicable, the Circuit Breaker Tax Credit will result in a reduction of property tax collections for each political subdivision in which the Circuit Breaker Tax Credit is applied. Political subdivisions may not increase their property tax levy or borrow money to make up for any property tax revenue shortfall due to the application of the Circuit Breaker Tax Credit.

The Constitutional Provision excludes from the application of the Circuit Breaker Tax Credit property taxes first due and payable in 2012, and thereafter, that are imposed after being approved by the voters in a referendum. The Statute codifies this exception, providing that, with respect to property taxes first due and payable in 2012 and thereafter, property taxes imposed after being approved by the voters in a referendum will not be considered for purposes of calculating the limits to property tax liability under the provisions of the Statute. In accordance with the Constitutional Provision, the General Assembly has, in the Statute, designated Lake County and St. Joseph County as “eligible counties” and has provided that property taxes imposed in these eligible counties to pay debt service and make lease rental payments for bonds or leases issued or entered into before July 1, 2008 or on bonds issued or leases entered into after June 30, 2008 to refund those bonds or leases, will not be considered for purposes of calculating the limits to property tax liability under the provisions of the Statute, through and including December 31, 2019.

The Statute requires political subdivisions to fully fund the payment of outstanding debt service or lease rental obligations payable from property taxes (“Debt Service Obligations”), regardless of any reduction in property tax collections due to the application of the Circuit Breaker Tax Credit. Upon: (i) the failure of a political subdivision to pay any of its Debt Service Obligations; and (ii) notification of that event to the treasurer of the State by a claimant; the treasurer of State is required to pay the unpaid Debt Service Obligations from money in the possession of the State that would otherwise be available to the political subdivision under any other law.

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GENERAL COMMENTSCircuit Breaker (Cont'd)

A deduction must be made: (i) first, from local income tax distributions that would otherwise be distributed to the county; and (ii) second, from any other undistributed funds of the political subdivision in possession of the State.

The Statute categorizes property taxes levied to pay Debt Service Obligations as “protected taxes,” regardless of whether the property taxes were approved at a referendum, and all other property taxes as “unprotected taxes.” The total amount of revenue to be distributed to the fund for which the protected taxes were imposed shall be determined without applying the Circuit Breaker Tax Credit.

The application of the Circuit Breaker Tax Credit must reduce only the amount of unprotected taxes distributed to a fund. The Town may allocate the reduction by using a combination of unprotected taxes of the Town in those taxing districts in which the Circuit Breaker Tax Credit caused a reduction in protected taxes. The tax revenue and each fund of any other political subdivisions must not be affected by the reduction.

If the allocation of property tax reductions to funds receiving only unprotected taxes is insufficient to offset the amount of the Circuit Breaker Tax Credit, the revenue for a fund receiving protected taxes will also be reduced. If a fund receiving protected taxes is reduced, the Statute provides that a political subdivision may transfer money from any other available source in order to meet its Debt Service Obligations. The amount of this transfer is limited to the amount by which the protected taxes are insufficient to meet Debt Service Obligations.

The Town cannot predict the timing, likelihood or impact on property tax collections of any future actions taken, amendments to the Constitution of the State of Indiana or legislation enacted, regulations or rulings promulgated or issued to implement any such regulations, statutes or the Constitutional Provision described above or of future property tax reform in general. There has been no judicial interpretation of this legislation. In addition, there can be no assurance as to future events or legislation that may affect the Circuit Breaker Tax Credit or the collection of property taxes by the Town.

For example, in March, 2016, the Indiana General Assembly passed legislation which revises the factors used to calculate the assessed value of agricultural land. This legislation is retroactive to the January 1, 2016, assessment date and applies to each assessment date thereafter. The revised factors enacted in the legislation may reduce the total assessed value of agricultural land, which could shift property tax liability from agricultural property owners to other property owners. In addition, the reduction in the assessed value of agricultural land may result in a reduction of the total assessed value of a Town. A lower assessed value of a Town may result in higher tax rates in order for a Town to receive its approved property tax levy.

According to the DLGF, the Circuit Breaker Tax Credit allocable to the Town for budget years 2015, 2016, and 2017 were \$218,630, \$218,268, and \$234,143 respectively. In budget year 2018, the Circuit Breaker Tax Credit was \$244,099. These estimates do not include the estimated debt service on the Series 2018 Bonds and the lease rentals on the Lease securing the Series 2018 Bonds. The Tax Increment is not estimated to be reduced by the Circuit Breaker Tax Credit as shown herein. There can be no assurance that the levies and tax rates of the City and overlapping taxing units will not increase in some future year causing the Circuit Breaker Tax Credit to be applied to property taxpayers' tax bills.

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GENERAL COMMENTSCircuit Breaker (Cont'd)

The Circuit Breaker Tax Credit amounts above do not reflect the potential effect of any further changes in the property tax system or methods of funding local government that may be enacted by the Indiana General Assembly in the future. The effects of these changes could affect the Circuit Breaker Tax Credit and the impact could be material. Other future events, such as the loss of a major taxpayer, reductions in assessed value, increases in property tax rates of overlapping taxing units or the reduction in local option income taxes applied to property tax relief could increase effective property tax rates and the amount of the lost revenue due to the Circuit Breaker Tax Credit, and the resulting increase could be material.

Economic Development Area and Allocation Area

The Redevelopment Commission adopted a declaratory resolution on May 25, 2017 (the "Original Declaratory Resolution") establishing the Town of Pendleton Consolidated Redevelopment Area #1 (the "Original Consolidated Redevelopment Area") as a redevelopment area, and designating a portion of the Original Redevelopment Area as an allocation area (the "Original Consolidated Allocation Area"), and approved the Redevelopment Plan for the Original Redevelopment Area (the "Original Consolidated Plan").

On April 5, 2018, the Redevelopment Commission adopted a declaratory resolution (the "Enlargement Declaratory Resolution") amending the Original Declaratory Resolution to enlarge the Original Consolidated Redevelopment Area (the "Enlarged Consolidated Redevelopment Area") and the Original Consolidated Allocation Area (the "Enlarged Consolidated Allocation Area") and amending the Original Plan (the "Enlarged Consolidated Plan").

On September 27, 2018, the Redevelopment Commission adopted a declaratory resolution (the "Declaratory Resolution") amending the Enlarged Declaratory Resolution to remove certain parcels (the "Removed Property") from the Enlarged Consolidated Redevelopment Area (the "Consolidated Redevelopment Area") and the Enlarged Consolidated Allocation Area (the "Consolidated Allocation Area") and amending the Enlarged Consolidated Plan (the "Consolidated Plan"). The Removed Property consists of the real estate on which the Project will be located.

On, September 27, 2018, the Redevelopment Commission adopted a declaratory resolution (the "Establishing Declaratory Resolution") establishing the Pendleton-Falls Pointe Economic Development Area #1 (the "Area") and an Allocation Area (the "Allocation Area") that is coterminous with the Area and includes the Removed Property, as an economic development area under the Act. The Establishing Declaratory Resolution approved an economic development plan (the "Plan") for the Area, which contained specific recommendations for economic development in the Area. The Establishing Declaratory Resolution allows for the capture of Tax Increment resulting from the growth in all non-residential real property assessed value within the Area in excess of the base assessed value defined in the Act. The Allocation Area will expire no later than 25 years after the date on which the first obligation is incurred to pay principal and interest on bonds or lease rentals on leases payable from tax increment revenues derived from the Allocation Area.

Risks to Bondholders

The Redevelopment Commission expects to make the lease rental payments from the Tax Increment.

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GENERAL COMMENTSRisks to Bondholders (Cont'd)

There are certain risks associated with Tax Increment; however, to the extent that the Tax Increment Revenues are insufficient, the Redevelopment Commission is required to levy the Special Benefits Tax. A firm estimate of the Tax Increment Revenues should be available by the time of the decision to levy the Special Benefits Tax for the next lease rental payment. If the Tax Increment Revenues are insufficient, the Redevelopment Commission may not be able to impose an additional Special Benefits Tax levy until the following budget year which may cause a timing delay as receipt of the Special Benefits Tax may occur after the lease rental payment is due. The Debt Service Reserve Fund established pursuant to the Trust Indenture helps to mitigate this timing risk, but does not eliminate it. Should this shortfall occur, the Redevelopment Commission is permitted to use other legally available funds to make the lease rental payments.

- (1) Risks Associated with Lease Rental Payments: Prospective investors in the Series 2018 Bonds should be aware that there are risk factors associated with the Series 2018 Bonds.

The principal of and interest on the Series 2018 Bonds are payable only from Loan Payments, and in turn, the Lease Rentals received by the Trustee on behalf of the Building Corporation from the Redevelopment Commission pursuant to the Lease. The Town has no source of funds from which to pay debt service on the Series 2018 Bonds except monies collected from Lease Rentals and funds held under the Trust Indenture. The Trustee will have funds from capitalized interest and earnings thereon, to fully pay interest due through and including February 1, 2021.

- a. According to the Lease, the Lease Rentals will commence on July 15, 2021. Series 2018 Bond proceeds will be held by the Trustee in the Capitalized Interest Account to fully pay interest due through and including February 1, 2021.
- b. The Redevelopment Commission is legally permitted to pay Lease Rentals only for portions of the Leased Premises are complete and ready for use and occupancy. If, for any reason, the Leased Premises are damaged or destroyed and unavailable for use, the Redevelopment Commission would no longer be able to pay Lease Rentals. However, the Lease allows for the substitution of the Leased Premises, which should enable the Lease Rentals to continue.
- (2) Risks Associated with the Special Benefits Tax: There are risk factors associated with the Special Benefits Tax.

- a. Tax Collection. In the event of delayed billing, collection or distribution by the County Auditor of ad valorem property taxes, including the Special Benefits Tax levied on the District, sufficient funds may not be available to the Redevelopment Commission in time to pay the Lease Rentals when due. This risk is inherent in all property tax-supported obligations.

The Debt Service Reserve Fund established pursuant to the Trust Indenture helps to mitigate this timing risk, but does not eliminate it completely.

- b. Circuit Breaker Tax Credit. If applicable, the Circuit Breaker Tax Credit results in a reduction of property tax collections for each political subdivision in which the Circuit Breaker Tax Credit is applied. A political subdivision may not increase its property tax levy or borrow money to make up for any property tax revenue shortfall due to the application of the Circuit Breaker Tax Credit.

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GENERAL COMMENTSRisks to Bondholders (Cont'd)

IC 6-1.1-20.6-10 requires political subdivisions to fully fund any levies for the payment of outstanding debt service or lease rental obligations regardless of any reduction in property tax collections due to the application of the Circuit Breaker Tax Credit. IC 6-1.1-20.6-9.8 further provides that property taxes imposed by a political subdivision to pay for debt service obligations of a political subdivision (including lease rental payments on leases) are “protected taxes.” If property tax collections are insufficient to fully fund debt service or lease rental levies due to the Circuit Breaker Tax Credit, political subdivisions must use non-property tax revenues or revenues from property tax levies for other funds (including operating) to offset revenue loss to the debt service fund. *See* “Procedures for Property Assessment, Tax Levy and Collection” and “Circuit Breaker Tax Credit” herein.

This application of property tax revenues may impact the ability of political subdivisions to provide existing levels of service and, in extreme cases, the ability to make debt service or lease rental payments on bonds secured by intercepted funds. There has been no judicial interpretation of this legislation. In addition, there can be no assurance as to future events or legislation that may affect the Circuit Breaker Tax Credit or the collection of property taxes.

- c. *Reassessment and Trending.* All Indiana counties are required to reassess 25% of all parcels of real property annually or in accordance with its reassessment plan. All real property must be reassessed under the plan once every four years. Trending is scheduled to occur on an annual basis. Delays in the reassessment and trending process or appeals of reassessments could adversely affect the collection of property taxes.
- (3) *Risks Associated with Tax Increment:* The Redevelopment Commission expects to make the Lease Rental payments from the Tax Increment. There are certain risks associated with Tax Increment as outlined below:
- a. *General Risks Related to Tax Increment Collection include:* (i) destruction of property in the Allocation Area caused by natural disaster; (ii) delinquent taxes or adjustments of or appeals on assessments by property owners in the Allocation Area; (iii) a decrease in the assessed value of properties in the Allocation Area due to increases in depreciation, obsolescence, legislative changes affecting the assessment, or other factors by the assessor; (iv) acquisition of property in the Allocation Area by a tax-exempt entity; (v) removal or demolition of real property improvements by property owners in the Allocation Area; (vi) delayed billing, collection, or distribution of Tax Increment by the county auditor; (vii) a decrease in property tax rates; (viii) the General Assembly, the courts, the DLGF or other administrative agencies with jurisdiction in the matter could enact new laws or regulations or interpret, amend, alter, change or modify the laws or regulations governing the calculation, collection, definition or distribution of Tax Increment including laws or regulations relating to reassessment, or a revision in the property tax system; or (ix) a change in any of the civil unit’s funding mechanisms (i.e., no longer funding it with property taxes) could adversely affect the Tax Increment. Any such changes could cause the Tax Increment to fall below the levels set forth in the estimates shown in Appendix B.
 - b. *Reduction of Tax Rates or Tax Collection Rates.* The Tax Increment estimates assume that the property tax rates will remain at approximately the same level throughout the term of the Series 2018 Bonds.

(Continued on next page)

GENERAL COMMENTSRisks to Bondholders (Cont'd)

Any substantial increase in State funding, federal aid or other sources of local revenues which would reduce local required fiscal support for certain public programs or any substantial increase in assessments outside the Allocation Area could reduce the rates of taxation by the taxing bodies levying taxes upon property with the Allocation Area and have an adverse effect on the amount of Tax Increment received by the Redevelopment Commission. Economic conditions or administrative action could reduce the collection rate achieved by the Town within its jurisdiction, including the Allocation Area.

- c. *Effects of Property Tax Relief Local Income Tax (LIT).* Eligible uses for LIT taxes include credits against property taxes, and this use provides for a reduction in effective tax rates for property taxpayers resulting in a reduction in the amount of Tax Increment received by the Redevelopment Commission. If there is an adjustment in the property tax relief LIT, then the change could have an impact on the amount of Tax Increment generated in the Allocation Area.
- d. *Circuit Breaker Tax Credit.* The Circuit Breaker Tax Credit provides different levels of tax caps for various classes of property taxpayers. (*See* "Circuit Breaker Tax Credit" herein.) The Tax Increment is not estimated to be reduced by the Circuit Breaker Tax Credit as shown in this Report. There can be no assurance that the levies and tax rates of the Town and overlapping taxing units will not increase in some future year to the point of causing the Circuit Breaker Tax Credit to be applied to property taxpayers' tax bills.
- e. *Reassessment and trending.* Property values change periodically due to reassessment and training. The DLGF is required by law to annually neutralize the effect of a reassessment on property within tax increment allocation areas, including the Allocation Area. Delays in the reassessment and trending process, the inability to neutralize the effect of reassessment, or appeals of reassessments could adversely affect the Tax Increment.
- f. *Future Developments.* Estimates of the Tax Increment assume that certain levels of development will occur at certain times. If this development does not occur, is delayed, is changed in size and scope, or if the actual assessed values are less than estimated, the Tax Increment collected may be less than projected.
- g. *Delayed Tax Distribution.* In the event of delayed billing, collection or distribution by the County Auditor of ad valorem property taxes levied in the District, sufficient funds may not be available to the Town in time to pay the Lease Rentals when due. This risk is inherent in all property tax-supported obligations.

The availability of a Debt Service Reserve Fund should help alleviate the timing risk caused by incorrect estimates of the Tax Increment Revenues at budget time compared to deficiencies in actual Tax Increment Tax collections in the subsequent year. The Debt Service Reserve Fund should serve to ensure the timely payment of principal and interest on the Series 2018 Bonds during such time before the Special Benefits Tax can be levied and collected.

(Continued on next page)

GENERAL COMMENTSEstimated Project Costs and Funding - Page B-11

This schedule presents estimated project costs and funding. The proceeds of the sale of the Series 2018 Bonds will be applied to the Project, capitalized interest, to fund a debt service reserve, and to pay bond issuance expenses.

Preliminary Amortization of \$1,425,000* Principal Amount of Taxable Economic Development Lease Rental Revenue Bonds, Series 2018 - Page B-12

The amortization of the \$1,425,000* of Taxable Economic Development Lease Rental Bonds, Series 2018 is presented in this schedule. The Series 2018 Bonds, which will be dated as of the date of issuance (anticipated to be dated December 19, 2018), mature over a period of approximately 20 years and 3 months, with the final bonds due February 1, 2039. The amortization schedule of the Series 2018 Bonds is based on estimated interest rates. Actual interest rates will be determined through a competitive sale.

Estimated Lease Rental Payments - Page B-13

This schedule shows the estimated annual and semiannual lease rental payments for the Series 2018 Bonds. The Lease provides for maximum Lease Rental payments of \$160,000 annually for the Series 2018 Bonds, payable in equal semiannual installments due on January 15 and July 15 of each year commencing on July 15, 2021. The Lease Rental amounts will be reduced to the annual principal and interest payment due in each twelve month period ending February 1 rounded upward to the next \$1,000 plus \$5,000 for payment of fiscal agency charges, payable in equal semiannual installments. The Lease Rental schedule is based on the amortization schedule on B-13.

Comparison of Estimated Tax Increment and Estimated Lease Rentals - Page B-14

This schedule compares the estimated annual Tax Increment generated from the proposed Development in the Allocation Area with the estimated annual Lease Rental payments due on the Series 2018 Bonds. The estimated Tax Increment is anticipated to provide annual coverage on the Series 2018 Bonds ranging from 222% to 233%.

Estimated Tax Increment for the Proposed Investment in Real Property

This schedule shows the estimated Real Property Tax Increment the Project will generate to fund the Series 2018 Bonds. In 2020, only land will be assessed and will generate \$30,000 of assessed value per acre. In 2021, upon completion of the Projects, the improvements for the 115,000 square foot facility will begin being assessed at \$72 per square foot. The Tax Increment generated will not be impacted by Circuit Breaker due to application of the 8.7296% Property Tax Replacement Credit.

*Preliminary, subject to change.

TOWN OF PENDLETON, INDIANA

Wellness Center Project

ESTIMATED PROJECT COSTS AND FUNDING

Estimated Project Costs:*

Net proceeds available for infrastructure or incentive	\$1,000,000
Capitalized interest through February 1, 2021	129,831
Debt service reserve (1)	119,053
Allowance for underwriter's discount (1.00%)	14,250
Allowance for Bond issuance costs and contingencies	<u>161,866</u>
Total Estimated Project Costs	<u><u>\$1,425,000</u></u>

Estimated Project Funding:*

Proposed Taxable Economic Development Lease Rental Revenue Bonds, Series 2018	<u><u>\$1,425,000</u></u>
--	---------------------------

(1) The debt service reserve is funded at maximum annual debt service.

*Preliminary, subject to change.

(Subject to comments in the attached Report
dated November 29, 2018 of Umbaugh)

TOWN OF PENDELETON, INDIANA

Wellness Center Project

**PRELIMINARY AMORTIZATION OF \$1,425,000 PRINCIPAL AMOUNT OF
TAXABLE ECONOMIC DEVELOPMENT LEASE RENTAL REVENUE BONDS, SERIES 2018**

Assumes Bonds dated December 19, 2018

Payment Date	Principal Outstanding	Principal	Estimated Interest Rate	Estimated Interest	Estimated Total Debt Service	Estimated Capitalized Interest	Estimated Net Debt Service	Estimated Fiscal Year Debt Service	Annual Lease Rental Payments
			(1)						
08/01/19	\$1,425,000			\$37,825	\$37,825	(\$37,825)	\$0		
02/01/20	1,425,000			30,669	30,669	(30,669)	0	0	\$0
08/01/20	1,425,000			30,669	30,669	(30,669)	0		
02/01/21	1,425,000			30,669	30,669	(30,669)	0	0	0
08/01/21	1,425,000	\$25,000	3.20%	30,669	55,669		55,669		
02/01/22	1,400,000	30,000	3.30%	30,269	60,269		60,269	115,938	121,000
08/01/22	1,370,000	30,000	3.30%	29,774	59,774		59,774		
02/01/23	1,340,000	30,000	3.50%	29,279	59,279		59,279	119,053	125,000
08/01/23	1,310,000	30,000	3.50%	28,754	58,754		58,754		
02/01/24	1,280,000	30,000	3.65%	28,229	58,229		58,229	116,983	122,000
08/01/24	1,250,000	30,000	3.65%	27,681	57,681		57,681		
02/01/25	1,220,000	30,000	3.80%	27,134	57,134		57,134	114,815	120,000
08/01/25	1,190,000	30,000	3.80%	26,564	56,564		56,564		
02/01/26	1,160,000	35,000	3.90%	25,994	60,994		60,994	117,558	123,000
08/01/26	1,125,000	30,000	3.90%	25,311	55,311		55,311		
02/01/27	1,095,000	35,000	4.00%	24,726	59,726		59,726	115,038	121,000
08/01/27	1,060,000	35,000	4.00%	24,026	59,026		59,026		
02/01/28	1,025,000	35,000	4.10%	23,326	58,326		58,326	117,353	123,000
08/01/28	990,000	35,000	4.10%	22,609	57,609		57,609		
02/01/29	955,000	35,000	4.20%	21,891	56,891		56,891	114,500	120,000
08/01/29	920,000	35,000	4.20%	21,156	56,156		56,156		
02/01/30	885,000	40,000	4.30%	20,421	60,421		60,421	116,578	122,000
08/01/30	845,000	40,000	4.30%	19,561	59,561		59,561		
02/01/31	805,000	40,000	4.40%	18,701	58,701		58,701	118,263	124,000
08/01/31	765,000	40,000	4.40%	17,821	57,821		57,821		
02/01/32	725,000	40,000	4.50%	16,941	56,941		56,941	114,763	120,000
08/01/32	685,000	40,000	4.50%	16,041	56,041		56,041		
02/01/33	645,000	45,000	4.55%	15,141	60,141		60,141	116,183	122,000
08/01/33	600,000	45,000	4.55%	14,118	59,118		59,118		
02/01/34	555,000	45,000	4.60%	13,094	58,094		58,094	117,211	123,000
08/01/34	510,000	45,000	4.60%	12,059	57,059		57,059		
02/01/35	465,000	50,000	4.65%	11,024	61,024		61,024	118,083	124,000
08/01/35	415,000	50,000	4.65%	9,861	59,861		59,861		
02/01/36	365,000	50,000	4.70%	8,699	58,699		58,699	118,560	124,000
08/01/36	315,000	50,000	4.70%	7,524	57,524		57,524		
02/01/37	265,000	50,000	4.75%	6,349	56,349		56,349	113,873	119,000
08/01/37	215,000	50,000	4.75%	5,161	55,161		55,161		
02/01/38	165,000	55,000	4.80%	3,974	58,974		58,974	114,135	120,000
08/01/38	110,000	55,000	4.80%	2,654	57,654		57,654		
02/01/39	55,000	55,000	4.85%	1,334	56,334		56,334	113,988	119,000
Totals		<u>\$1,425,000</u>		<u>\$797,700</u>	<u>\$2,222,700</u>	<u>(\$129,831)</u>	<u>\$2,092,869</u>	<u>\$2,092,869</u>	<u>\$2,192,000</u>

(1) We have prepared the interest rate assumptions using our evaluation of the underlying credit pledge to this financing and current market conditions. These factors are subject to change. Changes may result in the actual interest rates varying from the interest rates assumed for this analysis and that variance may be material.

(Subject to comments in the attached Report dated November 29, 2018 of Umbaugh)

TOWN OF PENDLETON, INDIANA

Wellness Center Project

ESTIMATED LEASE RENTAL PAYMENTS

Lease Payment Date	Estimated Lease Rental	
	Annual	Semiannual
07/15/21		\$60,500
01/15/22	\$121,000	60,500
07/15/22		62,500
01/15/23	125,000	62,500
07/15/23		61,000
01/15/24	122,000	61,000
07/15/24		60,000
01/15/25	120,000	60,000
07/15/25		61,500
01/15/26	123,000	61,500
07/15/26		60,500
01/15/27	121,000	60,500
07/15/27		61,500
01/15/28	123,000	61,500
07/15/28		60,000
01/15/29	120,000	60,000
07/15/29		61,000
01/15/30	122,000	61,000
07/15/30		62,000
01/15/31	124,000	62,000
07/15/31		60,000
01/15/32	120,000	60,000
07/15/32		61,000
01/15/33	122,000	61,000
07/15/33		61,500
01/15/34	123,000	61,500
07/15/34		62,000
01/15/35	124,000	62,000
07/15/35		62,000
01/15/36	124,000	62,000
07/15/36		59,500
01/15/37	119,000	59,500
07/15/37		60,000
01/15/38	120,000	60,000
07/15/38		59,500
01/15/39	119,000	59,500
Totals	<u><u>\$2,192,000</u></u>	<u><u>\$2,192,000</u></u>

(Subject to comments in the attached Report
dated November 29, 2018 of Umbaugh)

TOWN OF PENDLETON, INDIANA

Wellness Center Project

COMPARISON OF ESTIMATED TAX INCREMENT AND ESTIMATED LEASE RENTALS

Taxes Payable Year	Estimated Tax Increment	Less: Allowance for Annual Administrative Costs (1)	Net Tax Increment	Estimated Lease Rentals (2)	Estimated Tax Increment Remaining	Estimated Tax Increment Coverage
2020	\$23,420	(\$5,000)	\$18,420	\$0	\$18,420	N/A
2021	281,980	(5,000)	276,980	(121,000)	155,980	229%
2022	281,980	(5,000)	276,980	(125,000)	151,980	222%
2023	281,980	(5,000)	276,980	(122,000)	154,980	227%
2024	281,980	(5,000)	276,980	(120,000)	156,980	231%
2025	281,980	(5,000)	276,980	(123,000)	153,980	225%
2026	281,980	(5,000)	276,980	(121,000)	155,980	229%
2027	281,980	(5,000)	276,980	(123,000)	153,980	225%
2028	281,980	(5,000)	276,980	(120,000)	156,980	231%
2029	281,980	(5,000)	276,980	(122,000)	154,980	227%
2030	281,980	(5,000)	276,980	(124,000)	152,980	223%
2031	281,980	(5,000)	276,980	(120,000)	156,980	231%
2032	281,980	(5,000)	276,980	(122,000)	154,980	227%
2033	281,980	(5,000)	276,980	(123,000)	153,980	225%
2034	281,980	(5,000)	276,980	(124,000)	152,980	223%
2035	281,980	(5,000)	276,980	(124,000)	152,980	223%
2036	281,980	(5,000)	276,980	(119,000)	157,980	233%
2037	281,980	(5,000)	276,980	(120,000)	156,980	231%
2038	281,980	(5,000)	276,980	(119,000)	157,980	233%
Totals	\$5,099,060	(\$95,000)	\$5,004,060	(\$2,192,000)	\$2,812,060	

(1) Assumes the Redevelopment Commission allocates \$5,000 annually to pay expenses associated with the administration of the Allocation Area.

(2) See page B-12.

(Subject to comments in the attached Report
dated November 29, 2018 of Umbaugh)

TOWN OF PENDLETON, INDIANA

Wellness Center Project

ESTIMATED TAX INCREMENT FOR THE PROPOSED INVESTMENT IN REAL PROPERTY

Taxes Payable Year	Estimated Net Assessed Value	Tax Rate	Estimated Tax Increment		
			Gross Taxes	Circuit Breaker Tax Credit	Net Taxes
	(1)	(2)		(3)	
2020	\$750,000	\$3.1227	\$23,420	\$0	\$23,420
2021	9,030,000	3.1227	281,980	0	281,980
2022	9,030,000	3.1227	281,980	0	281,980
2023	9,030,000	3.1227	281,980	0	281,980
2024	9,030,000	3.1227	281,980	0	281,980
2025	9,030,000	3.1227	281,980	0	281,980
2026	9,030,000	3.1227	281,980	0	281,980
2027	9,030,000	3.1227	281,980	0	281,980
2028	9,030,000	3.1227	281,980	0	281,980
2029	9,030,000	3.1227	281,980	0	281,980
2030	9,030,000	3.1227	281,980	0	281,980
2031	9,030,000	3.1227	281,980	0	281,980
2032	9,030,000	3.1227	281,980	0	281,980
2033	9,030,000	3.1227	281,980	0	281,980
2034	9,030,000	3.1227	281,980	0	281,980
2035	9,030,000	3.1227	281,980	0	281,980
2036	9,030,000	3.1227	281,980	0	281,980
2037	9,030,000	3.1227	281,980	0	281,980
2038	9,030,000	3.1227	281,980	0	281,980
Totals			<u>\$5,099,060</u>	<u>\$0</u>	<u>\$5,099,060</u>

- (1) Assumes 25 acres of land is assessed at \$30,000 per acre and improvements are assessed at \$72 per sq. ft. for a 115,000 sq. ft. facility. The actual assessed value will be determined by the Madison County Assessor upon completion, and the actual value may vary materially from the value assumed in this illustration.
- (2) Represents the certified pay 2018 tax rate for the Town of Pendleton.
- (3) Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 3% of gross assessed value for an industrial parcel, is not applied due to the PTRC of 8.7296% which reduces the net tax rate below 3%.

Note: Changes to the assumptions outlined above may have a material effect on the tax increment revenue illustrations contained in this analysis.

(Subject to comments in the attached Report dated November 29, 2018 of Umbaugh)

APPENDIX C

TRUST INDENTURE

BETWEEN

TOWN OF PENDLETON, INDIANA

AND

_____,
As Trustee

\$ _____

**TOWN OF PENDLETON, INDIANA
TAXABLE ECONOMIC DEVELOPMENT LEASE RENTAL REVENUE BONDS,
SERIES 2018 (WELLNESS CENTER PROJECT)**

Dated as of _____ 1, 2018

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TRUST INDENTURE

THIS TRUST INDENTURE dated as of the first day of _____ 1, 2018 (this “Indenture”), by and between the TOWN OF PENDLETON, INDIANA (“Issuer”), a municipal corporation duly organized and existing under the laws of the State of Indiana (the “State”) and _____, a national banking association, duly organized, existing and authorized to accept and execute trusts of the character herein set out, as Trustee (“Trustee”);

WITNESSETH:

WHEREAS, the Indiana Code, Title 36, Article 7, Chapters 11.9 and 12, as supplemented and amended (collectively, the “Act”), authorizes and empowers the Issuer to issue revenue bonds and to lend the proceeds therefrom to an individual or an entity for the purpose of financing the costs of construction of economic development facilities, for diversification of economic development and promotion of job opportunities in or near such Issuer and vests the Issuer with powers that may be necessary to enable it to accomplish such purposes; and

WHEREAS, to foster economic development in the Issuer, the Issuer, the Town of Pendleton Redevelopment Commission (the “Redevelopment Commission”), the Pendleton Redevelopment Authority and Madison County Tennis & Wellness, LLC (the “Developer”) entered into a Development Agreement (the “Development Agreement”) with respect to the construction and equipping of an indoor recreation and wellness facility, and related costs, as more particularly described in the Development Agreement (the “Project”); and

WHEREAS, pursuant to the Development Agreement, the Issuer has agreed to issue bonds to finance the costs of the portion of the Project; and

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

WHEREAS, to assist in the completion of the Project, the Issuer desires to issue its Taxable Economic Development Lease Rental Revenue Bonds, Series 2018 (Wellness Center Project) in the aggregate principal amount of \$_____ (the “Series 2018 Bonds”) pursuant to this Indenture, and to lend the proceeds of the Series 2018 Bonds pursuant to the provisions of the Loan Agreement, dated as of _____ 1, 2018 (the “Loan Agreement”), between the Issuer and the Pendleton Municipal Facilities Building Corporation (the “Borrower”) for the purpose of paying a portion of the costs of the Project, including capitalized interest and a premium for a debt reserve surety policy; and

WHEREAS, the Issuer, upon finding that the Project and the proposed financing of a portion of the Project will create additional employment opportunities in the Issuer; will benefit the health, safety, morals, and general welfare of the citizens of the Issuer and the State of Indiana; and will comply with the purposes and provisions of the Act, adopted an ordinance approving the proposed financing, the Indenture and the Series 2018 Bonds; and

WHEREAS, the execution and delivery of this Indenture and the issuance of the Series 2018 Bonds hereunder have been in all respects duly and validly authorized by an ordinance duly passed and approved by the Issuer; and

WHEREAS, the Loan Agreement provides for the repayment by the Borrower of the loan of the proceeds of the Series 2018 Bonds and further provides for the Borrower's repayment obligation to be evidenced by the Borrower's Note, Series 2018 ("Series 2018 Note") in substantially the form attached thereto as Exhibit A; and

WHEREAS, pursuant to this Indenture, the Issuer will endorse the Series 2018 Note without recourse and assign certain of its rights under the Loan Agreement as security for the Series 2018 Bonds which are payable solely and only out of the payments to be made by the Borrower with respect to the Series 2018 Note, and any other Notes issued under the Loan Agreement (collectively, the "Notes") except to the extent paid out of Bond proceeds; and

WHEREAS, to provide for the financing and construction of a portion of Project, the Borrower has entered into a Lease Agreement, dated as of _____, 2018, between the Borrower, as lessor, and the Redevelopment Commission, as lessee (the "Lease"); and

WHEREAS, pursuant to Indiana Code 36-7-14-27, Indiana Code 36-7-14-25.2 and Indiana Code 36-7-14-25.3, the lease rentals under the Lease are payable from (i) real property tax increment ("TIF Revenues") generated in the Pendleton-Falls Pointe Economic Development Area #1 established by the Redevelopment Commission and (ii) to the extent TIF Revenues are ever insufficient, a special tax levied and collected by the Redevelopment Commission on all taxable property within the Town of Pendleton Redevelopment District (the "Special Benefits Tax"); and

WHEREAS, the Notes issued under the Loan Agreement will be payable from the lease rentals received by the Borrower from the Redevelopment Commission under the Lease (the "Lease Rental Payments"); and

WHEREAS, the Series 2018 Bonds and the Trustee's certificate of authentication to be endorsed thereon are all to be in substantially the following forms, and any Additional Bonds and Trustee's certificate of authentication are also to be in substantially the following forms (except as to redemption, sinking fund and other provisions peculiar to such Additional Bonds), with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture, to-wit:

(Form of Series 2018 Bond)

R-__

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF MADISON

TOWN OF PENDLETON, INDIANA
TAXABLE ECONOMIC DEVELOPMENT LEASE RENTAL REVENUE BOND,
SERIES 2018 (WELLNESS CENTER PROJECT)

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Date</u>	<u>Authentication Date</u>	<u>CUSIP</u>
_____ %	_____	_____, 2018	_____, 2018	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS (\$_____)

The Town of Pendleton, Indiana (the “Issuer”), a municipal corporation duly organized and existing under the laws of the State of Indiana, for value received, hereby promises to pay in lawful money of the United States of America to the Registered Owner listed above, but solely from the payments on the Series 2018 Note and Lease Rental Payments hereinafter referred to pledged and assigned for the payment hereof, the Principal Amount set forth above on the Maturity Date set forth above (unless this bond is subject to and is called for redemption prior to maturity as provided for herein), and to pay interest hereon at the Interest Rate stated above from the interest payment date to which interest has been paid next preceding the date of authentication of this bond unless this bond is authenticated after the fifteenth day of the immediately prior month in which interest is payable in which case it shall bear interest from such interest payment date, or unless this bond is authenticated on or before January 15, 2019, in which case it shall bear interest from the Original Date, until the principal shall be fully paid, which interest is payable on February 1 and August 1 of each year, beginning on February 1, 2019. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Interest on this bond is payable by check or draft mailed one business day prior to the interest payment date, or by wire transfer of immediately available funds on the interest payment date to a registered owner of One Million Dollars (\$1,000,000) or more in aggregate principal amount who requests the same in writing to the Trustee at least five (5) business days prior to the applicable interest payment date, to the person in whose name this bond is registered on the fifteenth day of the month immediately preceding such interest payment date. Principal of and premium, if any, on this bond is payable in lawful money of the United States of America at the corporate trust operations office of _____ in Indianapolis, Indiana (the “Registrar” and the “Paying Agent”).

This bond is one of an authorized issue of bonds of the Issuer, all of like date, tenor and effect (except as to numbering, interest rates, and dates of maturity), in the aggregate principal amount of _____ Dollars (\$_____) (the “2018 Bonds”), issued under and in accordance with, and all equally and ratably entitled to the benefits of, and ratably secured by, a Trust Indenture (the “Trust Indenture”), dated as of _____ 1, 2018, between the Issuer and _____, as trustee (the “Trustee”), to which reference is hereby made for a description of the property securing the 2018 Bonds and any additional parity Bonds issued thereunder (the “Additional Bonds”) (the 2018 Bonds and any Additional Bonds, collectively, the “Bonds”), the rights under the Trust Indenture of the Issuer, the registered owners of the Bonds and the Trustee, to all of which the registered owners hereof, by the acceptance of this bond, agree.

The 2018 Bonds are being issued for the purpose of providing funds to finance a portion of the cost of the construction and equipping of an indoor recreation and wellness facility to be constructed by Madison County Tennis & Wellness, LLC in the Town (the “Project”), by lending such funds to the Pendleton Municipal Facilities Building Corporation (the “Borrower”) pursuant to the Loan Agreement dated as of _____ 1, 2018 (the “Loan Agreement”) between the Borrower and the Issuer. The Loan Agreement prescribes the terms and conditions under which the Borrower shall repay such loan and pursuant to which the Borrower will execute and deliver to the Issuer its Note, Series 2018 (the “Series 2018 Note”) in a principal amount equal to the principal amount of such 2018 Bonds in order to evidence such loan.

The Bonds are special and limited obligations of the Issuer payable solely from and secured exclusively by the Series 2018 Note, the Lease Rental Payments (as defined in the Trust Indenture), and other moneys assigned by the Trust Indenture. The Trust Indenture permits the issuance of Additional Bonds under the conditions set out in Section 2.8 thereof and allows the Issuer to terminate the security of the Trust Indenture for Bonds by establishing a trust fund under the conditions set out in Section 11.2 thereof. Reference is made to the Trust Indenture and to all indentures supplemental thereto and to the Loan Agreement for a description of the nature and extent of the security, the rights, duties and obligations of the Issuer and the Trustee, the rights of the holders of the Bonds, the terms on which the Bonds are being issued and secured, and to all the provisions of which the holder hereof by the acceptance of this 2018 Bond assents.

The Bonds are issuable in registered form without coupons in the denominations of \$5,000 and integral multiples thereof. This Bond is transferable by the registered owner hereof at the corporate trust office of the Registrar, upon surrender and cancellation of this bond and on presentation of a duly executed written instrument of transfer and thereupon a new Bond or Bonds of the same aggregate principal amount and maturity and in authorized denominations will be issued to the transferee or transferees in exchange therefor. This Bond may be exchanged upon surrender hereof at the corporate trust office of the Registrar, or at such office or offices as the Registrar may designate in writing to the registered owner, duly endorsed by the registered owner for the same aggregate principal amount of Bonds of the same maturity in authorized denominations as the registered owner may request.

The Issuer, the Trustee and the Paying Agent may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and premium, if any, hereon and interest due hereon and for all other purposes

and neither the Issuer nor the Trustee nor the Paying Agent shall be affected by any notice to the contrary.

The 2018 Bonds maturing on or after _____ 1, 20___, may be redeemed prior to maturity at the option of the Issuer, in whole or in part, in any order of maturity or maturities selected by the Issuer and by lot within any maturity, on any date not earlier than _____ 1, 20___, from any moneys made available for that purpose, at face value plus interest accrued to the date fixed for redemption and without any premium.

[The 2018 Bonds maturing on _____ 1, 20___, are subject to mandatory sinking fund redemption prior to maturity on the dates shown below, plus accrued interest and without premium:

<u>Date</u>	<u>Amount</u>
_____ 1, 20___	\$ _____
_____ 1, 20___*	_____

* Final Maturity

The Trustee shall credit against the mandatory sinking fund requirement for any of the 2018 Bonds maturing on _____ 1, 20___ (the “Term Bonds”), and corresponding mandatory sinking fund redemption obligation, in the order determined by the Issuer, any such Term Bonds which have previously been redeemed (otherwise than as a result of a previous mandatory sinking fund redemption requirement) or delivered to the Trustee, the Registrar or the Paying Agent for cancellation or purchased for cancellation by the Trustee and not theretofore applied as a credit against any redemption obligation. Each Term Bond so delivered or canceled shall be credited by the Trustee at 100% of the principal amount thereof against the mandatory sinking fund obligation on such mandatory sinking fund redemption date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of Term Bonds to be redeemed by operation of the mandatory sinking fund requirement shall be accordingly reduced; provided, however, the Trustee, the Registrar or the Paying Agent shall only credit such Term Bonds to the extent received on or before forty-five (45) days preceding the applicable mandatory sinking fund redemption date stated above.]

The 2018 Bonds are subject to extraordinary redemption prior to maturity, without premium, from proceeds of insurance or a condemnation award received in certain circumstances relating to damage, destruction or condemnation of certain property owned by the Borrower and leased in exchange for the Lease Rental Payments.

If any of the 2018 Bonds are called for redemption as aforesaid, unless waived by the Registered Owners, notice thereof identifying the 2018 Bonds to be redeemed will be given by mailing a copy of the redemption notice by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the 2018 Bonds to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein with respect to any registered 2018 Bond, shall not affect the validity of any proceedings for the redemption of other 2018 Bonds.

All 2018 Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time, and shall no longer be protected by the Trust Indenture and shall not be deemed to be outstanding under the provisions of the Trust Indenture.

The 2018 Bonds, and the interest payable thereon, do not and shall not represent or constitute a debt of the Issuer within the meaning of the provisions of the constitution or statutes of the State of Indiana or a pledge of the faith and credit of the Issuer. The 2018 Bonds, as to both principal and interest, are not an obligation or liability of the State of Indiana, or of any political subdivision or taxing authority thereof, but are a special limited obligation of the Issuer and payable solely and only from the trust estate consisting of the funds and accounts held under the Trust Indenture, the Lease Rental Payments and the payments to be made on the Series 2018 Note issued under the Loan Agreement pledged and assigned for their payment in accordance with the Trust Indenture (the “Trust Estate”). Neither the faith and credit nor the taxing power of the Issuer, the State of Indiana or any political subdivision or taxing authority thereof is pledged to the payment of the principal of, premium, if any, or the interest on this 2018 Bond. The 2018 Bonds do not grant the owners or holders thereof any right to have the Issuer, the State of Indiana or its General Assembly, or any political subdivision or taxing authority of the State of Indiana, levy any taxes or appropriate any funds for the payment of the principal of, premium, if any, or interest on the 2018 Bonds. No covenant or agreement contained in the 2018 Bonds or the Trust Indenture shall be deemed to be a covenant or agreement of any member, director, officer, agent, attorney or employee of the Town of Pendleton Economic Development Commission (the “Commission”), the Town of Pendleton Redevelopment Commission (the “Redevelopment Commission”), the Borrower, or the Issuer in his or her individual capacity, and no member, director, officer, agent, attorney or employee of the Commission, the Redevelopment Commission, the Borrower, or the Issuer executing the 2018 Bonds shall be liable personally on the 2018 Bonds or be subject to any personal liability or accountability by reason of the issuance of the 2018 Bonds.

The holder of this 2018 Bond shall have no right to enforce the provisions of the Trust Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Trust Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Trust Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Trust Indenture, the principal of all the Bonds issued under the Trust Indenture and then outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of the Trust Indenture, or of any supplements thereto, may be made to the extent and in the circumstances permitted by the Trust Indenture. The Series 2018 Note and the obligation to pay Lease Rental Payments shall not be subject to acceleration.

A Continuing Disclosure Undertaking Agreement from the Issuer to each registered owner or holder of any 2018 Bond, dated as of the date of initial issuance of the 2018 Bonds (the “Agreement”), has been executed by the Issuer, a copy of which is available from the Issuer and the terms of which are incorporated herein by this reference. The Agreement contains certain promises of the Issuer to each registered owner or holder of any 2018 Bond, including a promise

to provide certain continuing disclosure. By its payment for and acceptance of this bond, the registered owner or holder of this 2018 Bond assents to the Agreement and to the exchange of such payment and acceptance for such promises.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the laws of the State of Indiana and under the Trust Indenture precedent to and in the issuance of this 2018 Bond, exist, have happened and have been performed, and that the issuance, authentication and delivery of this 2018 Bond have been duly authorized by the Issuer.

This 2018 Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Trust Indenture until the certificate of authentication hereon shall have been duly executed by the Trustee.

IN WITNESS WHEREOF, the Town of Pendleton, Indiana, in Madison County, has caused this 2018 Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Town Council President of the Town, and its corporate seal to be hereunto affixed manually or by facsimile and attested to by the manual or facsimile signature of its Clerk-Treasurer all as of _____, 20__.

TOWN OF PENDLETON, INDIANA

By: _____
Town Council President

(SEAL)

Attest:

Clerk-Treasurer

(FORM OF TRUSTEE’S CERTIFICATE OF AUTHENTICATION)

This 2018 Bond is one of the 2018 Bonds described in the within mentioned Trust Indenture.

_____, as Trustee

By: _____
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ (Please Print or Typewrite Name and Address) the within 2018 Bond and all rights, title and interest thereon, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within 2018 Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

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

NOTICE: The signature of this assignment must correspond with the name of the registered owner as it appears upon the face of the within 2018 Bond in every particular, without alteration or enlargement or any change whatever.

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

TEN. COM. as tenants in common

TEN. ENT. as tenants by the entireties

JT. TEN. as joint tenants with right of survivorship and not as tenants in common

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

Under Uniform Transfers to Minors Act of _____
(State)

Additional abbreviations may also be used though not in the above list.

(End of Bond Form)

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That in order to secure the payment of the principal of and interest and premium, if any, on the Bonds to be issued under this Indenture according to their tenor, purport and effect, and in order to secure the performance and observance of all the covenants and conditions herein and in the Bonds contained, and in order to declare the terms and conditions upon which the Bonds are issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become holders thereof, and for and in consideration of the mutual covenants herein contained, of the acceptance by the Trustee of the trust hereby created, and of the purchase and acceptance of the Bonds by the holders or obligees thereof, the Issuer has executed and delivered this Indenture, and by these presents does hereby convey, grant, assign, pledge and grant a security interest in, unto the Trustee, its successor or successors and its or their assigns forever, with power of sale, all and singular, the property hereinafter described (“Trust Estate”):

GRANTING CLAUSE

DIVISION I

The Series 2018 Note, which has been endorsed by the Issuer to the order of the Trustee and pledged by the Issuer to the Trustee, and all sums payable in respect of the indebtedness evidenced thereby;

DIVISION II

All right, title, and interest of the Issuer in and to the Loan Agreement (except the rights reserved to the Issuer), including the all right, title, and interest of the Issuer in the Lease Rental Payments; and

DIVISION III

All moneys and the Qualified Investments held by the Trustee from time to time in the Funds and Accounts created hereunder;

TO HAVE AND TO HOLD the same unto the Trustee, and its successor or successors and its or their assigns forever;

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth, to secure the payment of the Bonds to be issued hereunder, and premium, if any, payable upon redemption or prepayment thereof, and the interest payable thereon, and to secure also the observance and performance of all the terms, provisions, covenants and conditions of this Indenture, and for the benefit and security of all and singular the holders of all Bonds issued hereunder, and it is hereby mutually covenanted and agreed that the terms and conditions upon which the Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become the holders thereof, and the trusts and conditions upon which the pledged moneys and revenues are to be held and disbursed, are as follows:

ARTICLE I.

DEFINITIONS

Section 1.1. Terms Defined. In addition to the words and terms elsewhere defined in this Indenture, the following words and terms as used in this Indenture shall have the following meanings unless the context or use indicates another or different meaning or intent:

“Additional Bonds” shall have the meaning assigned in Section 2.8 of this Indenture.

“Annual Fees” means the annual fees charged by the Trustee for services provided as the trustee and paying agent under this Indenture.

“Authorized Issuer Representative” means any of the Town Council President or Clerk-Treasurer of the Issuer or the President of the Redevelopment Commission.

“Authorized Borrower Representative” means the President or Executive Director of the Redevelopment Commission, or such other individuals designated by a resolution of the Borrower.

“Book-Entry System” means the book-entry system in Section 2.11 of this Indenture.

“Bond Fund” means the fund established by the Issuer as set forth in Section 4.2 of this Indenture.

“Bond Issuance Expense Account” means the account established by the Issuer within the Construction Fund as set forth in Section 4.3 of this Indenture.

“Bonds” means any Bonds issued pursuant to this Indenture, including the Series 2018 Bonds.

“Borrower” means Pendleton Municipal Facilities Building Corporation, an Indiana nonprofit corporation, and its permitted successors and assigns under the Loan Agreement.

“Commission” means the Town of Pendleton Economic Development Commission.

“Construction Account” means the account established by the Issuer within the Construction Fund as set forth in Section 4.3 of this Indenture.

“Construction Fund” means the fund established by the Issuer as set forth in Section 4.3 of this Indenture.

“Credit Facility” means any letter of credit, revolving credit agreement, surety bond, reserve fund surety policy, insurance policy or other similar credit or liquidity agreement or instrument.

“Credit Provider” means the issuer of any Credit Facility and its successor in such capacity and their assigns. To qualify under this Indenture, the Credit Provider providing such Credit Facility shall be either:

(i) an insurer whose long-term debt obligations are rated (at the time of issuance of such Credit Facility) in one of the two highest Rating Categories by the Rating Agency or Rating Agencies then rating the Bonds; or

(ii) a bank or trust company which has an outstanding, unsecured, uninsured and unguaranteed debt issue rated (at the time of issuance of such Credit Facility) in one of the two highest Rating Categories by the Rating Agency or Rating Agencies then rating the Bonds.

“Developer” means Madison County Tennis & Wellness, LLC, and its successors and assigns under the Development Agreement and the Lease.

“Development Agreement” means the Development Agreement, dated as of _____, 2018, as amended, among the Issuer, the Redevelopment Commission, the Pendleton Redevelopment Authority and Developer, related to the Project, and all amendments and supplements thereto.

“Event of Default” means those events of default specified in and defined by Section 7.1 hereof.

“Financed Project Costs” means the following categorical costs of providing for an “economic development project” as defined and set forth in the Act:

(1) the “Bond Issuance Costs”, namely the costs, fees and expenses incurred or to be incurred by the Issuer and the Borrower in connection with the issuance and sale of the Series 2018 Bonds, including placement or other financing fees (including applicable counsel fees), the fees and disbursements of Bond Counsel, fees of the Issuer’s financial advisor, the acceptance fee of the Trustee and the first year of the Trustee’s fees hereunder, Trustee counsel fees, application fees and expenses, publication costs, the filing and recording fees in connection with any filings or recording necessary under the Indenture or to perfect the lien thereof, the out-of-pocket costs of the Issuer, the fees and disbursements of counsel to the Borrower, the fees and disbursements of the Borrower’s accountants, the fees and disbursements of counsel to the Issuer, the costs of preparing or printing the Series 2018 Bonds and the documentation supporting the issuance of the Series 2018 Bonds, the costs of reproducing documents, and any other costs of a similar nature reasonably incurred;

(2) the “Capitalized Interest Costs”, namely a portion of the interest on the Series 2018 Bonds from the date of their original delivery through and including _____ 1, 201__;

(3) the cost of the Series 2018 Reserve Fund Credit Facility;

(4) the cost of insurance of all kinds that may be required or necessary in connection with the construction of the Financed Project Costs;

(5) all costs and expenses which Issuer or Borrower shall be required to pay, or advance under the terms of any contract or contracts (including the architectural and engineering, development, and legal services with respect thereto), for the construction of the Project, including amounts required to be disbursed under the Funding Agreement; and

(6) any sums required to reimburse the Issuer, the Redevelopment Commission or Borrower for advances made by any of them for any of the above items or for any other costs incurred and for work done by any of them which are properly chargeable to the Project.

“Funding Agreement” means the Funding Agreement, dated as of _____, 2018, among the Issuer, the Borrower, the Redevelopment Commission and Developer.

“Funds and Accounts” shall mean the funds and accounts established in Article IV of this Indenture.

“Government Obligations” means (a) direct obligations of the United States of America for the payment of which the full faith and credit of the United States of America is pledged, (b) obligations issued by a person controlled or supervised by and acting as an instrumentality of the United States of America, the payment of the principal of and premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (a) or (b) issued or held in book-entry form on the books of the Department of Treasury of the United States of America or Federal Reserve Bank), (c) certificates or receipts representing direct ownership interests in obligations or specified portions (such as principal or interest) of obligations described in (a) or (b), which obligations are held by a custodian in safekeeping on behalf of such certificates or receipts, or (d) senior, unsubordinated obligations of the Federal National Mortgage Association of Federal Home Loan Mortgage Corporation; provided that with respect to obligations of the sort described in clause (d), (i) such obligations are rated in the highest rating category for such obligation by any of Moody’s Investors Service (“Moody’s”), Standard & Poors Rating Group (“S&P”) or Fitch Ratings (“Fitch”) and (ii) in the event that any bonds are defeased with such obligations in whole or in part those Bonds shall be concurrently rated in the highest rating category for such obligations by any of Moody’s, S&P or Fitch.

“Indenture” means this instrument as originally executed or as it may from time to time be amended or supplemented pursuant to Article IX.

“Interest Payment Date” on the Series 2018 Bonds means each February 1 and August 1 (whether or not a business day), commencing February 1, 2019.

“Issuer” means the Town of Pendleton, Indiana, a municipal corporation organized and validly existing under the laws of the State of Indiana or any successor to its rights and obligations under the Loan Agreement and the Indenture.

“Lease” means the Lease Agreement, dated as of _____, 2018, as amended, among the Borrower, as lessor, and the Redevelopment Commission, as lessee, and all amendments and supplements thereto.

“Leased Premises” means the Premises as such term is defined in the Lease.

“Lease Rental Payments” means lease rental payments made by the Redevelopment Commission as a lessee under the Lease.

“Loan Agreement” means the Loan Agreement, dated as of _____ 1, 2018, between the Borrower and the Issuer and all amendments and supplements thereto.

“Moody’s” means Moody’s Investors Service or any successor thereof which qualifies as a Rating Agency hereunder.

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

“Operation Fund” means the fund established by the Issuer as set forth in Section 4.7 of this Indenture.

“Opinion of Counsel” shall mean an opinion in writing signed by legal counsel who may be an employee of or counsel to the Borrower and who shall be satisfactory to the Trustee in its reasonable discretion.

“Original Issue Date” means _____, 2018.

“Outstanding” or “Bonds outstanding” means all Bonds which have been duly authenticated, and delivered by the Trustee under this Indenture, except:

(a) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Bonds for the redemption of which cash or investments (but only to the extent that the full faith and credit of the United States of America are pledged to the timely payment thereof) shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds); provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee, shall have been filed with the Trustee; and

(c) Bonds in lieu of which others have been authenticated under Section 2.9.

“Paying Agent” means the Trustee and any successor paying agent or co-paying agent.

“Project” means certain economic development facilities consisting of the construction and equipping of an indoor recreation and wellness facility and related costs as further described in the Development Agreement and located in the Town.

“Qualified Investments” means to the extent permitted by the laws of the State (i) Government Obligations; (ii) bonds, debentures, participation certificates or notes issued by any of the following: Federal Farm Credit Banks, Federal Financing Bank, Federal Home Loan Banks, Federal National Mortgage Association or Federal Home Loan Mortgage Corporation;

(iii) certificates of deposit, time deposits and other interest-bearing deposit accounts with any banking institution, including the Trustee, which are insured by the Federal Deposit Insurance Corporation and for any amounts above the insurance limits of the Federal Deposit Insurance Corporation, are collateralized by obligations described in (i) hereof; (iv) any money market fund, sweep account, mutual fund or trust, including those for which the Trustee or an affiliate performs services for a fee, whether as custodian, transfer agent, investment advisor or otherwise Trustee or Paying Agent, and shall invest solely in a portfolio of obligations described in (i) or (ii) above or money market funds rated in the highest category by Moody's or S&P, including those for which the Trustee or an affiliate performs services for a fee, whether as custodian, transfer agent, investment advisor or otherwise; (v) repurchase agreements with the Trustee or any of its affiliated banks or any other bank having a net worth of at least \$100,000,000 secured by a pledge and physical delivery (except in the case of securities issued in book-entry form, which shall be registered in the name of the Trustee) to the Trustee of obligations described in (i) or (ii) hereof; (vi) municipal obligations the interest on which would be excluded from the gross income of the owners thereof for federal tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, if (a) rated in one of the three highest rating categories of either Moody's or S&P, or, (b) if fully secured by securities guaranteed as to principal and interest by the United States of America; and (vii) stock of a Qualified Regulated Investment Company which invests solely in obligations described in (vi) above.

"Rating Agency" or "Rating Agencies" means Fitch, S&P or Moody's, according to which of such rating agencies then rates a Bond; and provided that, if none of such rating agencies then rates a Bond, the term "Rating Agency" or "Rating Agencies" shall refer to any national rating agency (if any) that provides such rating.

"Rating Category" means one of the generic rating categories of the applicable Rating Agency, without regard to any refinements or gradations of such generic rating category by numerical or other modifier.

"Record Date" means the fifteenth day of the month preceding any Interest Payment Date.

"Redevelopment Commission" means the Town of Pendleton Redevelopment Commission.

"Requisite Bondholders" means the holders of 66 2/3% in aggregate principal amount of Bonds then Outstanding.

"Reserve Fund Credit Facility" means any Credit Facility issued or provided by a Credit Provider, (i) which may be deposited in the Series 2018 Debt Service Reserve Fund in lieu of or in partial substitution for cash or Qualified Investments to be on deposit therein, and (ii) which shall be payable (upon the giving of notice as required thereunder) on any due date on which moneys will be required to be withdrawn from such reserve account in which such Credit Facility is deposited and applied to the payment of the principal of or interest on any Bonds to which such Credit Facility relates.

“Reserve Fund Reimbursement Obligation” shall mean any obligation to reimburse the Credit Provider of any Reserve Fund Credit Facility for any payment made under such Reserve Fund Credit Facility or any other obligation to repay any amounts (including, but not limited to, fees or additional interest) owing to the Credit Provider.

“Series 2018 Bonds” means the Town of Pendleton, Indiana Taxable Economic Development Revenue Bonds, Series 2018 (Wellness Center Project) in the aggregate principal amount of \$_____.

“Series 2018 Note” shall have the meaning assigned in the Loan Agreement.

“Series 2018 Debt Service Reserve Agreement” means the Debt Service Reserve Agreement, dated _____, 2018, among the Issuer, the Redevelopment Commission and the Series 2018 Reserve Fund Insurer.

“Series 2018 Debt Service Reserve Fund” shall mean the Series 2018 Debt Service Reserve Fund established by the Issuer as set forth in Section 4.4 of this Indenture.

“Series 2018 Reserve Fund Credit Facility” means the Reserve Fund Credit Facility provided by the Series 2018 Reserve Fund Insurer for deposit into the Series 2018 Debt Service Reserve Fund to satisfy the Series 2018 Reserve Requirement with respect thereto upon the issuance of the Series 2018 Bonds. The Series 2018 Reserve Fund Credit Facility constitutes a Reserve Fund Credit Facility (as such term is defined and used in this Indenture) at the time of issuance thereof.

“Series 2018 Reserve Fund Insurer” means _____, or any successor thereto or assignee thereof. The Series 2018 Reserve Fund Insurer constitutes a Credit Provider at the time of issuance of the Series 2018 Reserve Fund Credit Facility.

“Series 2018 Reserve Requirement” shall mean an amount equal to the least of (i) the maximum annual debt service on the Series 2018 Bonds, (ii) 125% of the average annual debt service on the Series 2018 Bonds, or (iii) 10% of the proceeds of the Series 2018 Bonds. At the time of issuance of the Series 2018 Bonds, the Series 2018 Reserve Requirement means an amount equal to \$_____, which is equal to the maximum annual debt service on the 2018 Bonds.

“Special Benefits Tax” means the special tax levied and collected by the Redevelopment Commission on all taxable property within the Town of Pendleton Redevelopment District.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, or any successor thereof which qualifies as a Rating Agency hereunder.

“Trust Estate” means the funds and accounts, the Series 2018 Note, the Lease Rental Payments, and the other assets described in the Granting Clauses of this Indenture.

“Trustee” means _____, Indianapolis, Indiana, the party of the second part hereto, and any successor trustee or co-trustee.

Section 1.2. Rules of Interpretation. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) “This Indenture” means this instrument as originally executed and as it may from time to time be supplemented or amended pursuant to the applicable provisions hereof.

(b) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

(c) The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular and the singular as well as the plural.

(d) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as consistently applied.

(e) Any terms not defined herein but defined in the Loan Agreement shall have the same meaning herein.

(f) The terms defined elsewhere in this Indenture shall have the meanings therein prescribed for them.

Section 1.3. Exhibits. The following Exhibits are attached to and by reference made a part of this Indenture:

- Exhibit A: Disbursement Request
- Exhibit B: Bond Issuance Costs.

(End of Article I)

ARTICLE II.

THE BONDS

Section 2.1. Authorized Amount of Series 2018 Bonds. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article. The principal amount of the Series 2018 Bonds (other than Bonds issued in substitution therefor pursuant to Section 2.9 hereof) that may be issued is hereby expressly limited to \$_____. Additional Bonds may be issued as provided in Section 2.8 hereof.

Section 2.2. Issuance of Series 2018 Bonds. The Series 2018 Bonds shall be designated “Town of Pendleton, Indiana Taxable Economic Development Lease Rental Revenue Bonds, Series 2018 (Wellness Center Project).” The Series 2018 Bonds shall be originally issuable as fully registered Bonds without coupons in denominations of \$5,000 and integral multiples thereof, and shall be lettered and numbered R-1 and upward. Interest on the Series 2018 Bonds shall be paid to the owners of such Bonds determined as of the close of business of the Record Date next preceding each Interest Payment Date at the registered addresses of such owners as they shall appear on the registration books of the Trustee notwithstanding the cancellation of any such Bonds upon any exchange or transfer thereof subsequent to the Record Date and prior to such Interest Payment Date, except that, if and to the extent that there shall be a default in the payment of the interest due on such interest payment date, such defaulted interest shall be paid to the owners in whose name any such Bonds (or any Bond issued upon transfer or exchange thereof) are registered at the close of business of the Special Record Date next preceding the date of payment of such defaulted interest. The Special Record Date shall be the date established by the Trustee for the payment of defaulted interest. The Series 2018 Bonds shall be dated as of the date of their delivery. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Series 2018 Bonds shall be payable on each February 1 and August 1, commencing on February 1, 2019.

The Series 2018 Bonds shall mature on the dates set forth below, beginning on _____ 1, 201____, and ending on _____ 1, 203____, in the amounts with interest at the rates set forth below:

<u>Payment Date</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Payment Date</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>
	\$	%		\$	%

[The Series 2018 Bonds maturing on _____ 1, 20__ shall be the “Term Bonds” and the Term Bonds shall be subject to mandatory sinking fund redemption as set forth in Section 5.1(c).]

The Series 2018 Bonds shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless such date of authentication shall be subsequent to a Record Date in which case they shall bear interest from the Interest Payment Date with respect to such Record Date, provided, however that if, as shown by the records of the Trustee, interest on the Series 2018 Bonds shall be in default, Series 2018 Bonds issued in exchange for Series 2018 Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the Series 2018 Bonds or, if no interest has been paid on the Series 2018 Bonds, from the date of issuance and delivery of the Series 2018 Bonds. Series 2018 Bonds authenticated on or prior to January 15, 2018, shall bear interest from the date of delivery of the Series 2018 Bonds.

Section 2.3. Payment on Bonds. The interest on the Series 2018 Bonds shall be payable by check or draft mailed one business day prior to the interest payment date, or by wire transfer of immediately available funds on the interest payment date to a registered owner of One Million Dollars (\$1,000,000) or more in aggregate principal amount who requests the same in writing to the Paying Agent at least five (5) business days prior to the applicable interest payment date, to the person in whose name each Series 2018 Bond is registered on the fifteenth day of the month immediately preceding such interest payment date. The principal of the Series 2018 Bonds shall be payable in lawful money of the United States of America, at the corporate trust operations office of the Paying Agent in Birmingham, Alabama, or by wire transfer of immediately available funds to a registered owner of One Million Dollars (\$1,000,000) or more in aggregate principal amount who requests the same in writing to the Trustee at least five (5) business days prior to the applicable principal payment date.

Section 2.4. Execution; Limited Obligation. The Series 2018 Bonds shall be executed on behalf of the Issuer with the manual or facsimile signature of the Town Council President of the Town and attested with the manual or the facsimile signature of its Clerk-Treasurer and shall have impressed or printed thereon the corporate seal of the Issuer. Such facsimiles shall have the same force and effect as if such officer had manually signed each of the Series 2018 Bonds. If any officer whose signature or facsimile signature shall appear on the Series 2018 Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall, nevertheless, be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

The Series 2018 Bonds, and the interest payable thereon, do not and shall not represent or constitute a debt of the Issuer within the meaning of the provisions of the constitution or statutes of the State of Indiana or a pledge of the faith and credit of the Issuer. The Series 2018 Bonds, as to both principal and interest, are not an obligation or liability of the State of Indiana, or of any political subdivision or taxing authority thereof, but are a special limited obligation of the Issuer and payable solely and only from the trust

estate consisting of the funds and accounts held under the Indenture, the Lease Rental Payments and the payments to be made on the Series 2018 Note issued under the Loan Agreement pledged and assigned for their payment in accordance with the Indenture (“Trust Estate”). Neither the faith and credit nor the taxing power of the Issuer, the State of Indiana or any political subdivision or taxing authority thereof is pledged to the payment of the principal of, premium, if any, or the interest on this Series 2018 Bond. The Series 2018 Bonds do not grant the owners or holders thereof any right to have the Issuer, the State of Indiana or its General Assembly, or any political subdivision or taxing authority of the State of Indiana, levy any taxes or appropriate any funds for the payment of the principal of, premium, if any, or interest on the Series 2018 Bonds. No covenant or agreement contained in the Series 2018 Bonds or the Indenture shall be deemed to be a covenant or agreement of any member, director, officer, agent, attorney or employee of the Commission, the Redevelopment Commission, the Borrower, or the Issuer in his or her individual capacity, and no member, director, officer, agent, attorney or employee of the Commission, the Redevelopment Commission, the Borrower, or the Issuer executing the Series 2018 Bonds shall be liable personally on the Series 2018 Bonds or be subject to any personal liability or accountability by reason of the issuance of the Series 2018 Bonds.

Section 2.5. Authentication. No Series 2018 Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Indenture unless and until the certificate of authentication on such Series 2018 Bond substantially in the form hereinabove set forth shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Series 2018 Bond has been authenticated and delivered under this Indenture. The Trustee’s certificate of authentication on any Series 2018 Bond shall be deemed to have been executed by it if signed by an authorized signatory of the Trustee, but it shall not be necessary that the same person sign the certificate of authentication on all of the Series 2018 Bonds issued hereunder.

Section 2.6. Form of Bonds. The Bonds issued under this Indenture shall be substantially in the form hereinabove set forth with such appropriate variations, omissions and insertions as are permitted or required by this Indenture or deemed necessary by the Trustee.

Section 2.7. Delivery of Series 2018 Bonds. Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Trustee the Series 2018 Bonds in the aggregate principal amount of \$_____. The Trustee shall authenticate such Bonds and deliver them to the purchasers thereof upon receipt of:

- (1) A copy, duly certified by the Clerk-Treasurer of the Issuer, of the ordinance adopted and approved by the Issuer authorizing the execution and delivery of the Loan Agreement and this Indenture and the issuance of the Series 2018 Bonds.
- (2) A copy, duly certified by the Secretary of the Redevelopment Commission, of each of the resolution approving the execution of the Lease.

- (3) Executed counterparts of the Loan Agreement, the Indenture and the Lease.
- (4) The Series 2018 Note in the same principal amount as the principal amount of the Series 2018 Bonds, duly executed by the Borrower and endorsed by the Issuer to the order of the Trustee.
- (5) A written request of the Issuer to the Trustee requesting the Trustee to authenticate, or cause to be authenticated, and deliver the Series 2018 Bonds in the principal amount of \$ _____ to the purchasers thereof.

The proceeds of the Series 2018 Bonds, less any underwriter's discount shall be paid over to the Trustee and deposited to the credit of various Funds and Accounts as hereinafter provided under Section 3.1 hereof.

Section 2.8. Issuance of Additional Bonds. One or more series of Bonds in addition to the Series 2018 Bonds (the "Additional Bonds"), may be authenticated and delivered from time to time for one or more of the purposes of (i) refunding all or a portion of one or more series of Bonds outstanding hereunder, if such Bonds may otherwise be refunded, and (ii) financing the cost or estimated cost of completing the Projects or of acquiring and/or constructing additional improvements to the Projects, and, in each case, obtaining additional funds to pay the costs to be incurred in connection with the issuance of such Additional Bonds, to establish reserves with respect thereto and to pay interest during the estimated construction period of completing the additional improvements, if any. Each series of Additional Bonds issued hereunder shall be equal in aggregate principal amount to the principal amount of the additional Note being then currently issued.

Prior to the delivery by the Issuer of any such Additional Bonds there shall be filed with the Trustee:

- (1) A supplement to this Indenture executed by the Issuer and the Trustee authorizing the issuance of such Additional Bonds, specifying the terms thereof, pledging and assigning the additional Note being then currently issued as security therefor and providing for the disposition of the proceeds of the sale thereof.
- (2) The supplement or amendment to the Loan Agreement and the other instruments, documents, certificates, and opinions referred to in Section 7.1 of the Loan Agreement.
- (3) The additional Note being then concurrently issued, made payable to the order of the Issuer, duly executed by the Borrower and endorsed by the Issuer to the order of the Trustee.
- (4) If necessary, a supplement or amendment to the Lease.
- (5) A report or a certificate prepared by an independent certified public accountant or an independent financial advisor selected by the Issuer

supported by appropriate calculations, stating that the Additional Bonds can be amortized, along with the Series 2018 Bonds, from Lease Rental Payments pursuant to the Lease.

- (6) A copy, duly certified by the Clerk-Treasurer of the Issuer, of the Bond Ordinance theretofore adopted and approved by the Issuer authorizing the execution and delivery of such supplemental indenture and such supplement to the Loan Agreement and the issuance of such Additional Bonds.
- (7) A written request of the Issuer to the Trustee to authenticate and deliver such Additional Bonds.
- (8) An opinion of bond counsel to the effect that (i) such supplement to this Indenture has been duly executed by the Issuer and constitutes the valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms; and (ii) the Additional Bonds have been duly and validly authorized and issued by the Issuer and constitute the valid and binding limited obligations of the Issuer enforceable against the Issuer in accordance with their terms. The opinion of bond counsel may be qualified as to such matters as are acceptable to the Issuer and the Trustee, and include, without limitation, customary exceptions as to bankruptcy, insolvency and other laws affecting creditors' rights generally and customary exceptions as to principles of equity.

Any Additional Bonds issued in accordance with the terms of this Section 2.8 shall be secured by this Indenture and shall be equally and ratably payable from all Notes issued under the Loan Agreement, but such Additional Bonds may bear such date or dates, such interest rate or rates, and with such maturities, redemption dates and premiums as may be agreed upon by the Issuer, at the direction of the Borrower, and the purchaser of such Additional Bonds.

Section 2.9. Mutilated, Lost, Stolen, or Destroyed Bonds. If any Series 2018 Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and the Trustee may authenticate a new Series 2018 Bond of like date, maturity and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Series 2018 Bond, such mutilated Series 2018 Bond shall first be surrendered to the Issuer, and in the case of any lost, stolen or destroyed Series 2018 Bond, there shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with indemnity satisfactory to it.

If any such Series 2018 Bond shall have matured, instead of issuing a duplicate Series 2018 Bond the Issuer may pay the same without surrender thereof; provided, however, that in the case of a lost, stolen or destroyed Series 2018 Bond, there shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with indemnity satisfactory to it. The Trustee may charge the holder or owner of such Series 2018 Bond with their reasonable fees and expenses in this connection. Any Series 2018 Bond issued pursuant to this Section 2.9 shall be deemed part of the original series of Series 2018 Bonds in respect of which it was issued and an original additional contractual obligation of the Issuer.

Section 2.10. Registration and Exchange of Series 2018 Bonds; Owners. The Issuer shall cause books for the registration and for the transfer of the Series 2018 Bonds as provided in this Indenture to be kept by the Trustee which is hereby constituted and appointed the registrar of the Issuer. Upon surrender for transfer of any fully registered Series 2018 Bond at the corporate trust operations office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by the registered owner or his attorney duly authorized in writing, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Series 2018 Bond or Series 2018 Bonds of the same series and the same maturity for a like aggregate principal amount. The execution by the Issuer of any fully registered Series 2018 Bond without coupons of any denomination shall constitute full and due authorization of such denomination, and the Trustee shall thereby be authorized to authenticate and deliver such registered Series 2018 Bond. The Trustee shall not be required to transfer or exchange any fully registered Series 2018 Bond during the period between the Record Date and any interest payment date of such Series 2018 Bond, nor to transfer or exchange any Series 2018 Bond after the mailing of notice calling such Bond for redemption has been made, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

As to any fully registered Series 2018 Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal or interest thereon, shall be made only to or upon the order of the registered owner thereof or its legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Section 2.11. Book-Entry System. The Issuer has determined that the Bonds may be held by a central depository system pursuant to an agreement between the Issuer and The Depository Trust Company, and have transfers of the Bonds effected by book-entry on the books of the central depository system. The Bonds shall be initially issued in the form of a separate single authenticated fully registered Bond for the aggregate principal amount of each separate maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the register kept by the Registrar in the name of CEDE & CO., as nominee of The Depository Trust Company.

Notwithstanding any other provision hereof to the contrary, so long as any Series 2018 Bond is registered in the name of CEDE & CO. as nominee of the Depository Trust Company, all payments with respect to the principal of and premium, if any, and interest on such Series 2018 Bond and all notices with respect to such Series 2018 Bond shall be made and given, respectively, to the Depository Trust Company as provided in a representation letter from the Issuer to the Depository Trust Company.

With respect to the Bonds registered in the register kept by the Paying Agent in the name of CEDE & CO., as nominee of The Depository Trust Company, the Issuer and the Paying Agent shall have no responsibility or obligation to any other holders or owners (including any beneficial owner (“Beneficial Owner”), of the Bonds with respect to (i) the accuracy of the records of The Depository Trust Company, CEDE & CO., or any Beneficial Owner with respect to ownership questions, (ii) the delivery to any bondholder (including any Beneficial Owner) or

any other person, other than The Depository Trust Company, of any notice with respect to the Bonds including any notice of redemption, or (iii) the payment to any Bondholder (including any Beneficial Owner) or any other person, other than The Depository Trust Company, of any amount with respect to the principal of, or premium, if any, or interest on the Bonds except as otherwise provided herein.

No person other than The Depository Trust Company shall receive an authenticated Bond evidencing an obligation of the Issuer to make payments of the principal of and premium, if any, and interest on the Bonds pursuant to the Indenture. The Issuer and the Registrar and Paying Agent may treat as and deem The Depository Trust Company or CEDE & CO. to be the absolute bondholder of each of the Bonds for the purpose of (i) payment of the principal of and premium, if any, and interest on such Bonds; (ii) giving notices of redemption and other notices permitted to be given to Bondholders with respect to such Bonds; (iii) registering transfers with respect to such Bonds; (iv) obtaining any consent or other action required or permitted to be taken of or by Bondholders; (v) voting; and (vi) for all other purposes whatsoever. The Paying Agent shall pay all principal of and premium, if any, and interest on the Bonds only to or upon the order of The Depository Trust Company, and all such payments shall be valid and effective fully to satisfy and discharge the Issuer's and the Paying Agent's obligations with respect to principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Upon delivery by The Depository Trust Company to the Issuer of written notice to the effect that The Depository Trust Company has determined to substitute a new nominee in place of CEDE & CO., and subject to the provisions herein with respect to consents, the words "CEDE & CO." in this Indenture shall refer to such new nominee of The Depository Trust Company. Notwithstanding any other provision hereof to the contrary, so long as any Bond is registered in the name of CEDE & CO. as nominee of The Depository Trust Company, all payments with respect to the principal of and premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to The Depository Trust Company as provided in a representation letter from the Issuer to The Depository Trust Company.

Upon receipt by the Issuer of written notice from The Depository Trust Company to the effect that The Depository Trust Company is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of The Depository Trust Company hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, then the Bonds shall no longer be restricted to being registered in the register of the Issuer kept by the Registrar in the name of CEDE & CO., as nominee of The Depository Trust Company, but may be registered in whatever name or names the Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of the Indenture.

If the Issuer determines that it is in the best interest of the Bondholders that they be able to obtain certificates for the fully registered Bonds, the Issuer may notify The Depository Trust Company and the Registrar, whereupon The Depository Trust Company will notify the Beneficial Owners of the availability through The Depository Trust Company of certificates for the Bonds. In such event, the Registrar shall prepare, authenticate, transfer and exchange certificates for the Bonds as requested by The Depository Trust Company and any Beneficial Owners in appropriate amounts, and whenever The Depository Trust Company requests the Issuer and the Registrar to do so, the Registrar and the Issuer will cooperate with The Depository

Trust Company by taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the fully registered Bonds of any Beneficial Owner's Depository Trust Company account or (ii) to arrange for another securities depository to maintain custody of certificates for and evidencing the Bonds.

If the Bonds shall no longer be restricted to being registered in the name of a depository trust company, the Registrar shall cause the Bonds to be printed in blank in such number as the Registrar shall determine to be necessary or customary; provided, however, that the Registrar shall not be required to have such Bonds printed until it shall have received from the Issuer indemnification for all costs and expenses associated with such printing.

In connection with any notice or other communication to be provided to Bondholders by the Issuer or the Registrar with respect to any consent or other action to be taken by Bondholders, the Issuer or the Registrar, as the case may be, shall establish a record date for such consent or other action and give The Depository Trust Company notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

So long as the Bonds are registered in the name of The Depository Trust Company or CEDE & CO. or any substitute nominee, the Issuer and the Registrar and Paying Agent shall be entitled to request and to rely upon a certificate or other written representation from the Beneficial Owners of the Bonds or from The Depository Trust Company on behalf of such Beneficial Owners stating the amount of their respective beneficial ownership interests in the Bonds and setting forth the consent, advice, direction, demand or vote of the Beneficial Owners as of a record date selected by the Registrar and The Depository Trust Company, to the same extent as if such consent, advice, direction, demand or vote were made by the Bondholders for purposes of this Indenture and the Issuer and the Registrar and Paying Agent shall for such purposes treat the Beneficial Owners as the Bondholders. Along with any such certificate or representation, the Registrar may request The Depository Trust Company to deliver, or cause to be delivered, to the Registrar a list of all Beneficial Owners of the Bonds, together with the dollar amount of each Beneficial Owner's interest in the Bonds and the current addresses of such Beneficial Owners.

If the Book Entry System is no longer in effect, registered owners of Bonds may, upon surrender thereof at the principal corporate trust operations office of the Trustee with a written instrument of transfer satisfactory to the Trustee, exchange a Bond or Bonds for a Bond or Bonds of equal aggregate principal amount of the same maturity and interest rate of any authorized denominations. For every exchange or transfer of Bonds, the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Trustee incurred in connection therewith (except any applicable tax, fee or other governmental charge) shall be paid by the Issuer. The Trustee shall not be obliged to make any transfer or exchange of any Bond called for redemption within thirty days of the redemption date.

(End of Article II)

ARTICLE III.

APPLICATION OF SERIES 2018 BONDS PROCEEDS

Section 3.1. Deposit of Funds. The Issuer shall deposit with the Trustee in the Construction Fund all proceeds from the sale of the Series 2018 Bonds, less the underwriter's discount in the amount of \$_____, and less the premium for the Series 2018 Reserve Fund Credit Facility in an amount equal to \$_____, which shall be paid by the underwriter directly to the Series 2018 Reserve Fund Insurer, as follows: (i) funds in the amount of \$_____ shall be deposited in the Bond Issuance Expense Account of the Construction Fund; (ii) funds in the amount of \$_____ shall be deposited in the Capitalized Interest Account; and (iii) funds in the amount of \$_____ shall be deposited in the Construction Account.

(End of Article III)

ARTICLE IV.

REVENUE AND FUNDS

Section 4.1. Source of Payment of Bonds. The Bonds herein authorized and all payments to be made by the Issuer hereunder are not general obligations of the Issuer but are limited obligations payable solely from the Trust Estate as authorized by the Act and as provided herein. No covenant or agreement contained in the Bonds or this Indenture shall be deemed to be a covenant or agreement of the Issuer or of any member, director, officer, agent, attorney or employee of the Issuer in his or her individual capacity, and neither the Issuer nor any member, director, officer, agent, attorney, or employee of the Issuer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

Section 4.2. Bond Fund. The Trustee shall establish and maintain, so long as any of the Bonds are outstanding, a separate fund to be known as the "Bond Fund." Money in the Bond Fund shall be applied as provided in this Section 4.2.

There shall be deposited in the Bond Fund, as and when received, (i) all payments received pursuant to the Notes, including the required deposits of Lease Rental Payments pursuant to Section 4.5 hereof; (ii) all payments specified in Section 3.2 of the Loan Agreement; (iii) any amount remaining in the Construction Fund to be transferred to the Bond Fund pursuant to the Indenture upon acceleration of the maturity of the Series 2018 Bonds; (iv) all interest and other income derived from investments of Bond Fund moneys as provided herein; and (v) all other moneys received by the Trustee under and pursuant to any of the provisions of the Loan Agreement which are required or which are accompanied by directions that such moneys are to be paid into the Bond Fund. The Issuer hereby covenants and agrees that so long as any of the Bonds issued hereunder are outstanding it will deposit, or cause to be paid to Trustee for deposit in the Bond Fund for its account, sufficient sums from revenues and receipts derived from the Notes and the Loan Agreement, including the Lease Rental Payments, promptly to meet and pay the principal of, premium, if any, and interest on the Bonds as the same become due and payable. Nothing herein should be construed as requiring the Issuer to deposit or cause to be paid to Trustee for deposit in the Bond Fund, funds from any source other than receipts derived from the Notes, the Loan Agreement, and the Lease Rental Payments.

The Borrower shall immediately upon receipt transfer the Lease Rental Payments to the Trustee as set forth in Section 4.5. The Trustee is hereby directed to deposit into the Bond Fund from each Lease Rental Payment, an amount equal to the lesser of the following: (a) all of such rental payment; or (b) an amount which equals the sum of the principal and interest on the Bonds due on, before or within twenty (20) days after the date such Lease Rental Payment becomes due. Any portion of a rental payment remaining after such deposit shall be deposited by the Trustee in the Operation Fund.

Moneys in the Bond Fund shall be used by the Trustee to pay interest, premium, if any, and principal on the Bonds as they become due at maturity, redemption or upon acceleration. The Trustee shall transmit such funds to the Paying Agent for any series of Bonds in sufficient time to insure that such interest will be paid as it becomes due.

Section 4.3. Construction Fund. The Issuer shall establish with the Trustee a separate fund to be known as the Construction Fund, to the credit of which the deposits are to be made as required by Section 3.1 hereof. The Construction Fund shall consist of the Capitalized Interest Account, the Bond Issuance Expense Account and the Construction Account.

(a) The Trustee shall, without other or further authority than is hereby given, use all of the proceeds of the Series 2018 Bonds from the Capitalized Interest Account, or if the Capitalized Interest Account is not sufficient, then from the Construction Account, to pay interest accruing on the Series 2018 Bonds through and including _____ 1, 201__.

(b) The Trustee shall use the funds deposited in the Bond Issuance Expense Account to pay the Bond Issuance Costs set forth in Exhibit B hereto, which Bond Issuance Costs shall be paid by check or wire transfer to the entities listed. Execution of this Indenture shall be authorization for these payments. Other Bond Issuance Costs shall be paid by the Trustee upon submission of a requisition signed by an Authorized Borrower Representative, in the form attached hereto as Exhibit A.

(c) Moneys on deposit in the Construction Account shall be paid out from time to time by the Trustee to or upon the order of the Borrower to pay for the Financed Project Costs. Upon receipt by the Trustee of a written request in the form attached hereto as Exhibit A signed by an Authorized Borrower Representative:

(A) stating that the costs of an aggregate amount set forth in such written request have been made or incurred and were necessary for the construction of the Project and were made or incurred in accordance with the construction contracts, plans and specifications, or purchase contracts therefor then in effect or that the amounts set forth in such written request are for allowable Financed Project Costs;

(B) stating that no part of the said costs was included in any written request previously filed with the Trustee under the provisions hereof;

(C) stating a recap of payees and the amount paid; and

(D) stating that such costs are appropriate for the expenditure of proceeds of the Bonds under the Act.

Upon exhaustion of all funds in the Construction Fund, the Construction Fund shall be closed. No affidavit of completion shall be required to be submitted hereunder. Any amounts remaining in the Construction Fund after completion of the Project shall be transferred in accordance with written direction received by the Trustee from an Authorized Borrower Representative.

Section 4.4. Series 2018 Debt Service Reserve Fund The Trustee shall establish and maintain, so long as any of the Series 2018 Bonds are outstanding, a separate fund to be known as the “Series 2018 Bonds Debt Service Reserve Fund.” Money in the Series 2018 Debt Service Reserve Fund shall be applied as provided in this Section 4.4.

(a) The Trustee shall deposit in the Series 2018 Debt Service Reserve Fund all moneys required to be deposited therein pursuant to this Indenture. The Trustee shall maintain the Series 2018 Debt Service Reserve Fund and shall disburse the funds held in the Series 2018 Debt Service Reserve Fund solely for the payment of interest on and principal of the Series 2018 Bonds, and only if moneys in the Bond Fund are insufficient to pay principal of and interest on the Series 2018 Bonds after making all the transfers thereto required to be made from the Operation Fund. If moneys in the Series 2018 Debt Service Reserve Fund are used to pay principal of or interest on any Series 2018 Bonds, the depletion of the balance in the Series 2018 Debt Service Reserve Fund shall be restored from Lease Rental Payments under the Lease not needed under Section 4.2 hereof. If moneys in the Series 2018 Debt Service Reserve Fund shall exceed the Series 2018 Reserve Requirement, such excess shall be transferred at least semiannually to the Bond Fund

(b) Notwithstanding the foregoing, the Issuer may satisfy the Series 2018 Reserve Requirement by purchasing the Series 2018 Reserve Fund Credit Facility and causing such instrument to be deposited into the Series 2018 Debt Service Reserve Fund for the benefit of the holders of the Series 2018 Bonds. If such deposit causes the Series 2018 Debt Service Reserve Fund balance to be equal to the Series 2018 Reserve Requirement, moneys in the Series 2018 Debt Service Reserve Fund which cause its balance to be in excess of the Series 2018 Reserve Requirement shall be moved in accordance with this Section 4.4, subject to the satisfaction of any Reserve Fund Reimbursement Obligations from such excess as provided below. If a disbursement is made pursuant to the Series 2018 Reserve Fund Credit Facility, the Issuer shall be obligated (but solely from the Trust Estate), within twelve (12) months from the date on which such disbursement was made, to cure such deficiency by (i) reinstating the maximum limits of such Series 2018 Reserve Fund Credit Facility or (ii) depositing cash into the Series 2018 Debt Service Reserve Fund, or a combination of such alternatives, so that the balance of the Series 2018 Debt Service Reserve Fund equals the Series 2018 Reserve Requirement. The Trustee shall include in the total amount held in the Series 2018 Debt Service Reserve Fund an amount equal to the maximum amount which could be drawn by the Trustee under the Series 2018 Reserve Fund Credit Facility then on deposit with the Trustee. Amounts required to be deposited in the Series 2018 Debt Service Reserve Fund shall include any amount required to satisfy a Reserve Fund Reimbursement Obligation for the Series 2018 Reserve Fund Credit Facility. The Trustee is hereby authorized to move the amounts to satisfy any Reserve Fund Reimbursement Obligation to any Credit Provider with respect to any Reserve Fund Credit Facility.

(c) Notwithstanding anything herein to the contrary, amounts on deposit in the Series 2018 Debt Service Reserve Fund shall be applied solely to the payment of debt service on the Series 2018 Bonds.

(d) Notwithstanding anything herein to the contrary, for so long as the Series 2018 Reserve Fund Credit Facility remains in full force and effect, the following provisions shall apply:

(1) The Issuer shall repay any draws under the 2018 Reserve Fund Credit Facility and pay all related reasonable expenses incurred by the Series 2018 Reserve Fund Insurer. Interest shall accrue and be payable on such draws and expenses from the date of payment by the Series 2018 Reserve Fund Insurer at the Late Payment Rate. “Late Payment Rate” means the lesser of (A) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the Town of New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Series 2018 Bonds, and (B) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as the Series 2018 Reserve Fund Insurer in its sole and absolute discretion shall specify.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the “Policy Costs”) shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Series 2018 Reserve Fund Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Series 2018 Reserve Fund Insurer on account of principal due, the coverage under the 2018 Reserve Fund Credit Facility will be increased by a like amount, subject to the terms of the 2018 Reserve Fund Credit Facility.

All cash and investments in the Series 2018 Debt Service Reserve Fund and all other available amounts in any funds available to pay debt service on the Series 2018 Bonds shall be transferred to the Bond Fund for payment of the debt service on the Series 2018 Bonds before any drawing may be made on the 2018 Reserve Fund Credit Facility or any other Reserve Fund Credit Facility on deposit in the Series 2018 Debt Service Reserve Fund.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Fund Credit Facilities (including the 2018 Reserve Fund Credit Facility) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Series 2018 Debt Service Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Fund Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash

drawn from the 2018 Debt Service Reserve Fund. For the avoidance of doubt, “available coverage” means the coverage then available for disbursement pursuant to the terms of the applicable Reserve Fund Credit Facility without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

The limit of the Series 2018 Reserve Fund Credit Facility shall automatically and irrevocably be reduced from time to time by the amount of each reduction in the Reserve Requirement.

(2) Notwithstanding anything herein to the contrary, draws under the 2018 Reserve Fund Credit Facility may only be used to make payments on the Series 2018 Bonds.

(3) If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of paragraph (a) above, the Series 2018 Reserve Fund Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Indenture, the Leases, or any other document executed in connection with the Series 2018 Bonds (collectively, the “Security Documents”).

(4) The Security Documents shall not be discharged until all Policy Costs owing to the Series 2018 Reserve Fund Insurer shall have been paid in full. The Issuer’s obligation to pay such amount shall expressly survive payment in full of the Series 2018 Bonds.

(5) The 2018 Reserve Fund Credit Facility shall expire and terminate in accordance with the term and provisions of the 2018 Reserve Fund Credit Facility and Series 2018 Debt Service Reserve Agreement.

(6) Any amendment, supplement, modification to, or waiver of any of the Security Documents that requires the consent of the Owners of the Series 2018 Bonds or adversely affects the rights or interest of the Series 2018 Reserve Fund Insurer shall be subject to the prior written consent of the Series 2018 Reserve Fund Insurer.

(7) The Series 2018 Reserve Fund Insurer is recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce the provisions of the Security Documents as if it were a party thereto.

(8) The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (a) hereof and shall provide notice to the Series 2018 Reserve Fund Insurer in accordance with the terms of the 2018 Reserve Fund Credit Facility at least five business days prior to each date upon which interest or principal is due on the Series 2018 Bonds. Where deposits are required to be made by the Redevelopment Commission with the Trustee to the debt service fund for the Series 2018 Bonds more often than semi-annually, the Trustee shall give notice to the Series 2018 Reserve Fund Insurer of any failure of the Redevelopment Commission to make timely payment in full of such deposits within two business days of the date due.

(9) The Issuer agrees unconditionally that it will pay or reimburse the Series 2018 Reserve Fund Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that the Series 2018 Reserve Fund Insurer may pay or incur, including, but not limited to, fees and expenses of the Series 2018 Reserve Fund Insurer's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of this Indenture or any other Security Document ("Administrative Expenses"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of the Series 2018 Reserve Fund Insurer spent in connection with the actions described in the preceding sentence. The Issuer agrees that failure to pay any Administrative Expenses on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to the Series 2018 Reserve Fund Insurer until the date the Series 2018 Reserve Fund Insurer is paid in full.

(10) Payments made by the Series 2018 Reserve Fund Insurer under the 2018 Reserve Fund Credit Facility with respect to claims for interest on or principal of the Series 2018 Bonds shall not discharge the obligation of the Issuer with respect to such Series 2018 Bonds, and the Series 2018 Reserve Fund Insurer shall become the owner of such unpaid Bonds and claims for the interest thereon. The Issuer and the Trustee recognize and agree that to the extent the Series 2018 Reserve Fund Insurer makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the Series 2018 Bonds, the Series 2018 Reserve Fund Insurer will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Issuer, with interest thereon.

(11) In order to secure the Issuer's payment obligations with respect to Policy Costs, there is hereby granted and perfected in favor of the Series 2018 Reserve Fund Insurer a security interest (subordinate only to that of the owners of the Series 2018 Bonds) in all revenues and collateral pledged as security for the Series 2018 Bonds. Policy Costs shall be paid to the Series 2018 Reserve Fund Insurer immediately following the payment of principal of and interest on the Series 2018 Bonds, including following the occurrence of a default or event of default.

(12) The Redevelopment Commission shall be obligated to pay, as an additional lease or rental payment, to the Trustee for deposit to the 2018 Debt Service Reserve Fund an amount equal to the debt service reserve fund replenishment under the Indenture, including amounts required to repay draws and Policy Costs under the 2018 Reserve Fund Credit Facility.

(13) No sublease, release, sale, disposition or substitution of the Leased Premises subject to the Leases shall occur without the prior written consent of the Series 2018 Reserve Fund Insurer. Without limiting the generality of the foregoing, no portion of the Leased Premises may be released following the partial prepayment of lease payments or rentals, the partial redemption of the Series 2018 Bonds, or the exercise of

a purchase option or similar right, unless in each case the Series 2018 Reserve Fund Insurer shall have provided its prior written consent to such release.

(14) Notice and other information to be given to the Series 2018 Reserve Fund Insurer.

(A) The Issuer will provide the Series 2018 Reserve Fund Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Undertaking Agreement and (ii) to the holders of the Series 2018 Bonds or the Trustee under the Security Documents.

(B) In addition, the Issuer shall provide the Series 2018 Reserve Fund Insurer with the following notices and other information: (i) notice of any draw upon the 2018 Debt Service Reserve Fund within two (2) business days after knowledge thereof, other than in connection with withdrawals of amounts in excess of the Reserve Requirement; and (ii) prior written notice of the advance refunding or redemption of any of the Series 2018 Bonds, including the principal amount, maturities and CUSIP numbers thereof.

(C) The Series 2018 Reserve Fund Insurer shall be entitled to receive such additional information as it may reasonably request.

(D) The notice address of Series 2018 Reserve Fund Insurer is:

Attention: Surveillance, Re: Policy No. _____

Telephone: (____) _____

Telecopier: (____) _____

Email: _____

In each case in which notice or other communication refers to an event of default or a claim on the 2018 Reserve Fund Credit Facility, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at _____ or at Telecopier: (____) _____ and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

Section 4.5. Lease Rental Payments. On or before each January 15 and July 15, commencing on July 15, 2021, the Borrower shall transfer the Lease Rental Payments received by the Borrower on or before such January 15 or July 15 to the Trustee, who shall deposit such Lease Rental Payments in the Bond Fund for the payment of the Series 2018 Bonds on the next Interest Payment Date. The transfers to the Bond Fund shall serve as a credit against the Borrower's obligations under the Series 2018 Note and the Loan Agreement with respect to the Series 2018 Bonds.

Section 4.6. Operation Fund. There is hereby established and created a fund designated as the Operation Fund. The Operation Fund shall be used only to pay necessary incidental expenses of the Issuer (e.g. Trustee's fees, including Annual Fees, required audits, attorney's fees, appraisals, meetings, expenses incurred in connection with any continuing disclosure obligations of the Issuer or the Borrower in relation to the Bonds), the payment of principal of and interest on the Bonds upon redemption as authorized in Article V hereof or the purchase price of Bonds purchased as authorized by Section 4.7 hereof, and if the amount in the Bond Fund at any time is less than the required amount, the Trustee shall, without any further authorization, transfer funds from the Operation Fund to the Bond Fund in an amount sufficient to raise the amount in the Bond Fund to the required amount. Such action by the Trustee shall not constitute a waiver of any other right or remedy the Trustee may have under this Indenture. Incidental expenses shall be paid by the Trustee upon the presentation of an affidavit executed by an Authorized Issuer Representative stating the character of the expenditure, the amount thereof and to whom due, together with the statement of the creditor as to the amount owing, except for the payment of Trustee's fees which requires no such affidavit from an Authorized Issuer Representative.

Notwithstanding anything herein to the contrary, upon receipt by the Trustee of a Request for Release of Funds, as defined below, the Trustee shall as soon thereafter as practical release to the Issuer funds in the Operation Fund in accord with such Request for Release of Funds. For these purposes, a "Request for Release of Funds" means a written request made by the Issuer which (i) is signed by an Authorized Issuer Representative, (ii) sets forth the amount requested to be released from the Operation Fund to the Issuer, and (iii) includes a statement, accompanied by supporting schedules prepared by an accountant or firm of accountants which verify the statement, that the balance to be held in the Operation Fund immediately after such amount is released to the Issuer is expected to be sufficient to meet the known and anticipated payments and transfers to be satisfied from the Operation Fund in the then next succeeding eighteen months. The supporting schedules shall identify with particularity the anticipated sources and applications of funds. The statement and supporting schedules required by clause (iii) above shall not include anticipated investment earnings based on assumptions about reinvestment rates, but may include known investment earnings scheduled to be received on then current investments, and shall include any known or anticipated gain or loss from the disposition of investments. Notwithstanding the foregoing provisions of this paragraph, the Trustee shall not so release funds from the Operation Fund to the Issuer during any time that there exists an uncured or unwaived event of default hereunder (as defined in Article VII), or an event which with notice or lapse of time or both would become such an event of default, or if the Trustee determines, which determination may be in reliance upon an Opinion of Counsel, that the information set forth in the Request for Release of Funds (including the supporting schedules) is not reasonably consistent with the books and records of the Trustee or is otherwise not accurate or appropriate.

Section 4.7. Redemption and Purchase of Bonds. Whenever the amounts contained in the Bond Fund and Operation Fund are sufficient, together with any other funds deposited with the Trustee by the Issuer, to redeem, upon the next redemption date, all Bonds secured thereby then outstanding, the Trustee shall apply the amounts in such Funds to the redemption of such Bonds pursuant to Article V hereof. At the written request of an Authorized Issuer

Representative delivered to the Trustee, the Trustee may remove funds from the Operation Fund to be used for the redemption of Bonds, or for the purchase of Bonds.

Section 4.8. Trust Funds. All moneys and securities received by the Trustee under the provisions of this Indenture, shall be trust funds under the terms hereof and shall not be subject to lien or attachment of any creditor of the Issuer or of the Borrower. Such moneys shall be held in trust and applied in accordance with the provisions of this Indenture.

Section 4.9. Investment. Moneys on deposit in the Funds established in this Article IV hereof shall be invested as provided in Section 6.8 hereof.

(End of Article IV)

ARTICLE V.

REDEMPTION OF SERIES 2018 BONDS BEFORE MATURITY

Section 5.1. Redemption Dates and Prices. (a) The Issuer shall have the right, at its option, to redeem, according to the procedure hereinafter provided, the Series 2018 Bonds maturing on or after _____ 1, 20__, in whole or in part, in any order of maturity or maturities selected by the Issuer and by lot within any maturity, on any date not earlier than _____ 1, 20__, at face value, plus interest accrued to the date fixed for redemption and without premium

(b) The Series 2018 Bonds are subject to extraordinary redemption prior to maturity, without premium, from proceeds of condemnation in certain circumstances as described in Section 6.10 and 6.11 hereof.

(c) [From moneys held in the Bond Fund, the Series 2018 Bonds maturing on _____ 1, 20__, are subject to mandatory sinking fund redemption prior to maturity on the dates shown below, plus accrued interest and without premium:

<u>Date</u>	<u>Amount</u>
_____ 1, 20__	\$ _____
_____ 1, 20__*	_____

* Final Maturity

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

Section 5.2. Notice to Trustee. To evidence its intention to exercise the right of redemption of any Series 2018 Bonds, the Issuer shall, not less than forty-five (45) days prior to the date selected for redemption, file with the Trustee written notice of its intention to redeem, designating the date fixed for redemption, and if less than all of the outstanding Series 2018 Bonds are to be redeemed stating the aggregate principal amount of Bonds which the Issuer desires to redeem. No failure or defect in such notice by the Issuer to the Trustee shall affect the validity of the redemption of any Series 2018 Bonds.

Section 5.3. Notice to Bondholders. In the case of redemption of Series 2018 Bonds pursuant to Section 5.1 hereof, unless waived by the Registered Owners of the Series 2018 Bonds to be redeemed, notice of the call for any such redemption identifying the Series 2018 Bonds, or portions of fully registered Series 2018 Bonds, to be redeemed shall be given by mailing a copy of the redemption notice by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered Owner of each Series 2018 Bond to be redeemed at the address shown on the registration books. Such notice of redemption shall specify the CUSIP number and, in the event of a partial redemption the Series 2018 Bond numbers and called amounts of each Series 2018 Bond, the redemption date, redemption price, interest rate, maturity date and the name and address of the Trustee and the Paying Agent; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any such registered Series 2018 Bond shall not affect the validity of any proceedings for the redemption of other Series 2018 Bonds.

On and after the redemption date specified in the aforesaid notice, such Series 2018 Bonds, or portions thereof, thus called shall not bear interest, shall no longer be protected by this Indenture and shall not be deemed to be outstanding under the provisions of this Indenture, and the holders thereof shall have the right to receive only the redemption price thereof plus accrued interest thereon to the date fixed for redemption.

Notice of any redemption hereunder required to be given to the Owners with respect to the Series 2018 Bonds held under a book-entry system shall be given by the Trustee only to the Depository, or its nominee, as the Holder of such Series 2018 Bonds.

Section 5.4. Cancellation. All Series 2018 Bonds which have been redeemed in whole shall be canceled, shall not be reissued and shall be destroyed by the Trustee in accordance with the Trustee's destruction policy then in effect.

Section 5.5. Redemption Payments. Prior to the date fixed for redemption in whole, funds shall be deposited with Trustee to pay, and Trustee is hereby authorized and directed to apply such funds to the payment of the Series 2018 Bonds or portions thereof called, together with accrued interest thereon to the redemption date. Upon the giving of notice and the deposit of funds for redemption, interest on the Series 2018 Bonds thus called shall no longer accrue after the date fixed for redemption. No payment shall be made by the Paying Agent upon any Series 2018 Bond until such Series 2018 Bond shall have been delivered for payment or cancellation or the Trustee shall have received the items required by Section 2.9 hereof with respect to any mutilated, lost, stolen or destroyed Series 2018 Bond.

Section 5.6. Partial Redemption of Bonds. If fewer than all of the Series 2018 Bonds at the time outstanding are to be called for redemption, the maturities of Series 2018 Bonds or portions thereof to be redeemed shall be selected by the Trustee at the direction of the Issuer. If fewer than all of the Series 2018 Bonds within a maturity are to be redeemed, the Trustee shall select by lot (meaning also random selection by computer) in such manner as the Trustee, in its discretion, may determine, the Series 2018 Bonds or portions of Series 2018 Bonds within such maturity that shall be redeemed. The Trustee shall call for redemption in accordance with the foregoing provisions as many Series 2018 Bonds or portions thereof as will, as nearly as practicable, exhaust the moneys available therefor. Particular Series 2018 Bonds or portions

thereof shall be redeemed only in the minimum principal amount of \$5,000 or integral multiples thereof.

If less than the entire principal amount of any registered Series 2018 Bond then outstanding is called for redemption, then upon notice of redemption given as provided in Section 5.2 hereof, the Owner of such registered Series 2018 Bond shall forthwith surrender such Series 2018 Bond to the Paying Agent in exchange for (a) payment of the redemption price of, plus accrued interest on the principal amount called for redemption and (b) a new Series 2018 Bond or Series 2018 Bonds of like series in an aggregate principal amount equal to the unredeemed balance of the principal amount of such registered Series 2018 Bond, which shall be issued without charge therefor; provided that so long as the Series 2018 Bonds are held in a Book-Entry-System with a depository, any such Series 2018 Bonds called for partial redemption do not need to be presented for payment of principal.

(End of Article V)

ARTICLE VI.

GENERAL COVENANTS

Section 6.1. Payment of Principal and Interest. The Issuer covenants that it will promptly pay the principal of, premium, if any, and interest on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof. The principal, interest and premium, if any, on the Bonds are payable solely and only from the trust estate consisting of the funds and accounts held under this Indenture, the Lease Rental Payments, and the payments to be made on the Note which payments are hereby specifically pledged and assigned to the payment thereof in the manner and to the extent herein specified, and nothing in the Bonds or in this Indenture should be considered as pledging any other funds or assets of the Issuer. **The Bonds, and the interest payable thereon, do not and shall not represent or constitute a debt of the Issuer within the meaning of the provisions of the constitution or statutes of the State of Indiana or a pledge of the faith and credit of the Issuer. The Bonds, as to both principal and interest, are not an obligation or liability of the State of Indiana, or of any political subdivision or taxing authority thereof, but are a special limited obligation of the Issuer and are payable solely and only from the trust estate consisting of the funds and accounts held under this Indenture, the Lease Rental Payments and the payments to be made on the Notes issued under the Loan Agreement pledged and assigned for their payment in accordance with the Indenture. Neither the faith and credit nor the taxing power of the Issuer, the State of Indiana or any political subdivision or taxing authority thereof is pledged to the payment of the principal of, premium, if any, or the interest on the Bonds. The Bonds do not grant the owners or holders thereof any right to have the Issuer, the State of Indiana or its General Assembly, or any political subdivision or taxing authority of the State of Indiana, levy any taxes or appropriate any funds for the payment of the principal of, premium, if any, or interest on the Bonds. The Issuer has no taxing power with respect to the Bonds. No covenant or agreement contained in the Bonds or this Indenture shall be deemed to be a covenant or agreement of any member, director, officer, agent, attorney or employee of the Redevelopment Commission, the Commission, the Borrower, or the Issuer in his or her individual capacity, no member, director, officer, agent, attorney or employee of the Redevelopment Commission, the Commission, the Borrower, or the Issuer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.**

Section 6.2. Performance of Covenants. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings of its members pertaining thereto. The Issuer represents that it is duly authorized under the constitution and laws of the State of Indiana to issue the Bonds authorized hereby and to execute this Indenture, and to pledge and assign the Series 2018 Note, pledge and assign the Lease Rental Revenues, and assign the Loan Agreement in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken, and that the Bonds in the hands of the holders and owners thereof are and will be valid and enforceable obligations of the Issuer according to the import thereof, subject to bankruptcy, insolvency, reorganization, moratorium

and other similar laws, judicial decisions and principles of equity relating to or affecting creditors' rights generally and subject to the valid exercise of the constitutional powers of the Issuer, the State of Indiana and the United States of America.

Section 6.3. Ownership; Instruments of Further Assurance. The Issuer represents that at the time of the pledge and assignment thereof it will lawfully own the Series 2018 Note and that such pledge and assignment and the assignment of the Loan Agreement to the Trustee hereby made will be valid and lawful. The Issuer covenants that it will defend the title to the Series 2018 Note and its interest in the Loan Agreement to the Trustee, for the benefit of the holders and owners of the Bonds against the claims and demands of all persons whomsoever. The Issuer covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, mortgaging, conveying, pledging, assigning and confirming unto the Trustee, the Series 2018 Note, the Loan Agreement and all payments thereon and thereunder pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds.

Section 6.4. Filing of Indenture, Loan Agreement and Security Instruments. The Issuer, upon the written direction and at the sole expense of the Borrower, shall cause this Indenture, the Loan Agreement and all supplements thereto as well as such other security instruments, financing statements and all supplements thereto and other instruments as may be required from time to time to be filed in such manner and in such places as may be required by law in order to fully preserve and protect the lien hereof and the security of the holders and owners of the Bonds and the rights of the Trustee hereunder. This Section 6.4 shall impose no duty to record or file the instruments noted above where filing or recordation is not required by law in order to perfect a security interest. Continuation of financing statements may be filed without consent of the debtor parties thereto. The expenses related to the filing of any continuation of a financing statement shall be paid by the Borrower.

Section 6.5. Leased Premises. The Issuer covenants that it will cause the Borrower to maintain, or cause to be maintained, the Leased Premises in good working condition for the uses for which the Leased Premises are intended.

Section 6.6. List of Bondholders. The Trustee will keep on file at the principal office of the Trustee a list of names and addresses of the holders of all Bonds. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Borrower or by holders and/or owners (or a designated representative thereof) of 25% or more in principal amount of Bonds then outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

Section 6.7. Rights Under Loan Agreement. The Issuer agrees that the Trustee in its name or in the name of the Issuer may enforce all rights of the Issuer and all obligations of the Borrower under and pursuant to the Loan Agreement for and on behalf of the Bondholders, whether or not the Issuer is in default hereunder.

Section 6.8. Investment of Funds. Moneys in the Funds established hereunder may be invested in Qualified Investments to the extent and in the manner provided for in Section 3.7 of

the Loan Agreement. The Trustee shall not be liable or responsible for any loss resulting from any such investment. The interest accruing thereon and any profit realized from such investments shall be credited, and any loss resulting from such investments shall be charged to the fund in which the money was deposited.

Section 6.9. Non-presentment of Bonds. If any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity, or at the date fixed for redemption thereof, or otherwise, if funds sufficient to pay any such Bond shall have been made available to Paying Agent for the benefit of the holder or holders thereof, all liability of Issuer to the holder thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of Paying Agent to hold such funds for five (5) years without liability for interest thereon, for the benefit of the holder of such Bond, who shall thereafter be restricted exclusively to such funds, for any claim of whatever nature on his part under this Indenture or on, or with respect to, such Bond.

Any moneys so deposited with and held by the Paying Agent not so applied to the payment of Bonds within five (5) years after the date on which the same shall become due shall be escheated as required by law.

Section 6.10. Insurance on Leased Premises. (a) Pursuant to Section 3.3 of the Loan Agreement, the Borrower covenants that it will maintain or cause to be maintained certain insurance with respect to the Leased Premises. In case the Borrower at any time refuses, neglects, or fails to obtain such certificate or to effect insurance as set forth above, the Trustee may, in its discretion, procure such certificate or insurance, and all moneys paid by the Trustee for such certificate or insurance, together with interest thereon at the highest rate of interest on any of the Bonds when sold, whether or not then outstanding, shall be repaid by the Borrower upon demand, and shall constitute an additional indebtedness of the Borrower secured by the lien of this Indenture, prior and paramount to the lien hereunder of said Bonds and interest thereon. The Trustee, however, shall not be obligated to effect such insurance unless it determines to do so and is fully indemnified against the expense thereof and furnished with means therefor.

(b) Subject to the terms of the Lease and of Section 3.4 of the Loan Agreement, the proceeds of such insurance (other than rental value insurance received by the Trustee which represents lease rental payments under the Lease) received by the Trustee shall be applied to the repair, replacement or reconstruction of the damaged or destroyed property in a manner determined by the Trustee, except that the Trustee may release such proceeds, or a part thereof, upon receipt of a certification from the Borrower that repairs, replacements or reconstructions have been made and the costs of such repairs, replacements or reconstructions has been paid.

(c) In the event the Borrower and/or the Developer, as applicable, does not commence to repair, replace or reconstruct the Leased Premises so damaged or destroyed as contemplated by the Lease, within ninety (90) days after any such damage or destruction, or the Borrower and/or the Developer, as applicable, having commenced such work of repair, replacement or reconstruction, abandons or fails diligently to prosecute the same, the Trustee may, in its discretion, make or complete such repairs, replacements or reconstructions, and if it shall elect to do so, may enter upon said premises to any extent necessary for the accomplishment of such purposes, provided, nothing contained herein shall obligate the Trustee

to make or complete any such repairs, replacements or reconstructions, and provided further, the Trustee may not make or complete such repairs, replacements or reconstructions if the Issuer has instructed the Borrower not to undertake such work in accordance with the Lease.

(d) In case the Borrower and/or Developer, as applicable, neglects, fails or refuses to proceed forthwith in good faith with the repair, replacement or reconstruction of the Leased Premises which has been so damaged or destroyed, and such negligence, failure or refusal continues for one hundred twenty (120) days, upon receipt of the insurance moneys, the Trustee shall (unless the Trustee proceeds to make the repairs, replacements or reconstructions of the destroyed or damaged property as above provided) apply such proceeds in the following manner:

(i) If the proceeds are sufficient to redeem all of the then outstanding Bonds, the Trustee shall apply the proceeds to the redemption of such Bonds at any time, in the manner provided in Article V of this Indenture but without premium or penalty and without regard to whether the Bonds are then subject to optional redemption, and with the same force and effect as if such redemption had been made at the option of the Borrower.

(2) If the proceeds are not sufficient to redeem all of the then outstanding Bonds, the Trustee shall apply the proceeds to the partial redemption of outstanding Bonds at any time, in the manner provided in Article V of this Indenture, without premium or penalty and without regard to whether the Bonds are then subject to optional redemption.

Any redemption of the Bonds shall be accomplished such that the Lease Rental Payments received from the remaining Leased Premises which have not been so damaged or destroyed shall be sufficient to pay the principal of and interest on the Bonds which have not been redeemed pursuant to this Section 6.10(d), as certified in writing to the Trustee by an Authorized Issuer Representative and Authorized Borrower Representative.

Section 6.11. Condemnation. In the event all or part of the Leased Premises is taken by exercise of the power of eminent domain and the Developer and the Borrower fail to proceed to replace or reconstruct the Leased Premises, the net proceeds of any condemnation award shall be deposited with the Trustee and disbursed in the same manner that insurance proceeds are disbursed pursuant to Section 6.10 hereof.

(End of Article VI)

ARTICLE VII.

DEFAULTS AND REMEDIES

Section 7.1. Events of Default. Each of the following events is hereby declared an “event of default,” that is to say, if:

(a) payment of any principal or interest payable on the Bonds shall not be made when the same is due and payable, whether at the stated maturity thereof, or upon proceedings for the redemption thereof, or upon the maturity thereof by acceleration as hereinafter provided; or

(b) any event of default as defined in Section 5.1 of the Loan Agreement shall occur and be continuing; or

(c) the Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Indenture or any agreement supplemental hereof on the part of the Issuer to be performed, and such default shall continue for sixty (60) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer and the Borrower by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the holders of all of the Bonds then outstanding hereunder; or

(d) the Issuer shall fail to apply collected Lease Rental Payments as required by Article IV of this Indenture.

Section 7.2. Acceleration. Upon the happening of any event of default specified in Section 7.1 and the continuance of the same for the period, if any, specified in that Section, the Trustee, by notice in writing delivered to the Issuer and the Borrower, shall declare the entire unpaid principal amount of the Bonds then outstanding, and the interest accrued thereon, to be immediately due and payable. The Redevelopment Commission’s obligation to pay Lease Rental Payments shall not be subject to acceleration.

Section 7.3. Remedies; Rights of Bondholders.

(1) If an event of default occurs, the Trustee may pursue any available remedy by suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds then outstanding, to enforce any obligations of the Issuer hereunder, and of the Borrower under the Loan Agreement, the Notes and any additional notes.

(2) Upon the occurrence of an event of default, and if directed so to do by the Requisite Bondholders and indemnified as provided in Section 8.1 hereof, the Trustee shall be obliged to exercise such one or more of the rights and powers conferred by this Article as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bondholders.

(3) No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the

Trustee or to the Bondholders hereunder or now or hereafter existing at law or in equity or by statute.

(4) No delay or omission to exercise any right or power accruing upon any event of default shall impair any such right or power or shall be construed to be a waiver of any event of default or acquiescence therein, and every such right and power may be exercised from time to time as may be deemed expedient.

(5) No waiver of any event of default hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent event of default or shall impair any rights or remedies consequent thereon.

Section 7.4. Right of Bondholders to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, Requisite Bondholders shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and this Indenture, and provided that the Trustee is obligated to pursue its remedies under the provisions of Section 7.2 hereof before any other remedies are sought.

Section 7.5. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the outstanding fees, expenses, liabilities and advances incurred or made by the Trustee or the Issuer, be deposited in the Bond Fund and all moneys in the Bond Fund shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

First: To the payment to the persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest, and if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discriminations or privilege; and

Second: To the payment to the persons entitled thereto of the unpaid principal of and premium, if any, of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due, and if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege.

Third: To the payment of the balance, if any, to the Borrower or its successors or assigns, upon the written request of the Borrower, or to whomsoever may be lawfully

entitled to receive the same upon its written request, or as any court of competent jurisdiction may direct.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over any other installment of interest, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

(c) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article then, subject to the provisions of subsection (b) of this Section in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of subsection (a) of this Section.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 7.6. Remedies Vested In Trustee. All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any holders of the Bonds, and any recovery of judgment shall, subject to the provisions of Section 7.5 hereof, be for the equal benefit of the holders of the outstanding Bonds.

Section 7.7. Rights and Remedies of Bondholders. No holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy hereunder, unless a default has occurred of which the Trustee has been notified as provided in subsection (g) of Section 8.1, or of which by said subsection it is deemed to have notice, nor unless also such default shall have become an event of default and Requisite Bondholders shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in Section 8.1 hereof, nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its,

his, or their own name or names. Such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the holders of all Bonds then outstanding. Nothing in this Indenture contained shall, however, affect or impair the right of any Bondholder to enforce the covenants of the Issuer to pay the principal of and interest on each of the Bonds issued hereunder to the respective holders thereof at the time, place, from the source and in the manner in said Bonds expressed.

Section 7.8. Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer, the Borrower and the Trustee shall be restored to their former positions and rights hereunder, respectively, with respect to the Trust Estate, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 7.9. Waivers of Events of Default. The Trustee may in its discretion waive any event of default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on the Bonds, and shall do so upon the written request of the holders of (1) all the Bonds then outstanding in respect of which default in the payment of principal and/or premium, if any, and/or interest exists, or (2) all Bonds then outstanding in the case of any other default; provided, however, that there shall not be waived (a) any event of default in the payment of the principal of any outstanding Bonds at the date of maturity specified therein, or (b) any default in the payment when due of the interest on any such Bonds unless prior to such waiver or rescission, arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such default shall have occurred on overdue installments of interest or all arrears of payments of principal and premium, if any, when due, as the case may be, and all expenses of the Trustee in connection with such default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon. In taking any actions hereunder, the Trustee shall be entitled to indemnity satisfactory to it from the holders of the Bonds.

(End of Article VII)

ARTICLE VIII.

THE TRUSTEE AND PAYING AGENT

Section 8.1. Acceptance of the Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts. No implied covenants or obligations shall be read into this Indenture against the Trustee.

(a) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or if appointed through attorneys, agents, receivers or employees but shall not be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Issuer or the Borrower). The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

(b) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the certificate of the Trustee endorsed on the Bonds), or in any offering document related to the Bonds or for insuring the property herein conveyed or collecting any insurance moneys, or for the validity of the execution by the Issuer of this Indenture or of any supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or title of the property herein conveyed or otherwise as to the maintenance of the security hereof; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Issuer or on the part of the Borrower under the Loan Agreement; but the Trustee may require of the Issuer or the Borrower full information and advice as to the performance of the covenants, conditions and agreements aforesaid as to the condition of the property herein conveyed. The Trustee shall have no obligation to perform any of the duties of the Issuer under the Loan Agreement, and the Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with the provisions of this Indenture.

(c) The Trustee shall not be accountable for the use of any Bonds authenticated by it or the Paying Agent or delivered hereunder. The Trustee may become the owner of Bonds secured hereby with the same rights which it would have if not Trustee.

(d) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the Issuer or the Borrower by its duly authorized officers as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which the Trustee has been notified as provided in subsection (g) of this Section, or of which said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the Issuer or the Borrower under its seal to the effect that an ordinance or resolution in the form therein set forth has been adopted by the Issuer or the Borrower as conclusive evidence that such ordinance or resolution has been duly adopted, and is in full force and effect.

(f) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its gross negligence or willful misconduct; provided, however, that the provisions of this subsection shall not affect the duties of the Trustee hereunder, including the provisions of Article VII hereof.

(g) The Trustee shall not be required to take notice or be deemed to have notice of any event of default hereunder (other than payment of the principal and interest on the Bonds) unless the Trustee shall be specifically notified in writing of such default by the Issuer or by the holders of at least twenty-five percent (25%) in aggregate principal amount of all Bonds then outstanding and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the principal corporate trust office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid.

(h) The Trustee shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or nonfulfillment of contracts during any period in which it may be in possession of or managing the Trust Estate.

(i) At any and all reasonable times and upon reasonable prior written notice, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect the Trust Estate, and to take such memoranda from and in regard thereto as may be desired.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, deemed desirable for the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(l) Before taking any action under this Section 8.1 the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its gross negligence or willful misconduct in connection with any action so taken. Such indemnity shall survive the termination of this Indenture. Except as otherwise specifically stated in this Indenture, the Issuer shall provide at its expense any indemnity hereunder requested by the Trustee.

(m) All moneys received by the Trustee or the Paying Agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. Neither the Trustee nor the Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon in writing.

(n) If any event of default under this Indenture which the Trustee has knowledge of shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and shall use the same degree of care as a prudent man would exercise or use in the circumstances in the conduct of his own affairs.

Section 8.2. Fees, Charges and Expenses of Trustee and Paying Agent. The Trustee and Paying Agent shall be entitled to payment and/or reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee or Paying Agent in connection with such services as provided herein and in the Loan Agreement. Upon an event of default, but only upon an event of default, the Trustee shall have a right of payment prior to payment on account of interest or principal of, or premium, if any, on any Bond for the foregoing advances, fees, costs and expenses incurred. In the event of bankruptcy of the Issuer, any fees and expenses of the Trustee shall constitute administrative expenses.

Section 8.3. Notice to Bondholders if Default Occurs. If an event of default occurs of which the Trustee is by subsection (g) of Section 8.1 hereof required to take notice or if notice of an event of default be given as in said subsection (g) provided, then the Trustee shall give written notice thereof by registered or certified mail to the last known holders of all Bonds then outstanding shown by the list of Bondholders required by the terms of this Indenture to be kept at the office of the Trustee.

Section 8.4. Intervention by Trustee. In any judicial proceeding to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of holders of the Bonds, the Trustee may intervene on behalf of Bondholders and, subject to the provisions of Section 8.1(l), shall do so if requested in writing by the owners of at least twenty-five percent (25%) in aggregate principal amount of all Bonds then outstanding. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Section 8.5. Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any

corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Trustee hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 8.6. Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving thirty (30) days' written notice to the Issuer and the Borrower and by registered or certified mail to each registered owner of Bonds then outstanding and to each holder of Bonds as shown by the list of Bondholders required by this Indenture to be kept at the office of the Trustee, and such resignation shall take effect at the end of such thirty (30) days, or upon the earlier appointment of a successor Trustee by the Bondholders or by the Issuer. Such notice to the Issuer and the Borrower may be served personally or sent by registered or certified mail.

Section 8.7. Removal of the Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee signed by (i) the Issuer if no event of default has occurred and is continuing unremedied or unwaived; or (ii) the Requisite Bondholders. All fees and expenses due and owing to the Trustee, including counsel fees, shall be paid prior to the effectiveness of any removal.

Section 8.8. Appointment of Successor Trustee by the Bondholders; Temporary Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the owners of a majority in aggregate principal amount of Bonds then outstanding, by an instrument or concurrent instruments in writing signed by such owners, or by their attorneys-in-fact, duly authorized; provided, nevertheless, that in case of such vacancy, the Issuer, by an instrument executed by one of its duly authorized officers, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Bondholders in the manner above provided; and any such temporary Trustee so appointed by the Issuer shall immediately and without further act be superseded by the Trustee so appointed by such Bondholders. If a successor Trustee has not been appointed within thirty (30) days of the notice of resignation or removal of the Trustee, the Trustee may appoint a successor or may petition a court of competent jurisdiction for the appointment of a successor, and any such action of a court shall be binding upon the parties. Every such Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank, having a reported capital and surplus of not less than One Hundred Million Dollars (\$100,000,000) if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

Section 8.9. Concerning Any Successor Trustees. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer and the Borrower an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Issuer, or of its successor, execute

and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article shall be filed by the successor Trustee in each office, if any, where the Indenture shall have been filed.

Section 8.10. Trustee Protected in Relying Upon Resolutions, etc. Subject to the conditions contained herein, the resolutions, ordinances, opinions, certificates and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the release of property and the withdrawal of cash hereunder.

Section 8.11. Appointment of Paying Agent, Registrar and Transfer Agent; Resignation or Removal of Paying Agent, Registrar or Transfer Agent. The Trustee is hereby appointed “Paying Agent”, “Registrar” and “Transfer Agent” under this Indenture. Any Paying Agent, Registrar or Transfer Agent may at any time resign and be discharged of the duties and obligations created by this instrument and any supplemental indenture by giving at least sixty (60) days’ written notice to the Issuer, the Borrower and the Trustee. Any Paying Agent, Registrar or Transfer Agent may be removed at any time by an instrument, filed with such Paying Agent, Registrar or Transfer Agent and the Trustee and signed by the Issuer and the Borrower. Any successor Paying Agent, Registrar or Transfer Agent shall be appointed by the Issuer at the direction of the Borrower and shall be a bank or trust company duly organized under the laws of any state of the United States or a national banking association, in each case having a capital stock and surplus aggregating at least One Hundred Million Dollars (\$100,000,000), willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

In the event of the resignation or removal of any Paying Agent, Registrar or Transfer Agent, such Paying Agent, Registrar or Transfer Agent shall pay over, assign and deliver any moneys or securities held by it as Paying Agent, Registrar or Transfer Agent to its successors, or if there is no successor, to the Trustee.

Section 8.12. Indemnification. To the extent permitted by law, the Issuer hereby agrees to indemnify and save harmless the Trustee from all losses, liabilities, costs and expenses, including attorney fees and expenses, which may be incurred by it as a result of its acceptance of or arising from the performance of its duties hereunder, unless such losses, liabilities, costs and expenses shall have been finally adjudicated to have resulted from the gross negligence or willful misconduct of the Trustee, and such indemnification shall survive its resignation or removal of the Trustee or the defeasance of this Indenture.

(End of Article VIII)

ARTICLE IX.

SUPPLEMENTAL INDENTURES

Section 9.1. Supplemental Indentures Not Requiring Consent of Bondholders. The Issuer and the Trustee may without the consent of, or notice to, any of the Bondholders, enter into an indenture or indentures supplemental to this Indenture, as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Indenture;
- (b) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee or any of them;
- (c) To subject to this Indenture additional security, revenues, properties or collateral;
or
- (d) To make any other change in this Indenture which, in the judgment of the Trustee, is not to the material prejudice of the Trustee, the Borrower, the Issuer or the holders of the Bonds; or
- (e) To modify, amend or supplement the Indenture in such manner as required to permit the qualification thereof under the Trust Indenture Act of 1939, as amended, or any similar Federal statute hereafter in effect, and, if they so determine, to add to the Indenture such other terms, conditions and provisions as may be required by said Trust Indenture Act of 1939, as amended, or similar federal statute.
- (f) To issue Additional Bonds in accordance with the provisions of Section 2.8 hereof.

Section 9.2. Supplemental Indentures Requiring Consent of Bondholders. Exclusive of supplemental indentures covered by Section 9.1 hereof, and subject to the terms and provisions contained in this Section, and not otherwise, the Requisite Bondholders shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Issuer and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided however, that nothing in this section contained shall permit or be construed as permitting (except as otherwise permitted in this Indenture) (a) an extension of the stated maturity or reduction in the principal amount of, or reduction in the rate or extension of the time of paying of interest on, or reduction of any premium payable on the redemption of, any Bonds, without the consent of the holder of such Bond, or (b) a reduction in the amount or extension of the time of any payment required by any sinking fund applicable to any Bonds without the consent of the holders of all the Bonds which would be affected by the action to be taken, or (c) the creation of any lien prior to or on a parity with the lien of this Indenture without the consent of the holders of all the Bonds at the time outstanding, or (d) a reduction in the aforesaid aggregate principal amount of Bonds the

holders of which are required to consent to any such supplemental indenture, without the consent of the holders of all the Bonds at the time outstanding which would be affected by the action to be taken, or (e) a modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee, or (f) a privilege or priority of any Bond over any other Bonds, or (g) a derivation of the Owners of any Series 2018 Bonds then Outstanding of the lien thereby created.

Anything herein to the contrary notwithstanding, a supplemental indenture under this Article which materially affects any rights of the Borrower shall not become effective unless and until the Borrower shall have consented in writing to the execution and delivery of such supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such supplemental indenture together with a copy of the proposed supplemental indenture to be mailed by certified or registered mail to the Borrower at least fifteen (15) days prior to the proposed date of execution and delivery of any such supplemental indenture.

Section 9.3. Opinion of Counsel. The Trustee shall receive prior to its entry into any supplemental indenture under this Article IX, and shall be fully protected in relying upon, the opinion of any counsel approved by it who may be counsel for the Issuer, as conclusive evidence that any such proposed supplemental indenture complies with the provisions of this Indenture, and that it is proper for the Trustee, under the provisions of this Article IX, to join in the execution of such supplemental indenture

(End of Article IX)

ARTICLE X.

AMENDMENTS TO THE LOAN AGREEMENT

Section 10.1. Amendments, etc., to Loan Agreement Not Requiring Consent of Bondholders. The Issuer and the Trustee with the consent of the Borrower shall, without the consent of or notice to the Bondholders, consent to any amendment, change or modification of the Loan Agreement as may be required (i) by the provisions of the Loan Agreement and this Indenture, including particularly amendments to the Loan Agreement relating to the issuance of additional notes, or (ii) for the purpose of curing any ambiguity or formal defect or omission, or (iii) in connection with any other change therein which, in the judgment of the Trustee, is not to the prejudice of the Trustee, the Issuer or the holders of the Bonds.

Section 10.2. Amendments, etc., to Loan Agreement Requiring Consent of Bondholders. Except for the amendments, changes or modifications as provided in Section 10.1 hereof, neither the Issuer nor the Trustee shall consent to any other amendment, change or modification of the Loan Agreement without the consent of the Borrower and the written approval or consent of the Requisite Bondholders given and procured as in Section 9.2 provided.

Section 10.3. No Amendment May Alter Notes. Under no circumstances shall any amendment to the Loan Agreement alter the Notes or the payments of principal and interest thereon, without the consent of the holders of all the Bonds at the time outstanding.

Section 10.4. Opinion of Counsel. The Trustee shall receive prior to consenting to any amendment to the Loan Agreement under this Article X, and shall be fully protected in relying upon, the opinion of any counsel approved by it who may be counsel for the Issuer, as conclusive evidence that any such consent complies with the provisions of this Indenture, and that it is proper for the Trustee, under the provisions of this Article X, to consent to such amendment to the Loan Agreement.

(End of Article X)

ARTICLE XI.

MISCELLANEOUS

Section 11.1. Satisfaction and Discharge. All rights and obligations of the Issuer and the Borrower under the Loan Agreement, the Notes and this Indenture shall terminate, and such instruments shall cease to be of further effect, and the Trustee shall cancel the Notes and deliver them to the Borrower, shall execute and deliver all appropriate instruments evidencing and acknowledging the satisfaction of this Indenture, and shall assign and deliver to the Borrower any moneys and investments in all Funds established hereunder (except moneys or investments held by the Trustee for the payment of principal of, interest on, or premium, if any, on the Bonds) when

- (a) all fees and expenses of the Trustee and the Paying Agent shall have been paid;
- (b) the Issuer and the Borrower shall have performed all of their covenants and promises in the Loan Agreement, the Notes and in this Indenture; and
- (c) all Bonds theretofore authenticated and delivered (i) have become due and payable, or (ii) are to be retired or called for redemption under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee at the expense of the Borrower, or (iii) have been delivered to the Trustee canceled or for cancellation; and, in the case of (i) and (ii) above, there shall have been deposited with the Trustee either cash in an amount which shall be sufficient, or investments (but only to the extent that the full faith and credit of the United States of America are pledged to the timely payment thereof) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee, shall be sufficient, to pay when due the principal or redemption price, if applicable, and interest due and to become due on the Bonds and prior to the redemption date or maturity date thereof, as the case may be.

Provided, however, none of the Bonds may be advance refunded if such advance refunding is not permitted by the laws of the State of Indiana.

Section 11.2. Defeasance of Bonds. Any Bond shall be deemed to be paid and no longer Outstanding within the meaning of this Article and for all purposes of this Indenture when (a) payment of the principal and interest of and premium, if any, on such Bond either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee in trust and irrevocably set aside exclusively for such payment, (1) cash sufficient to make such payment, (2) Government Obligations, maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment, or (3) a combination of cash and such Government Obligations, and (b) all necessary and proper fees, compensation, indemnities and expenses of the Trustee and the Issuer pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for. At such time as a Bond shall be deemed to be paid hereunder, as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of any such payment from such moneys or Government Obligations.

Notwithstanding the foregoing, no deposit under clause (a)(ii) of the immediately preceding paragraph shall be deemed payment of such Bonds as aforesaid until (a) proper notice of redemption of such Bonds shall have been previously given in accordance with Section 5.2 of this Indenture, or if the Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, until the Borrower shall have given the Trustee in form satisfactory to the Trustee irrevocable instructions to notify, as soon as practicable, the Owners of the Bonds, that the deposit required by the preceding paragraph has been made with the Trustee and that the Bonds are deemed to have been paid in accordance with this Section 11.2 and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and the applicable redemption premium, if any, on said Bonds, plus interest thereon to the due date thereof; or (b) the maturity of such Bonds.

All moneys so deposited with the Trustee as provided in this Section 11.2 may also be invested and reinvested, at the written direction of the Borrower, in Government Obligations, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Government Obligations in the hands of the Trustee pursuant to this Section 11.2 which is not required for the payment of principal of the Bonds and interest and premium, if any, thereon with respect to which such moneys shall have been so deposited shall be deposited in the Bond Fund as and when realized and collected for use and application as are other moneys deposited in the Bond Fund.

Notwithstanding any provision of any other Article of this Indenture which may be contrary to the provisions of this Section 11.2, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Section 11.2 for the payment of Bonds (including premium thereon, if any) shall be applied to and used solely for the payment of the particular Bonds (including the premium thereon, if any) with respect to which such moneys or Government Obligations have been so set aside in trust.

In determining the sufficiency of the moneys and/or Government Obligations deposited pursuant to this Section 11.2, the Trustee shall be entitled to receive, at the expense of the Issuer, a verification report of a firm of nationally recognized independent certified public accountants and a defeasance opinion from nationally recognized bond counsel.

Anything in Article 9 hereof to the contrary notwithstanding, if moneys or Government Obligations have been deposited or set aside with the Trustee pursuant to this Section 11.2 for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Section 11.2 shall be made without the consent of the Owner of each Bond affected thereby.

The right to register the transfer of or to exchange Bonds shall survive the discharge of this Indenture.

Section 11.3. Cancellation of Series 2018 Bonds. If the Owner of any Series 2018 Bonds presents that Bond to the Trustee with an instrument satisfactory to the Trustee waiving all claims for payment of that Bond, the Trustee shall cancel that Series 2018 Bond and the Bondholder shall have no further claim against the Trust Estate, the Issuer, or the Borrower with respect to that Series 2018 Bond.

Section 11.4. Application of Trust Money. All money or investments deposited with or held by the Trustee pursuant to Section 11.1 shall be held in trust for the holders of the Bonds, and applied by it, in accordance with the provisions of the Bonds and this Indenture, to the payment, either directly or through the Paying Agent, to the persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money has been deposited with the Trustee; but such money or obligations need not be segregated from other funds except to the extent required by law.

Section 11.5. Consents, etc., of Bondholders. Any consent, request, direction, approval, objection or other instrument required by this Indenture to be executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be executed by such Bondholders in person or by agent appointed in writing. Provided, however, that wherever this Indenture or the Loan Agreement requires that any such consent or other action be taken by the holders of a specified percentage, fraction or majority of the Bonds outstanding, any such Bonds held by or for the account of the following persons shall not be deemed to be outstanding hereunder for the purpose of determining whether such requirement has been met: the Issuer, any of its members, the Borrower, or the directors, trustees, officers or members of the Borrower. For all other purposes, Bonds held by or for the account of such person shall be deemed to be outstanding hereunder. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of the holding by any person of Bonds transferable by delivery and the amounts and numbers of such Bonds, and the date of the holding of the same, may be proved by a certificate executed by any trust Borrower, bank or bankers, wherever situated, stating that at the date thereof the party named therein did exhibit to an officer of such trust Borrower or bank or to such banker, as the property of such party, the Bonds therein mentioned if such certificate shall be deemed by the Trustee to be satisfactory. The Trustee may, in its discretion, require evidence that such Bonds have been deposited with a bank, bankers or trust Borrower, before taking any action based on such ownership. In lieu of the foregoing, the Trustee may accept other proofs of the foregoing as it shall deem appropriate.

For all purposes of this Indenture and of the proceedings for the enforcement hereof, such person shall be deemed to continue to be the holder of such Bond until the Trustee shall have received notice in writing to the contrary.

Section 11.6. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture, or the Bonds is intended or shall be construed to give to any person other than the parties hereto, and the Borrower, and the holders of the Bonds, any legal or equitable right, remedy or claim under or in

respect to this Indenture or any covenants, conditions and provisions herein contained, this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Borrower and the holders of the Bonds as herein provided.

Section 11.7. Severability. If any provision of this Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or Sections in this Indenture contained, shall not affect the remaining portions of this Indenture, or any part thereof.

Section 11.8. Notices. All notices, demands, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified or overnight mail, postage prepaid, with proper address as indicated below. The Issuer, the Borrower, and the Trustee may, by written notice given by each to the others, designate any address or addresses to which notices, demands, certificates or other communications to them shall be sent when required as contemplated by this Indenture. Until otherwise provided by the respective parties, all notices, demands, certificates and communications to each of them shall be addressed as provided in Section 9.4 of the Loan Agreement.

Section 11.9. Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.10. Applicable Law. This Indenture shall be governed exclusively by the applicable laws of the State of Indiana.

Section 11.11. Immunity of Officers and Directors. No recourse shall be had for the payment of the principal of or premium or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Indenture contained against any past, present or future members, officer, directors, agents, attorneys or employees of the Issuer, or any incorporator, member, officer, director, agents, attorneys, employees or trustee of any successor corporation, as such, either directly or through the Issuer or any successor corporation, 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 incorporator, members, officers, directors, agents, attorneys, employees or trustees as such is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and issuance of such Bonds.

Section 11.12. Holidays. If any date for the payment of principal or interest on the Bonds is not a business day then such payment shall be due on the first business day thereafter.

Section 11.13. Reconstruction or Substitution of Leased Premises. If all or a portion of the Leased Premises shall be damaged or destroyed or subject to condemnation, the Borrower and the Developer shall have certain rights and obligations to reconstruct or substitute other property for such Leased Premises, pursuant to and subject to the terms and conditions set forth in the Lease.

(End of Article XI)

IN WITNESS WHEREOF, the Town of Pendleton, Indiana, has caused these presents to be signed in its name and behalf by the Town Council President and its corporate seal to be hereunto affixed and attested by its Clerk-Treasurer, and to evidence its acceptance of the trusts hereby created, and _____ has caused these presents to be signed in its name and behalf by, its official seal to be hereunto affixed by, its duly authorized officer, all as of the day and year first above written.

TOWN OF PENDLETON, INDIANA

By: _____
Town Council President

(SEAL)

Attest:

Clerk-Treasurer

_____, as Trustee

By: _____
(Written Signature)

(Printed Signature)

EXHIBIT A

[BOND ISSUANCE EXPENSE ACCOUNT]/[CONSTRUCTION ACCOUNT]
DISBURSEMENT REQUEST

TOWN OF PENDLETON, INDIANA
TAXABLE ECONOMIC DEVELOPMENT REVENUE BOND,
SERIES 2018 (WELLNESS CENTER PROJECT)

Request for Disbursement from [Bond Issuance Expense Account]/[Construction Account]

Request No. ____

Attn: Corporate Trust Department
_____, Suite ____
Indianapolis, Indiana _____

THE UNDERSIGNED hereby certifies that he/she is an Authorized Borrower Representative within the respective meanings of the Trust Indenture, dated as of _____, 2018 (the "Trust Indenture"), between the Town of Pendleton, Indiana and _____, as trustee (the "Trustee"). Terms used in this Request and not defined in this Request are used with the meanings ascribed to such terms in the Trust Indenture.

Pursuant to Section [4.3(b)]/[4.3(c)] of the Trust Indenture, the Borrower hereby orders the Trustee to pay the [Bond Issuance Costs]/[Financed Project Costs], as described on Schedule 1 to this Request.

IN SUPPORT OF THIS REQUEST, the undersigned Authorized Borrower Representative of the Borrower certifies as follows:

1. The aggregate costs or obligations set forth in this Request [(a) have been made or incurred, and (b) are allowable Bond Issuance Costs under the definition of Financed Project Costs]/[(a) have been made or incurred, and (b) were necessary for the construction of the Project, and (c)(i) were made or incurred in accordance with the effective construction contracts, plans and specifications or purchase contracts or (ii) are for otherwise allowable Financed Project Costs];

2. The amount(s) paid or to be paid is(are) reasonable and represent(s) a part of the amount(s) payable for the Financed Project Costs; and such payment(s) was(were) made in accordance with the terms of any contracts applicable thereto and in accordance with usual and customary practice under existing conditions;

3. No part of such costs or obligations was included in any written request previously filed with the Trustee under the provisions of the Trust Indenture;

4. Exhibit A to this Request is a “recap” of the vendors and the respective amounts paid or to be paid pursuant to this Request; and

5. Such costs are appropriate for the expenditure of proceeds of the Bonds under the Act.

Date: _____

PENDLETON MUNICIPAL FACILITIES
BUILDING CORPORATION

By: _____

Printed: _____

Title: _____

EXHIBIT B

BOND ISSUANCE COSTS

Bose McKinney & Evans LLP, bond counsel and local counsel \$

H.J. Umbaugh & Associates, municipal advisor

_____, trustee

_____, bond rating

_____, underwriter's counsel

_____, trustee counsel

\$ _____

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LOAN AGREEMENT

BETWEEN

PENDLETON MUNICIPAL FACILITIES BUILDING CORPORATION

AND

TOWN OF PENDLETON, INDIANA

Dated as of _____ 1, 2018

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

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LOAN AGREEMENT

This is a LOAN AGREEMENT, dated as of _____ 1, 2018 (the “Loan Agreement”) between PENDLETON MUNICIPAL FACILITIES BUILDING CORPORATION, a nonprofit corporation duly organized and validly existing under the laws of the State of Indiana (the “Borrower”), and the TOWN OF PENDLETON, INDIANA, a municipal corporation duly organized and validly existing under the laws of the State of Indiana (the “Issuer”).

WHEREAS, the Indiana Code, Title 36, Article 7, Chapters 11.9 and 12, as supplemented and amended (collectively, the “Act”), authorizes and empowers the Issuer to issue revenue bonds and to lend the proceeds therefrom to an individual or an entity for the purpose of financing costs of construction of economic development facilities, for diversification of economic development and promotion of job opportunities in or near such Issuer and vests the Issuer with powers that may be necessary to enable it to accomplish such purposes;

WHEREAS, to foster economic development in the Issuer, the Issuer, the Town of Pendleton Redevelopment Commission (the “Redevelopment Commission”), the Pendleton Redevelopment Authority and Madison County Tennis & Wellness, LLC (the “Developer”) entered into a Development Agreement, dated as of _____, 2018 (the “Development Agreement”) with respect to an indoor recreation and wellness facility, and related costs, as more particularly described in the Development Agreement (the “Project”); and

WHEREAS, pursuant to the Development Agreement, the Issuer has agreed to issue bonds to finance the costs of the portion of the Project; and

WHEREAS, the Issuer, upon finding that the Project and the proposed financing of a portion thereof will create additional employment opportunities in the Issuer; will benefit the health, safety, morals, and general welfare of the citizens of the Issuer and the State of Indiana; and will comply with the purposes and provisions of the Act, adopted an ordinance approving the proposed financing;

WHEREAS, to assist in the completion of the Project, the Issuer desires to issue its Taxable Economic Development Lease Rental Revenue Bonds, Series 2018 (Wellness Center Project) in the aggregate principal amount of \$_____ (the “Series 2018 Bonds”) pursuant to the Trust Indenture dated as of _____ 1, 2018 (the “Indenture”) between the Issuer and _____, as trustee (the “Trustee”), and to lend the proceeds of the Series 2018 Bonds pursuant to the provisions of this Loan Agreement for the purpose of paying certain costs of the Project, including capitalized interest and a reserve fund;

WHEREAS, this Loan Agreement provides for the repayment by the Borrower of the loan of the proceeds of the Series 2018 Bonds and further provides for the Borrower’s repayment obligation to be evidenced by the Borrower’s Note, Series 2018 (the “Series 2018 Note”) in substantially the form attached hereto as Exhibit A;

WHEREAS, pursuant to the Indenture, the Issuer will pledge and assign the Series 2018 Note and assign certain of its rights under this Loan Agreement to the Trustee as security for the Series 2018 Bonds;

WHEREAS, the Bonds issued under the Indenture will be payable solely out of (i) the payments to be made by the Borrower on the Series 2018 Note and any other Notes issued hereunder (collectively, the “Notes”); (ii) Bond proceeds, or (iii) investment earnings on each of the foregoing funds;

WHEREAS, to provide for the financing and construction of the Project, the Borrower has entered into a Lease Agreement, dated as of _____, 2018, between the Borrower, as lessor, and the Redevelopment Commission, as lessee (the “Lease”);

WHEREAS, pursuant to Indiana Code 36-7-14-27, Indiana Code 36-7-14-25.2 and Indiana Code 36-7-14-25.3, the lease rentals under the Lease are payable from (i) real property tax increment (“TIF Revenues”) generated in the Pendleton-Falls Pointe Economic Development Area #1 established by the Redevelopment Commission, and (ii) to the extent TIF Revenues are ever insufficient, a special tax levied and collected by the Redevelopment Commission on all taxable property within the Town of Pendleton Redevelopment District (the “Special Benefits Tax”); and

WHEREAS, the Notes issued under this Loan Agreement will be payable from the lease rentals received by the Borrower from the Redevelopment Commission under the Lease (the “Lease Rental Payments”).

PRELIMINARY STATEMENT AND GRANTING CLAUSES

In consideration of the premises, the loan of the proceeds of the Series 2018 Bonds to be made by the Issuer, the acceptance of the Series 2018 Note by the Issuer, and of other good and valuable consideration, the receipt of which is hereby acknowledged, the Borrower has executed and delivered this Loan Agreement.

This Loan Agreement is executed upon the express condition that if the Borrower shall pay or cause to be paid all indebtedness hereunder and shall keep, perform and observe all and singular the covenants and promises expressed in the Notes and this Loan Agreement to be kept, performed and observed by the Borrower, then this Loan Agreement and the rights hereby granted shall cease, determine and be void; otherwise to remain in full force and effect.

In consideration of the premises, the loan of the proceeds of the Series 2018 Bonds to be made by the Issuer, the acceptance of the Series 2018 Note by the Issuer, and of other good and valuable consideration, the receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of, premium, if any, and interest payable on the Notes and the performance of all the covenants of the Borrower contained herein, the Borrower has executed and delivered this Loan Agreement and by these presents does assign, grant, mortgage and warrant, and grant a security interest in, to the Issuer and its successors and assigns forever, all of the following described property:

- (i) All moneys and securities from time to time held by the Issuer or the Trustee under the terms of this Loan Agreement or the Indenture; and
- (ii) All right, title and interest of the Borrower in the Lease, including the Lease Rental Payments, the Developer Obligations Agreement and the Third Party Guaranty; and
- (iii) All other properties and moneys hereafter pledged to the Trustee by the Borrower to the extent of that pledge.

TO HAVE AND TO HOLD all and singular, the above described property (the "Security"), whether now owned or hereafter acquired, unto the Issuer, its successors and assigns forever; provided, however, that this Loan Agreement is executed upon the express condition that if the Borrower shall pay or cause to be paid all indebtedness secured hereby and shall keep, perform and observe all and singular the covenants and promises expressed in the Notes and this Loan Agreement to be kept, performed and observed by the Borrower, then this Loan Agreement and the rights hereby granted shall cease, determine and be void; otherwise to remain in full force and effect.

The Borrower and the Issuer hereby further covenant and agree as follows:

ARTICLE I.

DEFINITIONS AND EXHIBITS

Section 1.1. Terms Defined. As used in this Loan Agreement, the following terms shall have the following meanings unless the context clearly otherwise requires:

“Act” means, collectively, Indiana Code 36-7-11.9 and 36-7-12.

“Additional Bonds” means the additional bonds authorized to be issued by the Issuer pursuant to Section 2.8 of the Indenture and any bonds issued in substitution or replacement therefor.

“Annual Fees” means the annual fees charged by the Trustee for services provided as the trustee and paying agent under the Indenture.

“Authorized Borrower Representative” means the President or Executive Director of the Redevelopment Commission, or such other individuals designated by a resolution of the Borrower.

“Bond Counsel” means a nationally recognized firm of municipal bond attorneys acceptable to the Trustee.

“Bond Fund” means the Bond Fund established by Section 4.2 of the Indenture.

“Bondholder” or “owner of a Bond” or any similar term means the owner of a Bond.

“Bonds” means the Series 2018 Bonds, the Additional Bonds and any other bonds issued under the Indenture.

“Borrower” means Pendleton Municipal Facilities Building Corporation, a nonprofit corporation duly organized and validly existing under the laws of the State of Indiana and qualified to do business in the State of Indiana, and its successors or assigns hereunder.

“Commission” means the Town of Pendleton Economic Development Commission.

“Construction Fund” means the Construction Fund established in Section 4.3 of the Indenture.

“Counsel” means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include legal counsel for either the Issuer or the Borrower.

“Credit Facility” means any letter of credit, revolving credit agreement, surety bond, reserve fund surety policy, insurance policy or other similar credit or liquidity agreement or instrument.

“Credit Provider” means the issuer of any Credit Facility and its successor in such capacity and their assigns, as provided in the Indenture.

“Developer” means Madison County Tennis & Wellness, LLC, and its successors and assigns under the Development Agreement.

“Development Agreement” means the Development Agreement, dated as of _____, 2018, among the Issuer, the Redevelopment Commission, the Pendleton Redevelopment Authority and the Developer, related to the Project, and all amendments and supplements thereto.

“Financed Project Costs” shall have the meaning assigned in the Indenture.

“Government Obligations” means (a) direct obligations of the United States of America for the payment of which the full faith and credit of the United States of America is pledged, (b) obligations issued by a person controlled or supervised by and acting as an instrumentality of the United States of America, the payment of the principal of and premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (a) or (b) issued or held in book-entry form on the books of the Department of Treasury of the United States of America or Federal Reserve Bank), (c) certificates or receipts representing direct ownership interests in obligations or specified portions (such as principal or interest) of obligations described in (a) or (b), which obligations are held by a custodian in safekeeping on behalf of such certificates or receipts, or (d) senior, unsubordinated obligations of the Federal National Mortgage Association of Federal Home Loan Mortgage Corporation; provided that with respect to obligations of the sort described in clause (d), (i) such obligations are rated in the highest rating category for such obligation by any of Moody’s Investors Service (“Moody’s”), Standard & Poors Rating Group (“S&P”) or Fitch Ratings (“Fitch”) and (ii) in the event that any bonds are defeased with such obligations in whole or in

part those Bonds shall be concurrently rated in the highest rating category for such obligations by any of Moody's, S&P or Fitch.

"Indenture" means the Trust Indenture dated as of _____ 1, 2018, between the Issuer and the Trustee and all amendments and supplements thereto.

"Issuer" means the Town of Pendleton, Indiana, a municipal corporation duly organized and validly existing under the laws of the State or any successor to its rights and obligations under this Loan Agreement.

"Lease" means the Lease Agreement, dated as of _____, 2018, as amended, among the Borrower, as lessor, and the Redevelopment Commission, as lessee, and all amendments and supplements thereto.

"Leased Premises" means the Premises as such term is defined in the Lease.

"Lease Rental Payments" means lease rental payments made by the Redevelopment Commission as a lessee under the Lease.

"Loan" means the loan by the Issuer to the Borrower of the proceeds of the sale of the Series 2018 Bonds.

"Note" or "Notes" means the Series 2018 Note, and any notes issued in exchange therefor pursuant to Section 3.6 hereof.

"Outstanding," with reference to Bonds, means all Bonds theretofore issued and not yet paid and discharged under the terms of the Indenture and with reference to Notes, means all notes theretofore issued and not yet paid and discharged under the terms of this Loan Agreement.

"Project" has the meaning assigned in the recitals hereto.

"Qualified Investments" means to the extent permitted by the laws of the State (i) Government Obligations; (ii) bonds, debentures, participation certificates or notes issued by any of the following: Federal Farm Credit Banks, Federal Financing Bank, Federal Home Loan Banks, Federal National Mortgage Association or Federal Home Loan Mortgage Corporation; (iii) certificates of deposit, time deposits and other interest-bearing deposit accounts with any banking institution, including the Trustee, which are insured by the Federal Deposit Insurance Corporation and for any amounts above the insurance limits of the Federal Deposit Insurance Corporation, are collateralized by obligations described in (i) hereof; (iv) any money market fund, sweep account, mutual fund or trust, including those for which the Trustee or an affiliate performs services for a fee, whether as custodian, transfer agent, investment advisor or otherwise; (v) repurchase agreements with the Trustee or any of its affiliated banks or any other bank having a net worth of at least \$100,000,000 secured by a pledge and physical delivery (except in the case of securities issued in book-entry form,

which shall be registered in the name of the Trustee) to the Trustee of obligations described in (i) or (ii) hereof; (vi) municipal obligations the interest on which would be excluded from the gross income of the owners thereof for federal tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, if (a) rated in one of the three highest rating categories of either Moody's or S&P, or, (b) if fully secured by securities guaranteed as to principal and interest by the United States of America; and (vii) stock of a Qualified Regulated Investment Company which invests solely in obligations described in (vi) above.

“Redevelopment Commission” means the Town of Pendleton Redevelopment Commission.

“Reserve Fund Credit Facility” means any Credit Facility issued or provided by a Credit Provider, (i) which may be deposited in the Series 2018 Debt Service Reserve Fund in lieu of or in partial substitution for cash or Qualified Investments to be on deposit therein, and (ii) which shall be payable (upon the giving of notice as required thereunder) on any due date on which moneys will be required to be withdrawn from such reserve account in which such Credit Facility is deposited and applied to the payment of the principal of or interest on any Bonds to which such Credit Facility relates.

“Reserve Fund Reimbursement Obligation” shall mean any obligation to reimburse the Credit Provider of any Reserve Fund Credit Facility for any payment made under such Reserve Fund Credit Facility or any other obligation to repay any amounts (including, but not limited to, fees or additional interest) owing to the Credit Provider.

“Series 2018 Bonds” means the Town of Pendleton, Indiana Taxable Economic Development Lease Rental Revenue Bonds, Series 2018 (Wellness Center Project).

“Series 2018 Debt Service Reserve Fund” shall mean the Series 2018 Debt Service Reserve Fund established by the Issuer as set forth in Section 4.4 of the Indenture.

“Series 2018 Reserve Fund Credit Facility” means the Reserve Fund Credit Facility provided by the Series 2018 Reserve Fund Insurer for deposit into the Series 2018 Debt Service Reserve Fund to satisfy the Series 2018 Reserve Requirement with respect thereto upon the issuance of the Series 2018 Bonds.

“Series 2018 Reserve Fund Insurer” means _____, or any successor thereto or assignee thereof.

“Series 2018 Reserve Requirement” shall mean an amount equal to the least of (i) the maximum annual debt service on the Series 2018 Bonds, (ii) 125% of the average annual debt service on the Series 2018 Bonds, or (iii) 10% of the proceeds of the Series 2018 Bonds. At the time of issuance of the Series 2018 Bonds, the Series 2018 Reserve Requirement means an amount equal to \$_____, which is equal to the maximum annual debt service on the Series 2018 Bonds.

“Trustee” means the trustee and/or co-trustee at the time serving as such under the Indenture, and shall initially mean _____, Indianapolis, Indiana.

Section 1.2. Rules of Interpretation. For all purposes of this Loan Agreement, except as otherwise expressly provided, or unless the context otherwise requires:

(a) “This Loan Agreement” means this instrument as originally executed and as it may from time to time be supplemented or amended pursuant to the applicable provisions hereof.

(b) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Loan Agreement as a whole and not to any particular Article, Section or other subdivision.

(c) The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular and the singular as well as the plural.

(d) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as consistently applied.

(e) Any terms not defined herein but defined in the Indenture shall have the same meaning herein.

(f) The terms defined elsewhere in this Loan Agreement shall have the meanings therein prescribed for them.

Section 1.3. Exhibit. The following Exhibit is attached to and by reference made a part of this Loan Agreement.

Exhibit A. Form of Series 2018 Note.

(End of Article I)

ARTICLE II.

REPRESENTATIONS; LOAN OF SERIES 2018 BOND PROCEEDS

Section 2.1. Representations by Issuer. Issuer represents and warrants that:

(a) Issuer is a municipal corporation organized and existing under the laws of the State of Indiana. Under the provisions of the Act, the Issuer is authorized to enter into the transactions contemplated by this Loan Agreement and to carry out its obligations hereunder. Issuer has been duly authorized to execute and deliver this Loan Agreement. Issuer agrees that it will do or cause to be done all things within its control and necessary to preserve and keep in full force and effect its existence.

(b) Issuer agrees to provide funds from the issuance of the Series 2018 Bonds to loan to the Borrower for financing of the Financed Project Costs for the benefit of the holders of the Bonds, to create additional employment opportunities in the Issuer and to benefit the health, safety, morals and general welfare of the citizens of the Issuer and the State of Indiana, and to secure the Bonds by pledging certain of its rights and interest in this Loan Agreement and the Series 2018 Note to the Trustee.

(c) The Issuer represents that the Series 2018 Note will be assigned to the Trustee pursuant to the Indenture, and that no further assignment is contemplated by the Issuer, since the Issuer recognizes that the Series 2018 Note has not been registered under the Securities Act of 1933.

Section 2.2. Representations by Borrower. Borrower represents and warrants that:

(a) The Borrower is a nonprofit corporation duly organized and validly existing under the laws of the State of Indiana and authorized to do business in the State of Indiana, is not in violation of any laws in any manner material to its ability to perform its obligations under this Loan Agreement and the Series 2018 Note, has full power to enter into and perform its obligations under this Agreement and the Series 2018 Note, and by proper action has duly authorized the execution and delivery of this Loan Agreement and the issuance of the Series 2018 Note.

(b) All of the proceeds from the Series 2018 Bonds (including any income earned on the investment of such proceeds) will be used for Financed Project Costs.

(c) Pursuant to the terms of the Development Agreement, the Project will be operated as an economic development facility under the Act, until the expiration or termination of this Loan Agreement.

(d) Neither the execution and delivery of this Loan Agreement, the consummation of the transactions contemplated hereby including execution and delivery of the Series 2018 Note nor the fulfillment of or compliance with the terms and conditions of this Loan Agreement, will contravene the Borrower's articles of incorporation or bylaws or any law or any governmental rule, regulation or order currently binding on the Borrower or conflicts with or results in a breach

of the terms, conditions or provisions of any agreement or instrument to which Borrower is now a party or by which it is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any liens, charges, or encumbrances whatsoever upon any of the property or assets of Borrower under the terms of any instrument or agreement.

(e) The execution, delivery and performance by the Borrower of this Loan Agreement and the Series 2018 Note do not require the consent or approval of, the giving of notice to, the registration with, or the taking of any other action in respect of, any federal, state or other governmental authority or agency, not previously obtained or performed.

(f) This Loan Agreement and the Series 2018 Note have been duly executed and delivered by the Borrower and constitute the legal, valid and binding agreements of the Borrower, enforceable against the Borrower in accordance with their respective terms, except as may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights in general. The enforceability of the Borrower's obligations under said documents is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(g) There are no actions, suits or proceedings pending, or, to the knowledge of the Borrower, threatened, before any court, administrative agency or arbitrator which, individually or in the aggregate, might result in any material adverse change in the financial condition of the Borrower or might impair the ability of the Borrower to perform its obligations under this Loan Agreement or the Series 2018 Note.

(h) No event has occurred and is continuing which with the lapse of time or the giving of notice would constitute an event of default under this Loan Agreement or the Series 2018 Note.

Section 2.3. Loan of Series 2018 Bond Proceeds by Issuer. Concurrently with the execution and delivery hereof, the Issuer is issuing the Series 2018 Bonds and is lending the proceeds from the sale thereof to the Borrower by making the deposits and payments specified in Section 3.1 of the Indenture. Such Loan is being evidenced by the execution and delivery by the Borrower of the Series 2018 Note substantially in the form attached hereto as Exhibit A.

(End of Article II)

ARTICLE III.

PARTICULAR COVENANTS OF THE BORROWER

Section 3.1. Consent to Assignments to Trustee. The Borrower acknowledges and consents to the pledge and assignment of the Series 2018 Note and the assignment of the Issuer's rights hereunder to the Trustee pursuant to the Indenture and agrees that the Trustee may enforce the rights, remedies and privileges granted to the Issuer hereunder, to receive payments under Sections 3.2, 3.6 and 3.8 hereof, and to execute and deliver supplements and amendments to this Loan Agreement pursuant to Section 7.1 hereof.

Section 3.2. Payment of Principal, Premium and Interest; Payments Pledged. (a) The Borrower will duly and punctually pay the principal of, premium, if any, and interest on the Notes at the rates and the places and in the manner mentioned in the Notes and this Loan Agreement, according to the true intent and meaning thereof and hereof as follows: on or before any Interest Payment Date for the Bonds or any other date that any payment of interest, premium, if any, or principal is required to be made in respect of the Bonds pursuant to the Indenture, until the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, it will pay in immediately available funds, a sum which, together with any moneys available for such payment in the Bond Fund, will enable the Trustee to pay the amount payable on such date as principal of (whether at maturity or upon redemption, or acceleration or otherwise), premium, if any, and interest on the Bonds as provided in the Indenture; provided however, notwithstanding any other provision in this Loan Agreement, the Borrower's obligation to make payments on the Notes shall be payable solely from the Lease Rental Payments received by the Borrower under the Lease. Section 4.5 of the Indenture provides that the Issuer shall deposit in the Bond Fund on or before each January 15 and July 15, beginning on _____ 15, 201____, the Lease Rental Payments assigned to the Trustee pursuant to this Loan Agreement, for the payment of the Series 2018 Bonds. Such transfers shall be a credit against and serve to reduce the Borrower's obligations to make payments under the Notes and this Loan Agreement.

(b) The Borrower also agrees to pay directly to the Trustee so long as there are Bonds outstanding (i) all fees and charges of the Trustee incurred under the Indenture, including Annual Fees, as and when the same become due; (ii) all costs incident to the payment of the principal of, premium, if any, and interest on the Bonds as the same become due and payable, including all costs and expenses in connection with the call, redemption, and payment of Bonds; (iii) all expenses incurred in connection with the enforcement of any rights under the Loan Agreement or the Indenture by the Issuer, the Trustee or the Bondholders; and (iv) all other payments of whatever nature which the Borrower has agreed to pay or assume under the provisions of the Loan Agreement; provided, however, that the Borrower may, without creating a default under the Loan Agreement, contest in good faith the necessity for any such extraordinary services and extraordinary expenses and the reasonableness of any such fees, charges or expenses.

(c) The Borrower covenants and agrees with and for the express benefit of the Issuer, the Trustee and the owners of the Bonds that all payments required to be made by Borrower pursuant hereto and to the Notes shall be made by the Borrower on or before the date the same

become due, and the Borrower shall perform all of its other obligations, covenants and agreements hereunder, without notice or demand (except as provided herein), and without abatement, deduction, reduction, diminution, waiver, abrogation, set-off, counterclaim, recoupment, defense or other modification or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising.

(d) It is understood and agreed that all payments made by Borrower pursuant to this Section 3.2 and the Notes are pledged to Trustee pursuant to the granting clauses of the Indenture. Borrower assents to such pledge, and hereby agrees that, as to Trustee, its obligation to make such payments shall be absolute and shall not be subject to any defense or any right of set-off, counterclaim or recoupment arising out of any breach by Issuer or Trustee of any obligation to Borrower, whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to Borrower by Issuer. Issuer hereby directs Borrower and Borrower hereby agrees to pay to the Paying Agent at its principal office all amounts payable by Borrower pursuant to this Section 3.2 and the Notes.

(e) Notwithstanding any provision to the contrary in the Loan Agreement, any and all obligations of the Borrower to make payments on the Notes or under this Loan Agreement shall be payable solely from the Lease Rental Payments received by the Borrower pursuant to the terms of the Lease.

Section 3.3. Insurance. The Borrower covenants that pursuant to the Lease, the Borrower (i) shall maintain insurance on the Leased Premises against physical loss or damage thereto, however caused, with such exceptions as are ordinarily required by insurers of buildings or facilities of a similar type, which insurance shall be in an amount at least equal to one hundred percent (100%) of the full replacement cost of the Leased Premises, as certified by a registered architect, registered engineer, or professional appraisal engineer selected by the Borrower in accord with the Lease; (ii) shall cause the Redevelopment Commission to maintain, and in the event the Redevelopment Commission does not maintain, the Borrower shall maintain rent or rental value insurance in an amount equal to the full rental value of the Leased Premises for a period of two (2) years against physical loss or damage to the Leased Premises, and (iii) shall maintain combined bodily injury insurance, including accidental death, and property damage with reference to the Leased Premises in an amount not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate with one or more good and responsible insurance companies. Such insurance policies shall be maintained in good and responsible commercial insurance companies, and shall be countersigned by an agent of the insurer who is a resident of the State of Indiana (notwithstanding anything contained herein or in the Lease, the Trustee shall not be required to ascertain residency of any insurance agent), and shall be for the benefit, as their interests shall appear, of the Lessor, the Redevelopment Commission, and other persons having an insurable interest in the insured property. Such policies shall clearly indicate that any proceeds under the policies relative to the respective Leased Premises shall be payable to the Borrower or to such other person as the Borrower may designate; provided, that Borrower shall apply all insurance proceeds received in accordance with the terms and provisions of the Lease.

Section 3.4. Reconstruction or Substitution of Leased Premises.

If all or a portion of the Leased Premises shall be damaged or destroyed or subject to condemnation, the Borrower shall have certain rights and obligations to reconstruct or substitute other property for such Leased Premises, pursuant to and subject to the terms and conditions set forth in the Lease.

Section 3.5. Issuance of Substitute Notes. Upon the surrender of any Note, the Borrower will execute and deliver to the holder thereof a new Note dated the date of the Note being surrendered but with appropriate notations thereon to reflect payments of principal and interest thereon; provided, however, that there shall never be outstanding at any one time more than one Note of any one series.

Section 3.6. Payment of Reasonable Expenses of Issuance of Series 2018 Bonds. Pursuant to Section 4.3(b) and (c) of the Indenture, a portion of the proceeds of the Series 2018 Bonds will be used to pay fees and expenses incurred or to be incurred by or on behalf of the Issuer, the Borrower, the Redevelopment Commission, the Trustee and the Paying Agent in connection with or as an incident to the issuance and sale of the Series 2018 Bonds.

Section 3.7. Funding of Indenture Funds; Investments. The Issuer shall deposit with the Trustee all proceeds from the sale of the Series 2018 Bonds in the manner specified in Article 3.1 of the Indenture, and the Trustee shall deposit such proceeds in the manner specified in Article 3.1 of the Indenture. The Borrower and the Issuer agree that all moneys in any Fund established by the Indenture may, at the written direction of the Borrower, be invested in Qualified Investments. The Trustee is hereby authorized to trade with itself in the purchase and sale of securities for such investments. The Trustee shall not be liable or responsible for any loss resulting from any such investment. All such investments shall be held by or under the control of the Trustee and any income resulting therefrom shall be applied in the manner specified in the Indenture.

Section 3.8. Other Amounts Payable by the Borrower. To the extent the Borrower receives Lease Rental Payments under the Lease, the Borrower covenants and agrees to pay the following:

(a) All fees, charges and expenses, including Annual Fees and reasonable agent and counsel fees and expenses, of the Trustee incurred under the Indenture, as and when the same become due.

(b) All costs incident to the payment of the principal of, premium, if any, and interest on the Series 2018 Bonds as the same become due and payable, including all reasonable costs and expenses in connection with the call, redemption, and payment of Series 2018 Bonds.

(c) An amount sufficient to restore the Series 2018 Debt Service Reserve Fund or the Series 2018 Reserve Fund Credit Facility, if required under Section 4.4 of the Indenture.

(d) An amount sufficient to reimburse the Issuer for all expenses incurred by the Issuer under this Loan Agreement and in connection with the performance of its obligations under this Loan Agreement or the Indenture.

(e) All reasonable expenses incurred in connection with the enforcement of any rights under this Loan Agreement or the Indenture by the Issuer, the Trustee or the Bondholders.

(f) All other payments of whatever nature which the Borrower has agreed to pay or assume under the provisions of the Loan Agreement.

Section 3.9. Credits on Notes. Notwithstanding any provision contained in this Loan Agreement or in the Indenture to the contrary, in addition to any credits on the Notes resulting from the payment or prepayment thereof from other sources:

(a) subject to the provisions of Article IV with respect to partial prepayment of the Note, any moneys deposited by the Trustee in the Bond Fund for payment on the Bonds (including without limitation any Lease Rental Payments) shall be credited against the obligation of the Borrower to pay the principal, premium, if any, and interest on the Notes as the same become due; and

(b) The principal amount of Bonds of any series and maturity acquired by the Borrower and delivered to the Paying Agent, or acquired by the Paying Agent and canceled, shall be credited against the obligation of the Borrower to pay the principal of the Note evidencing the loan made by the Issuer with the proceeds of the sale of Bonds of such series maturing on the maturity date of the Bonds so acquired and delivered or canceled, including in connection with any mandatory sinking fund payment for any series of Bonds subject to a mandatory sinking fund requirement.

(End of Article III)

ARTICLE IV.

PREPAYMENT OF SERIES 2018 NOTE; INSURANCE

Section 4.1. Optional Prepayment. The Series 2018 Note may be prepaid, in whole or in part, without premium, plus in each case accrued interest to the date fixed for redemption, on such dates and in such amounts as correspond to the optional redemption of the Series 2018 Bonds pursuant to Section 5.1(a) of the Indenture.

To exercise such option to prepay the Series 2018 Note, in whole or in part, the Borrower must deposit or cause funds to be deposited with the Trustee sufficient to pay the principal of, premium, if any, and accrued interest on the portion of the Series 2018 Note to be prepaid and the corollary redemption of the Series 2018 Bonds. Any amount so paid which is less than the full unpaid principal amount of the Series 2018 Bonds shall be credited against the installment or installments of principal due on the Series 2018 Note corresponding to the maturity of the Series 2018 Bonds being redeemed, and shall also be a credit against any mandatory sinking fund obligation and the corresponding Series 2018 Note obligation with respect thereto in the sequence in which such mandatory sinking fund obligation becomes due.

The Borrower shall give the Trustee not less than forty-five (45) days prior written notice of any prepayment of the Series 2018 Note pursuant to this Section 4.1, which notice shall designate the date of prepayment and the amount thereof, indicate the section or subsection pursuant to which prepayment shall occur, and direct the redemption of the Series 2018 Bonds in the amounts corresponding to the Series 2018 Note to be prepaid.

Section 4.2. Mandatory Prepayment Upon Extraordinary Mandatory Redemption. In the event the Trustee calls the Series 2018 Bonds for extraordinary mandatory redemption pursuant to Section 5.1(b) of the Indenture, the Borrower shall deliver to the Trustee any insurance or condemnation proceeds related to the damage or condemnation of all or any portion of the Leased Premises. The extraordinary mandatory redemption of Series 2018 Bonds with such proceeds shall be deemed prepayment of the Notes in the same amount as Series 2018 Bonds redeemed.

(End of Article IV)

ARTICLE V.

EVENTS OF DEFAULT AND REMEDIES THEREFOR

Section 5.1. Events of Default. (a) The occurrence and continuance of any of the following events shall constitute an “event of default” hereunder:

(i) failure of the Borrower to make any payment required to be made by it under Section 3.2 hereof, within ten (10) days after the noticed due date;

(ii) failure of the Borrower to deliver to the Trustee, or cause to be delivered on its behalf, the moneys needed to redeem any outstanding Bonds in the manner and upon the date requested in writing by the Trustee as provided in Article IV of this Agreement;

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

(iv) the entry of a decree or order for relief by a court having jurisdiction in the premises in respect of the Borrower in an involuntary case under any applicable bankruptcy, insolvency or similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Borrower or for any substantial part of its property, or ordering the windup or liquidation of its affairs and the same is not dismissed within sixty (60) days after entry; or the filing and pendency for sixty (60) days without dismissal of a petition initiating an involuntary case under any other bankruptcy, insolvency or similar law; or

(v) the commencement by the Borrower of any voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, whether consent by it to an entry to an order for relief in an involuntary case and under any such law or to the appointment of or the taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Borrower or of any substantial part of its property, or the making of it by any general assignment for the benefit of creditors, or the failure of the Borrower generally to pay its debts as such debts become due, or the taking of corporate action by the Borrower in furtherance of any of the foregoing; or

(vi) Any event of default under Section 7.1 of the Indenture.

(b) During the occurrence and continuance of any event of default hereunder, the Trustee, as assignee of the Issuer pursuant to the Indenture, shall have the rights and remedies hereinafter set forth, in addition to any other remedies herein or by law provided.

(c) Upon the occurrence of an event of default described in this Section 5.1:

(i) Acceleration. If acceleration of the principal amount of the Bonds has been declared pursuant to Section 7.2 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. Notwithstanding anything in the Notes, the Indenture, or this Loan Agreement to the contrary, the Redevelopment Commission's obligation to pay Lease Rental Payments shall not be subject to acceleration.

(ii) Right to Bring Suit, Etc. The Trustee, with or without entry, personally or by attorney, may in its discretion, proceed to protect and enforce its rights by a suit or suits in equity or at law, whether for damages or for the specific performance of any covenant or agreement contained in the Notes, this Loan Agreement or in aid of the execution of any power herein granted, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy, as the Trustee shall deem most effectual to protect and enforce any of its rights or duties hereunder; provided, however that all costs incurred by the Trustee and the Issuer under this Article shall be paid to the Issuer and the Trustee by the Borrower on demand.

(iii) Waiver of Events of Default. If after any event of default occurs and prior to the Trustee exercising any of the remedies provided in this Loan Agreement, the Borrower will have completely cured such default, then in every case such default will be waived, rescinded and annulled by the Trustee by written notice given to the Borrower. In addition, if the acceleration of the maturity of the Bonds will have been annulled and rescinded in accordance with the provisions of the Indenture, then the acceleration of all loan payments and any other outstanding indebtedness under this Loan Agreement will likewise be annulled and rescinded. No such waiver, annulment or rescission will affect any subsequent default or impair any right or remedy consequent thereon.

Section 5.2. Trustee May Enforce Demand. In case the Borrower shall have failed to pay such principal and interest and other amounts upon notice and/or demand, the Trustee, in its own name, may institute such actions or proceedings at law or in equity for the collection of the amounts so due and unpaid, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Borrower and collect the moneys adjudged or decreed to be payable out of the property of the Borrower wherever situated, in the manner provided by law.

The Trustee shall, if permitted by law, be entitled to recover judgment as aforesaid either before or after or during the pendency of any proceedings for the enforcement of the lien of this Loan Agreement; and the right of the Trustee, to recover such judgment shall not be affected by

the exercise of any other right, power or remedy for the enforcement of the provisions of this Loan Agreement.

Any moneys thus collected by the Trustee under this Section shall be applied by the Trustee as follows:

FIRST: to the payment of all reasonable advances by the Issuer or by the Trustee with interest at the prime rate of interest charged by the Trustee from time to time, and all reasonable expenses and disbursements.

SECOND: to the payment of the amounts then due and unpaid upon the Notes in respect of which such money shall have been collected, ratably and without preference or priority of any kind, according to the amounts due and payable upon the Notes, upon presentation of the Notes and the notation thereon of such payment, if partly paid, and upon surrender thereon if fully paid.

Section 5.3. Remedies Cumulative. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 5.4. Delay or Omission Not a Waiver. No delay or omission of the Trustee to exercise any right or power accruing upon any event of default shall impair any such right or power, or shall be construed to be a waiver of any such event of default or an acquiescence therein; and every power and remedy given by this Loan Agreement to the Trustee may be exercised from time to time and as often as may be deemed expedient by the Trustee.

Section 5.5. Waiver of Extension, Appraisal or Stay Laws. To the extent permitted by law, the Borrower will not during the continuance of any event of default hereunder insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Loan Agreement; and the Borrower hereby expressly waives all benefits or advantage of any such law or laws and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to the Trustee, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted.

Section 5.6. Remedies Subject to Provisions of Law. All rights, remedies and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Loan Agreement invalid or unenforceable under the provisions of any applicable law.

(End of Article V)

ARTICLE VI.

IMMUNITY

Section 6.1. Immunity. No covenant or agreement contained in the Bonds, this Loan Agreement or the Indenture shall be deemed to be a covenant or agreement of any member of the Issuer, the Borrower, the Commission, or the Redevelopment Commission or of any officer or employee of the Issuer, the Borrower, the Commission, the Redevelopment Commission or their legislative and fiscal bodies in his or her individual capacity, and neither the members of the Issuer, the Borrower, the Commission, the Redevelopment Commission, nor any officer or employee of the Issuer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

(End of Article VI)

ARTICLE VII.

SUPPLEMENTS AND AMENDMENTS TO THIS LOAN AGREEMENT

Section 7.1. Supplements and Amendments to this Loan Agreement. Subject to the provisions of Article X of the Indenture, the Borrower and the Issuer may from time to time enter into such supplements and amendments to this Loan Agreement as to them may seem necessary or desirable to effectuate the purposes or intent hereof.

(End of Article VII)

ARTICLE VIII.

DEFEASANCE

Section 8.1. Defeasance. If the Borrower shall pay and discharge or provide for the payment and discharge of the whole amount of the Notes at the time outstanding, and shall pay or cause to be paid all other sums payable hereunder, or shall make for such payment and discharge, and if provision shall have been made for the satisfaction and discharge of the Indenture as provided therein, then and in that case, all property, rights and interest hereby conveyed or assigned or pledged shall revert to the Borrower, and the estate, right, title and interest of the Trustee therein shall thereupon cease, terminate and become void; and this Loan Agreement, and the covenants of the Borrower contained herein, shall be discharged and the Trustee in such case on demand of the Borrower and at its cost and expense, shall execute and deliver to the Borrower a proper instrument or proper instruments acknowledging the satisfaction and termination of this Loan Agreement, and shall convey, assign and transfer or cause to be conveyed, assigned or transferred, and shall deliver or cause to be delivered, to the Borrower, all property, including money, then held by the Trustee together with the Notes marked paid or cancelled.

(End of Article VIII)

ARTICLE IX.

MISCELLANEOUS PROVISIONS

Section 9.1. Loan Agreement for Benefit of Parties Hereto. Nothing in this Loan Agreement, express or implied, is intended or shall be construed to confer upon, or to give to, any person other than the parties hereto, their successors and assigns, and the holder of the Notes, any right, remedy or claim under or by reason of this Loan Agreement or any covenant, condition or stipulation hereof; and the covenants, stipulations and agreements in this Loan Agreement contained are and shall be for the sole and exclusive benefit of the parties hereto, their successors and assigns, the Trustee and the holder of the Notes.

Section 9.2. Severability. In case any one or more of the provisions contained in this Loan Agreement or in the Notes shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby.

Section 9.3. Limitation on Interest. No provisions of this Loan Agreement or of the Notes shall require the payment or permit the collection of interest in excess of the maximum permitted by law. If any excess of interest in such respect is herein or in the Notes provided for, or shall be adjudicated to be so provided for herein or in the Notes, neither the Borrower nor its successors or assigns shall be obligated to pay such interest in excess of the amount permitted by law, and the right to demand the payment of any such excess shall be and hereby is waived, and this provision shall control any provisions of this Loan Agreement and the Notes inconsistent with this provision.

Section 9.4. Addresses for Notice and Demands. All notices, demands, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, postage prepaid, with proper address as indicated below. The Issuer, the Borrower, the Trustee and the Paying Agent may, by written notice given by each to the others, designate any address or addresses to which notices, demands, certificates or other communications to them shall be sent when required as contemplated by this Loan Agreement. Until otherwise provided by the respective parties, all notices, demands, certificates and communications to each of them shall be addressed as follows:

To the Issuer:	Town of Pendleton, Indiana 100 West State Street P.O. Box 230 Pendleton, Indiana 46064 Attn: Clerk-Treasurer
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To the Borrower: Pendleton Municipal Facilities Building
Corporation
100 West State Street
P.O. Box 230
Pendleton, Indiana 46064
Attn: President

To the Trustee: _____, Suite _____
Indianapolis, Indiana 46204
Attn: Corporate Trust Department

Section 9.5. Successors and Assigns. Whenever in this Loan Agreement any of the parties hereto is named or referred to, the successors and assigns of such party shall be deemed to be included and all the covenants, promises and agreements in this Loan Agreement contained by or on behalf of the Borrower, or by or on behalf of the Issuer, shall bind and inure to the benefit of the respective successors and assigns, whether so expressed or not.

Section 9.6. Counterparts. This Loan Agreement is being executed in any number of counterparts, each of which is an original and all of which are identical. Each counterpart of this Loan Agreement is to be deemed an original hereof and all counterparts collectively are to be deemed but one instrument.

Section 9.7. Governing Law. It is the intention of the parties hereto that this Loan Agreement and the rights and obligations of the parties hereunder and the Notes and the rights and obligations of the parties thereunder, shall be governed by and construed and enforced in accordance with, the laws of Indiana.

Section 9.8. Indenture Provisions. The Indenture provisions concerning the Bonds and other matters therein are an integral part of the terms and conditions of the loan made by the Issuer to the Borrower pursuant to this Loan Agreement and the execution of this Loan Agreement shall constitute conclusive evidence of approval of the Indenture by the Borrower to the extent it relates to the Borrower. Additionally, the Borrower agrees that, whenever the Bond Indenture by its terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Indenture, and the Borrower hereby agrees to carry out and perform all of its obligations under the Indenture as fully as if the Borrower were a party to the Indenture.

(End of Article IX)

IN WITNESS WHEREOF, the Issuer and the Borrower have caused this Loan Agreement to be executed in their respective names and attested by their duly authorized officers, all as of the date first above written.

PENDLETON MUNICIPAL FACILITIES
BUILDING CORPORATION

By: _____

Printed: _____

Title: _____

Attest:

By: _____

Printed: _____

Title: _____

TOWN OF PENDLETON, INDIANA

By: _____

Town Council President

Attest:

Clerk-Treasurer

STATE OF INDIANA)
) SS:
COUNTY OF MADISON)

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____ and _____, personally to me to be the President and Secretary, respectively, of the Pendleton Municipal Facilities Building Corporation, and acknowledged the execution of the foregoing Loan Agreement for and on behalf of said corporation.

WITNESS my hand and notarial seal this ____ day of _____, 2018.

Written Signature

Printed Signature

NOTARY PUBLIC

My Commission Expires:

My County of Residence is:

STATE OF INDIANA)
) SS:
COUNTY OF MADISON)

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared _____ and _____, personally to me to be the Town Council President and Clerk-Treasurer, respectively, of the Town of Pendleton, Indiana, and acknowledged the execution of the foregoing Loan Agreement for and on behalf of said Town.

WITNESS my hand and notarial seal this ____ day of _____, 2018.

Written Signature

Printed Signature

NOTARY PUBLIC

My Commission Expires:

My County of Residence is:

EXHIBIT A

PENDLETON MUNICIPAL FACILITIES BUILDING CORPORATION

NOTE, SERIES 2018

FOR VALUE RECEIVED, the undersigned, Pendleton Municipal Facilities Building Corporation (“Borrower”), a nonprofit corporation organized and existing under the laws of the State of Indiana, hereby promises to pay to the order of the Town of Pendleton, Indiana (“Issuer”), in immediately available funds, the principal sum of \$_____ and interest thereon, during the term of the Loan Agreement (the “Loan Agreement”) dated as of _____ 1, 2018, between Issuer and Borrower, commencing one business day prior to February 1, 2019, and on one business day prior to each February 1 and August 1 thereafter, a sum which will equal the principal and interest which will become due on the next day on the Series 2018 Bonds (as hereinafter defined), all subject to the credits described in the Loan Agreement and to the presence of other available money for such installment in the Bond Fund under the Trust Indenture (including without limitation any Lease Rental Payments) dated as of _____ 1, 2018, between the Issuer and _____, as Trustee (the “Trustee”).

Payments of both principal and interest are to be endorsed to the Trustee, and are to be made directly to the Trustee for the account of the Issuer pursuant to such endorsement. Such endorsement is to be made as security for the payment of the bonds designated “Town of Pendleton, Indiana Taxable Economic Development Lease Rental Revenue Bonds, Series 2018 (Wellness Center Project)” (the “Series 2018 Bonds”). All of the terms, conditions and provisions of the Indenture are, by this reference thereto, incorporated herein as a part of this Note.

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

The principal of and interest on this Note is a limited obligation of the Borrower payable solely from the Lease Rental Payments.

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

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

The Borrower hereby unconditionally waives diligence, presentment, protest, notice of dishonor and notice of default of the payment of any amount at any time payable to the Issuer under or in connection with this Note. All amounts payable hereunder are payable with

reasonable attorneys fees and costs of collection and without relief from valuation and appraisal laws.

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

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

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

Issue Date: _____, 2018.

PENDLETON MUNICIPAL FACILITIES
BUILDING CORPORATION

By: _____

Printed: _____

Title: _____

ENDORSEMENT

Pay, without recourse, to _____, as Trustee under the Trust Indenture dated as of _____ 1, 2018, from the undersigned.

TOWN OF PENDLETON, INDIANA

By: _____
Town Council President

(SEAL)

Attest:

Clerk-Treasurer

(This page intentionally left blank.)

APPENDIX D

LEASE AGREEMENT

between

PENDLETON MUNICIPAL FACILITIES BUILDING CORPORATION

LESSOR

and

TOWN OF PENDLETON REDEVELOPMENT COMMISSION

LESSEE

Dated as of October 25, 2018

LEASE AGREEMENT

THIS LEASE AGREEMENT, made and dated as of this 25th day of October, 2018, by and between the PENDLETON MUNICIPAL FACILITIES BUILDING CORPORATION, as lessor (the “Lessor”), an Indiana nonprofit corporation, and the TOWN OF PENDLETON REDEVELOPMENT COMMISSION, as lessee (the “Lessee”), the governing body of the Town of Pendleton Department of Redevelopment acting for and on behalf of the Town of Pendleton, Indiana (the “Town”).

WITNESSETH:

WHEREAS, the Lessor has been established under and in pursuance of the provisions of the Indiana nonprofit law for the purpose of, among other matters, assisting the Town and its various agencies, including the Lessee, in the financing, constructing, acquiring and leasing of local public improvements and redevelopment projects;

WHEREAS, the Town has created the Lessee to undertake redevelopment and economic development in the Town in accordance with Indiana Code 36-7-14 and -25, each as amended (collectively, the “Act”);

WHEREAS, the Lessee has designated a certain area in the Town known as the “Pendleton – Falls Pointe Economic Development Area #1” (the “Economic Development Area”) as an economic development area under the Act; and

WHEREAS, the Lessee has designated the Economic Development Area as an allocation area under the Act (the “Allocation Area”) and approved the economic development plan for the Economic Development Area;

WHEREAS, to foster economic development in the Town, the Lessee, the Town, the Pendleton Redevelopment Authority and Madison County Tennis & Wellness, LLC (the “Developer”), entered into a Development Agreement (the “Development Agreement”), with respect to the construction and equipping of an indoor recreation and wellness facility, and related costs, as more particularly described in the Development Agreement (the “Wellness Center Project”); and

WHEREAS, the Wellness Center Project will be located in the Economic Development Area; and

WHEREAS, pursuant to the Development Agreement, the Town has committed to provide certain incentives to the Developer in connection with the Wellness Center Project and, in connection therewith, will be issuing its Taxable Economic Development Lease Rental Revenue Bonds (the “Bonds”) in one or more series in an aggregate principal amount not to exceed \$1,500,000 to finance, through a loan of the proceeds thereof to the Lessor, (i) a portion of the costs of the Wellness Center Project, (ii) capitalized interest on the Bonds, if necessary, (iii) a debt service reserve for the Bonds, if necessary, and (iv) costs of issuing the Bonds; and

WHEREAS, the Act authorizes the Lessee to enter into leases in connection with the issuance of bonds by the Town, with the proceeds thereof to be loaned to the Lessor, in accordance with Indiana Code 36-7-11.9 and -12, for the purpose of obtaining money to pay the cost of acquiring property or constructing, improving, reconstructing or renovating economic development projects, including the Wellness Center Project; and

WHEREAS, the Lessee has determined to enter into this Lease with the Lessor of the real estate described in Exhibit A attached hereto (the “Real Estate”) to enable the Lessor to pledge the rental payments hereunder to the payment of the Bonds thereby enabling the issuance of the Bonds by the Town and the financing of a portion of the Wellness Center Project;

WHEREAS, pursuant to Indiana Code 36-7-14-27 the Lessee has the authority to levy a special benefits tax upon all property in the Town of Pendleton Redevelopment District (the “District”);

WHEREAS, the Lessor has acquired or will acquire an interest in the Real Estate described in Exhibit A, and such interest shall be for a term no less than the term of this Lease;

WHEREAS, the total cost of the Wellness Center Project to be financed with the proceeds of the Bonds, including, but not limited to, costs of acquisition, construction, improvements, architects’ and engineers’ fees, consultants’ services, legal and financing expenses, certain expenses of operation of during construction, interest during construction, debt service reserves and repayment of any funds advanced by the Town or Lessee to meet preliminary expenses necessary to be paid prior to the issuance of the Bonds, is estimated to be not greater than \$1,500,000; and

WHEREAS, the Lessee has determined, after a public hearing held pursuant to the Act after notice given pursuant to Indiana Code 5-3-1, that the lease rentals provided for in this Lease are fair and reasonable, that the execution of this Lease is necessary and that the service provided by the Wellness Center Project will serve the public purpose of the Town and is in the best interests of its residents, and the Town Council of the Town has by resolution approved this Lease, and the resolution has been entered in the official records of the Town Council; and

WHEREAS, the Lessor has determined that the lease rentals provided for in this Lease are fair and reasonable, that the execution of this Lease is necessary and that the service provided by the Wellness Center Project will serve the public purpose of the Town and is in the best interests of its residents, and the Lessor has duly authorized the execution of this Lease by resolution, and the resolution has been entered in the official records of the Lessor;

THIS AGREEMENT WITNESSETH THAT:

1. Acquisition of Interest in Real Estate. The date by which the Lessor acquires the interest in the Real Estate and the improvements thereon which are then available for use (collectively, the “Leased Premises”) shall be endorsed on this Lease at the end hereof by the parties to this Agreement, and such endorsement shall be recorded as an addendum to this Lease in the form attached hereto as Exhibit B.

2. Premises, Term and Warranty. The Lessor does hereby lease, demise and let to Lessee all of the Lessor’s right, title and interests in and to the Leased Premises.

TO HAVE AND TO HOLD the Leased Premises with all rights, privileges, easements and appurtenances thereunto belonging, unto the Lessee, beginning on the date on which the Lessee begins to make lease rental payments hereunder and ending on the day prior to a date not more than Twenty-Five (25) years thereafter. However, the term of this Lease will terminate at the earlier of (a)

the exercise by the Lessee of the option to purchase the Leased Premises pursuant to Section 12 and the payment of the option price, or (b) the payment or defeasance of all bonds issued (i) to finance the cost of the Wellness Center Project, (ii) to refund all or a portion of such bonds, (iii) to refund all or a portion of such refunding bonds, or (iv) to improve the Wellness Center Project; provided that no bonds or other obligations of the Lessor issued to finance or refinance the Wellness Center Project remain outstanding at the time of such payment or defeasance. The Lessor hereby represents that it is possessed of, or will acquire, a leasehold and/or fee simple estate in the Leased Premises and the Lessor warrants and will defend the Leased Premises against all claims whatsoever not suffered or caused by the acts or omissions of the Lessee or its assigns.

Notwithstanding the foregoing, the Leased Premises may be amended to add additional property to the Leased Premises or remove any portion of the Leased Premises, provided however, following such amendment, the rental payable under this Lease shall be based on the value of the portion of the Leased Premises which is available for use, and the rental payments due under this Lease shall be in amounts sufficient to pay when due all principal of and interest on all outstanding Bonds.

3. Lease Rental. (a) Fixed Rental Payments. The Lessee agrees to pay fixed annual rental for the use and occupancy of the Leased Premises at a maximum annual rate of One Hundred Sixty Thousand Dollars (\$160,000) (the “Fixed Annual Rentals”). The Fixed Annual Rentals shall be payable in advance in semi-annual installments on the dates set forth in Section 4 hereof.

After the sale of the Bonds issued to finance a portion of the acquisition and construction of the Wellness Center Project, the semi-annual installment of the Fixed Annual Rentals for the Leased Premises for each six-month period ending on each January 15 and July 15 (each a “Semi-annual Period”) shall be reduced to an amount equal to the multiple of \$1,000 next higher than the sum of principal and interest due on the Bonds in such Semi-annual Period, plus Five Thousand Dollars (\$5,000) added to each payment. Payment of the Fixed Annual Rentals shall commence on the later of (i) the date the interest in the Real Estate is acquired by the Lessor, or (ii) a date to be determined at the time of the sale of the Bonds, but no earlier than July 15, 2021. Such date and the amount of each semi-annual installment of such reduced Fixed Annual Rentals shall be endorsed on this Lease by the parties hereto at the time of issuance of the Bonds and recorded as an addendum in the form attached hereto as Exhibit C. If more than one series of Bonds is issued, the addendum shall be executed and recorded upon issuance of the final series of Bonds.

(b) Additional Rental Payments. (i) The Lessee shall pay as further rental in addition to the rentals paid under Section 3(a) for the Leased Premises (“Additional Rentals”) the amount of all taxes and assessments levied against or on account of the Leased Premises or the receipt of lease rental payments and the amount required to reimburse the Lessor for any insurance payments made by it under Section 7. The Lessee shall pay as additional rental all administrative expenses of the Lessor, including ongoing trustee fees, relating to the Bonds. Any and all such payments shall be made and satisfactory evidence of such payments in the form of receipts shall be furnished to the Lessor by the Lessee, at least three (3) days before the last day upon which such payments must be paid to avoid delinquency. If the Lessee shall in good faith desire to contest the validity of any such tax or assessment, the Lessee shall so notify the Lessor and shall furnish bond with surety to the approval of the Lessor conditioned for the payment of the charges so desired to be contested and all

damages or loss resulting to the Lessor from the nonpayment thereof when due, the Lessee shall not be obligated to pay the contested amounts until such contests shall have been determined.

(ii) The Lessee may by resolution pay Additional Rentals to enable the Lessor to redeem or purchase Bonds prior to maturity. Rental payments due under this Section 3 shall be reduced to the extent such payments are allocable to the Bonds redeemed or purchased by the Lessor with such Additional Rentals. The Lessee shall be considered as having an ownership interest in the Leased Premises valued at an amount equal to the amount of the Additional Rentals paid pursuant to this subsection (b)(ii).

(c) Source of Payment of Rentals. The Fixed Annual Rentals and the Additional Rentals shall be payable from: (i) tax increment revenue generated in the Allocation Area within the Economic Development Area (“TIF Revenues”) and (ii) to the extent TIF Revenues are ever insufficient to pay Fixed Annual Rentals and the Additional Revenues, from the revenues of a special benefits tax levied by the Lessee pursuant to Indiana Code 36-7-14-27 (the “Special Tax Revenues”).

4. Payment of Rentals. (a) The first lease rental payment shall be due on the later of (i) the date the Real Estate is acquired by the Lessor, or (ii) a date to be determined at the time of the sale of the Bonds, but no earlier than July 15, 2021, as set forth in the addendum referred to in Section 3(a) above. If the first rental payment date on the Leased Premises is other than January 15 or July 15, the first rental payment shall be for an amount calculated at the rate for that Semi-annual Period from the date of payment to the next January 15 or July 15. Thereafter, rentals on the Leased Premises shall be payable in advance in semi-annual installments on January 15 and July 15 of each year. The last semi-annual rent payment on the Leased Premises due shall be adjusted to provide for a rental payment at the rate specified above from the date such installment is due to the expiration of this Lease.

(b) All rentals payable under the terms of this Lease shall be paid by the Lessee to the bank or trust company designated as trustee (“Trustee”) under the Trust Indenture between it and the Town securing the Bonds (“Indenture”), or to such other bank or trust company as may from time to time succeed such bank as Trustee under the Indenture securing the Bonds to be issued by the Town to finance a portion of the acquisition and construction of the Wellness Center Project. Any successor trustee under the Indenture shall be endorsed on this Lease at the end hereof by the parties hereto as soon as possible after selection, and such endorsement shall be recorded as an addendum to this Lease. All payments so made by the Lessee shall be considered as payment to the Lessor of the rentals payable hereunder.

5. Abatement of Rent. If any part of the Leased Premises is taken under the exercise of the power of eminent domain, so as to render it unfit, in whole or part, for use or occupancy by the Lessee, it shall then be the obligation of the Lessor to restore and rebuild that portion of the Leased Premises as promptly as may be done, unavoidable strikes and other causes beyond the control of the Lessor excepted; provided, however, that the Lessor shall not be obligated to expend on such restoration or rebuilding more than the condemnation proceeds received by the Lessor.

If any part of the Leased Premises shall be partially or totally destroyed, or is taken under the exercise of the power of eminent domain, so as to render it unfit, in whole or part, for use or occupancy by the Lessee, the rent shall be abated for the period during which the Leased Premises or such part thereof is unfit or unavailable for use or occupancy, and the abatement shall be in proportion to the percentage of the Leased Premises which is unfit or unavailable for use or occupancy.

Notwithstanding anything in the Lease to the contrary, in the event of partial or total destruction of the Leased Premises, on a best efforts basis, leasable property and improvements of substantially equal value to the Leased Premises destroyed shall be transferred to the Lessor by the Town and/or the Lessee in substitute thereof, and the Fixed Annual Rentals and Additional Rentals provided for therein shall continue to be paid as provided by the Lease without interruption or abatement. In the event of such substitution, the substituted property shall become part of the leased property under the Lease for all purposes hereof.

6. Maintenance, Alterations and Repairs. The Lessee may enter into agreements with one or more other parties for the operation, maintenance, repair and alterations of all or any portion of the Leased Premises. Such other parties may assume all responsibility for operation, maintenance, repairs and alterations to the Leased Premises. At the end of the term of this Lease, the Lessee shall deliver the Leased Premises to the Lessor in as good condition as at the beginning of the term, reasonable wear and tear only excepted.

7. Insurance. During the full term of this Lease, the Lessee shall, at its own expense, carry combined bodily injury insurance, including accidental death, and property damage insurance with reference to the Leased Premises in an amount not less than One Million Dollars (\$1,000,000) on account of each occurrence with one or more good and responsible insurance companies. Such public liability insurance may be by blanket insurance policy or policies.

The proceeds of the public liability insurance required herein (after payment of expenses incurred in the collection of such proceeds) shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds are paid. Such policies shall be for the benefit of persons having an insurable interest in the Leased Premises, and shall be made payable to the Lessor, the Lessee, and the Trustee and to such other person or persons as the Lessor may designate. Such policies shall be countersigned by an agent of the insurer who is a resident of the State of Indiana and deposited with the Lessor and the Trustee. If, at any time, the Lessee fails to maintain insurance in accordance with this Section, such insurance may be obtained by the Lessor and the amount paid therefor shall be added to the amount of rentals payable by the Lessee under this Lease; provided, however, that the Lessor shall be under no obligation to obtain such insurance and any action or non-action of the Lessor in this regard shall not relieve the Lessee of any consequence of its default in failing to obtain such insurance.

The insurance policies described in this Section 7 may be acquired by another party and shall satisfy this Section as long as the Lessor, the Lessee and the Trustee are named as additional insureds under such policies. Such coverage may be provided by scheduling it under a blanket insurance policy or policies.

8. Eminent Domain. If title to or the temporary use of the Leased Premises, or any part thereof, shall be taken under the exercise or the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, any net proceeds received from any award made in such eminent domain proceedings (after payment of expenses incurred in such collection) shall be paid to and held by the Trustee under the Indenture.

Such proceeds shall be applied in one or more of the following ways:

- (a) The restoration of the Leased Premises to substantially the same condition as it existed prior to the exercise of that power of eminent domain, or
- (b) The acquisition, by construction or otherwise, of other improvements suitable for the Lessee's use of the Leased Premises and which are in furtherance of the purposes of the Act and the Plan (the improvements shall be deemed a part of the Leased Premises and available for use by the Lessee without the payment of any rent other than as herein provided, to the same extent as if such other improvements were specifically described herein and demised hereby).

Within ninety (90) days from the date of entry of a final order in any eminent domain proceedings granting condemnation, the Lessee shall direct the Lessor and the Trustee in writing as to which of the ways specified in this Section the Lessee elects to have the net proceeds of the condemnation award applied. Any balance of the net proceeds of the award in such eminent domain proceedings not required to be applied for the purposes specified in subsections (a) or (b) above shall be deposited in the sinking fund held by the Trustee under the Indenture and applied to the repayment of the Bonds.

The Lessor shall cooperate fully with the Lessee in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Leased Premises or any part thereof and will to the extent it may lawfully do so permit the Lessee to litigate in any such proceedings in its own name or in the name and on behalf of the Lessor. In no event will the Lessor voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Leased Premises or any part thereof without the written consent of the Lessee, which consent shall not be unreasonably withheld.

9. General Covenant. The Lessee shall not assign this Lease or mortgage, pledge or sublet the Leased Premises herein described, without the written consent of the Lessor. The Lessee shall contract with the other parties to use and maintain the Leased Premises in accordance with the laws, regulations and ordinances of the United States of America, the State of Indiana, the Town and all other proper governmental authorities.

10. Reserved.

11. Option to Renew. The Lessor hereby grants to the Lessee the right and option to renew this Lease for a further like or lesser term upon the same or like conditions as herein contained, and applicable to the portion of the premises for which the renewal applies, and the Lessee shall exercise this option by written notice to the Lessor given upon any rental payment date prior to the expiration of this Lease.

12. Option to Purchase. The Lessor hereby grants to the Lessee the right and option, on any date, upon sixty (60) days' written notice to the Lessor, to purchase the Leased Premises, or any portion thereof, at a price equal to the amount required to pay all indebtedness incurred on account of the Leased Premises, or such portion thereof (including indebtedness incurred for the refunding of that indebtedness), including all premiums payable on the redemption thereof and accrued and unpaid interest, and including the proportionate share of the expenses and charges of liquidation, if the Lessor is to be then liquidated. In no event, however, shall such purchase price exceed the capital actually invested in such property by the Lessor represented by outstanding securities or existing indebtedness plus the cost of transferring the property and liquidating the Lessor. The phrase "capital actually invested" as used herein shall be construed to include, but not by way of limitation, the following amounts expended by the Lessor in connection with the acquisition and financing of the Leased Premises: organization expenses, financing costs, carry charges, legal fees, architects' fees and reasonable costs and expenses incidental thereto.

Upon request of the Lessee, the Lessor agrees to furnish an itemized statement setting forth the amount required to be paid by the Lessee in order to purchase the Leased Premises in accordance with the preceding paragraph. Upon the exercise of the option to purchase granted herein, the Lessor will upon payment of the option price deliver, or cause to be delivered, to the Lessee documents conveying to the Lessee, or any entity (including the Town) designated by the Lessee, all of the Lessor's title to the property being purchased, as such property then exists, subject to the following: (i) those liens and encumbrances (if any) to which title to the property was subject when conveyed to the Lessor; (ii) those liens and encumbrances created by the Lessee and to the creation or suffering of which the Lessee consented, and liens for taxes or special assessments not then delinquent; and (iii) those liens and encumbrances on its part contained in this Lease.

In the event of purchase of the Leased Premises by the Lessee or conveyance of the Leased Premises to the Lessee or the Lessee's designee: (i) the Lessee shall procure and pay for all surveys, title searches, abstracts, title policies and legal services that may be required, and shall furnish at the Lessee's expense all documentary stamps or tax payments required for the transfer of title, and (ii) this Lease Agreement shall terminate.

Nothing contained herein shall be construed to provide that the Lessee shall be under any obligation to purchase the Leased Premises, or under any obligation respecting the creditors, members or security holders of the Lessor.

13. Transfer to Lessee. If the Lessee has not exercised its option to renew in accordance with the provisions of Section 11, and has not exercised its option to purchase the Leased Premises, or any portion thereof, in accordance with the provisions of Section 12, and upon the full discharge and performance by the Lessee of its obligations under this Lease, the Leased Premises, or such portion thereof remaining, shall thereupon become the absolute property of the Lessee, subject to the limitations, if any, on the conveyance of the site for the Leased Premises to the Lessor and, upon the Lessee's request the Lessor shall execute proper instruments conveying to the Lessee, or to any entity (including the Town) designated by the Lessee, all of Lessor's title to the Leased Premises, or such portion thereof.

14. Defaults. If the Lessee shall default (a) in the payment of any rentals or other sums payable to the Lessor hereunder, or in the payment of any other sum herein required to be paid for the Lessor; or (b) in the observance of any other covenant, agreement or condition hereof, and such default shall continue for ninety (90) days after written notice to correct such default; then, in any or either of such events, the Lessor may proceed to protect and enforce its rights by suit or suits in equity or at law in any court of competent jurisdiction, whether for specific performance of any covenant or agreement contained herein, or for the enforcement of any other appropriate legal or equitable remedy; or the Lessor, at its option, without further notice, may terminate the estate and interest of the Lessee hereunder, and it shall be lawful for the Lessor forthwith to resume possession of the Leased Premises and the Lessee covenants to surrender the same forthwith upon demand.

The exercise by the Lessor of the above right to terminate this Lease shall not release the Lessee from the performance of any obligation hereof maturing prior to the Lessor's actual entry into possession. No waiver by the Lessor of any right to terminate this Lease upon any default shall operate to waive such right upon the same or other default subsequently occurring.

15. Notices. Whenever either party shall be required to give notice to the other under this Lease, it shall be sufficient service of such notice to deposit the same in the United States mail, in an envelope duly stamped, registered and addressed to the other party or parties at the following addresses: (a) to Lessor: Pendleton Municipal Facilities Building Corporation, Attention: President, 100 West State Street, P.O. Box 230, Pendleton, IN 46064; (b) to Lessee: Town of Pendleton Redevelopment Commission, Attention: President, 100 West State Street, P.O. Box 230, Pendleton, IN 46064.

The Lessor, the Lessee and the Trustee may by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

16. Parity Obligations – TIF Revenues. The Lessee reserves the right to enter into leases or other obligations of the Commission, acting in the name of the Town, payable from TIF Revenues, in whole or in part, and entitled to the pledge of TIF Revenues on a parity with this Lease in accordance with the requirements set forth below ("Parity Obligations") for the purpose of raising money for future property acquisition, redevelopment or economic development in or serving the Economic Development Area, for refunding any previously issued and outstanding Parity Obligations, or for any other legally permitted purpose. The authorization and issuance of such Parity Obligations shall be subject to the following conditions precedent:

(a) All rental payments due under the Lease and all payments on any Parity Obligations payable from TIF Revenues and junior obligations payable from TIF Revenues shall be current to date in accordance with the terms thereof, with no payment in arrears.

(b) For Parity Obligations payable from TIF Revenues without a special benefits tax levy under Indiana Code 36-7-14-27, the Lessee, the Lessor and the Trustee shall have received a certificate prepared by an independent, qualified accountant or feasibility consultant (the "Certifier") certifying the amount of the TIF Revenues estimated to be received in each succeeding year, adjusted as provided below, which estimated amount shall be at least equal to one hundred twenty-five percent (125%) of the lease rental and debt service requirements with respect to the outstanding

Lease and Parity Obligations and the proposed Parity Obligations, for each respective year during the term of the outstanding Lease and Parity Obligations. In estimating the TIF Revenues to be received in any future year, the Certifier shall base its calculation on assessed valuation actually assessed or to be assessed as of the assessment date immediately preceding the issuance of the Parity Obligations; provided, that the Certifier shall adjust assessed values for the property tax abatements granted to property owners in the Economic Development Area and may take into account the effect of reassessment on TIF Revenues to the extent it can be reasonably estimated. No increase in TIF Revenues to be received in any future year shall be estimated which results from projected inflation in property values or tax rates. Notwithstanding the foregoing, if Parity Obligations are also secured by a special benefits tax levy under Indiana Code 36-7-14-27, then the requirements of this subsection (b) need not be satisfied.

(c) Payments of any Parity Obligations or junior obligations payable from TIF Revenues (including principal maturities, mandatory sinking fund payments, lease rental payments or otherwise) shall be payable semiannually on January 15 and July 15.

The Lessee shall approve and confirm the findings and estimates set forth in the above-described certificate in any resolution authorizing the Parity Obligations or junior obligations payable from TIF Revenues. Except as provided in this Lease, the terms and conditions of any Parity Obligations shall be set forth in the resolution authorizing such Parity Obligations.

17. Successors or Assigns. All covenants of this Lease, whether by the Lessor or the Lessee, shall be binding upon the successors and assigns of the respective parties hereto.

18. Construction of Covenants. The Lessor was organized for, among other purposes, the purpose of acquiring, constructing, equipping and renovating local public improvements and leasing the same to the Lessee under the provisions of the Act. All provisions herein contained shall be construed in accordance with the provisions of the Act, and to the extent of inconsistencies, if any, between the covenants and agreements in this Lease and the provisions of the Act, the Act shall be deemed to be controlling and binding upon the Lessor and the Lessee; provided, however, any amendment to the Act after the date hereof shall not have the effect of amending this Lease.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed for and on their behalf on the date first written above.


LESSOR:

PENDLETON MUNICIPAL FACILITIES -
BUILDING CORPORATION



President


ATTEST:



Secretary

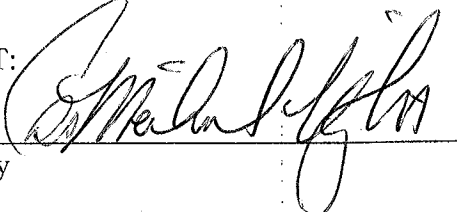
LESSEE:

TOWN OF PENDLETON
REDEVELOPMENT COMMISSION



President

ATTEST:



Secretary

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law. /s/ Dennis H. Otten, Esq.

This document was prepared by Dennis H. Otten, Esq., Bose McKinney & Evans LLP, 111 Monument Circle, Suite 2700, Indianapolis, IN 46204 (317) 684-5000.

STATE OF INDIANA)
) SS:
COUNTY OF MADISON)

Before me, the undersigned, a Notary Public in and for this Town and State, personally appeared Joshua T. Ring and Jody Shively, personally known to be the President and Secretary, respectively, of the Pendleton Municipal Facilities Building Corporation (the “Authority”), and acknowledged the execution of the foregoing Lease for and on behalf of the Authority.

WITNESS my hand and notarial seal this ____ day of _____, 2018.

(Seal)

(Written Signature)

(Printed Signature)
Notary Public

My Commission expires:

My county of residence is:

STATE OF INDIANA)
) SS:
COUNTY OF MADISON)

Before me, the undersigned, a Notary Public in and for this Town and State, personally appeared _____ and _____, personally known to be the President and Secretary, respectively, of the Town of Pendleton Redevelopment Commission (the “Commission”), and acknowledged the execution of the foregoing Lease for and on behalf of the Commission.

WITNESS my hand and notarial seal this ____ day of _____, 2018.

(Seal)

(Written Signature)

(Printed Signature)
Notary Public

My Commission expires:

My county of residence is:

EXHIBIT A

DESCRIPTION OF REAL ESTATE

The Real Estate consists of those certain streets known as South Heritage Way, Pioneer Trace and Enterprise Drive generally located south of West State Street and east of Interstate 69 in the Town and shown on the map below:

EXHIBIT B

ADDENDUM TO LEASE BETWEEN
PENDLETON MUNICIPAL FACILITIES BUILDING CORPORATION, LESSOR
AND TOWN OF PENDLETON REDEVELOPMENT COMMISSION, LESSEE

THIS ADDENDUM (this "Addendum"), entered into as of this ____ day of _____, 201__, by and between Pendleton Municipal Facilities Building Corporation (the "Lessor"), and Town of Pendleton Redevelopment Commission (the "Lessee");

WITNESSETH:

WHEREAS, the Lessor entered into a lease with the Lessee dated as of _____, 2018 (the "Lease"); and

WHEREAS, it is provided in the Lease that the date by which the Lessor acquires the Real Estate and the Leased Premises are available for use shall be endorsed on the Lease and shall be recorded as an addendum to the Lease.

NOW, THEREFORE, IT IS HEREBY AGREED, CERTIFIED AND STIPULATED by the undersigned that the date the Lessor has acquired the Real Estate and the Leased Premises are available for use is _____, 201_.

IN WITNESS WHEREOF, the undersigned have caused this Addendum to be executed for and on their behalf as of the day and year first above written.

LESSOR

LESSEE:

PENDLETON MUNICIPAL FACILITIES
BUILDING CORPORATION

TOWN OF PENDLETON
REDEVELOPMENT COMMISSION

President

President

ATTEST:

ATTEST:

Secretary

Secretary

STATE OF INDIANA)
) SS:
COUNTY OF MADISON)

Before me, the undersigned, a Notary Public in and for this Town and State, personally appeared _____ and _____, personally known to be the President and Secretary, respectively, of the Pendleton Municipal Facilities Building Corporation (the "Authority"), and acknowledged the execution of the foregoing Addendum to Lease for and on behalf of the Authority.

WITNESS my hand and notarial seal this ____ day of _____, 2018.

(Seal)

(Written Signature)

(Printed Signature)
Notary Public

My Commission expires:

My county of residence is:

STATE OF INDIANA)
) SS:
COUNTY OF MADISON)

Before me, the undersigned, a Notary Public in and for this Town and State, personally appeared _____ and _____, personally known to be the President and Secretary, respectively, of the Town of Pendleton Redevelopment Commission (the "Commission"), and acknowledged the execution of the foregoing Addendum to Lease for and on behalf of the Commission.

WITNESS my hand and notarial seal this _____ day of _____, 2018.

(Seal)

(Written Signature)

(Printed Signature)
Notary Public

My Commission expires:

My county of residence is:

EXHIBIT C

ADDENDUM TO LEASE BETWEEN
PENDLETON MUNICIPAL FACILITIES BUILDING CORPORATION, LESSOR
AND TOWN OF PENDLETON REDEVELOPMENT COMMISSION, LESSEE

THIS ADDENDUM (this "Addendum"), entered into as of this ____ day of _____, 2018, by and between Pendleton Municipal Facilities Building Corporation, (the "Lessor"), and Town of Pendleton Redevelopment Commission, (the "Lessee");

WITNESSETH:

WHEREAS, the Lessor entered into a lease with the Lessee dated as of _____, 2018 (the "Lease"); and

WHEREAS, it is provided in the Lease that there shall be endorsed thereon the adjusted rental.

NOW, THEREFORE, IT IS HEREBY AGREED, CERTIFIED AND STIPULATED by the parties to the Lease that the adjusted rental is set forth on Appendix I attached hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed for and on their behalf as of the day and year first above written.

LESSOR

LESSEE:

PENDLETON MUNICIPAL FACILITIES
BUILDING CORPORATION

TOWN OF PENDLETON
REDEVELOPMENT COMMISSION

President

President

ATTEST:

ATTEST:

Secretary

Secretary

STATE OF INDIANA)
) SS:
COUNTY OF MADISON)

Before me, the undersigned, a Notary Public in and for this Town and State, personally appeared _____ and _____, personally known to be the President and Secretary, respectively, of the Pendleton Municipal Facilities Building Corporation (the "Authority"), and acknowledged the execution of the foregoing Addendum to Lease for and on behalf of the Authority.

WITNESS my hand and notarial seal this _____ day of _____, 2018.

(Seal)

(Written Signature)

(Printed Signature)
Notary Public

My Commission expires:

My county of residence is:

STATE OF INDIANA)
) SS:
COUNTY OF MADISON)

Before me, the undersigned, a Notary Public in and for this Town and State, personally appeared _____ and _____, personally known to be the President and Secretary, respectively, of the Town of Pendleton Redevelopment Commission (the "Commission"), and acknowledged the execution of the foregoing Addendum to Lease for and on behalf of the Commission.

WITNESS my hand and notarial seal this _____ day of _____, 2018.

(Seal)

(Written Signature)

(Printed Signature)
Notary Public

My Commission expires:

My county of residence is:

Appendix I to Addendum to Lease

Rental Schedule

Payment Date

Amount

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APPENDIX E

APPENDIX E

FORM OF BOND COUNSEL OPINION

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

December __, 2018

Town of Pendleton, Indiana
Pendleton, Indiana

The Bank of New York Mellon Trust Company, N.A., as Trustee
Indianapolis, Indiana

Re: \$_____ Town of Pendleton, Indiana Taxable Economic Development Lease
Rental Revenue Bonds, Series 2018 (Wellness Center Project)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of Pendleton, Indiana (the “Issuer”) of \$_____ aggregate principal amount of its Taxable Economic Development Lease Rental Revenue Bonds, Series 2018 (Wellness Center Project) (the “Bonds”), pursuant to Indiana Code 36-7-11.9, as amended, Indiana Code 36-7-12, as amended, and Indiana Code 36-7-14, as amended (collectively, the “Act”), and pursuant to a Trust Indenture, by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., Indianapolis, Indiana, as trustee (the “Trustee”), dated as of December 1, 2018 (the “Indenture”), an ordinance adopted by the Town Council of the Town on November 8, 2018 (the “Bond Ordinance”), and a Loan Agreement, with respect to the Bonds, between the Town and the Pendleton Municipal Facilities Building Corporation (the “Borrower”), dated as of December 1, 2018 (the “Loan Agreement”). In connection with the issuance of the Bonds, the Borrower is also entering into a Lease, dated October 25, 2018, between the Borrower, as lessor, and the Town of Pendleton Redevelopment Commission (the “Redevelopment Commission”), as lessee, as amended (the “Lease”). In such capacity, we have examined such law and such certified proceedings, certifications and other documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Town, the Borrower, and the Redevelopment Commission contained in the Bond Ordinance, the Indenture, the Loan Agreement, and the Lease, the certified proceedings and

Town of Pendleton, Indiana
The Bank of New York Mellon Trust Company, N.A.
December __, 2018

other certifications of public officials furnished to us, and certifications, representations and other information furnished to us by or on behalf of the Town, the Borrower, the Redevelopment Commission, and others, without undertaking to verify the same by independent investigation.

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

1. The Bonds have been duly authorized, executed and delivered by the Town, and are valid and binding special and limited obligations of the Town, enforceable in accordance with their terms. The Bonds are payable solely from the sources provided therefor in the Indenture.

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

3. The Lease has been duly authorized, executed and delivered by the Borrower and the Redevelopment Commission, and each is a valid and binding obligation of the Borrower and the Redevelopment Commission, enforceable against the Borrower and the Redevelopment Commission in accordance with its terms. The obligations of the Redevelopment Commission under the Lease are payable solely from (i) the TIF Revenues (as defined in the Lease) received by the Redevelopment Commission, and (ii) to the extent the TIF Revenues are insufficient to pay such amounts, special *ad valorem* property taxes levied and collected in the Town of Pendleton Redevelopment District pursuant to Indiana Code 36-7-14-27.

4. The interest on the Bonds is exempt from income taxation in the State of Indiana for all purposes except the State financial institutions tax.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement dated December __, 2018 or any other offering material relating to the Bonds, and we express no opinion relating thereto.

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

With respect to the enforceability of any document or instrument, this opinion is subject to the qualifications that: (i) the enforceability of such document or instrument may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium, fraudulent conveyance and similar laws relating to or affecting the enforcement of creditors' rights; (ii) the enforceability of equitable rights and remedies provided for in such document or instrument is subject to judicial discretion, and the enforceability of such document or

Town of Pendleton, Indiana
The Bank of New York Mellon Trust Company, N.A.
December __, 2018

instrument may be limited by general principles of equity; (iii) the enforceability of such document or instrument may be limited by public policy; and (iv) certain remedial, waiver and other provisions of such document or instrument may be unenforceable, provided, however, that in our opinion the unenforceability of those provisions would not, subject to the other qualifications set forth herein, affect the validity of such document or instrument or prevent the practical realization of the benefits thereof.

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

Very truly yours,

(This page intentionally left blank.)

APPENDIX F

CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

This Continuing Disclosure Undertaking Agreement (this “Agreement”) is made this ____ day of _____, 2018, from the Town of Pendleton, Indiana (the “Promisor”), to each registered owner or holder of any Bond (as hereinafter defined) (each, a “Promisee”);

WITNESSETH THAT:

WHEREAS, the Promisor is issuing its Taxable Economic Development Lease Rental Revenue Bonds, Series 2018 (Wellness Center Project) (the “Bonds”) pursuant to a Trust Indenture, dated as of _____ 1, 2018, by and between the Promisor and _____, as trustee (the “Indenture”); and

WHEREAS, _____ (the “Underwriter”) is, in connection with an offering of the Bonds directly or indirectly by or on behalf of the Promisor, purchasing the Bonds from the Promisor and selling the Bonds to certain purchasers; and

WHEREAS, Rule 15c2-12 (the “Rule”), promulgated by the Securities and Exchange Commission (the “Commission”) under the Securities Exchange Act of 1934, as amended (the “Act”), provides that, except as otherwise provided in the Rule, a participating underwriter (as defined in the Rule) shall not purchase or sell municipal securities in connection with an offering (as defined in the Rule) unless the participating underwriter has reasonably determined that an issuer of municipal securities (as defined in the Rule) or an obligated person (as defined in the Rule) for whom financial or operating data is presented in the final official statement (as defined in the Rule) has undertaken, either individually or in combination with other issuers of such municipal securities or obligated persons, in a written agreement or contract for the benefit of holders of such securities, to provide certain information; and

WHEREAS, the Promisor desires to enter into this Agreement in order to assist the Underwriter in complying with subsection (b)(5) of the Rule; and

WHEREAS, any registered owner or holder of any Bond shall, by its payment for and acceptance of such Bond, accept and assent to this Agreement and the exchange of (i) such payment and acceptance for (ii) the promises of the Promisor contained herein;

NOW, THEREFORE, in consideration of the Underwriter’s and any Promisee’s payment for and acceptance of any Bonds, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Promisor hereby promises to each Promisee as follows:

Section 1. Definitions. The terms defined herein, including the terms defined above and in this Section 1, shall have the meanings herein specified unless the context or use clearly indicates another or different meaning or intent. Any terms defined in the Rule, but not otherwise defined herein, shall have the meanings specified in the Rule unless the context or use clearly indicates another or different meaning or intent.

- (a) “Bond” shall mean any of the Bonds.

- (b) “Bondholder” shall mean any registered or beneficial owner or holder of any Bond.
- (c) “Final Official Statement” shall mean the Official Statement, dated December __, 2018, relating to the Bonds, including any document included therein by specific reference which is available to the public on the MSRB’s Internet Web site or filed with the Commission.
- (d) “Fiscal Year” of any person shall mean any period from time to time adopted by such person as its fiscal year for accounting purposes.
- (e) “MSRB” shall mean the Municipal Securities Rulemaking Board.
- (f) “Obligated Person” shall mean any person who is either generally or through an enterprise, fund or account of such person committed by contract or other arrangement to support payment of all or part of the obligations on the Bonds (other than any providers of municipal bond insurance, letters of credit or liquidity facilities), for whom financial information or operating data is presented in the Final Official Statement.
- (g) “State” shall mean the State of Indiana.

Section 2. Term. The term of this Agreement shall commence on the date of delivery of the Bonds by the Promisor to the Underwriter and shall expire on the earlier of (a) the date of payment in full of principal of and premium, if any, and interest on the Bonds, whether upon scheduled maturity, redemption, acceleration or otherwise, or (b) the date of defeasance of the Bonds in accordance with the terms of the Indenture.

Section 3. Obligated Person(s). The Promisor hereby represents and warrants that, as of the date hereof:

- (a) The only Obligated Person with respect to the Bonds is the Promisor and the Town of Pendleton Redevelopment Commission; and
- (b) Although there have been instances in the five (5) years prior to the date of the Official Statement in which the Promisor failed to comply, in all material respects, with one or more of its previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule, it has corrected all such failures with the MSRB through the Electronic Municipal Market Access system (“EMMA”) and has taken steps to assure compliance in the future.

Section 4. Undertaking to Provide Information.

- (a) The Promisor hereby undertakes to provide the following to the MSRB in an electronic format as prescribed by the MSRB, either directly or indirectly through a registrar or designated agent, for the Promisor and the Pendleton Redevelopment Commission:

(i) Annual Financial Information. Within one hundred eighty (180) days after the close of each Fiscal Year of the Promisor beginning with the Fiscal Year ending on or after December 31, 2018, the following financial information and operating data for such Promisor:

- (A) the audited financial statements of the Promisor for each twelve (12) month period ending December 31, and if not then available, unaudited financial statements of the Promisor, and
- (B) financial information and operating data (excluding any demographic information or forecast) of the type provided in the following headings: “Debt Ratios,” “Schedule of Historical Net Assessed Valuation,” “Detail of Net Assessed Valuation,” “Comparative Schedule of Certified Tax Rates,” “Property Taxes Levied and Collected” and “Large Taxpayers” in APPENDIX A of the Final Official Statement

(the financial information set forth in Section 4(a)(i)(A) hereof and the financial information and operating data set forth in Section 4(a)(i)(B) hereof, collectively, the “Annual Financial Information”);

(ii) If not submitted as part of the Annual Financial Information, then when and if available, within thirty (30) days of availability to the Promisor audited financial statements for such Obligated Person;

(iii) In a timely manner not in excess of 10 business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

- (A) Principal and interest payment delinquencies;
- (B) Non-payment related defaults, if material;
- (C) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (D) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (E) Substitution of credit or liquidity providers, or their failure to perform;
- (F) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability,

Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

- (G) Modifications to rights of security holders, if material;
- (H) Bond calls, if material, and tender offers;
- (I) Defeasances;
- (J) Release, substitution or sale of property securing repayment of the securities, if material;
- (K) Rating changes;
- (L) Bankruptcy, insolvency, receivership or similar event of the obligated person;
- (M) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (N) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

For the purpose of the event set forth in clause (L) above, such event is considered to occur when any of the following occur:

(I) the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority; or

(II) the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person; and

- (iv) In a timely manner, notice of a failure of such Obligated Person to provide required Annual Financial Information or audited financial statements, on or before the date specified in this Agreement.
- (b) Any financial statements of any Obligated Person provided pursuant to subsection (a)(i) of this Section 4 shall be prepared in accordance with any accounting principles mandated by the laws of the State, as in effect from time to time, or any other consistent accounting principles that enable market participants to evaluate results and perform year to year comparisons, but need not be audited.
- (c) Any Annual Financial Information or audited financial statements may be set forth in a document or set of documents, or may be included by specific reference to available to the public on the MRSB's Internet Web site or filed with the Commission.
- (d) If any Annual Financial Information otherwise required by subsection (a)(i) of this Section 4 no longer can be generated because the operations to which it relates have been materially changed or discontinued, a statement to that effect shall be deemed to satisfy the requirements of such subsection.
- (e) All documents provided to the MSRB under this Agreement shall be accompanied by identifying information as prescribed by the MSRB.

Section 5. Termination of Obligation. The obligation to provide Annual Financial Information, audited financial statements and notices of events under Section 4(a) hereof shall terminate with respect to any Obligated Person, if and when such Obligated Person no longer remains an obligated person (as defined in the Rule) with respect to the Bonds.

Section 6. Bondholders. Each Bondholder is an intended beneficiary of the obligations of the Promisor under this Agreement, such obligations create a duty in the Promisor to each Bondholder to perform such obligations, and each Bondholder shall have the right to enforce such duty.

Section 7. Limitation of Rights. Nothing expressed or implied in this Agreement is intended to give, or shall give, to the Underwriter, the Commission or any Obligated Person, or any underwriters, brokers or dealers, or any other person, other than the Promisor, each Promisee and each Bondholder, any legal or equitable right, remedy or claim under or with respect to this Agreement or any rights or obligations hereunder. This Agreement and the rights and obligations hereunder are intended to be, and shall be, for the sole and exclusive benefit of the Promisor, each Promisee and each Bondholder.

Section 8. Remedies.

- (a) The sole and exclusive remedy for any breach or violation by the Promisor of any obligation of the Promisor under this Agreement shall be the remedy of specific performance by the Promisor of such obligation.

Neither any Promisee nor any Bondholder shall have any right to monetary damages or any other remedy for any breach or violation by the Promisor of any obligation of the Promisor under this Agreement, except the remedy of specific performance by the Promisor of such obligation.

- (b) No breach or violation by the Promisor of any obligation of the Promisor under this Agreement shall constitute a breach or violation of or default under the Bonds or the Indenture.
- (c) Any action, suit or other proceeding for any breach or violation by the Promisor of any obligation of the Promisor under this Agreement shall be instituted, prosecuted and maintained only in a court of competent jurisdiction in Hamilton County, Indiana.
- (d) No action, suit or other proceeding for any breach or violation by the Promisor of any obligation of the Promisor under this Agreement shall be instituted, prosecuted or maintained by any Promisee or any Bondholder unless, prior to instituting such action, suit or other proceeding: (i) such Promisee or such Bondholder has given the Promisor notice of such breach or violation and demand for performance; and (ii) the Promisor has failed to cure such breach or violation within sixty (60) days after such notice.

Section 9. Waiver. Any failure by any Promisee or any Bondholder to institute any suit, action or other proceeding for any breach or violation by the Promisor of any obligation of the Promisor under this Agreement, within three hundred sixty (360) days after the date such Promisee or such Bondholder first has knowledge of such breach or violation, shall constitute a waiver by such Promisee or such Bondholder of such breach or violation and, after such waiver, no remedy shall be available to such Promisee or such Bondholder for such breach or violation.

Section 10. Annual Appropriations. This Agreement and the obligations of the Promisor hereunder are subject to annual appropriation by the Promisor.

Section 11. Limitation of Liability. The obligations of the Promisor under this Agreement are special and limited obligations of the Promisor, payable solely from the trust estate under the Indenture. The obligations of the Promisor under this Agreement are not and shall never constitute a general obligation, debt or liability of the Promisor or the State, or any political subdivision thereof, within the meaning of any constitutional limitation or provision, or a pledge of the faith, credit or taxing power of the Promisor or the State, or any political subdivision thereof, and do not and shall never constitute or give rise to any pecuniary liability or charge against the general credit or taxing power of the Promisor or the State, or any political subdivision thereof.

Section 12. Immunity of Officers, Directors, Members, Employees and Agents. No recourse shall be had for any claim based upon any obligation in this Agreement against any past, present or future officer, director, member, employee or agent of the Promisor, as such, either directly or through the Promisor, under any rule of law or equity, statute or constitution.

Section 13. Amendment of Obligations.

(a) The Promisor may, from time to time, amend any obligation of the Promisor under this Agreement, without notice to or consent from any Promisee or any Bondholder, if: (a)(i) such amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of any Obligated Person, or type of business conducted, (ii) this Agreement, after giving effect to such amendment, would have complied with the requirements of the Rule on the date hereof, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (iii) such amendment does not materially impair the interests of any Bondholders, as determined either by (A) any person selected by the Promisor that is unaffiliated with the Promisor or any Obligated Person (such as any trustee under the Indenture) or (B) an approving vote of the Bondholders pursuant to the terms of the Indenture at the time of such amendment; or (b) such amendment is otherwise permitted by the Rule.

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

(c) If the amendment results in a change to the accounting principles to be followed in preparing financial statements, the Annual Financial Information for the year in which the change is made shall include a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of such differences and the impact of the changes on the presentation of the financial information. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in accounting principles shall be sent to the MSRB, in an electronic format as prescribed by the MSRB.

Section 14. Assignment and Delegation. Neither any Promisee nor any Bondholder may, without the prior written consent of the Promisor, assign any of its rights under this Agreement to any other person. The Promisor may not assign any of its rights or delegate any of its obligations under this Agreement to any other person, except that the Promisor may assign any of its rights or delegate any of such obligations to any entity (a) into which the Promisor merges, with which the Promisor consolidates or to which the Promisor transfers all or substantially all of its assets or (b) which agrees in writing for the benefit of Bondholders to assume such rights or obligations.

Section 15. Communications. Any information, datum, statement, notice, certificate or other communication required or permitted to be provided, delivered or otherwise given hereunder by any person to any other person shall be in writing and, if such other person is the Promisor, shall be provided, delivered or otherwise given to the Promisor at the following address:

Town of Pendleton, Indiana
Attention: Clerk-Treasurer
100 West State Street
Pendleton, Indiana 46064

(or at such other address as the Promisor may, by notice to the MSRB, provide), or, if such other person is not the Promisor, shall be provided, delivered or otherwise given to such other person at any address that the person providing, delivering or otherwise giving such information, datum, statement, notice, certificate or other communication believes, in good faith but without any investigation, to be an address for receipt by such other person of such information, datum, statement, notice, certificate or other communication. For purposes of this Agreement, any such information, datum, statement, notice, certificate or other communication shall be deemed to be provided, delivered or otherwise given on the date that such information, datum, notice, certificate or other communication is (a) delivered by hand to such other person, (b) deposited with the United States Postal Service for mailing by registered or certified mail, (c) deposited with Express Mail, Federal Express or any other courier service for delivery on the following business day, or (d) sent by facsimile transmission, telecopy or telegram.

Section 16. Knowledge. For purposes of this Agreement, each Promisee and each Bondholder shall be deemed to have knowledge of the provision and content of any information, datum, statement or notice provided by the Promisor to the MSRB on the date such information, datum, statement or notice is so provided, regardless of whether such Promisee or such Bondholder was a registered or beneficial owner or holder of any Bond at the time such information, datum, statement or notice was so provided.

Section 17. Performance Due on other than Business Days. If the last day for taking any action under this Agreement is a day other than a business day, such action may be taken on the next succeeding business day and, if so taken, shall have the same effect as if taken on the day required by this Agreement.

Section 18. Waiver of Assent. Notice of acceptance of or other assent to this Agreement is hereby waived.

Section 19. Governing Law. This Agreement and the rights and obligations hereunder shall be governed by and construed and enforced in accordance with the internal laws of the State, without reference to any choice of law principles.

Section 20. Severability. If any portion of this Agreement is held or deemed to be, or is, invalid, illegal, inoperable or unenforceable, the validity, legality, operability and enforceability of the remaining portions of this Agreement shall not be affected, and this Agreement shall be construed as if it did not contain such invalid, illegal, inoperable or unenforceable portion.

Section 21. Rule. This Agreement is intended to be an agreement or contract in which the Promisor has undertaken to provide that which is required by paragraph (b)(5) of the Rule. If and to the extent this Agreement is not such an agreement or contract, this Agreement shall be deemed to include such terms not otherwise included herein, and to exclude such terms not otherwise excluded herefrom, as are necessary to cause this Agreement to be such an agreement or contract.

Section 22. Interpretation. The use herein of the singular shall be construed to include the plural, and vice versa, and the use herein of the neuter shall be construed to include the masculine and feminine. Unless otherwise indicated, the words “hereof,” “herein,” “hereby” and “hereunder,” or words of similar import, refer to this Agreement as a whole and not to any particular section, subsection, clause or other portion of this Agreement.

Section 23. Captions. The captions appearing in this Agreement are included herein for convenience of reference only, and shall not be deemed to define, limit or extend the scope of intent of any rights or obligations under this Agreement.

IN WITNESS WHEREOF, the Promisor and the Pendleton Redevelopment Commission have caused this Agreement to be executed on the date first above written.

TOWN OF PENDLETON, INDIANA

Town Council President

ATTEST:

Clerk-Treasurer

The Town of Pendleton Redevelopment Commission, as an “Obligated Person” under the foregoing Continuing Disclosure Agreement dated December __, 2018 (“Agreement”), acknowledges that it is familiar with the provisions of the Agreement and agrees with the Promisor to provide to the Promisor in a timely manner any information necessary to enable the Promisor to comply with its obligations under the Agreement.

Dated this ___ day of December, 2018.

TOWN OF PENDLETON
REDEVELOPMENT COMMISSION

By: _____
President

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APPENDIX G

APPENDIX G

This Appendix G assumes that (a) the winning bidder (the “Purchaser”) is purchasing the Series 2018 Bonds as an Underwriter (as hereinafter defined) and is not purchasing the Series 2018 Bonds with the intent to hold the Series 2018 Bonds for its own account, and (b) Town of Pendleton, Indiana (the “Issuer”) and the Purchaser shall agree to the process by which issue price will be established on the date of sale of the Series 2018 Bonds in the event that the Competitive Sale Requirements (as hereinafter defined) are not met. The Purchaser must agree to execute the applicable schedules depending on the sale results.

(a) By submitting a bid, the Purchaser agrees to assist the Issuer in establishing the issue price of the Series 2018 Bonds and shall execute and deliver to the Issuer at the Closing (as hereinafter defined) for the Series 2018 Bonds written evidence identifying the “Issue Price” as defined in the provisions of Treasury Regulation Section 1.148-1 (“Issue Price Rules”) for the Series 2018 Bonds or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Series 2018 Bonds, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Purchaser, the Issuer and Bond Counsel. All actions to be taken by the Issuer to establish the Issue Price of the Series 2018 Bonds may be taken on behalf of the Issuer by the Issuer’s municipal advisor identified in the Official Statement (H.J. Umbaugh & Associates, Certified Public Accountants, LLP) and any notice or report to be provided to the Issuer may be provided to the Issuer’s municipal advisor.

(b) For purposes of this Appendix G, the Competitive Sale Requirements will be satisfied in accordance with the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (the “Competitive Sale Requirements”) for purposes of establishing the Issue Price of the Series 2018 Bonds and will apply to the initial sale of the Series 2018 Bonds if the Issuer receive bids for the Series 2018 Bonds from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds because:

- (1) the Issuer shall disseminate the Notice of Intent to Sell Bonds (the "Notice") to potential Underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid; and
- (3) the Issuer anticipates awarding the sale of the Series 2018 Bonds to the bidder who submits a firm offer to purchase the Series 2018 Bonds at the highest price (or lowest interest cost) as set forth in the Notice (the requirements set forth in this paragraph (b), collectively, the “Competitive Sale Requirements”).

Any bid submitted pursuant to the Notice shall be considered a firm offer for the purchase of the Series 2018 Bonds, as specified in the bid. If all of the Competitive Sale Requirements are satisfied, the Purchaser shall execute Schedule I if the Purchaser is purchasing the Series 2018 Bonds as an Underwriter.

(c) In the event that the Competitive Sale Requirements are not satisfied, the Issuer shall so advise the Purchaser and the Issuer and the Purchaser (the “Parties”) agree to execute an agreement which will establish which method to determine Issue Price will be employed, a form of which is attached as Schedule II. The methods are as follows:

(1) General Rule

Issue Price will be established by the first price at which 10% of a maturity of the Series 2018 Bonds is sold to the Public (as hereinafter defined) (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity)(the “10% test”).

Until the 10% test has been satisfied as to each maturity of the Series 2018 Bonds, the Purchaser agrees to promptly report to the Issuer the prices at which the unsold Series 2018 Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the Closing Date (as hereinafter defined) has occurred, until the 10% test has been satisfied as to the Series 2018 Bonds of that maturity or until all Series 2018 Bonds of that maturity have been sold;

- OR -

(2) Hold the Price

Issue Price shall be established by applying the Hold the Price Rule (as defined below), which will allow the Issuer to treat the Initial Offering Price (as defined below) to the Public of each such maturity as of the Sale Date as the Issue Price of that maturity, provided the Purchaser agrees that it will neither offer nor sell these maturities to any person at a price that is higher than the Initial Offering Price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the Sale Date; or

(2) the date on which the Purchaser has sold at least 10% of that maturity of the Series 2018 Bonds to the Public at a price that is no higher than the Initial Offering Price to the Public.

(the “Hold the Price Rule”). The Purchaser shall promptly advise the Issuer when it has sold 10% of a maturity to the Public at a price that is no higher than the Initial Offering Price to the Public, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

(d) The Purchaser will be required to execute a certificate in the form of Schedule III if the Competitive Sale Requirements are not satisfied indicating that all of the requirements set forth in such certificate have been satisfied such as a certification to that the Purchaser has offered or will offer the Series 2018 Bonds to the Public on or before the date of the award at the Initial Offering Price set forth in the bid submitted by the Purchaser. The Purchaser will also be required to provide a copy of the pricing wire or equivalent communication.

(e) By submitting a bid, each bidder acting as an Underwriter confirms that: (i) any agreement among Underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Series 2018 Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (1) to report the prices at which it sells to the Public the unsold Series 2018 Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Purchaser that the 10% test has been satisfied as to the Series 2018 Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Purchaser, and (2) to promptly notify the Purchaser of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the Public, and (3) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the Purchaser shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the Public, (ii) any agreement among Underwriters or other selling group agreement relating to the initial sale of the Series 2018 Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2018 Bonds to the Public to require each broker-dealer that is a party to such third-party distribution agreement to report the prices at which it sells to the Public the unsold Series 2018 Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Purchaser or such Underwriter that the 10% test has been satisfied as to the Series 2018 Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Purchaser or such Underwriter.

(f) Sales of any Series 2018 Bonds to any person that is a related party to an Underwriter participating in the initial sale of the Bonds to the Public shall not constitute sales to the Public for purposes of this Appendix G. Further, for purposes of this Appendix:

- (1) “Public” means any person other than an Underwriter or a related party,
- (2) “Underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2018 Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2018 Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2018 Bonds to the Public),
- (3) a purchaser of any of the Series 2018 Bonds is a “related party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including

direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other),

- (4) “Sale Date” means the date that the Series 2018 Bonds are awarded by the Issuer to the winning bidder,
- (5) “Closing” and “Closing Date” mean the day the Series 2018 Bonds are delivered to the Purchaser and payment is made thereon to the Issuer, and
- (6) “Initial Offering Prices” means the respective initial offering prices of the Series 2018 Bonds offered by the Purchaser to the Public on or before the Sale Date as set forth in the pricing wire or equivalent communication for the Series 2018 Bonds provided to the Issuer by the Purchaser.

Schedule I
\$1,425,000
Taxable Economic Development Lease Rental Revenue Bonds, Series 2018
ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligation (the “Series 2018 Bonds”).

1. ***Reasonably Expected Initial Offering Price.***
 - (a) As of the Sale Date, the reasonably expected initial offering prices of the Series 2018 Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Series 2018 Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Series 2018 Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Series 2018 Bonds.
 - (b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.
 - (c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Series 2018 Bonds.
2. ***Defined Terms.***
 - (a) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
 - (b) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2018 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2018 Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2018 Bonds to the Public).
 - (c) *Sale Date* means the first day on which there is a binding contract in writing for the sale or exchange the Series 2018 Bonds. The Sale Date of the Series 2018 Bonds is December 4, 2018.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Section 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the [Tax Certificate] and with respect to compliance with the federal income tax rules affecting the Series 2018 Bonds, and by Bose McKinney & Evans LLP in connection with rendering its opinion that the interest on the Series 2018 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038[-G][-GC][-TC], and other federal income tax advice that it may give to the Issuer from time to time relating to the Series 2018 Bonds.

[UNDERWRITER], as [Underwriter]

By: _____

Name: _____

Dated: [ISSUE DATE]

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)

Schedule II

AGREEMENT TO ESTABLISH ISSUE PRICE

The Town of Pendleton, Indiana (the “Issuer”) offered its Taxable Economic Development Lease Rental Revenue Bonds, Series 2018 (the Series 2018 Bonds”) through a competitive offering in compliance with state law. For federal tax law purposes, Issue Price as defined in Treasury Regulations Section 1.148-1(f) (the “Issue Price Regulations”) must be established by one of the methods set forth in Issue Price Regulations. One of the methods to establish Issue Price is to offer the Series 2018 Bonds to achieve a Competitive Sale as defined by the Issue Price Regulations by meeting specific requirements under the Issue Price Regulation. Although the Issuer achieved a competitive sale to comply with state law, one or more of the requirements for a Competitive Sale, for federal tax law purposes, was not achieved. The Issue Price Regulations provide if more than one rule for determining the Issue Price of the Series 2018 Bonds is available, the Issuer may select the rule it will use to determine the Issue Price of the Series 2018 Bonds.

On the date hereof, the Purchaser represents that the first price at which at least 10% of each maturity of the Series 2018 Bonds listed on Exhibit I was sold to the Public (as defined in Schedule A) is the respective price listed on Exhibit I. For the remaining maturities of the Series 2018 Bonds (the “Unsold Maturities”) the Issuer has determined and the Purchaser agrees that Issue Price will be established as set forth in Schedule A as attached.

[PURCHASER]

By: _____
Authorized Representative

Town of Pendleton, Indiana

By: _____

SCHEDULE A

This Schedule A sets forth as of the date hereof, the agreement between Town of Pendleton, Indiana (the "Issuer") and _____ (the "Purchaser") on the method by which Issue Price, as defined in Treasury Regulations Section 1.148-1(f) (the "Issue Price Regulations") for the Unsold Series 2018 Bonds (as defined in Schedule II) must be established (the "Agreement").

Based on the Agreement, the Issuer and the Purchaser have determined that Issue Price for the Unsold Series 2018 Bonds will be established by:

Check one, as applicable:

- _____ (1) General Rule (the "10% test") set forth below in (1); or
_____ (2) "Hold the Price Rule" set forth below in (2).

SELECTION OF METHOD OF ISSUE PRICE ESTABLISHMENT

The methods are as follows:

(1) General Rule

Issue Price will be established by the first price at which 10% of a maturity of the Series 2018 Bonds is sold to the Public (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity).

Until the 10% test has been satisfied as to each maturity of the Series 2018 Bonds, the Purchaser agrees to promptly report to the Issuer the prices at which the unsold Series 2018 Bonds of that maturity have been sold to the Public provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable, periodic intervals or otherwise upon request of the Issuer of bond counsel. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Series 2018 Bonds of that maturity or until all Series 2018 Bonds of that maturity have been sold.

- OR -

(2) Hold the Price

Issue Price shall be established by applying the Hold the Price Rule (as defined below), which will allow the Issuer to treat the Initial Offering Price to the Public of each such maturity of the Series 2018 Bonds as of the Sale Date as the issue price of that maturity, provided the Purchaser agrees that it will neither offer nor sell these maturities to any person at a price that is higher than the Initial Offering Price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or

(2) the date on which the Purchaser has sold at least 10% of that maturity of the Series 2018 Bonds to the Public at a price that is no higher than the Initial Offering Price to the Public.

(the “Hold the Price Rule”). The Purchaser will advise the Issuer promptly after the close of the fifth (5th) business day after the Sale Date whether it has sold 10% of a maturity to the Public at a price that is no higher than the Initial Offering Price to the Public.

DEFINITIONS OF GENERAL APPLICABILITY

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

"Underwriter" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2018 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2018 Bonds to the Public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Series 2018 Bonds to the Public).

A purchaser of any of the Series 2018 Bonds is a “related party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

“Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2018 Bonds. The Sale Date of the Series 2018 Bonds is December 4, 2018.

“Closing” and “Closing Date” mean the day the Series 2018 Bonds are delivered to the Purchaser and payment is made thereon to the Issuer.

**[FORM TO USE WHEN GENERAL RULE OR SPECIAL RULE OF COMBINATION OF BOTH
RULES APPLIES]**

Schedule III

\$1,425,000

TAXABLE ECONOMIC DEVELOPMENT LEASE RENTAL REVENUE BONDS, SERIES 2018

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] (["[SHORT NAME OF UNDERWRITER]"])[the "Representative"]], on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the "Underwriting Group"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Series 2018 Bonds").

Select appropriate provisions below:

1. [Alternative 1¹ – All Maturities Use General Rule: *Sale of the Series 2018 Bonds*. As of the date of this certificate, for each Maturity of the Series 2018 Bonds, the first price at which at least 10% of such Maturity of the Series 2018 Bonds was sold to the Public is the respective price listed in Schedule A. [Alternative 2² – Select Maturities Use General Rule: *Sale of the General Rule Maturities*. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Series 2018 Bonds was sold to the Public is the respective price listed in Schedule A.] [Alternative 3³-Issue Price not required on Closing Date and Select Maturities Use General Rule]: As of the date of this certificate, the General Rule Maturities and their respective issue prices (the first price at which 10% of such Maturity was sold to the Public) are listed in Schedule A. [SHORT NAME OF UNDERWRITER] certifies that it agreed in its [bid form][bond purchase agreement] to report to the Issuer the prices at which the Unsold Series 2018 Bonds have been sold to the Public within 5 business days of such sale until [SHORT NAME OF UNDERWRITER] can establish the first price at which at least 10% test of each Maturity of the Unsold Series 2018 Bonds has been sold to the Public.]

2. ***Initial Offering Price of the [Series 2018 Bonds][Hold-the-Offering-Price Maturities]***.

(a) [Alternative 1⁴ – All Maturities Use Hold-the-Offering-Price Rule: [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Series 2018 Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Series 2018 Bonds is attached to this

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

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

³ If Alternative 3 is used, delete the remainder of paragraph 1 and all of paragraph 2 and renumber paragraphs accordingly.

⁴ If Alternative 1 is used, delete all of paragraph 1 and renumber paragraphs accordingly.

certificate as Schedule B.] [Alternative 2⁵ – Select Maturities Use Hold-the-Offering-Price Rule: [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Series 2018 Bonds is attached to this certificate as Schedule B.]

(b) [Alternative 1 – All Maturities use Hold-the-Offering-Price Rule: As set forth in the [Notice of Intent to Sell Bonds][bond sale notice], [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Series 2018 Bonds, [it][they] would neither offer nor sell any of the Series 2018 Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Series 2018 Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Series 2018 Bonds during the Holding Period. [Alternative 2 – Select Maturities Use Hold-the-Offering-Price Rule: As set forth in the [Bond Purchase Agreement][Notice of Sale and bid award], [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Series 2018 Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Series 2018 Bonds during the Holding Period.

(c) [To be used when the Series 2018 Bonds were subject to a failed competitive bidding process and the Issuer elected to apply the hold the price rule and the bidder confirmed its bid and agreed to comply with hold the price]. The Series 2018 Bonds were originally subject to a competitive bidding process. Attached as Schedule C hereto is the notification received by [SHORT NAME OF UNDERWRITER] that the Issuer elected to invoke the hold-the-offering-price rule and the [SHORT NAME OF UNDERWRITER]’s confirmation of its bid and its agreement to comply with the hold the offering price rule.

3. ***Defined Terms.***

[(a) *General Rule Maturities* means those Maturities of the Series 2018 Bonds listed in Schedule A hereto as the “General Rule Maturities.”]

[(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Series 2018 Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”]

[(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale

⁵ Alternative 2(a) of paragraph 2 should be used in conjunction with Alternative 2 in paragraphs 1 and 2(b).

Date (December 4, 2018), or (ii) the date on which the [SHORT NAME OF UNDERWRITER][the Underwriters] [has][have] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) *Issuer* means Town of Pendleton, Indiana.

(e) *Maturity* means Series 2018 Bonds with the same credit and payment terms. Series 2018 Bonds with different maturity dates, or Series 2018 Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

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

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2018 Bonds. The Sale Date of the Series 2018 Bonds is December 4, 2018.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2018 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2018 Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2018 Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDERWRITING FIRM][the Representative’s] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer[and the Borrower] with respect to certain of the representations set forth in the [Tax Certificate] and with respect to compliance with the federal income tax rules affecting the Series 2018 Bonds, and by Bose McKinney & Evans LLP in connection with rendering its opinion that the interest on the Series 2018 Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038[-G][-GC][-TC], and other federal income tax advice it may give to the Issuer [and the Borrower] from time to time relating to the Series 2018 Bonds.

[UNDERWRITER][REPRESENTATIVE]

By: _____
Name: _____

Dated: [ISSUE DATE]

SCHEDULE A
SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES
(Attached)

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)

SCHEDULE C
CERTIFICATE OF INVOCATION OF HOLD THE PRICE RULE AND CONFIRMATION OF
BID

[Defined terms should correspond to those in the Bid Form]

The Issuer hereby notifies _____, as the winning bidder (the "Purchaser") for the [Insert Caption of Bonds] (the "Series 2018 Bonds") that the Issuer has determined to apply the hold the price rule (as described in the Bid Form dated _____, 20__) to the Series 2018 Bonds maturing _____, _____ and _____ (the "Hold the Price Maturities"). The Purchaser's bid will be cancelled and deemed withdrawn unless the Purchaser affirmatively confirms its bid and agrees to comply with the hold the price rule by executing and **[faxing/e-mailing]** the confirmation below by ____:00 **[a.m./p.m.]**.

Town of Pendleton, Indiana

By: _____

The Purchaser hereby acknowledges the Issuer's intention to apply the hold the price rule to the "Hold the Price Maturities". The Purchaser confirms its bid with respect to the Series 2018 Bonds and agrees to comply with the hold the price rule with respect to the Hold the Price Maturities.

[PURCHASER]

By: _____