

MAR 18 2025

RESOLUTION 7, 2025

CITY CLERK

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF TERRE HAUTE, INDIANA, APPROVING A LEASE BETWEEN THE CITY OF TERRE HAUTE REDEVELOPMENT AUTHORITY AND THE CITY OF TERRE HAUTE REDEVELOPMENT COMMISSION, AND ADDRESSING OTHER MATTERS RELATED THERETO.

(NEW MARGARET STREET PROJECT)

WHEREAS, the City of Terre Haute Redevelopment Commission (the "Commission") has previously adopted, or is expected to adopt, a resolution approving a proposed Lease Agreement in the form presented at this meeting (the "Lease") for the purpose of paying the principal and interest on one or more series of lease rental revenue bonds to be issued by the City of Terre Haute Redevelopment Authority (the "Authority") pursuant to Indiana Code 36-7-14.5 (the "Bonds"), to provide funds for the purposes of financing the acquisition by the Authority from the City of all or any portion of the Leased Premises described in the form of Lease attached hereto as Exhibit A, and the use by the City of Terre Haute, Indiana (the "City") of the proceeds of such sale to finance or reimburse the costs of the acquisition, design, construction, renovation, improvement and/or equipping of (i) an extension of New Margaret Drive from Sycamore Terrace Street to Margaret Avenue, (ii) repaving and other improvements to each of College Avenue and Hunt Road, (iii) any related improvements, and (iv) the payment of incidental expenses related thereto (the "Project"); and

WHEREAS, pursuant to Indiana Code § 36-7-14.5-14 and Indiana Code § 36-7-14-25.2, the Commission is expected to adopt a resolution finding that the lease rental payments to be paid by the Commission to the Authority pursuant to the Lease are fair and reasonable, and that the terms of the Lease are based upon the value of the Leased Premises (as defined in the form of Lease) and the use of the Leased Premises and the Project throughout the term of the Lease will serve the public purpose of the City and is in the best interests of its residents; and

WHEREAS, the Common Council desires to approve the Lease pursuant to Indiana Code § 36-7-14-25.2, which provides that any lease approved by a resolution of the Commission must be approved by an ordinance or resolution of the fiscal body of the unit; and

WHEREAS, the City expects to incur or has incurred preliminary costs and expenses in connection with the Project; and

WHEREAS, the City expects such preliminary costs and expenses relating to the Project to be reimbursed from the proceeds of the Bonds; and

WHEREAS, certain preliminary expenses related to the Project have been or will be incurred by the City, or on its behalf, prior to the issuance and delivery of the Bonds; and

WHEREAS, the Common Council of the City (the "Council") desires to express its intention to reimburse such expenditures as have been or may be incurred prior to the issuance of the Bonds, pursuant to Indiana Code 5-1-14-6 and in compliance with Section 1.150-2 of the

United States Treasury Regulations promulgated by the Internal Revenue Service (the "Treasury Regulations").

NOW, THEREFORE, be it resolved by the Common Council of the City of Terre Haute, Indiana, as follows:

1. Approval of Lease and Bonds. The Common Council hereby approves the issuance of the Bonds, in one or more series, by the Authority pursuant to Indiana Code § 36-7-14.5-19, the execution and delivery of the Lease substantially in the form of Exhibit A hereto pursuant to Indiana Code § 36-7-14-25.2, including the levy by the Commission of a special benefits tax pursuant to Indiana Code § 36-7-14-27 during the term of the Lease to provide necessary funds from which to pay the Lease Rentals under the Lease. The term of the Lease shall not extend beyond twenty (20) years, commencing from the date of issuance of the Bonds. The maximum annual rentals under the Lease shall not exceed \$2,000,000. The maximum interest rate on the Bonds to be issued by the Authority, which Bonds are hereby approved to be issued in a maximum principal amount not to exceed \$22,000,000, shall not exceed 8.00% per annum. The Common Council hereby approves, pursuant to Indiana Code § 36-7-14.5-21, the trust indenture, to be entered into between the Authority and a trustee to be selected by the Controller of the City (the "Controller"), substantially in the form approved by the Authority with such changes and modifications as the President or any other officer of the Authority deems necessary or appropriate to effectuate these resolutions and to consummate the sale of the Bonds, said officer's execution and attestation thereof to be conclusive evidence of their approval of such changes (the "Indenture"). The Bonds may be subject to optional redemption prior to maturity, on such dates and with such redemption terms as determined at the time of the sale of the Bonds and approved by the Authority in the purchase agreement for the Bonds, all upon the advice of the municipal advisor to the Commission and the Authority. The Bonds may include a provision for the payment of capitalized interest not to exceed three (3) years, as the Authority shall determine prior to the issuance of such Bonds.

2. Approval of Bond Anticipation Notes. Pending the issuance of the Bonds, the Common Council hereby approves the issuance of bond anticipation notes of the Authority (the "BANs") in a maximum aggregate principal amount not to exceed \$22,000,000. The BANs shall mature not more than five (5) years from the date of issuance; may be prepayable on terms and conditions determined by the President of the Authority at the time of the sale of the BANs; shall bear interest at a rate not exceeding 8.00% per annum, payable upon maturity or redemption of the BANs and shall be sold at a discount not exceeding 2.00% of the principal amount thereof. Pursuant to Indiana Code 5-1-14-5, it shall not be necessary for the Authority to repeat the procedures for the issuance of the Bonds, as the procedures followed before the issuance of the BANs are for all purposes sufficient to authorize the issuance of the Bonds and to use proceeds thereof to repay the principal of and interest on the BANs.

3. Approval of Pledge of Special Benefits Tax by Commission. Although the Commission reasonably expects to use (but will not formally pledge) tax increment revenues to pay the Lease Rentals under the Lease, the Common Council hereby authorizes the Commission, during the term of the Lease, to levy a special benefits tax to provide for the payment of the Lease Rentals.

4. Declaration of Intent to Reimburse Costs. The Common Council hereby declares that it reasonably expects to reimburse with the proceeds of the Bonds expenditures for the Project made by or on behalf of the City prior to the issuance of the Bonds, which expenditures are expected to be paid initially from other legally available funds of the City or its Redevelopment Commission and it further declares that this Resolution is being adopted for purposes of evidencing compliance with Indiana Code § 5-1-14-6 and Section 1.150-2 of the Treasury Regulations.

5. Authorization of Other Actions. Each of the Mayor of the City (the “Mayor”) and the Controller, individually, is hereby authorized and directed, for and on behalf of the City, to execute and deliver any contract, agreement, certificate, instrument or other document and to take any action as such person determines to be necessary or appropriate to accomplish the purposes of this Resolution, such determination to be conclusively evidenced by such person’s execution of such contract, agreement, certificate, instrument or other document or such person’s taking of such action. In addition, the Mayor is hereby authorized to transfer, convey and assign to the Authority, pursuant to Indiana Code § 36-1-11-8, as amended, all interests or rights of the City to the real property subject to the Lease as may be necessary to finance and/or refinance the Project, and the Mayor is hereby authorized and directed, for and on behalf of the City, to execute and deliver any contract, agreement, certificate, instrument or other document and to take any action as he determines to be necessary or appropriate to accomplish such transfer, conveyance and assignment.

6. Effective Date. This Resolution shall be in full force and effect from and after its passage by the Common Council as required by law.

Introduced by: _____ Cheryl Loudermilk, Councilperson

Passed in open Council this _____ day of _____, 2025.

_____ Todd Nation, President

ATTEST: _____ Michelle L. Edwards, City Clerk

Presented by me to the Mayor this _____ day of _____, 2025
at _____ o'clock.

_____ Michelle L. Edwards, City Clerk

Approved by me, the Mayor, this _____ day of _____, 2025.

_____ Brandon C. Sakbun, Mayor

ATTEST: _____ Michelle L. Edwards, City Clerk

EXHIBIT A

[attached]

LEASE AGREEMENT

between

CITY OF TERRE HAUTE REDEVELOPMENT AUTHORITY

LESSOR

and

CITY OF TERRE HAUTE REDEVELOPMENT COMMISSION

LESSEE

Dated as of _____, 2025

LEASE AGREEMENT

THIS LEASE AGREEMENT, made and dated as of this ____ day of _____, 2025, by and between the CITY OF TERRE HAUTE REDEVELOPMENT AUTHORITY (the "Lessor"), a separate body corporate and politic organized and existing under Indiana Code 36-7-14.5 as an instrumentality of the City of Terre Haute, Indiana (the "City"), and the CITY OF TERRE HAUTE REDEVELOPMENT COMMISSION (the "Lessee"), the governing body of the City of Terre Haute Department of Redevelopment acting for and on behalf of the City.

WITNESSETH:

WHEREAS, the City has created the Lessor under and in pursuance of the provisions of Indiana Code 36-7-14, Indiana Code 36-7-14.5 and Indiana Code 36-7-25 (collectively, the "Act"), for the purpose of financing, constructing, acquiring and leasing to the Lessee certain local public improvements and redevelopment projects;

WHEREAS, the City has created the Lessee to undertake redevelopment and economic development in the City in accordance with the Act;

WHEREAS, the Lessee has previously adopted and amended resolutions designating a certain area of the City known as the "2020 Consolidated Economic Development Area" (the "Economic Development Area") as an economic development area under Section 41 of the Act and approving an economic development plan for the Economic Development Area;

WHEREAS, to foster economic development in the City, the Lessor and the Lessee desire to provide for the acquisition of certain roads and streets in the City as set forth on Exhibit A hereto (the "Authority Project") and the acquisition, design, construction and improvement of (i) an extension of New Margaret Drive from Sycamore Terrace Street to Margaret Avenue, (ii) repaving and other improvements to each of College Avenue and Hunt Road, (iii) any related improvements, and (iv) the payment of incidental expenses related thereto (the "Project"), which are located in the City and which directly serve or benefit the Economic Development Area;

WHEREAS, the Act authorizes the Lessor to issue bonds for the purpose of obtaining money to pay the cost of acquiring property or constructing, improving, reconstructing or renovating public improvements;

WHEREAS, the costs of the acquisition of the Authority Project will be paid from proceeds of bonds, to be issued by the Lessor in one or more series (the "Bonds");

WHEREAS, the annual rentals to be paid under this Lease by the Lessee will be pledged by the Lessor to pay debt service on and other necessary incidental expenses of the Lessor relating to the Bonds to be issued by the Lessor to finance the Lessor's acquisition of the Authority Project from the City;

WHEREAS, the Lessor has acquired or will acquire the Authority Project (the real estate on which the Authority Project is located (the "Real Estate") and the Authority Project on the Real Estate, collectively, the "Leased Premises");

WHEREAS, the total cost of the Project to the City of Terre Haute Redevelopment District, 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 the Lessor during construction, interest during construction, debt service reserves and repayment of any funds advanced by the City or Lessee to meet preliminary expenses necessary to be paid prior to the issuance of the Bonds by, is estimated to be not greater than Twenty-Two Million Dollars (\$22,000,000);

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 Authority Project and the Project will serve the public purpose of the City and is in the best interests of its residents, and the Common Council of the City has by resolution approved this Lease, and the resolution has been entered in the official records of the Common 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 Authority Project and the Project will serve the public purpose of the City 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. 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 the Lessee makes its first lease rental payment hereunder and ending on a date not than later twenty (20) 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 11 and the payment of the option price, or (b) the payment or defeasance of all bonds issued (i) to finance the cost of the Leased Premises, (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 Leased Premises; provided, that no bonds or other obligations of the Lessor issued to finance the Leased Premises remain outstanding at the time of such payment or defeasance. The Lessor hereby represents that it is possessed of, or will acquire, 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, as described in Exhibit A, may be amended to add additional property to the Leased Premises or remove any portion of the Leased Premises; provided, however, that 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.

In the event that all or a portion of the Leased Premises shall be unavailable for use by the Lessee, subject to the completion of any process required by law, the Lessor and the Lessee shall amend the Lease to add to and/or replace a portion of the Leased Premises to the extent necessary

to provide for available Leased Premises with a value supporting rental payments under the Lease sufficient to pay when due all principal of and interest on outstanding Bonds.

2. Lease Rental. (a) Fixed Rental Payments. The Lessee agrees to pay rental for the Leased Premises at a rate per year during the term of the Lease not to exceed Two Million Dollars (\$2,000,000), payable in semiannual installments. Each such semiannual installment, payable as hereinafter described, shall be based on the value of the Real Estate together with that portion of the Authority Project which is complete and ready for use by the Lessee at the time such semiannual installment is made. The first rental installment shall be due on the date set forth as endorsed in an addendum to this Lease by the parties as soon as the same can be done after the sale of the Bonds, in the form of Exhibit B attached hereto. Thereafter, such rental shall be payable in advance in semiannual installments on January 15 and July 15 of each year. The last semiannual rental payment due before the expiration of this Lease shall be adjusted to provide for rental at the yearly rate so specified from the date such installment is due to the date of the expiration of this Lease.

After the sale of the Bonds, the annual rental shall be reduced to an amount sufficient to pay principal and interest due in each twelve (12) month period commencing each year on July 15, rounded up to the next One Thousand Dollars (\$1,000), plus Five Thousand Dollars (\$5,000) each year, payable in advance in semiannual installments. In addition, each such reduced semiannual installment shall be based on the value of the Real Estate together with that portion of the Authority Project which is complete and ready for use by the Lessee at the time such semiannual installment is made.

(b) Additional Rental Payments. (i) The Lessee shall pay as further rental in addition to the rentals paid under Section 2(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 6. 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, and the Lessee shall not be obligated to pay the contested amounts until such contests shall have been determined. The Lessee shall also pay as Additional Rentals the amount calculated by or for the Lessor as the amount required to be rebated, or paid as a penalty, to the United States of America under Section 148(f) of the Internal Revenue Code of 1986, as amended and in effect on the date of issue of the Bonds ("Code"), after taking into account other available moneys, to prevent the Bonds from becoming arbitrage bonds under Section 148 of the Code.

(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 2 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).

(iii) In the event that the Trustee (as defined below) gives notice to the Lessee, pursuant to the terms of the Indenture (as defined below), that the amount on deposit or credited to any Debt Service Reserve Fund (as may be established and defined in the Indenture) is less than the Reserve Requirement (as may be established and defined in the Indenture), the Lessee shall levy the special benefits tax in an amount necessary to provide a sufficient amount of Special Tax Revenues (as defined below) in order to pay as Additional Rentals the amount required to restore the amount on deposit or credited to the Debt Service Reserve Fund to an amount equal to the Reserve Requirement.

(c) Source of Payment of Rentals. The Fixed Annual Rentals and the Additional Rentals shall be payable solely from the revenues of the special benefits tax levied by the Lessee pursuant to Indiana Code 36-7-14-27 (the "Special Tax Revenues"). However, the Lessee may determine to pay the Fixed Annual Rentals and the Additional Rentals or any other amounts due hereunder from tax increment revenues; provided, however, that the Lessee shall be under no obligation to pay any Fixed Annual Rentals, Additional Rentals or any other amounts due hereunder from any moneys or properties of the Lessee except from Special Tax Revenues received by the Lessee.

3. Payment of Rentals. 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 Lessor ("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 Lessor to finance the acquisition and construction of the Leased Premises. All payments so made by the Lessee shall be considered as payment to the Lessor of the rentals payable hereunder.

4. 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 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. ; and provided further, however, the Lessor shall not be required to rebuild or restore the Leased Premises if the Lessee instructs the Lessor not to undertake such work because the Lessee anticipates that either (i) the cost of such work exceeds the amount of insurance or condemnation proceeds and other amounts available for such purpose, or (ii) the same cannot be completed within the period covered by rental value insurance. If the Lessee so instructs the Lessor not to undertake such work, the Lessee shall use the insurance or condemnation proceeds and other amounts available to exercise its option to purchase under Section 11 of this Lease.

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, and the abatement shall be in proportion to the percentage of the Leased Premises which is unfit or unavailable for use or occupancy.

5. 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.

6. 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 6 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.

7. Eminent Domain. If title to or the temporary use of the Leased Premises, or any part thereof, shall be taken under the exercise of 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 (with the improvements being 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 into 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.

8. 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 City and all other proper governmental authorities.

9. Tax Covenants. In order to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes and as an inducement to purchasers of the Bonds, the Lessee and the Lessor represent, covenant and agree that neither the Lessor nor the Lessee will take any action or fail to take any action with respect to the Bonds, this Lease or the Leased Premises that will result in the loss of the exclusion from gross income for federal tax purposes of interest on the Bonds under Section 103 of the Code, nor will they act in any other manner which will adversely affect such exclusion; and they will not make any investment or do any other act or thing during the period that the Bonds are outstanding which will cause any of the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

The covenants in this Section are based solely on current law in effect and in existence on the date of issuance of the Bonds. It shall not be an event of default under this Lease if interest on any Bonds is not excludable from gross income pursuant to any provision of the Code which is not in existence and in effect on the issue date of the Bonds.

All officers, members, employees and agents of the Lessor and the Lessee are authorized to provide certifications of facts and estimates that are material to the reasonable expectations of the Lessor and the Lessee as of the date the Bonds are issued and to enter into covenants on behalf of the Lessor and the Lessee evidencing the Lessor's and the Lessee's commitments made herein. In particular, all or any members or officers of the Lessor and the Lessee are authorized to certify and enter into covenants regarding the facts and circumstances and reasonable expectations of the Lessor and the Lessee on the date the Bonds are issued and the commitments made by the Lessor and the Lessee herein regarding the amount and use of the proceeds of the Bonds.

Notwithstanding any other provisions hereof, the foregoing covenants and authorizations (the "Tax Sections") which are designed to preserve the exclusion of interest on the Bonds from gross income under federal income tax law (the "Tax Exemption") need not be complied with if

the Lessee receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

10. 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.

11. 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 City) 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, 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.

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.

12. Transfer to Lessee. If the Lessee has not exercised its option to renew in accordance with the provisions of Section 10, and has not exercised its option to purchase the Leased Premises, or any portion thereof, in accordance with the provisions of Section 11, 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 City) designated by the Lessee, all of Lessor's title to the Leased Premises, or such portion thereof.

13. 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.

14. 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: City of Terre Haute Redevelopment Authority, Attention: President, c/o City of Terre Haute Department of Redevelopment, 900 Wabash Avenue, Terre Haute, Indiana, 47807, Suite 201; (b) to Lessee: City of Terre Haute Redevelopment Commission, Attention: President, c/o City of Terre Haute Department of Redevelopment, 900 Wabash Avenue, Terre Haute, Indiana, 47807, Suite 201.

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.

15. 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.

16. Construction of Covenants. The Lessor was organized for 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, that 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:

CITY OF TERRE HAUTE
REDEVELOPMENT
AUTHORITY

President

ATTEST:

Secretary-Treasurer

LESSEE:

CITY OF TERRE HAUTE
REDEVELOPMENT
COMMISSION

President

ATTEST:

Secretary

This instrument was prepared by Thomas Pitman, Barnes & Thornburg LLP, 11 South Meridian Street, Indianapolis, Indiana 46204.

EXHIBIT A

DESCRIPTION OF LEASED PREMISES

The Leased Premises consists of the following roads and streets (or the indicated portions) in the City of Terre Haute as follows:

1. South 13th Street from the intersection with Poplar Street to the intersection with Lockport Road
2. South 14th Street from the intersection with Lockport Road to the intersection with Margaret Avenue
3. Canal Road from the intersection with Margaret Avenue to the intersection with Interstate Highway 70

EXHIBIT B

ADDENDUM TO LEASE BETWEEN
CITY OF TERRE HAUTE REDEVELOPMENT AUTHORITY, LESSOR
AND CITY OF TERRE HAUTE REDEVELOPMENT COMMISSION, LESSEE

THIS ADDENDUM (this "Addendum"), entered into as of this ____ day of _____, 2025, by and between City of Terre Haute Redevelopment Authority, (the "Lessor"), and City of Terre Haute Redevelopment Commission, (the "Lessee");

WITNESSETH:

WHEREAS, the Lessor entered into a lease with the Lessee dated as of _____, 2025 (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:

CITY OF TERRE HAUTE
REDEVELOPMENT
AUTHORITY

CITY OF TERRE HAUTE
REDEVELOPMENT
COMMISSION

President

President

ATTEST:

ATTEST:

Secretary-Treasurer

Secretary

This instrument was prepared by Thomas Pitman, Barnes & Thornburg LLP, 11 South Meridian Street, Indianapolis, Indiana 46204.

Appendix I to Addendum to Lease

Rental Schedule

Payment Date

Amount