

**BOND PURCHASE AND LOAN AGREEMENT**

**AMONG**

**ST. PAUL--VALPARAISO, LLC,  
CITY OF VALPARAISO, INDIANA,**

**AND**

**MJF DEVELOPMENT, INC.**

**Dated as of May 13, 2019**

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## **BOND PURCHASE AND LOAN AGREEMENT**

This BOND PURCHASE AND LOAN AGREEMENT (the “Loan Agreement”) dated as of May 13, 2019, among ST. PAUL--VALPARAISO, LLC, an Indiana limited liability company (the “Borrower”), the CITY OF VALPARAISO, INDIANA, a municipal corporation duly organized and validly existing under the laws of the State of Indiana (the “Issuer”), and MJF Development, Inc., as purchaser of the Series 2019 Bond (as defined below) (the “Bond Purchaser”).

### **PRELIMINARY STATEMENT**

WHEREAS, this Loan Agreement is part of a larger project whereby the Issuer sought to incentivize the Bond Purchaser to redevelop a former elementary school site to four (4) residential structures containing a total of approximately 48 condominium units (“Project”). The Issuer granted the Borrower a tax abatement and formed an Economic Improvement District to facilitate the reimbursement of certain expenses allowed under Indiana Code § 36-7-22-3. The reimbursable expenses generally fell into five categories: demolition of the former elementary school, onsite environmental remediation, utility upgrades, stormwater enhancements, and certain public improvements requested by the Issuer. As outlined under Ordinance 9-2019, the Project will generate EID Fees that will be the sole source of revenue to reimburse the above-referenced expenses.

WHEREAS, Indiana Code 36-7-11.9 and 36-7-12, each as supplemented and amended (collectively, the “Act”), authorizes and empowers the Issuer to issue revenue bonds and to lend the proceeds therefrom for the purpose of financing the cost of the construction of economic development facilities and vests the Issuer with powers that may be necessary to enable it to accomplish such purposes; and

WHEREAS, after giving notice in accordance with the Act and Indiana Code 5-3-1, the City of Valparaiso Economic Development Commission held a public hearing and the Issuer, upon finding that the Project (as defined herein) and the proposed financing of a portion of the acquisition, construction, installation and equipping thereof (the “Financed Portion”) will create additional employment opportunities in City of Valparaiso, Indiana; will benefit the health, safety, morals and general welfare of the citizens of City of Valparaiso and the State of Indiana; and will comply with the purposes and provisions of the Act, adopted an ordinance approving the proposed financing; and

WHEREAS, the Issuer intends to issue its Taxable Economic Development Revenue Bonds, Series 2019 (St. Paul--Valparaiso, LLC Project), in the aggregate principal amount of One Million Six Hundred Fifty Thousand Dollars (\$1,650,000) (the “Series 2019 Bonds”) pursuant to Ordinance No. 10-2019, adopted by the Common Council of the Issuer on May 13, 2019, and to lend the proceeds of the Series 2019 Bonds pursuant to the provisions of this Loan Agreement to the Borrower to finance a portion of the costs of the Project to be located in the City of Valparaiso, Indiana; and

WHEREAS, this Loan Agreement provides for the repayment by the Borrower of the proceeds of the Series 2019 Bonds loaned to the Borrower hereunder and further provides for the Borrower's repayment obligation to be evidenced by the Borrower's Series 2019 Note (as hereinafter defined); and

WHEREAS, pursuant to this Loan Agreement, the Issuer will pledge payments to be made by the Borrower on the Series 2019 Note as security for the Series 2019 Bonds; and

WHEREAS, the Series 2019 Bonds issued under the Bond Ordinance will be payable solely out of (i) EID Revenues (as hereinafter defined) and (ii) the payments to be made by the Borrower on the Series 2019 Note. Moreover, as provided in Ordinance No. 10-2019, the Issuer shall have no liability with respect to the payment of the Bonds other than from payments under the Promissory Note and such EID Revenues actually received.

NOW, THEREFORE, the parties hereto covenant and agree as follows:

#### GRANTING CLAUSES

In consideration of the premises, the loan of a portion of the proceeds of the Series 2019 Bonds to be made by the Issuer, the acceptance of the Series 2019 Note by the Issuer, and for other good and valuable consideration, the receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of and interest payable on the Series 2019 Note (which term includes any notes issued in substitution therefor) 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 pledge and deposit or agree to pledge and grant the Issuer a security interest in (i) any and all moneys and securities from time to time on deposit in all funds and accounts created under the Series 2019 Bond Fund (as hereinafter defined), (ii) all proceeds of and substitutions for the moneys and securities in the Series 2019 Bond Fund, including intangibles, contract rights, rights to receive payment upon sale and rights to receive delivery of substitute securities, and (iii) all other property of any kind conveyed, transferred, mortgaged, pledged, assigned or hypothecated at any time in favor of the Issuer (all of the foregoing collectively called the "Collateral").

TO HAVE AND TO HOLD the Collateral whether now 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 Series 2019 Note and this Loan Agreement to be kept, performed and observed by the Borrower, then this Loan Agreement and the Series 2019 Note 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:

(End of Recitals and Granting Clauses)

## 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” shall have the meaning set forth in the Preamble hereof.

“Bond Purchaser” means **MJF Development, Inc.**, as the purchaser of the Series 2019 Bonds.

“Borrower” means St. Paul--Valparaiso, LLC, an Indiana limited liability company, or any successors thereto permitted under Section 3.3 hereof.

“Collateral” shall have the meaning ascribed to it in the Granting Clauses of this Loan Agreement.

“District” means the St. Paul Economic Improvement District.

“EID Revenues” means the revenues received by the District pledged to the Issuer pursuant to a resolution adopted by the District’s Board on **April 18, 2019**.

“Issuer” means the City of Valparaiso, Indiana, a municipal corporation duly organized and validly existing under the laws of the State.

“Loan” means the loan by the Issuer to the Borrower of the proceeds of the sale of the Series 2019 Bonds.

“Project” means the acquisition, construction and renovation of land and/or facilities for use by the Borrower in its condominium operations, which are located in the City of Valparaiso.

“Series 2019 Bond Fund” means the Series 2019 Bond Fund established by Section 5.7 of this Loan Agreement.

“Series 2019 Bondholder” or “owner of a Series 2019 Bond” or any similar term means the owner of a Series 2019 Bond.

“Series 2019 Bonds” means the City of Valparaiso, Indiana, Taxable Economic Development Revenue Bonds, Series 2019 (St. Paul--Valparaiso, LLC Project), in the aggregate principal amount of One Million Six Hundred Fifty Thousand Dollars (\$1,650,000).

“Series 2019 Note” means the Series 2019 Note of the Borrower in the aggregate principal amount of One Million Six Hundred Fifty Thousand Dollars (\$1,650,000) in substantially the form attached hereto as Exhibit A which will be issued and delivered by the Borrower to the Issuer to evidence the loan of the proceeds of the Series 2019 Bonds and any note issued in substitution or exchange therefor pursuant to the terms of this Loan Agreement.

“State” means the State of 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, modified 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 in the United States of America.

(e) The terms defined elsewhere in this Loan Agreement shall have the meanings therein prescribed for them.

Section 1.3. Exhibits. The following exhibits are attached to, incorporated by reference, and made a part of this Loan Agreement.

Exhibit A. Form of Series 2019 Note.

Exhibit B. Project Description.

Exhibit C. Form of Series 2019 Bond.

Exhibit D. Costs of Issuance.

Exhibit E. Spreadsheet of Allowed Expenses.

(End of Article I)

## ARTICLE II

### REPRESENTATIONS; LOAN OF SERIES 2019 BOND PROCEEDS

Section 2.1. Representations by Issuer. The Issuer represents and warrants that:

(a) The Issuer is a municipal corporation organized and existing under the laws of the State. 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. The Issuer has been duly authorized to execute and deliver this Loan Agreement. The 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) The Issuer agrees to provide funds from the issuance of the Series 2019 Bonds in the amount of One Million Six Hundred Fifty Thousand Dollars (\$1,650,000) to loan [or be deemed to loan] to the Borrower for a portion of the costs associated with expenses allowed under Indiana Code § 36-7-22-3 and attached as Exhibit E. Said loan shall further be subject to the consideration of the Series 2019 Note and the execution and delivery of this Loan Agreement, all for the benefit of the holders of the Series 2019 Bonds, to create additional employment opportunities in City of Valparaiso, Indiana and to benefit the health, safety, morals and general welfare of the citizens of City of Valparaiso and the State, and to secure the Series 2019 Bonds by pledging the payments to be made by the Borrower on the Series 2019 Note as security for the Series 2019 Bonds.

(c) The Issuer represents that no assignment of the Series 2019 Note is contemplated by the Issuer, since the Issuer recognizes that the Series 2019 Note has not been registered under the Securities Act of 1933, as amended.

Section 2.2. Representations by Borrower. The Borrower represents and warrants that:

(a) It is a limited liability company 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 2019 Note, has full power to enter into and by proper action has duly authorized the execution and delivery of this Loan Agreement and the issuance of the Series 2019 Note.

(b) All of the proceeds from the Series 2019 Bonds loaned to the Borrower hereunder (including any income earned on the investment of such proceeds) will be used to finance a portion of the costs of the Project.

(c) The provision of financial assistance to be made available to it under this Loan Agreement from the proceeds of the Series 2019 Bonds and the commitments therefor made by the Issuer have induced the Borrower to undertake the Project and such Project will preserve and create additional jobs and employment opportunities within the boundaries of City of Valparaiso, Indiana. Furthermore, and notwithstanding the preceding and as the primary benefit for the Issuer, the Borrower intends to operate or



cause the Project to be operated for condominium purposes, until the expiration or earlier termination of this Loan Agreement as provided herein. Without the proceeds of the Series 2019 Bonds, the Project was not financially feasible and could not be completed.

(d) Neither the execution and delivery of this Loan Agreement or the Series 2019 Note, the consummation of the transactions contemplated hereby including the issuance of the Series 2019 Note, nor the fulfillment of or compliance with the terms and conditions of this Loan Agreement and the Series 2019 Note, conflicts with or results in a breach of the terms, conditions or provisions of the Borrower's Articles of Organization or Operating Agreement or any restriction or any agreement or instrument to which the Borrower is now a party or by which it is bound or to which any of its property or assets is subject or (except in such manner as will not materially impair the ability of the Borrower to perform its obligations hereunder) of any statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or its property, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Borrower under the terms of any instrument or agreement, except as set forth in this Loan Agreement.

(e) The execution, delivery and performance by the Borrower of this Loan Agreement and the Series 2019 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 2019 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, fraudulent conveyance, reorganization 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 impair the ability of the Borrower to perform its obligations under this Loan Agreement or the Series 2019 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 2019 Note.

Section 2.3. Loan of Series 2019 Bond Proceeds by Issuer. Concurrently with the execution and delivery hereof, the Issuer is issuing the Series 2019 Bonds and is lending the proceeds from the sale thereof to the Borrower as described in Section 2.1(b) hereof. Such Loan

is being evidenced by the execution and delivery by the Borrower of the Series 2019 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 Pledge. The Borrower acknowledges and consents to the pledge of the payments made by the Borrower on the Series 2019 Note to the payment of the Series 2019 Bonds, and agrees that the Issuer may enforce the rights, remedies and privileges granted to the Issuer hereunder, including the rights to receive payments under Sections 3.5 and 3.7 hereof.

Section 3.2. Payment of Principal and Interest; Payments Pledged.

(a) In the event EID Revenues are insufficient to make any required payment of the principal of or interest on the Series 2019 Bonds, the Borrower will duly and punctually pay the remaining unpaid amount of principal of and interest on the Series 2019 Bonds at the rates and the places and in the manner provided in the Series 2019 Note and in this Loan Agreement. The Issuer shall transfer EID Revenues to the Series 2019 Bond Fund on or before July 1, 2021, in an amount sufficient for the payment of the Series 2019 Bonds on such payment date thereof, which transfer shall be a credit against and serve to reduce the Borrower's obligations to make payments under the Series 2019 Note and this Loan Agreement.

(b) The Borrower covenants and agrees with and for the express benefit of the Issuer that all payments pursuant hereto and to the Series 2019 Note 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, and regardless of any act of God, contingency, event or cause whatsoever, and irrespective (without limitation) of whether the Project or the Borrower's title to the Project or any part thereof is defective or nonexistent, or whether the Borrower's revenues are sufficient to make such payments, and notwithstanding any damage to, or loss, theft or destruction of, the Project or any part thereof, expiration of this Loan Agreement, any failure of consideration or frustration of purpose, the taking by eminent domain or otherwise of title to or of the right of temporary use of, all or any part of the Project, legal curtailment of the Borrower's use thereof, or whether with or without the approval of the Issuer, any change in the tax or other laws of the United States of America, the State or any political subdivision of either thereof, any change in the Issuer's legal organization or status, or any default of the Issuer hereunder, and regardless of the invalidity of any portion of this Loan Agreement; and the Borrower hereby waives the provisions of any statute or other law now or hereafter in effect impairing or conflicting with any of its obligations, covenants or agreements under this Loan Agreement or which releases or purports to release the Borrower therefrom. Nothing in this Loan Agreement shall be construed as a waiver by the Borrower of any rights or claims the Borrower may have against the Issuer under this Loan Agreement or otherwise, but any recovery upon such rights and claims shall be had from the Issuer

separately, it being the intent of this Loan Agreement that the Borrower shall be unconditionally and absolutely obligated without right of set-off or abatement, to perform fully all of its obligations, agreements and covenants under this Loan Agreement for the benefit of the holders of the Series 2019 Bonds.

(c) The Borrower hereby agrees to pay to the Issuer at the principal office of the Clerk-Treasurer of the City of Valparaiso, Indiana, all said amounts payable by the Borrower pursuant to this Section 3.2 and the Series 2019 Note.

(d) The obligations of the Borrower to make the required payments and to perform and observe the other agreements on its part shall be absolute and unconditional, irrespective of any defense or any rights of set-off, recoupment or counterclaim it might otherwise have against the Issuer, and the Borrower shall pay absolutely during the term of this Loan Agreement the payments to be made on account of the Loan and all other payments required thereunder free of any deductions and without abatement, diminution or set-off; and until such time as the principal of and interest on the Series 2019 Bonds shall have been fully paid, or provision for the payment thereof shall have been made in accordance with this Loan Agreement, the Borrower: (i) will not suspend or discontinue any payments of the Loan; (ii) will perform and observe all of its other agreements contained in this Loan Agreement; and (iii) will not terminate this Loan Agreement for any cause, including, without limiting the generality of the foregoing, failure of the Borrower to complete the Project, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax laws of the United States of America or of the State or any political subdivision of either thereof, or any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Loan Agreement.

(e) It is understood and agreed that the Borrower shall be obligated to continue to pay the amounts specified herein and in the Series 2019 Note whether or not the Project is damaged, destroyed or taken in condemnation and that there shall be no abatement of any such payments and other charges by reason thereof.

Section 3.3. Maintenance of Existence. The Borrower agrees that it will maintain its existence as a corporation, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not consolidate with or merge into another entity, or permit one or more other entities to consolidate or merge with it; provided, that the Borrower may, without violating the agreement contained in this Section 3.3, consolidate or merge with another entity, permit one or more other entities to consolidate or merge into it, or transfer to another entity organized under the laws of one of the states of the United States all or substantially all of its assets as an entirety and thereafter dissolve provided (a) the surviving, resulting or transferee entity, as the case may be, is organized under the laws of one of the states of the United States, and (b) to the extent that the Borrower is not the surviving entity, such entity assumes in writing all of the obligations of the Borrower herein, including the obligations of the Borrower under this Loan Agreement.

Section 3.4. Indemnity. The Borrower will pay, and protect, indemnify and save the State, the Issuer (including members, directors, officials, officers, agents, attorneys and employees thereof) and the Series 2019 Bondholders harmless from and against, all liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees and expenses of the Issuer), causes of actions, suits, claims, demands and judgments of any nature directly arising from or relating to:

(a) Violation by the Borrower of any agreement or condition of this Loan Agreement;

(b) Violation of any contract, agreement or restriction by the Borrower relating to the Project, or a substantial part thereof;

(c) Violation by the Borrower of any law, ordinance or regulation arising out of the ownership, occupancy or use of the Project, or a substantial part thereof;

(d) Undertaking the completion of the Project, or the failure to undertake the completion of the Project;

(e) Any act, failure to act, or misrepresentation by the Borrower, or any of the Borrower's agents, contractors, servants, employees or licensees in connection with the Project; and

(f) Any act, omitted act, or misrepresentation by the Borrower in connection with or in the performance of any obligation related to the issuance, sale or delivery of (or failure to issue, sell or deliver) the Series 2019 Bonds under this Loan Agreement or any other agreement executed by or on behalf of the Issuer in connection with the issuance of the Series 2019 Bonds (provided that nothing in this clause should be construed to indemnify or release the Issuer from any liability which it would otherwise have had arising from the intentional misrepresentation, gross negligence or willful misconduct on the part of the Issuer other than as contemplated in this Loan Agreement).

The foregoing shall not be construed to prohibit the Borrower from pursuing its remedies against the Issuer for damages to the Borrower resulting from personal injury or property damage caused by the intentional misrepresentation or willful misconduct of the Issuer.

Section 3.5. Issuance of Substitute Series 2019 Note. Upon the surrender of any Series 2019 Note, the Borrower will execute and deliver to the holder thereof a new Series 2019 Note dated the date of the Series 2019 Note being surrendered but with appropriate notations thereon to reflect payments of principal and interest thereon (and credits thereto from EID Revenues deposited in the Series 2019 Bond Fund); provided, however, that there shall never be outstanding at any one time more than one Series 2019 Note.

Section 3.6. Other Amounts Payable by the Borrower. The Borrower covenants and agrees to pay the following:

(a) An amount sufficient to reimburse the Issuer for all expenses reasonably incurred by the Issuer under this Loan Agreement and in connection with the performance of its obligations under this Loan Agreement.

(b) All reasonable expenses incurred in connection with the enforcement of any rights under this Loan Agreement by the Issuer.

(c) All other payments of whatever nature which the Borrower has agreed to pay or assume under the provisions of this Loan Agreement.

Notwithstanding anything in this Section 3.6 to the contrary, the Borrower may, without creating an event of default as herein defined, after making the payments required by this Section 3.6, contest in good faith the necessity for any such services, fees, charges or expenses of the Issuer; provided, that if such contest subjects the Issuer to any costs or risk of loss in any manner, the Borrower shall indemnify the Issuer for such reasonable costs or risk of loss.

Section 3.7. Credits on Series 2019 Note. Notwithstanding any provision contained in this Loan Agreement to the contrary, in addition to any credits on the Series 2019 Note resulting from the payment or prepayment thereof from other sources:

(a) subject to the provisions of Article IV hereof with respect to partial prepayment of the Series 2019 Note, any moneys deposited in the Series 2019 Bond Fund for payment on the Series 2019 Bonds (including any EID Revenues) shall be credited against the obligation of the Borrower to pay the principal of and interest on the Series 2019 Note as the same becomes due; and

(b) the principal amount of Series 2019 Bonds of any maturity acquired by the Borrower and delivered to the Issuer and canceled, shall be credited against the obligation of the Borrower to pay the principal of the Series 2019 Note evidencing the loan made by the Issuer with the proceeds of the sale of the Series 2019 Bonds maturing on the maturity date of the Series 2019 Bonds so acquired and delivered or canceled, including in connection with any mandatory sinking fund payment for the Series 2019 Bonds subject to a mandatory sinking fund requirement.

Section 3.8. Completion and Use of Project. The Borrower agrees that it will make, execute, acknowledge and deliver contracts, orders, receipts, writings and instructions with any other persons, firms or corporations in connection with the Project and in general do all things reasonably within its power which may be requisite or proper, for the acquisition, construction, installation and equipping of the Project and, upon completion, the Borrower will operate and maintain the Project in such manner as reasonably within the Borrower's power so as to conform with all applicable zoning, planning, building, environmental and other applicable governmental regulations and so as to be consistent with the Act.

The Issuer does not make any warranty, either express or implied, that the moneys, which under the provisions of this Loan Agreement will be available for payment of the costs of a portion of the Project, will be sufficient to pay all the costs which will be incurred with respect to the Project. The Borrower agrees that if, after exhaustion of such moneys, the Borrower should pay the costs of completing the Project, it shall not be entitled to any reimbursement therefor

from the Issuer, nor shall it be entitled to any diminution in or abatement or postponement of the amounts payable hereunder or under the Series 2019 Note.

Section 3.9. Sale, Substitution or Lease of Facilities. Subject to Section 9.5 hereof, the Borrower may sell, lease or transfer or otherwise dispose of the Project or any portion thereof only if the sale, lease or transfer or other disposition shall require the purchaser, lessee, transferee or other party, as the case may be, to assume all of the obligations of the Borrower under this Loan Agreement.

(End of Article III)

## ARTICLE IV

### PREPAYMENT OF SERIES 2019 NOTE

#### Section 4.1. Optional Prepayment.

The Series 2019 Note is subject to optional prepayment by the Borrower, on any date, in whole or in part, at a price of one hundred percent (100%) of the principal amount thereof plus interest accrued to the redemption date, and without premium.

In order to exercise such option to prepay the Series 2019 Note, in whole or in part, the Borrower must cause funds to be deposited with the Issuer to pay the principal of and accrued interest on the portion of the Series 2019 Note to be prepaid and the corollary redemption of the Series 2019 Bonds. Any amount so paid which is less than the full unpaid principal amount of the Series 2019 Bonds shall be credited against the installment or installments of principal due on the Series 2019 Note corresponding to the maturity of the Series 2019 Bonds being redeemed.

Section 4.2. Mandatory Prepayment. Redemption of Series 2019 Bonds with proceeds derived under Section 3.7 hereof shall be deemed prepayment of the Series 2019 Note in the same amount and the amount of Series 2019 Bonds redeemed.

Section 4.3. Notice of Prepayment. The Borrower shall give the Paying Agent not less than seven (7) days' prior written notice of any prepayment of the Series 2019 Note pursuant to Sections 4.1 hereof, which notice shall designate the date of prepayment and the amount thereof, and direct the redemption of the Series 2019 Bonds in the amounts corresponding to the Series 2019 Note to be prepaid.

(End of Article IV)



## ARTICLE V

### TERMS OF BOND PURCHASE

Section 5.1. Purchase of Series 2019 Bond. The Bond Purchaser hereby agrees to purchase (or be deemed to purchase by evidencing expenditures of fund for the Project from private funds) the Series 2019 Bond in the aggregate principal amount of \$1,650,000, at a purchase price of \$1,650,000, representing the par amount of the Series 2019 Bond (\$1,650,000). The Series 2019 Bond shall mature on the dates set forth in Exhibit C hereto. The Series 2019 Bond shall not bear interest. The principal of the Series 2019 Bond shall be paid solely from the sources provided in the Bond Ordinance. The Series 2019 Bond will be issued in authorized denominations of \$100,000 or integral multiples of \$1,000 in excess thereof (the “Authorized Denominations”). The Series 2019 Bond shall be dated the date of delivery thereof. The Clerk-Treasurer of the City of Valparaiso, Indiana, shall serve as Registrar and Paying Agent for the Series 2019 Bond.

Section 5.2. Optional Redemption. The Series 2019 Bond shall be subject to optional redemption prior to maturity in accordance with the terms as set forth in Exhibit C.

Section 5.3. Transcript of Proceedings. Simultaneously with the delivery to the Bond Purchaser of the Series 2019 Bond, which Series 2019 Bond shall be registered in the name of the Bond Purchaser, the Issuer shall furnish to the Bond Purchaser a transcript of proceedings and an opinion of Barnes & Thornburg LLP, Indianapolis, Indiana, bond counsel, which shall set forth, among other things, the unqualified approval of the Series 2019 Bond.

**Section 5.4.** Pledge of EID Revenues and Series 2019 Note Payments. In order to secure payment of all amounts payable under the Series 2019 Bond, the Issuer hereby pledges the EID Revenues and the Series 2019 Note payments to the payment of the Series 2019 Bond.

**Section 5.5.** Registration; Persons Treated as Owners. So long as the Series 2019 Bond remains outstanding, the Issuer shall cause to be kept a register for the registration and transfer of the Series 2019 Bond (herein referred to as the “Bond Register”) at the principal office of the Clerk-Treasurer of the Issuer or any person duly designated by the Issuer as its agent for such purposes (the “Registrar”).

(a) The Series 2019 Bond shall be issued in denominations of One Hundred Thousand Dollars (\$100,000) or higher in integral multiples of One Thousand Dollars (\$1,000). The Series 2019 Bond shall be transferable only on the Bond Register at the principal office of the Registrar, at the written request of the Bond Purchaser or his/her attorney duly authorized in writing, upon surrender thereof, together with a written instrument of transfer reasonably satisfactory to the Issuer duly executed by the Bond Purchaser or his/her duly authorized attorney.

The Issuer and any agent of the Issuer may treat the persons in whose name the Series 2019 Bond is registered as the registered owner for the purpose of receiving payment of principal of and interest on the Series 2019 Bond and/or all other purposes whatsoever whether or not the

Series 2019 Bond is overdue, and neither the Issuer nor any agent of the Issuer shall be affected by notice to the contrary.

In all cases in which the privilege of transferring a Series 2019 Bond is exercised, the Issuer shall execute and deliver a new Series 2019 Bond, dated the date of the Series 2019 Bond being surrendered, in substitution for the Series 2019 Bond held by the immediately preceding holder of such Series 2019 Bond in accordance with the provisions of this Loan Agreement, and with the appropriate notations to reflect the payments of principal and interest previously made on the Series 2019 Bond to the date of such exchange. For every transfer of a Series 2019 Bond, the Issuer may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer, which sum or sums shall be paid by the person requesting such transfer and for its reasonable fees and expenses for accomplishing such transfer, which amounts shall be paid by the person requesting the transfer, both as conditions precedent to the exercise of the privilege of making such transfer.

**Section 5.6. Transfer of Series 2019 Bond.** The Series 2019 Bond shall be registered in the name and for the account of the Bond Purchaser. The Series 2019 Bond may not be transferred in whole or in part by the Bond Purchaser or any subsequent registered owner, as the holder of the Series 2019 Bond, to any other person or persons, or entity or entities, without the prior written consent of the Issuer. In addition, the Bond Purchaser may not sell any interest or certificates of participation in the Series 2019 Bond without the prior written consent of the Issuer.

**Section 5.7. Series 2019 Bond Fund.** The Clerk-Treasurer of the Issuer shall establish and maintain, so long as any of the Series 2019 Bond are outstanding, a separate fund to be known as the “Series 2019 Bond Fund.” Money in the Series 2019 Bond Fund shall be applied as provided in this Section 5.7.

(1) There shall be deposited in the Series 2019 Bond Fund, as and when received, (a) EID Revenues and payments under the Series 2019 Note in a combined amount not to exceed the payment due on the Series 2019 Bond on each principal installment date; and (b) all other moneys received by the Clerk-Treasurer of the Issuer under and pursuant to any provisions of this Loan Agreement which are required to be paid, or which are accompanied by directions that such moneys are to be paid, into the Series 2019 Bond Fund. Subject to the other provisions of this Loan Agreement, the Issuer hereby covenants and agrees that so long as any of the Series 2019 Bond issued hereunder are outstanding it will deposit, or cause to be paid to the Clerk-Treasurer of the Issuer for deposit into the Series 2019 Bond Fund for its account, sufficient sums from revenues and receipts derived from the EID Revenues, the Series 2019 Note payments and this Loan Agreement, promptly to meet and pay the principal of and interest on the Series 2019 Bond as the same become due and payable. Nothing herein should be construed as requiring the Issuer to deposit or cause to be paid to the Clerk-Treasurer of the Issuer for deposit into the Series 2019 Bond Fund, funds from any source other than receipts derived from the EID Revenues, the Series 2019 Note payments, and the Loan Agreement.

(2) Moneys in the Series 2019 Bond Fund shall be used by the Clerk-Treasurer of the Issuer to pay the interest on and principal of the Series 2019 Bond as the same becomes due at maturity, redemption or upon acceleration.

(End of Article III)

## ARTICLE VI

### EVENTS OF DEFAULT AND REMEDIES THEREFOR

#### Section 6.1. 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 pay any installment of interest on or principal of the Series 2019 Note when the same shall become due and payable, whether at maturity or upon any date fixed for prepayment or by acceleration or otherwise (and to remedy such default within ten (10) business days after written notice thereof from the Issuer to the Borrower); or

(ii) failure of the Borrower to perform any other covenant, condition or provision hereof and to remedy such default within thirty (30) days after written notice thereof from the Issuer to the Borrower, unless seventy-five percent (75%) of the holders of the then outstanding Series 2019 Bonds shall have consented thereto; or

(iii)

(iv) 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.

(b) During the occurrence and continuance of any event of default hereunder, the Issuer 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)

(ii) The Issuer, 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 Series 2019 Note, 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 Issuer shall deem most effectual to protect and enforce any of its rights or duties hereunder; provided, however, that all reasonable costs incurred by the Issuer under this Article V shall be paid to the Issuer by the Borrower on demand.

(iii) If after any event of default occurs and prior to the Issuer 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 Issuer by written notice given to the Borrower. In addition, if the acceleration of the maturity of Series 2019 Bonds will have been annulled and rescinded in accordance with the provisions of this Loan Agreement, then the acceleration of 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 6.2. Issuer May Enforce Demand. In case the Borrower shall have failed to pay such principal and interest and other amounts upon demand, the Issuer, 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 Issuer 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 Issuer 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 Issuer under this Section 5.2 shall be applied by the Issuer as follows:

FIRST: to the payment of all reasonable advances by the Issuer with interest at the rate of interest on the Series 2019 Bonds, and all reasonable expenses and disbursements.

SECOND: to the payment of the amounts then due and unpaid upon the Series 2019 Note 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 Series 2019 Note, upon presentation of the Series 2019 Note and the notation thereon of such payment, if partly paid, and upon surrender thereon if fully paid.

Section 6.3. Remedies Cumulative. No remedy herein conferred upon or reserved to the Issuer 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 6.4. Delay or Omission Not a Waiver. No delay or omission of the Issuer 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 Issuer may be exercised from time to time and as often as may be deemed expedient by the Issuer.

Section 6.5. Waiver of Extension, Appraisement 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 Issuer, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted.

Section 6.6. Remedies Subject to Provisions of Law. All rights, remedies and powers provided by this Article V 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 V 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 VII

### IMMUNITY

Section 7.1. Extent of Covenants of the Issuer; No Personal Liability. No recourse shall be had for the payment of the principal of or interest on any of the Series 2019 Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in the Series 2019 Bonds or this Loan Agreement against any past, present or future member, director, officer, agent, attorney or employee of the Issuer, or any incorporator, member, director, officer, employee, agent, attorney or trustee of any successor thereto, as such, either directly or through the Issuer or any successor thereto, 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, member, director, officer, employee, agent, attorney or trustee as such is hereby expressly waived and released as a condition of and consideration for the execution of this Loan Agreement (and any other agreement entered into by the Issuer with respect thereto) and the issuance of the Series 2019 Bonds.

Section 7.2. Liability of Issuer. Any and all obligations of the Issuer under this Loan Agreement are special, limited obligations of the Issuer, payable solely out of the revenues and income derived under this Loan Agreement and as otherwise provided under this Loan Agreement. The obligations of the Issuer hereunder shall not be deemed to constitute an indebtedness or an obligation of the Issuer, the State or any political subdivision or taxing authority thereof within the purview of any constitution limitation or provision, or a pledge of the faith and credit or a charge against the credit or general taxing powers, if any, of the Issuer, the State or any political subdivision or taxing authority thereof.

(End of Article VI)

## **ARTICLE VIII**

### **SUPPLEMENTS AND AMENDMENTS TO THIS LOAN AGREEMENT**

Section 8.1. Supplements and Amendments to this Loan Agreement. 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; provided, that to the extent that such supplements and amendments materially adversely affect the rights of the holders of the Series 2019 Bonds, any such supplement or amendment shall require the consent of the holders of one hundred percent (100%) of the principal amount of the Series 2019 Bonds.

(End of Article VII)



**ARTICLE IX**  
**DEFEASANCE**

Section ~~9~~Defeasance.

(End of Article VIII)

## ARTICLE X

### MISCELLANEOUS PROVISIONS

Section 10.1. 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 Series 2019 Note, 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 and the holder of the Series 2019 Note.

Section 10.2. Severability. In case any one or more of the provisions contained in this Loan Agreement or in the Series 2019 Note 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 10.3. Limitation on Interest. No provisions of this Loan Agreement or of the Series 2019 Note 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 Series 2019 Note provided for, or shall be adjudicated to be so provided for herein or in the Series 2019 Note, 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 Series 2019 Note inconsistent with this provision.

Section 10.4. 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 and the Borrower 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:           City of Valparaiso, Indiana  
                              166 Lincolnway  
                              Valparaiso, IN 46383  
                              Attention: Mayor

To the Borrower:       St. Paul--Valparaiso, LLC

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Section 10.5. 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; provided, however, that the Borrower may not assign its rights or obligations under this Loan Agreement, except to a subsidiary, without the consent of the Series 2019 Bondholders, which may be withheld in their absolute discretion; provided, further, however, that the Borrower may not assign the Project or its rights and obligations under this Loan Agreement if the successors and assigns do not intend to utilize the Project for manufacturing, warehousing, distribution, retail, commercial, business or health care purposes (which use may not include facilities described in Indiana Code 36-7-11.9-3(a)(2)(A) through (N))

Section 10.6. 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 10.7. 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 Series 2019 Note and the rights and obligations of the parties thereunder, shall be governed by and construed and enforced in accordance with, the laws of Indiana.

(End of Article IX)

IN WITNESS WHEREOF, the Issuer and the Borrower have caused this Loan Agreement to be executed in their respective names, all as of the date first above written.

ST. PAUL--VALPARAISO, LLC

By: \_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_

CITY OF VALPARAISO, INDIANA

By: \_\_\_\_\_  
Jon Costas, Mayor

(SEAL)

ATTEST:

\_\_\_\_\_  
Sharon Swihart, Clerk-Treasurer

## **EXHIBIT A**

### **ST. PAUL--VALPARAISO, LLC SERIES 2019 NOTE**

FOR VALUE RECEIVED, the undersigned, St. Paul--Valparaiso, LLC (the "Borrower"), a limited liability company organized and validly existing under the laws of the State of Indiana, hereby promises to pay to the order of City of Valparaiso, Indiana (the "Issuer"), in immediately available funds, the principal sum of One Million Six Hundred Fifty Thousand Dollars (\$1,650,000) (or such portion thereof as shall have been loaned (or deemed loaned) by the Issuer to the Borrower pursuant to the below described Loan Agreement), during the term of the Bond Purchase and Loan Agreement dated as of May 13, 2019 (the "Loan Agreement"), among the Issuer, the Borrower and MJF Development, Inc., commencing on one (1) business day prior to \_\_\_\_\_, a sum which will equal the principal and interest which will become due on the next day on the Series 2019 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 Series 2019 Bond Fund under the Loan Agreement (including, without limitation, any EID Revenues (as defined in said Loan Agreement)).

Payments of both principal and interest are to be made directly to the Issuer at the office of the Clerk-Treasurer of City of Valparaiso, Indiana. Such payments have been pledged by the Issuer as security for the payment of the bonds designated "City of Valparaiso, Indiana, Taxable Economic Development Revenue Bonds, Series 2019 (St. Paul--Valparaiso, LLC Project)" (the "Series 2019 Bonds"). All of the terms, conditions and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as a part of this Note.

This Note is issued pursuant to and secured by the Loan Agreement, and is entitled to the benefits, and is subject to the conditions thereof. The obligations of the 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 the Issuer under the Loan Agreement or under any other agreement between the Borrower and the Issuer or out of any indebtedness or liability at any time owing to the Borrower by the Issuer or for any other reason. Reference is hereby made to the Loan Agreement for a description of the property thereby secured, the nature and extent of the security for this Note and the rights of the holder thereof, the Borrower and the Issuer in respect thereof, and the provisions for amending the Loan Agreement, to all of which the holder hereof, by its acceptance hereof, assents.

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 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 the City of Valparaiso, 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 by its duly authorized \_\_\_\_\_ all as of \_\_\_\_\_, 2019.

Issue Date: \_\_\_\_\_, 2019.

ST. PAUL--VALPARAISO, LLC

By: \_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_

**EXHIBIT B**

**PROJECT DESCRIPTION**

**EXHIBIT C**

**UNITED STATES OF AMERICA  
STATE OF INDIANA, COUNTY OF PORTER**

No. 19R-1

CITY OF VALPARAISO, INDIANA,  
TAXABLE ECONOMIC DEVELOPMENT  
REVENUE BOND, SERIES 2019 (VALPARAISO THEATER, LLC PROJECT)

| INTEREST<br><u>RATE</u> | MATURITY<br><u>DATE</u>       | ORIGINAL<br><u>DATE</u> | AUTHENTICATION<br><u>DATE</u> |
|-------------------------|-------------------------------|-------------------------|-------------------------------|
| 0 % per annum           | As set forth in<br>Appendix 1 | _____,<br>2019          | _____,<br>2019                |

PRINCIPAL AMOUNT: One Million Six Hundred Fifty Thousand Dollars (\$1,650,000)

REGISTERED OWNER: \_\_\_\_\_

The City of Valparaiso, Indiana (the “Issuer”), a municipal corporation 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 2019 Note (as hereinafter defined) and the EID Revenues (as defined in the hereinafter-defined Loan Agreement), pledged and assigned for the payment hereof, the Principal Amount set forth above on the Maturity Date specified above, unless this bond shall have previously been called for redemption and payment of the redemption price made or provided for, but solely from said payments and EID Revenues, at the Interest Rate specified above per annum.

The principal of and interest on this bond are payable at the principal office of the Clerk-Treasurer of the City of Valparaiso, Indiana, or any successor registrar and paying agent (the “Registrar and Paying Agent”), in the City of Valparaiso, Indiana, or at the principal office of any successor registrar and paying agent.

This bond is one of the Issuer’s Taxable Economic Development Revenue Bonds, Series 2019 (St. Paul--Valparaiso, LLC Project), which are being issued pursuant to Ordinance No. \_\_\_\_\_, adopted by the Common Council of the City of Valparaiso on May 13, 2019 (the “Bond Ordinance”) and under the hereinafter-described Loan Agreement in the aggregate principal amount of One Million Six Hundred Fifty Thousand Dollars (\$1,650,000). The bonds are being issued for the purpose of providing funds to finance a portion of the costs of the acquisition, construction and renovation of land and/or facilities for use by St. Paul--Valparaiso, LLC (the “Borrower”) in its condominium operations, to be located in the City of Valparaiso (collectively, the “Project”), by lending such funds to the Borrower pursuant to the Bond



Purchase and Loan Agreement dated as of May 13, 2019 (the “Loan Agreement”), among the Borrower, the Issuer and MJF Development, Inc., which prescribes the terms and conditions under which the Borrower shall repay such loan and pursuant to which the Borrower will execute and deliver to the Issuer its Series 2019 Note (the “Series 2019 Note”) in a principal amount equal to the principal amount of such bonds in order to evidence such loan.

The bonds are issued under and entitled to the security of the Loan Agreement and the Bond Ordinance, pursuant to which the EID Revenues and the Series 2019 Note are pledged by the Issuer as security for the bonds. THE OWNER OF THIS BOND, BY ACCEPTANCE OF THIS BOND, HEREBY AGREES TO ALL OF THE TERMS AND PROVISIONS IN THE BOND ORDINANCE, THE LOAN AGREEMENT AND THIS BOND AND ACKNOWLEDGES THAT:

**It is an institutional “accredited investor” (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933, as amended (the “Securities Act”)), purchasing bonds for its own account or for the account of another such institutional “accredited investor,” and it is acquiring the bonds for investment purposes and not with a view to, or for offer or sale in connection with, any distribution in violation of the Securities Act. It has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risk of its investment in the bonds and invests in or purchases securities similar to the bonds in the normal course of its business, and it, and any investor accounts for which it is acting, are able to bear the economic risk of its investment for an indefinite period of time. It confirms that neither the Issuer nor any person acting on its behalf has offered to sell the bonds by, and that it has not been made aware of the offering of the bonds by, any form of general solicitation or general advertising, including, but not limited to, any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or a broadcast over television or radio.**

**It is familiar with the Issuer and the Borrower, and it has received such information concerning the Issuer and the Borrower, the bonds and the EID Revenues as it deems to be necessary in connection with investment in the bonds. It has received, read and commented upon a copy of the Loan Agreement. Prior to the purchase of the bonds, it has been provided with the opportunity to ask questions of and receive answers from the representatives of the Issuer and the Borrower concerning the terms and conditions of the bonds, the tax status of the bonds, the financial condition of the Borrower, legal opinions and enforceability of remedies, the security therefor, and to obtain any additional information needed in order to verify the accuracy of the information obtained to the extent that the Issuer and the Borrower possess such information or can acquire it without unreasonable effort or expense. It is not relying on the Issuer’s counsel or Barnes & Thornburg LLP for information concerning the financial status of the Issuer and the Borrower or the ability of the Issuer and the Borrower to honor their respective financial obligations or other covenants under the bonds or the Loan Agreement.**

**It acknowledges that neither the Issuer nor any person representing the Issuer has made any representation with respect to the Issuer or the offering or sale of bonds upon which it is relying in making its investment decision with respect to the bonds.**

**It understands that the bonds have not been registered under the Securities Act and, unless so registered, may not be sold without registration under the Securities Act or an exemption therefrom. It fully understands and agrees that it must bear the economic risk of**

its purchase for an indefinite period of time because, among other reasons, the bonds may not be sold, transferred, pledged, hypothecated or otherwise disposed of in the absence of (i) a current and effective registration statement under the Securities Act and applicable state securities laws with respect to the bonds, or (ii) an opinion of counsel acceptable to the Issuer (obtained at the expense of the holders of the bonds) to the effect that such registration is not required. It is purchasing the bonds for its own account, for investment and not with a view to resale or distribution except in compliance with the Securities Act.

It has investigated the security for the bonds, including the availability of the EID Revenues, to its satisfaction, and it understands that the bonds are payable from the EID Revenues and, to the extent that the EID Revenues are not sufficient, from loan repayments from the Borrower under the Loan Agreement. It further understands that the Issuer does not have the power or the authority to levy a tax to pay the principal of or interest on the bonds. In addition, it understands that there is no assurance that, subsequent to the issuance of the bonds, the current reassessment of property in the State of Indiana or any currently proposed or subsequently enacted, promulgated or court-ordered changes in the law relating to the assessment or taxation of real property, will not materially adversely affect the amount of the EID Revenues available to be collected and pledged for payment of the bonds.

It recognizes that the opinions it has received express the professional judgment of the attorneys participating in the transaction as to the legal issues addressed therein. It also recognizes that by rendering such opinions, the attorneys do not become insurers or guarantors 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 the opinions guarantee the outcome of any legal dispute that may arise out of the transaction.

It understands that interest on the bonds is taxable for federal income tax purposes.

The bonds are issuable in registered form without coupons in the denomination of One Hundred Thousand Dollars (\$100,000) or integral multiples of One Thousand Dollars (\$1,000) in excess thereof. This bond is transferable by the registered holder hereof in person or by his attorney duly authorized in writing at the principal office of the Registrar and Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Loan Agreement and upon surrender and cancellation of this bond. Upon such transfer, a new registered bond will be issued to the transferee in exchange therefor.

The Issuer and the Registrar and 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 interest due hereon and for all other purposes and neither the Issuer nor the Registrar and Paying Agent shall be affected by any notice to the contrary.

The bonds may be redeemed, in whole or in part, at the option of the Issuer if sufficient funds for such redemption are on deposit with the Registrar and Paying Agent, on any date, upon at least seven (7) days' notice, and in any order of maturity determined by the Issuer, at a redemption price equal to one hundred percent (100%) of the principal amount to be redeemed, plus accrued interest to the date of redemption, and without premium.

The bonds shall be redeemed upon the occurrence of certain events described in

Section 4.1(b) of the Loan Agreement, if sufficient funds for such redemption are on deposit with the Registrar and Paying Agent. When called for redemption as a result of any such event, the bonds shall be subject to redemption by the Issuer in whole on any date at a redemption price of one hundred percent (100%) of the principal amount of the bonds being redeemed plus accrued interest to the redemption date, and without premium.

If fewer than all of the bonds at the time outstanding are to be called for redemption, the maturities of bonds or portions thereof to be redeemed shall be selected by the Registrar and Paying Agent at the direction of the Issuer. If fewer than all of the bonds within a maturity are to be redeemed, the Registrar and Paying Agent shall apply moneys available for redemption on a pro rata basis, based on the respective portion of the principal amount of bonds held by the respective owners of the bonds within such maturity that shall be redeemed.

In the event any of the bonds are called for redemption as aforesaid, notice thereof identifying the bonds to be redeemed will be given by mailing a copy of the redemption notice by first-class mail not less than seven (7) days prior to the date fixed for redemption to the registered owner of the bonds to be redeemed at the address shown on the registration books (unless waived by any holder); provided, however, that failure to give such notice by mailing, or any defect therein with respect to any registered bond, shall not affect the validity of any proceedings for the redemption of other bonds. Redemption of any maturity of the bonds shall be allocated on a pro rata basis, based upon the principal amount of such maturity held by the registered owners thereof.

All 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 Loan Agreement and shall not be deemed to be outstanding under the provisions of the Loan Agreement.

**The bonds, and the interest payable thereon, do not and shall not represent or constitute a debt of the Issuer, the State of Indiana or any political subdivision or taxing authority thereof within the meaning of the provisions of the constitution or statutes of the State of Indiana or a pledge of the faith and credit of the Issuer, the State of Indiana or any political subdivision or taxing authority thereof. The bonds, as to both principal and interest, are not an obligation or liability of the Issuer, the State of Indiana or of any political subdivision or taxing authority thereof, but are a special limited obligation of the Issuer payable solely and only from the EID Revenues and payments to be made on the Series 2019 Note issued under the Loan Agreement pledged and assigned for their payment in accordance with the Loan Agreement. 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 or interest on the bonds. The bonds do not grant to 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 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 the Loan Agreement shall be deemed to be a covenant or agreement of the City of Valparaiso Economic Development Commission (the "Economic Development Commission"), the Common Council of the City of Valparaiso,**

**Indiana (the “Common Council”), the Issuer or of any member, director, officer, agent, attorney or employee of the Economic Development Commission, the Common Council or the Issuer in his or her individual capacity, and neither the Economic Development Commission, the Common Council, the Issuer nor any member, director, officer, agent, attorney or employee of the Economic Development Commission, the Common Council 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.**

The holder of this bond shall have no right to enforce the provisions of the Loan Agreement or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Loan Agreement, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Loan Agreement. Modifications or alterations of the Loan Agreement, or of any supplements thereto, may be made to the extent and in the circumstances permitted by the Loan Agreement. The Issuer’s obligation to pay EID Revenues shall not be subject to acceleration.

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 Loan Agreement precedent to and in the issuance of this bond, exist, have happened and have been performed, and that the issuance, authentication and delivery of this bond have been duly authorized by the Issuer.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Loan Agreement until the certificate of authentication hereon shall have been duly executed by the Registrar and Paying Agent.

\* \* \* \* \*

IN WITNESS WHEREOF, the City of Valparaiso, Indiana, has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of the Mayor 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 the Original Date stated above.

CITY OF VALPARAISO, INDIANA

By: \_\_\_\_\_  
Jon Costas, Mayor

(SEAL)

\_\_\_\_\_  
Sharon Swihart,  
Clerk-Treasurer

(CERTIFICATE OF AUTHENTICATION)

This bond is one of the bonds described in the within-mentioned Loan Agreement.

By: \_\_\_\_\_  
Sharon Swihart, Clerk-Treasurer of  
the City of Valparaiso, Indiana,  
as Registrar and Paying Agent

## ASSIGNMENT

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

Dated: \_\_\_\_\_

SIGNATURE GUARANTEED:

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

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NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within 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:

UNIF TRAN MIN ACT -- \_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)

under Uniform Transfers to Minors Act, \_\_\_\_\_  
(State)

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

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

## **APPENDIX 1**

Due Date

Principal Amount

[Not later than July 1, 2030.]