

A SPECIAL ORDINANCE AUTHORIZING THE CITY OF FORT WAYNE, INDIANA, TO ISSUE ONE OR MORE SERIES OF ITS CITY OF FORT WAYNE, INDIANA MULTIFAMILY HOUSING REVENUE BONDS, SERIES 2017 (CAMBRIDGE SQUARE PROJECT) (WITH SUCH FURTHER SERIES OR OTHER DESIGNATION AS DETERMINED TO BE NECESSARY, DESIRABLE OR APPROPRIATE), IN A MAXIMUM AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED EIGHT MILLION TWO HUNDRED THOUSAND DOLLARS (\$8,200,000), AND APPROVING AND AUTHORIZING OTHER ACTIONS IN RESPECT THERETO.

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

**WHEREAS**, pursuant to the Act, the City of Fort Wayne, Indiana (the "Issuer" or "City") is authorized to issue revenue bonds for the purpose of financing, reimbursing or refinancing the costs of acquisition, construction, renovation, installation and equipping of economic development facilities in order to foster diversification of economic development and creation or retention of opportunities for gainful employment in or near the Issuer; and

**WHEREAS**, Glick Cambridge Square Fort Wayne II, LP, an Indiana limited partnership (the "Developer") desires to finance a portion of the costs of acquisition, design, construction, renovation, improvement and/or equipping of the existing multifamily housing facility located in the City of Fort Wayne, Indiana, currently known as the Cambridge Square Apartments, located at 7600 Cold Springs Boulevard, Fort Wayne, Indiana, containing approximately 200 affordable living units including certain functionally-related improvements (the "Project"); and

**WHEREAS**, the Developer has advised the Fort Wayne Economic Development Commission (the "Commission") and the Issuer concerning the Project, and has requested that the Issuer issue, pursuant to the Act, one or more

1 series of its taxable or tax-exempt Multifamily Housing Revenue Bonds, Series 2017  
2 (Cambridge Square Project) (with such further or different series designation as may  
3 be necessary, desirable or appropriate, including such series designation to indicate  
4 the year in which the bonds are issued)(the "Bonds"), in an aggregate principal  
5 amount not to exceed Eight Million Two Hundred Thousand Dollars (\$8,200,000),  
6 for the purpose of providing funds for paying all or a portion of the costs of the  
7 Project including but not limited to paying all incidental expenses incurred on  
8 account of the issuance of the Bonds; and

9 **WHEREAS**, the Commission has rendered its report (the "Report")  
10 concerning the proposed financing for the Developer and the Plan Commission has  
11 been given the opportunity to comment thereon; and

12 **WHEREAS**, the Commission and this Common Council of the City of Fort  
13 Wayne, Indiana (the "Council") each have studied the Project and the proposed  
14 financing of the Project and its effects on the health and general welfare of the Issuer  
15 and its citizens; and

16 **WHEREAS**, the creation or retention of opportunities for gainful  
17 employment and the provision of quality, affordable, multifamily housing to be  
18 achieved by the acquisition, renovation and equipping of the Project will be of public  
19 benefit to the health, safety and general welfare of the Issuer and its citizens; and

20 **WHEREAS**, pursuant to and in accordance with the Act, the Issuer desires to  
21 provide funds necessary to finance all or a portion of the Project by issuing the  
22 Bonds; and

23 **WHEREAS**, the Act provides that such revenue bonds may be secured by  
24 and issued pursuant to the terms of a trust indenture between an issuer and a  
25 corporate trustee; and

26 **WHEREAS**, pursuant to and in accordance with the Act, the Issuer desires to  
27 provide funds to finance the Project by issuing the Bonds in an original aggregate  
28 principal amount not to exceed \$8,200,000; and

1                   **WHEREAS**, the Issuer intends to issue the Bonds pursuant to a Trust  
2 Indenture, to be dated the first day of the month in which the Bonds are sold or  
3 delivered (or such other date as the officers of the Issuer may hereafter approve) (the  
4 “Indenture”), by and between the Issuer and The Huntington National Bank, as  
5 trustee (the “Trustee”), in order to obtain funds necessary to provide for the  
6 financing of all or a portion of the Project in accordance with the terms of a Loan  
7 Agreement to be dated as of the first day of the month in which the Bonds are sold or  
8 delivered (or such other date as the officers of the Issuer may hereafter approve) (the  
9 “Loan Agreement”), by and between the Issuer and the Developer with respect to the  
10 Bonds and the Project; and

11                   **WHEREAS**, pursuant to the Loan Agreement, the Developer will make  
12 separate representations, warranties and commitments with respect to the Project and  
13 the use of the proceeds of the Bonds and the Developer will agree to make payments  
14 sufficient to pay the principal and interest on the Bonds as the same become due and  
15 payable and to pay administrative expenses in connection with the Bonds in  
16 accordance with the terms thereof; and

17                   **WHEREAS**, there has been submitted to this Council for approval  
18 substantially final forms of the Indenture, Loan Agreement, Regulatory Agreement  
19 and Declaration of Restrictive Covenants among the Issuer, the Trustee and the  
20 Developer, form of the Bonds (hereinafter referred to collectively as the “Financing  
21 Documents”), and the proposed form of ordinance (the “Ordinance”) which are by  
22 this reference incorporated herein; and

23                   **WHEREAS**, pursuant to Indiana Code 36-7-12-24, as amended, and Section  
24 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), the  
25 Commission published notice of a public hearing (the “Public Hearing”) on the  
26 proposed issuance of the Bonds to finance all or a portion of the Project, and on  
27 December 15, 2016 the Commission held the Public Hearing for the purpose of  
28 receiving evidence and testimony on the Project and matters related to the proposed  
29  
30

1 financing thereof and heard all persons interested in the proceedings and considered  
2 written remonstrances and objections, if any; and

3  
4 **WHEREAS**, following such Public Hearing, the Commission approved a  
5 report (the "Report") and adopted a resolution (the "EDC Resolution") making  
6 findings that the financing of the Project complies with the purposes and provisions  
7 of the Act and that such financing will be of benefit to the health and welfare of the  
8 Issuer, and that the Project will not have an adverse competitive effect or impact on  
9 any similar facility already constructed or operating in the same market area or in or  
about Allen County, Indiana; and

10 **WHEREAS**, no member of this Council has any pecuniary interest in any  
11 employment, Financing Documents or other contract made under the provisions of  
12 the Act and related to the Bonds authorized herein, which pecuniary interest has not  
13 been fully disclosed to this Council and no such member has voted on any such  
14 matter, all in accordance with the provisions of Indiana Code 36-7-12-16; and

15 **WHEREAS**, there has been submitted to the Commission for its approval the  
16 forms of the Financing Documents, and a form of this proposed Ordinance, which  
17 were incorporated by reference in the Commission's Resolution adopted on June 15,  
18 2017, which Resolution has been transmitted hereto; and

19 **WHEREAS**, the Issuer expects to pay for certain costs of the Bonds or costs  
20 related to the Project (collectively, the "Expenditures") prior to the issuance of the  
21 Bonds, and to reimburse the Expenditures with proceeds received by the City upon  
22 the issuance of the Bonds; and

23  
24 **WHEREAS**, the Common Council desires to reaffirm its intent to reimburse  
25 the Expenditures pursuant to Treas. Reg. §1.150-2 and Indiana Code §5-1-14-6(c);  
26 and

1           **WHEREAS**, based upon the Report and EDC Resolution, the Common  
2 Council hereby finds and determines that the funding approved by the Commission  
3 for all or a portion of the Project will be of benefit to the health and general welfare  
4 of the citizens of the City, complies with the provisions of the Act and the amount  
5 necessary to finance all or a portion of the costs of the Project, together with  
6 incidental expenses incurred in connection therewith, will require the issuance, sale  
7 and delivery of one or more series of revenue bonds in an aggregate combined  
8 principal amount not to exceed Eight Million Two Hundred Thousand Dollars  
9 (\$8,200,000).

10           **NOW, THEREFORE, BE IT RESOLVED BY THE COMMON**  
11 **COUNCIL OF THE CITY OF FORT WAYNE AND OF ALLEN COUNTY AS**  
12 **FOLLOWS:**

13           **SECTION 1.** After considering the evidence presented in the findings of  
14 fact set forth in the Report, this Council hereby finds, determines, ratifies and  
15 confirms that the financing of the economic development facilities referred to in the  
16 Financing Documents consisting of the Project, the issuance and sale of the Bonds,  
17 and the use of the net proceeds thereof by the Developer to finance all or a portion of  
18 the Project will: (i) promote a substantial likelihood of the diversification of industry,  
19 the creation or retention of business opportunities, the creation or retention of  
20 opportunities for gainful employment and the provision of quality, affordable,  
21 multifamily rental housing within the jurisdiction of the Issuer; (ii) serve a public  
22 purpose, and will be of benefit to the health and general welfare of the Issuer; (iii)  
23 comply with the purposes and provisions of the Act and it is in the public interest  
24 that the Issuer take such lawful action as determined to be necessary or desirable to  
25 encourage the diversification of industry, the creation or retention of business  
26 opportunities, and the creation or retention of opportunities for gainful employment  
27 and the provision of quality, affordable, multifamily rental housing within the  
28 jurisdiction of the Issuer and (iv) not have a material adverse competitive effect on  
29 any similar facilities already constructed or operating in or near Allen County,  
30 Indiana.

1                   **SECTION 2.**   The forms of the Financing Documents presented herewith  
2 are hereby approved, with any and all such changes as may be deemed necessary,  
3 desirable or appropriate by the Mayor and the Clerk of the Council (the "Clerk"). In  
4 compliance with Indiana Code Title 36, Article 1, Chapter 5, Section 4, two (2)  
5 copies of the Financing Documents are on file in the office of the City Clerk for  
6 public inspection.

7                   **SECTION 3.**   The Issuer is authorized to issue the Bonds, in one or more  
8 series, with a maximum aggregate principal amount not to exceed Eight Million Two  
9 Hundred Thousand Dollars (\$8,200,000), with a maximum term not to exceed four  
10 (4) years and with a maximum interest rate not to exceed three percent (3.0%) per  
11 annum, for the purpose of procuring funds to pay all or a portion of the costs of the  
12 Project by making a portion of the proceeds of such Bonds available as set forth in  
13 the Financing Documents and pay all incidental expenses incurred on account of the  
14 issuance of the Bonds. The Bonds shall be payable as to principal and interest upon  
15 such terms and conditions as otherwise provided in the Financing Documents and the  
16 Ordinance. The mandatory tender of the Bonds within three (3) years of the date of  
17 issuance thereof at a price of one hundred percent (100%) of the principal amount  
18 thereof is also approved. The Bonds shall never constitute a general obligation of,  
19 moral obligation of, an indebtedness of, or charge against the general credit of the  
20 City or a pledge of the full faith or credit of the City within the purview of any  
21 constitutional or statutory limitation or provision.

22                   **SECTION 4.**   The Mayor and the Controller are authorized and directed  
23 to sell the Bonds to the purchaser or purchasers thereof at a price not less than  
24 ninety-eight and one-half percent (98.5%) of the aggregate principal amount thereof  
25 plus accrued interest, if any, at a rate of interest not to exceed three percent (3.0%)  
26 per annum, and with a final maturity date no later than four (4) years from the date of  
27 the issuance of any series of the Bonds. A bond purchase agreement, in form and  
28 substance acceptable to the Mayor and the Controller (collectively, the "Purchase  
29 Agreements"), is hereby authorized and approved, and the Mayor and the Controller  
30 are hereby authorized and directed to execute and deliver the Purchase Agreements

1 in form and substance acceptable to them and consistent with the terms and  
2 conditions set forth in this Ordinance, with such to be conclusively evidenced by  
3 their execution thereof. If necessary or desirable in connection with the sale of the  
4 Bonds, the Mayor, the Clerk and any other officer of the City are authorized to enter  
5 into one or more continuing disclosure undertaking agreements, in compliance with  
6 Rule 15c2-12 of the Securities and Exchange Commission, which will be in such a  
7 form as may be deemed necessary, appropriate or desirable by the Mayor, the Clerk  
8 and any other officer of the City, with such to be conclusively evidenced by their  
9 execution thereof.

10 **SECTION 5.** The Mayor and the Clerk are authorized and directed to  
11 execute the Financing Documents, and the Mayor, the Controller, the Clerk and any  
12 other officer of the City are authorized and directed to execute such other documents  
13 approved or authorized herein and any other document which may be necessary,  
14 appropriate or desirable to consummate the transaction contemplated by the  
15 Financing Documents and this Ordinance, and their execution is hereby confirmed  
16 on behalf of the City. The signatures of the Mayor and the Clerk on the Bonds and  
17 any other documents which may be necessary or desirable to consummate the  
18 transaction are hereby confirmed on behalf of the City. The signatures of the  
19 Mayor and the Clerk on the Bonds may be facsimile signatures. The Mayor, the  
20 Clerk, the Controller and any other officer of the City are authorized to arrange for  
21 the delivery of the Bonds to the purchaser, payment for which will be made in the  
22 manner set forth in the Financing Documents. The Mayor and the Clerk may, by  
23 their execution of the Financing Documents requiring their signatures and imprinting  
24 of their facsimile signatures thereon, approve any and all such changes therein and  
25 also in those Financing Documents which do not require the signature of the Mayor  
26 or the Clerk without further approval of this Common Council or the Commission if  
27 such changes do not affect terms set forth in Sections 27(a)(1) through and including  
28 (a)(10) of the Act.

29 **SECTION 6.** The provisions of this Ordinance and the Financing  
30 Documents shall constitute a contract binding between the City and the holder or

1 holders of the Bonds and after the issuance of said Bonds, this Ordinance shall not be  
2 repealed or amended in any respect which would adversely affect the right of such  
3 holder or holders so long as said Bonds or the interest thereon remains unpaid.

4 **SECTION 7.** Subject to the provisions of Sections 5 and 13 of this  
5 Ordinance, if necessary or desirable, a Preliminary Official Statement of the City  
6 relating to the Bonds (the "Preliminary Official Statement"), in a form acceptable to  
7 the Mayor, is hereby (a) authorized and approved, together with such changes in  
8 form and substance as may be deemed necessary or appropriate by the Mayor  
9 pursuant to Sections 5 and 13 of this Ordinance, (b) authorized and approved, as the  
10 same may be appropriately confirmed, modified and amended pursuant hereto, for  
11 distribution as the Preliminary Official Statement of the City, (c) authorized to be  
12 deemed and determined by the Mayor on behalf of the City, as of its date, to  
13 constitute the "final" official statement of the City with respect to the Bonds to be  
14 offered thereby, subject to completion as permitted by and otherwise pursuant to the  
15 provisions of Rule 15c2-12 of the Securities and Exchange Commission (the "SEC  
16 Rule"), and (d) authorized and approved, consistent with the provisions of any  
17 Purchase Agreement and the SEC Rule, to be placed into final form and distributed  
18 and delivered to purchasers and potential purchasers of the Bonds offered thereby as  
19 the final official statement of the City, as of the date thereof, with respect to the  
20 Bonds (the "Official Statement").

21 **SECTION 8.** Subject to the obligations of the Developer set forth in the  
22 Financing Documents and/or the certificates or agreements of such Developer to be  
23 executed upon the issuance of the Bonds, if any of the Bonds are issued on a tax-  
24 exempt basis for purposes of federal income taxation, the City will use its best efforts  
25 to restrict the use of the proceeds of the Bonds in such a manner and to expectations  
26 at the time the Bonds are delivered to the purchasers thereof, so that they will not  
27 constitute "arbitrage bonds" under Section 148 of the Code and the regulations  
28 promulgated thereunder, or to preserve any other desired tax status under the Code.  
29 The Mayor, the Controller and the Clerk, or any other officer having responsibility  
30 with respect to the issuance of the Bonds, are authorized and directed, alone or in



1 conjunction with any of the foregoing, or with any other officer, employee,  
2 consultant or agent of the City, to deliver a certificate for inclusion in the transcript  
3 of proceedings for the Bonds, setting forth the facts, estimates and circumstances and  
4 reasonable expectations pertaining to the use of the Bond proceeds as of the date of  
5 issuance thereof.

6 **SECTION 9.** No recourse under or upon any obligation, covenant,  
7 acceptance or agreement contained in this Ordinance, the Financing Documents or  
8 under any judgment obtained against the City, including without limitation its  
9 Economic Development Commission, or by the enforcement of any assessment or by  
10 any legal or equitable proceeding by virtue of any constitution or statute or  
11 otherwise, or under any circumstances, under or independent of the Financing  
12 Documents, shall be had against any member, director, or officer or attorney, as  
13 such, past, present, or future, of the City, including without limitation its Economic  
14 Development Commission, either directly or through the City, or otherwise, for the  
15 payment for or to the City or any receiver thereof or for or to any holder of the  
16 Bonds secured thereby, or otherwise, of any sum that may remain due and unpaid by  
17 the City upon any of the Bonds. Any and all personal liability of every nature,  
18 whether at common law or in equity, or by statute or by constitution or otherwise, of  
19 any such member, director, or officer or attorney, as such, to respond by reason of  
20 any act or omission on his or her part or otherwise for, directly or indirectly, the  
21 payment for or to the City or any receiver thereof, or for or to any owner or holder of  
22 the Bonds, or otherwise, of any sum that may remain due and unpaid upon the Bonds  
23 hereby secured or any at them, shall be expressly waived and released as a condition  
24 of and consideration for the execution and delivery of the Financing Documents and  
25 the issuance, sale and delivery of the Bonds.

26 **SECTION 10.** If any section, paragraph or provision of this Ordinance  
27 shall be held to be invalid or unenforceable for any reason, the invalidity or  
28 unenforceability of such section, paragraph or provision shall not affect any of the  
29 remaining provisions of this Ordinance.  
30

1           **SECTION 11.** All ordinances, resolutions and orders or parts thereof, in  
2 conflict with the provisions of this Ordinance are, to the extent of such conflict,  
3 hereby repealed.

4           **SECTION 12.** It is hereby determined that all formal actions of this  
5 Council relating to the adoption of this Ordinance were taken in one or more open  
6 meetings of the Council, that all deliberations of this Council and of its committees,  
7 if any, which resulted in formal action, were in meetings open to the public, and that  
8 all such meetings were convened, held and conducted in compliance with applicable  
9 legal requirements, including Indiana Code 5-14-1.5, as amended.

10           **SECTION 13.** The Mayor, the Controller, the Clerk and any other officer  
11 of the City are hereby authorized and directed, in the name and on behalf of the City,  
12 to execute, attest and deliver such further instruments and documents, and to take  
13 such further actions, in the name of the City as in their judgment shall be necessary  
14 or advisable in order fully to consummate the transactions described herein and carry  
15 out the purposes of this Ordinance, and any such documents heretofore executed and  
16 delivered and any such actions heretofore taken, be, and hereby are, ratified and  
17 approved.

18           **SECTION 14.** This Council hereby declares its official intent, to the extent  
19 permitted by law, to issue the Bonds in one or more series or issues, not to exceed  
20 the maximum aggregate principal amount authorized herein, and to reimburse costs  
21 of the Project consisting of the Expenditures from proceeds of the sale of the Bonds.

22           **SECTION 15.** This Council finds and determines that the amount of tax  
23 credits to be allocated to the Project under Section 42 of the Internal Revenue Code  
24 of 1986, as amended, does not exceed the amount necessary for the financial  
25 feasibility of the Project and its viability as a qualified housing project throughout  
26 the credit period for the Project. In making the foregoing determination, this Council  
27 has relied upon representations of the Developer. The foregoing determination shall  
28 not be construed to be a representation or warranty by this Council as to the  
29 feasibility or viability of the Project. In reliance upon the representations of the  
30

1 Developer, it is hereby found and determined that the Project satisfies the  
2 requirements for the allocation of a housing credit dollar amount under the Indiana  
3 Housing and Community Development Authority's qualified allocation plan.

4 **SECTION 16.** This ordinance shall be in full force and effect  
5 immediately upon passage by this Council and signing by the President of this  
6 Council and by the Mayor.

7  
8  
9  
10 \_\_\_\_\_  
11 Thomas F. Didier, President  
12

13 APPROVED AS TO FORM AND LEGALITY:

14  
15 \_\_\_\_\_  
16 Carol Helton, City Attorney  
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LOAN AGREEMENT

between

CITY OF FORT WAYNE, INDIANA

and

GLICK CAMBRIDGE SQUARE FORT WAYNE II, LP

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\$8,200,000  
City of Fort Wayne, Indiana  
Multifamily Housing Revenue Bonds, Series 2017  
(Cambridge Square Project)

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Dated

as of

July 1, 2017

Krieg DeVault LLP  
Bond Counsel

## INDEX

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

|                                                                                                        | <u>Page</u> |
|--------------------------------------------------------------------------------------------------------|-------------|
| Preamble .....                                                                                         | 1           |
| ARTICLE I .....                                                                                        | 2           |
| DEFINITIONS.....                                                                                       | 2           |
| Section 1.1 Use of Defined Terms.....                                                                  | 2           |
| Section 1.2 Interpretation.....                                                                        | 2           |
| Section 1.3 Captions and Headings .....                                                                | 2           |
| ARTICLE II.....                                                                                        | 3           |
| REPRESENTATIONS .....                                                                                  | 3           |
| Section 2.1 Representations of the Issuer .....                                                        | 3           |
| Section 2.2 Representations and Covenants of the Borrower.....                                         | 5           |
| ARTICLE III.....                                                                                       | 8           |
| COMPLETION OF THE PROJECT;.....                                                                        | 8           |
| ISSUANCE OF THE BONDS.....                                                                             | 8           |
| Section 3.1 Acquisition, Construction, Installation, Equipment and Improvement .....                   | 8           |
| Section 3.2 Plans and Specifications .....                                                             | 8           |
| Section 3.3 Issuance of the Bonds; Application of Proceeds.....                                        | 9           |
| Section 3.4 Disbursements from the Project Fund.....                                                   | 9           |
| Section 3.5 Borrower Required to Pay Costs in Event Project Fund Insufficient .....                    | 10          |
| Section 3.6 Completion Date .....                                                                      | 10          |
| Section 3.7 Investment of Fund Moneys .....                                                            | 10          |
| Section 3.8 Rebate Fund .....                                                                          | 10          |
| Section 3.10 Remarketing of the Bonds .....                                                            | 11          |
| ARTICLE IV .....                                                                                       | 12          |
| LOAN BY ISSUER; REPAYMENT OF THE LOAN; .....                                                           | 12          |
| LOAN PAYMENTS AND ADDITIONAL PAYMENTS.....                                                             | 12          |
| Section 4.1 Loan Repayment; Delivery of Note, Mortgage and Security Agreement .....                    | 12          |
| Section 4.2 Additional Payments.....                                                                   | 12          |
| Section 4.3 Place of Payments.....                                                                     | 13          |
| Section 4.4 Obligations Unconditional .....                                                            | 13          |
| Section 4.5 Assignment of Agreement and Issuer Revenues .....                                          | 14          |
| ARTICLE V.....                                                                                         | 15          |
| ADDITIONAL AGREEMENTS AND COVENANTS .....                                                              | 15          |
| Section 5.1 Right of Inspection.....                                                                   | 15          |
| Section 5.2 Borrower to Maintain its Existence; Sales of Assets or Mergers. ....                       | 15          |
| Section 5.3 Indemnification.....                                                                       | 15          |
| Section 5.4 Borrower Not to Adversely Affect Exclusion from Gross Income of Interest on<br>Bonds ..... | 17          |
| Section 5.5 Affirmative Covenants.....                                                                 | 17          |
| Section 5.6 Negative Covenants .....                                                                   | 20          |

|                                                                                                                       |     |
|-----------------------------------------------------------------------------------------------------------------------|-----|
| ARTICLE VI .....                                                                                                      | 21  |
| PREPAYMENT, TENDER AND TERMINATION.....                                                                               | 21  |
| Section 6.1 Borrower’s Obligations Upon Tender of Bonds .....                                                         | 21  |
| Section 6.2 Option to Terminate.....                                                                                  | 21  |
| ARTICLE VII .....                                                                                                     | 22  |
| EVENTS OF DEFAULT AND REMEDIES .....                                                                                  | 22  |
| Section 7.1 Events of Default .....                                                                                   | 22  |
| Section 7.2 Remedies on Default.....                                                                                  | 23  |
| Section 7.3 No Remedy Exclusive.....                                                                                  | 24  |
| Section 7.4 Agreement to Pay Attorneys’ Fees and Expenses .....                                                       | 24  |
| Section 7.5 No Waiver.....                                                                                            | 24  |
| Section 7.6 Notice of Default.....                                                                                    | 24  |
| Section 7.7 Investor Limited Partner’s Cure Rights .....                                                              | 24  |
| ARTICLE VIII.....                                                                                                     | 26  |
| MISCELLANEOUS .....                                                                                                   | 26  |
| Section 8.1 Term of Agreement.....                                                                                    | 26  |
| Section 8.2 Amounts Remaining in Funds .....                                                                          | 26  |
| Section 8.3 Notices .....                                                                                             | 26  |
| Section 8.4 Extent of Covenants of the Issuer; No Personal Liability.....                                             | 26  |
| Section 8.5 Binding Effect.....                                                                                       | 27  |
| Section 8.6 Amendments and Supplements.....                                                                           | 27  |
| Section 8.7 Execution Counterparts.....                                                                               | 27  |
| Section 8.8 Severability .....                                                                                        | 27  |
| Section 8.9 Governing Law .....                                                                                       | 27  |
| Section 8.10 Non-Recourse Obligations.....                                                                            | 27  |
| Section 8.11 Conflict With HUD Regulations; Supremacy of Senior Lender Mortgage and<br>HUD Regulatory Agreement ..... | 28  |
| Signatures .....                                                                                                      | S-1 |
| Exhibit A – FORM OF NOTE                                                                                              |     |
| Exhibit B – SOURCES AND USES OF FUNDS                                                                                 |     |
| Exhibit C – FORM OF COMPLETION CERTIFICATE                                                                            |     |
| Exhibit D – FORM OF REQUISITION                                                                                       |     |

## LOAN AGREEMENT

This **LOAN AGREEMENT** is made and entered into as of July 1, 2017 between the **CITY OF FORT WAYNE, INDIANA**, a municipal corporation duly organized and validly existing under the laws of the State of Indiana (the "*Issuer*"), and **GLICK CAMBRIDGE SQUARE FORT WAYNE II, LP**, a limited partnership duly organized and validly existing under the laws of the State of Indiana (the "*Borrower*"), under the following circumstances summarized in the following recitals (the capitalized terms not defined in the recitals being used therein as defined in Article I hereof):

A. Pursuant to the Act, the Issuer has determined to issue, sell and deliver its Bonds and to loan the proceeds derived from the sale thereof to the Borrower to assist in the financing of the Project to be undertaken by the Borrower.

B. The Borrower and the Issuer each have full right and lawful authority to enter into this Agreement and to perform and observe the provisions hereof on their respective parts to be performed and observed.

NOW THEREFORE, in consideration of the premises and the mutual representations and agreements hereinafter contained, the Issuer and the Borrower agree as follows (provided that any obligation of the Issuer created by or arising out of this Agreement shall never constitute a general debt of the Issuer or give rise to any pecuniary liability of the Issuer but shall be payable solely from the Trust Estate):

ARTICLE I  
DEFINITIONS

Section 1.1. Use of Defined Terms. In addition to the words and terms defined elsewhere in this Agreement, the words and terms in this Agreement shall have the meanings set forth in the Trust Indenture (the "*Indenture*"), dated as of the date of this Agreement between the Issuer and The Huntington National Bank, as Trustee.

Section 1.2. Interpretation. Any reference herein to the Issuer, to its Economic Development Commission or its Common Council or to any member or officer of any of them includes entities or officials succeeding to their respective functions, duties or responsibilities pursuant to or by operation of law or lawfully performing their functions.

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

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

Section 1.3. Captions and Headings. The captions and headings in this Agreement are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Articles, Sections, subsections, paragraphs, subparagraphs or clauses hereof.

(End of Article I)



## ARTICLE II

### REPRESENTATIONS

Section 2.1. Representations of the Issuer. The Issuer represents and warrants and agrees that:

(a) It is a municipal corporation of the State of Indiana (the "State") organized and validly existing and, pursuant to the Act, has full legal right, power and authority (i) to enter into this Agreement; (ii) to adopt the Bond Legislation and cause the delivery of the Bonds pursuant to the Bond Legislation and this Agreement as provided herein; (iii) to loan the proceeds of the Bonds to the Borrower for the purpose set forth in this Agreement; and (iv) to carry out and consummate the transactions contemplated by this Agreement, the Indenture and the Regulatory Agreement (collectively, the "*Issuer Documents*");

(b) The Issuer, with respect to the Bonds, as advised by Bond Counsel, has complied, and will at the Closing Date be in compliance in all material respects with the Issuer Documents and the relevant laws of the State;

(c) (i) On or prior to the Closing Date, the Issuer will have taken all action required to be taken by it to authorize the issuance and sale of the Bonds and the performance of its obligations hereunder; (ii) the Issuer has full legal right, power and authority to enter into this Agreement and the Issuer Documents, will have full legal right, power and authority to deliver the Bonds to the Original Purchaser and to perform its obligations hereunder as provided in this Agreement, the Bonds and the Issuer Documents, and all other documents to be executed by the Issuer in accordance with the issuance of the Bonds, and to carry out and effectuate the transactions contemplated by this Agreement and the Issuer Documents; (iii) on or prior to the Closing Date, the execution and delivery of, and the performance by the Issuer of the obligations contained in the Bonds, this Agreement and the Issuer Documents shall have been duly authorized, and when executed this Agreement and the Issuer Documents will constitute valid and legally binding limited obligations of the Issuer enforceable against the Issuer in accordance with their respective terms, subject to any applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors' rights generally and the application of equitable principles where equitable remedies are sought and limitations on the enforcement of judgments against public bodies; (iv) the Issuer has duly authorized the consummation by it of all transactions contemplated by this Agreement; and (v) the Issuer Documents have been duly and validly adopted by the Issuer and are at the time of acceptance hereof in full force and effect;

(d) The Issuer, with respect to the Bonds, has not received notice that it is in material breach of or default under any applicable law or administrative regulation of the State, any department, division, agency or instrumentality thereof, or the United States or any applicable judgment or decree or any loan agreement, note, resolution, certificate, agreement or other instrument to which the Issuer is a party or is otherwise subject; and the adoption of the Bond Legislation and the execution and delivery of this Agreement, the Bonds, the other Issuer Documents and all other documents to be executed by the Issuer in connection with the issuance of the Bonds, and compliance with the provisions of each thereof do not, to the Issuer's knowledge, conflict with or constitute a material breach of or default under any applicable law or administrative regulation of the State, any department, division, agency or instrumentality thereof, or the United States or any applicable judgment or decree, or any loan agreement, note,

resolution, certificate, agreement or other instrument to which the Issuer is a party or is otherwise subject;

(e) All approvals, consents, and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by the Issuer, of its obligations hereunder and under the Bond Legislation, the Issuer Documents and the Bonds and all other documents to be executed by the Issuer in connection with the issuance of the Bonds have been obtained;

(f) The Issuer will not take or omit to take any action, which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds under the Code;

(g) The Bonds, when delivered and sold to the Original Purchaser as provided herein, will have been duly authorized and executed and will constitute validly issued and binding limited obligations of the Issuer in conformity with, and entitled to the benefit and security of, the Act and the Issuer Documents;

(h) The Issuer agrees that all representations, warranties and covenants made by it herein, and in certificates, agreements or other instruments delivered pursuant hereto or in connection herewith, shall be deemed to have been relied upon by the Holders, and that all representations, warranties and covenants made by the Issuer herein and therein and all the Holders' rights hereunder and thereunder shall survive the delivery of the Bonds;

(i) The Issuer covenants that it will not pledge the amounts derived from this Agreement other than as contemplated by the Indenture;

(j) The Issuer hereby finds and determines that financing the Project by the issuance of the Bonds will further the public purposes of the Act;

(k) To the best of its knowledge, no member or director of the Issuer, nor any other official or employee of the Issuer, has any interest, financial employment or other, in the Borrower, the Project or the transactions contemplated hereby;

(l) There is no action, suit, proceeding, inquiry or investigation pending or, to the knowledge of the Issuer, threatened against the Issuer or its Economic Development Commission by or before any court, governmental agency or public board or body, which (i) affects or questions the existence or the title to office of any member of the Issuer or its Economic Development Commission; (ii) affects or seeks to prohibit, restrain or enjoy the execution and delivery of any of the Issuer Documents, or the issuance, execution or delivery of the Bonds; (iii) affects or questions the validity or enforceability of any of the Issuer Documents or the Bonds; (iv) questions the exclusion from gross income for federal income taxation of interest on the Bonds; or (v) questions the power or authority of the Issuer to perform its obligations under any of the Issuer Documents or the Bonds or to carry out the transactions contemplated by any of the Issuer Documents or the Bonds; and

(m) THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, THAT THE PROCEEDS OF THE BONDS WILL BE SUFFICIENT TO

FINANCE THE REHABILITATION AND EQUIPPING OF THE PROJECT OR THAT THE PROJECT WILL BE ADEQUATE OR SUFFICIENT FOR THE BORROWER'S INTENDED PURPOSES. FURTHER, THE ISSUER MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AND SPECIFICALLY DISCLAIMS ANY WARRANTY AS TO THE PROJECT OR THE CONDITION THEREOF, OR THAT THE PROJECT WILL BE SUITABLE FOR THE PURPOSES OR NEEDS OF THE BORROWER. THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AND SPECIFICALLY DISCLAIMS ANY WARRANTY THAT THE BORROWER WILL HAVE QUIET AND PEACEFUL POSSESSION OF THE PROJECT. THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AND SPECIFICALLY DISCLAIMS ANY WARRANTY WITH RESPECT TO THE MERCHANTABILITY, CONDITION OR WORKMANSHIP OF ANY PART OF THE PROJECT OR ITS SUITABILITY FOR THE BORROWER'S PURPOSES.

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

(a) It is a limited partnership duly formed and validly existing under the laws of the State, is in good standing and duly authorized to conduct its business in the State.

(b) It has full power and authority to execute, deliver and perform this Agreement, the Note and the Regulatory Agreement and to enter into and carry out the transactions contemplated by those documents. That execution, delivery and performance do not, and will not, violate any provision of law applicable to the Borrower and do not, and will not, conflict with or result in a default under any agreement or instrument to which the Borrower is a party or by which it is bound. This Agreement, the Note and the Regulatory Agreement have, by proper action, been duly authorized, executed and delivered by the Borrower and all steps necessary have been taken to constitute this Agreement, the Note and the Regulatory Agreement valid and binding obligations of the Borrower.

(c) The provision of financial assistance to be made available to it under this Agreement and the commitments therefor made by the Issuer have induced the Borrower to undertake the transactions contemplated by this Agreement.

(d) It presently intends to use or operate the Project in a manner consistent with the Act and in accordance with the Regulatory Agreement for the life of the Bonds, or for such longer period as may be required by the Regulatory Agreement, and knows of no reason why the Project will not be so operated. If, in the future, while the Bonds are outstanding, there is a cessation of that operation, it will use its best efforts to resume that operation or accomplish an alternate use by the Borrower or others approved by the Issuer which will be consistent with the Act and the Regulatory Agreement.

(e) The Project will be completed in accordance with the Plans and Specifications and the portion of the Project funded with the proceeds of the Bonds

will constitute a qualified residential rental project within the meaning of Section 142(d) of the Code and will be operated and maintained in such manner as to conform in all material respects with all applicable zoning, planning, building, environmental and other applicable governmental regulations and as to be consistent with the Act.

(f) The Project will be located entirely within the boundaries of the Issuer.

(g) At least 95% of the net proceeds of the Bonds (as defined in Section 150 of the Code) will be used to provide a qualified residential rental project (as defined in Section 142(d) of the Code), and the Borrower will not request or authorize any disbursement pursuant to Section 3.4 hereof, which, if paid, would result in less than 95% of the net proceeds of the Bonds being so used.

(h) The costs of issuance financed by the Bonds will not exceed 2% of the proceeds of the Bonds (within the meaning of Section 147(g) of the Code), and the Borrower will not request or authorize any disbursement pursuant to Section 3.4 hereof or otherwise, which, if paid, would result in more than 2% of the proceeds of the Bonds being so used.

(i) At least 95% of the proceeds of the Bonds shall be used or deemed used exclusively to pay costs that are (A) capital expenditures (as defined in Section 1.150-1(a) of the Code's regulations) and (B) not made for the acquisition of existing property, to the extent prohibited in Section 147(d) of the Code.

(j) The proceeds of the Bonds shall be used or deemed used exclusively to pay costs that are made exclusively with respect to a "qualified residential rental project" within the meaning of Section 142(d) of the Code and that for the greatest number of buildings the proceeds of the Bonds shall be deemed allocated on a pro rata basis to each building in the Project and the land on which it is located so that each building and the land on which it is located will have been financed fifty percent (50%) or more by the proceeds of the Bonds for the purpose of complying with Section 42(h)(4)(B) of the Code; provided, however, the foregoing representation, covenant and warranty is made for the benefit of the Borrower and its partners and neither the Trustee nor the Issuer shall have any obligation to enforce this covenant nor shall they incur any liability to any person, including without limitation, the Borrower, the partners of the Borrower, any other affiliate of the Borrower or the holders of the Bonds for any failure to meet the intent expressed in the foregoing representation, covenant and warranty; and provided further, failure to comply with this representation, covenant and warranty shall not constitute a default or event of default under this Agreement or the Indenture.

(k) The Borrower has received and reviewed a copy of the Indenture and approves the terms and conditions thereof and agrees to the terms thereof.

(l) Neither the Borrower nor any related Person thereto shall acquire any Bonds in any amount.

(m) The Borrower understands the nature and structure of the transactions relating to the financing of the Project; it is familiar with the provisions of all of the documents and instruments relating to such financing to which it, the Senior Lender, the Issuer or the Trustee is a party or of which it is a beneficiary; it understands the risks inherent in such transactions, including, without limitation, the risk of loss of the Project; and it has not relied on the Senior Lender, the Issuer, the Trustee or their counsel for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by this Agreement and the Indenture or otherwise relied on the Senior Lender, the Issuer, the Trustee or their counsel in any manner.

(n) The Project is, as of the Closing Date, in compliance with all requirements of the Regulatory Agreement, including all applicable requirements of the Act and Code. The residential units in the Project are to and will be rented or available for rental on a basis which satisfies the requirements of the Regulatory Agreement, including all applicable requirements of the Act and the Code. All current leases comply, and all future leases will comply, with all applicable laws and the Regulatory Agreement. The Project meets the requirements of this Agreement, the Regulatory Agreement, the Act and the Code with respect to multifamily rental housing.

(o) The Borrower will cause the Indenture, and any financing statements, related instruments or documents relating to any assignment made by the Issuer under the Indenture to secure the Bonds, to be recorded and filed in the manner and in the places which may be required by law in order to preserve and protect fully the security of the Holders and the rights of the Trustee under the Indenture.

The Borrower acknowledges that the representations and covenants herein made by the Borrower have been expressly and specifically relied upon by the Issuer in determining to make the Loan to the Borrower and the Loan would not have been made but for such representations and covenants.

(End of Article II)

## ARTICLE III

### COMPLETION OF THE PROJECT; ISSUANCE OF THE BONDS

#### Section 3.1. Acquisition, Rehabilitation, Installation, Equipment and Improvement.

The Borrower (a) has acquired or will acquire the Project site and shall construct, improve and equip the Project with all reasonable dispatch and in accordance with the Plans and Specifications, (b) shall pay when due all fees, costs and expenses incurred in connection with that acquisition, rehabilitation, installation, equipment and improvement from funds made available therefor in accordance with this Agreement or otherwise, except to the extent being contested in good faith, and (c) shall ask, demand, sue for, levy, seek to recover and seek to receive all those sums of money, debts and other demands whatsoever which may be due, owing and payable under the terms of any contract, order, receipt, writing and instruction in connection with the acquisition, rehabilitation, improvement and equipping of the Project, and shall enforce the provisions of any contract, agreement, obligation, bond or other performance security with respect thereto, it being understood that the Borrower shall not be required to take any of the foregoing actions if it would be commercially unreasonable to do so. It is understood that the Project will be owned by the Borrower and any contracts made by the Borrower with respect thereto, whether acquisition contracts, construction contracts or otherwise, or any work to be done by the Borrower on the Project are made or done by the Borrower in its own behalf and not as agent or contractor for the Issuer and each such contract shall so state. The Borrower agrees that it will compensate all workers employed in the rehabilitation, equipping and improvement of the Project as required by law.

Section 3.2. Plans and Specifications. The Plans and Specifications have been or, upon request, shall be filed with the Issuer. The Borrower may revise the Plans and Specifications from time to time, provided that no revision shall be made which would change the Project Purposes to other than purposes permitted by the Act, the Code and the Regulatory Agreement. The sources and uses contemplated by the plan of financing for the Project, together with the anticipated construction draw schedule, are set forth in Exhibit B hereto, and at or prior to the execution and delivery of this Agreement, the Borrower shall provide to the Issuer evidence acceptable to the Issuer, in its sole discretion, of the availability of all financing contemplated by the plan of financing for the Project including, without limitation (and without regard to whether the immediate availability of such financing is a condition to undertaking the Project), the equity portion of the financing and all other public and private financing and any interim or bridge financing to be provided in anticipation of the closing of any of the foregoing aspects of the financing therefor, the execution and delivery hereof by the Issuer to conclusively evidence the acceptability thereof. Any material changes in the plan of financing or to any information contained in Exhibit B shall be communicated promptly to the Issuer. Copies of all documents evidencing that financing, and the security therefor, all in form reasonably acceptable to the Issuer, shall have been provided to the Issuer.

No material revision of the Plans and Specifications shall be made unless the Borrower has first delivered to the Issuer a narrative description of the proposed revision accompanied by a certificate of the Authorized Borrower Representative certifying the change in Project Costs resulting from the revision and that the moneys then on deposit in the Project Fund

together with investment earnings thereon at the rate of return stated in the certificate together with other identified available moneys will be sufficient to pay in full the Project Costs including the change in Project Costs resulting from such revision, and a certificate that such change will not change the Project Purposes to other than purposes permitted by the Act, the Code and the Regulatory Agreement.

Section 3.3. Issuance of the Bonds; Application of Proceeds. To provide funds to make the Loan for purposes of assisting in paying the Project Costs, the Issuer will issue, sell and deliver the Bonds to the Original Purchaser at a price equal to [INSERT] being par plus accrued interest. The Original Purchaser shall also pay the negative arbitrage deposit on behalf of the Borrower. The Bonds will be issued pursuant to the Indenture in the aggregate principal amount, will bear interest and will mature as set forth therein. The Borrower hereby approves the terms and conditions of the Indenture and the Bonds, and of the terms and conditions under which the Bonds will be issued, sold and delivered.

The proceeds from the sale of the Bonds shall be loaned to the Borrower and paid over to the Trustee for the benefit of the Borrower and the Holders of the Bonds and deposited as follows: (a) a sum equal to any accrued interest and negative arbitrage deposit paid by the Original Purchaser shall be deposited in the Bond Fund, and (b) the balance of the proceeds shall be deposited in the Project Fund. Pending disbursement pursuant to Section 3.4 hereof, the proceeds so deposited in the Project Fund, together with any investment earnings thereon, shall constitute a part of the Pledged Revenues assigned by the Issuer to the Trustee as security for the payment of Bond Service Charges as provided in the Indenture.

Section 3.4. Disbursements from the Project Fund. Subject to the disbursement requirements of HUD and so long as no Event of Default hereunder has occurred and is continuing for which the principal amount of the Bonds has been declared to be immediately due and payable pursuant to Section 7.2 hereof and Section 7.03 of the Indenture, disbursements from the Project Fund shall be made upon the receipt by the Trustee of (i) a written request from the Borrower, approved in writing by the Investor Limited Partner, in substantially the form of the request attached hereto as **Exhibit D** and (ii) Collateral Funds in the amount of the disbursement request. Upon receipt of the Collateral Funds, the Trustee shall transfer funds as set forth in Section 5.03 of the Indenture. Proceeds of the Bonds disbursed pursuant to the provisions of this Agreement may only be used to fund the HUD insured mortgage loan made by Senior Lender to the Borrower in the principal amount of \$[INSERT] to pay those Project Costs identified in the Sources and Uses of Funds attached hereto as **Exhibit B**, as it may be amended pursuant to the agreement of HUD, the Senior Lender and the Borrower.

The Borrower acknowledges that all Collateral Funds requested shall be wired by Merchants Bank of Indiana at the direction of the Senior Lender for the benefit of the Borrower to the Trustee and disbursed and invested and applied by the Trustee in accordance with the provisions of Section 5.03 of the Indenture; provided, however, that if an Event of Default occurs that results in an acceleration of the Bonds, any Collateral Funds to be provided after the Bonds have been paid in full shall be wired directly to the Borrower.

Any disbursement for any item that is not described in, or the cost for which item is other than as described in, the information statement filed by the Issuer in connection with the

issuance of the Bonds as required by Section 149(e) of the Code, if any, or in the Notice of Public Hearing pertaining to the Bonds, shall be accompanied by an Opinion of Bond Counsel to the effect that such disbursement will not cause the interest on the Bonds to be included in the gross income of the owners thereof for federal income tax purposes.

Any moneys in the Project Fund remaining after the Completion Date and payment, or provision for payment, in full of the Project Costs, promptly shall be paid into the Bond Fund for payment of Bond Service Charges, and the Borrower shall have no residual interest in any amounts on deposit in the Project Fund; provided, however, that if an Event of Default occurs that results in acceleration of the Bonds, Collateral Funds shall be wired directly to the Borrower.

Section 3.5. Borrower Required to Pay Costs in Event Project Fund Insufficient. If moneys in the Project Fund are not sufficient to pay all Project Costs, the Borrower, nonetheless, will complete the Project in accordance with the Plans and Specifications and shall pay all such additional Project Costs from its own funds. The Borrower shall pay all costs of issuing the Bonds in excess of the amount permitted by paragraph (h) of Section 2.2 hereof. The Borrower shall not be entitled to any reimbursement for any such additional Project Costs or payment of issuance costs from the Issuer, the Trustee or any Holder; nor shall it be entitled to any abatement, diminution or postponement of the Loan Payments.

Section 3.6. Completion Date. The Borrower shall notify the Issuer and the Trustee of the Completion Date by the delivery of a Completion Certificate signed by the Authorized Borrower Representative substantially in the form of Exhibit C attached hereto. The Completion Certificate shall be delivered as promptly as practicable after the occurrence of the events and conditions referred to in the Completion Certificate.

Section 3.7. Investment of Fund Moneys. Any moneys held as part of the Bond Fund, the Project Fund, the Assignment Fund and the Rebate Fund shall be invested or reinvested by the Trustee in Eligible Investments as provided in the Indenture. The Issuer shall not direct the Trustee to invest or reinvest in investments other than Eligible Investments, and the Borrower covenants that it will restrict that investment and reinvestment and the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time of delivery of and payment for the Bonds or subsequent intentional acts, so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code. No provision of this Agreement shall be construed to impose upon the Trustee any obligation or responsibility for compliance with arbitrage regulations except as provided for in the Indenture.

The Borrower shall provide the Issuer with, and the Issuer may base its certifications as authorized by the Bond Legislation on, a certificate of an appropriate officer, employee or agent of or consultant to the Borrower for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the Borrower on the date of delivery of and payment for the Bonds regarding the amount and use of the proceeds of the Bonds and the facts, estimates and circumstances on which those expectations are based.

Section 3.8. Rebate Fund. The Borrower agrees to make such payments to the Trustee as are required of it under Section 5.10 of the Indenture as well as to pay the expenses of



any Independent certified public accounting firm or qualified rebate analyst engaged by the Borrower in accordance with that Section, or if the Borrower fails to so engage such firm or analyst, the Trustee shall engage such firm or analyst. The obligation of the Borrower to make such payments shall remain in effect and be binding upon the Borrower notwithstanding the release and discharge of the Indenture.

Section 3.9 Remarketing of Bonds. The Authorized Borrower Representative, with the written consent of the Remarketing Agent is hereby granted the right to (a) request a remarketing of the Bonds in the manner and to the extent set forth in Section 4.01 of the Indenture and (ii) designate the length of the Remarketing Period and the related Mandatory Tender Date in the manner and to the extent set forth in Sections 4.01 and 4.03 of the Indenture.

(End of Article III)

## ARTICLE IV

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

Section 4.1. Loan Repayment; Delivery of Note. Upon the terms and conditions of this Agreement, the Issuer will make the Loan to the Borrower. In consideration of and in repayment of the Loan, the Borrower shall deliver or cause to be delivered to the Trustee on or before each Loan Payment Date, Loan Payments, equal to the amount necessary to pay interest on and principal of the Bonds due on the next Interest Payment Date. All such Loan Payments shall be paid to the Trustee in accordance with the terms of the Note for the account of the Issuer and shall be held and disbursed in accordance with the provisions of the Indenture and this Agreement.

To the extent that amounts are in the Assignment Fund and the Bond Fund for the payment of all Bond Service Charges on the Bonds, the Borrower shall be entitled to a credit against the Loan Payments required to be made with respect to the Bonds on any date equal to the amount withdrawn from the Assignment Fund for the payment of Bond Service Charges on the Bonds on that date.

To secure the Borrower's performance of its obligations under this Agreement, the Borrower shall execute and deliver, concurrently with the issuance and delivery of the Bonds, the Note and the Regulatory Agreement.

Upon payment in full, in accordance with the Indenture, of the Bond Service Charges on any or all Bonds, whether at maturity or otherwise, or upon provision for the payment thereof having been made in accordance with the provisions of the Indenture, (i) the Note shall be deemed fully paid, the obligations of the Borrower thereunder shall be terminated, and the Note shall be surrendered by the Trustee to the Borrower, and shall be canceled by the Borrower, or (ii) an appropriate notation shall be endorsed thereon evidencing the date and amount of the principal payment (or prepayment) equal to the Bonds so paid, or with respect to which provision for payment has been made, and the Note shall be surrendered by the Trustee to the Borrower for cancellation if all Bonds shall have been paid (or provision made therefor) and canceled as aforesaid. Unless the Borrower is entitled to a credit under express terms of this Agreement or the Note, all payments on the Note shall be in the full amount required thereunder.

The Borrower and the Issuer each acknowledge that neither the Borrower nor the Issuer has any interest in the Bond Fund or the Assignment Fund and any moneys deposited therein shall be in the custody of and held by the Trustee in trust for the benefit of the Holders.

Section 4.2. Additional Payments. The Borrower shall pay to the Issuer or the Trustee, as the case may be, as Additional Payments hereunder the following:

(a) To the Issuer or the Trustee, as the case may be, whether or not an Event of Default has occurred hereunder, as payment for or reimbursement or prepayment of any and all costs, expenses, and liabilities (including but not limited to attorneys' fees and expenses) (i) incurred or paid by the Issuer or the Trustee, as the case may be, in satisfaction of any obligations of the Borrower hereunder not performed by the Borrower in accordance with the

provisions hereof, or (ii) incurred as a result of a request by the Borrower or of a requirement of this Agreement or the Indenture and not otherwise required to be paid by the Borrower under this Agreement, or (iii) incurred in the defense of any action or proceeding with respect to the Project or this Agreement, or in enforcing this Agreement, or arising out of or based upon any other document related to the issuance of the Bonds; and

(b) To the applicable party, as payment for or reimbursement or prepayment of any Ordinary Services and Ordinary Expenses and Extraordinary Services and Extraordinary Expenses of the Trustee as Trustee, Registrar, Authenticating Agent and Paying Agent, and of any other paying agent, authenticating agent, and registrar on the Bonds under the Indenture, all as provided in the Indenture, as and when the same become due; provided that the Borrower may, without creating an Event of Default hereunder, contest in good faith the necessity for any Extraordinary Services and Extraordinary Expenses and the amount of any such Ordinary Services, Ordinary Expenses, Extraordinary Services or Extraordinary Expenses; provided that fees for Ordinary Services provided for by the respective letter agreements agreed to by the Borrower and the Trustee, the Registrar, and any Paying Agents and Authenticating Agents, respectively, shall be considered to be customary.

(c) To the applicable party, all Extension Payments and other sums required under Section 4.01 of the Indenture in order to revise or extend the Mandatory Tender Date or remarket the Bonds, and the Borrower further agrees to execute any and all certificates required by the Issuer, the Trustee or the Remarketing Agent in order to effectuate such revision, extension or remarketing.

Upon the payment, prepayment, or incurrence of any such cost, expense, or liability described in this Section by any such party, the Additional Payments in respect thereof shall be payable upon written demand to the Borrower, which demand shall be accompanied by invoices or other appropriate documentation concerning the nature, amount and incurrence of such cost, expense or liability. If the Additional Payments payable under this Section are not paid upon such demand, such Additional Payments shall bear interest from the date of such payment or the incurrence thereof at the Interest Rate for Advances until the amount due shall have been fully paid. The Borrower shall not make Additional Payments from any amounts on deposit in the Project Fund or the Assignment Fund except pursuant to Section 8.2 hereof or Section 5.09 of the Indenture.

Section 4.3. Place of Payments. The Borrower shall make all Loan Payments directly to the Trustee at its designated corporate trust office. Additional Payments shall be made directly to the person or entity to whom or to which they are due.

Section 4.4. Obligations Unconditional. The obligations of the Borrower to make Loan Payments, Additional Payments and any payments required of the Borrower under Sections 5.10 and 6.03 of the Indenture shall be absolute and unconditional, and the Borrower shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense (other than actual payment or performance), set-off, recoupment or counterclaim which the Borrower may have or assert against the Issuer, the Trustee or any other Person. Notwithstanding the foregoing, the Borrower may contest or dispute the amount of any such obligation arising under Section 4.2 hereof or

Section 6.03 of the Indenture so long as such dispute or contest does not result in an Event of Default under the Indenture.

Section 4.5. Assignment of Agreement and Pledged Revenues. To secure the payment of Bond Service Charges, the Issuer shall assign to the Trustee, by the Indenture, its rights under and interest in this Agreement (except for the Unassigned Issuer's Rights) and the Note. The Borrower hereby agrees and consents to those assignments. The Issuer shall not attempt to further assign, transfer or convey its interest in the Pledged Revenues or this Agreement or create any pledge or Lien of any form or nature with respect to the Pledged Revenues or Loan Payments hereunder. The Borrower herewith consents to such assignment and pledge and will make payments directly to the Trustee without defense or set-off by reason of any dispute between the Borrower and the Issuer or Trustee, and hereby agrees that its obligation to make payments hereunder and to perform its other agreements contained herein are absolute and unconditional. Until the principal of and interest on the Bonds shall have been fully paid or provision for the payment of the Bonds made in accordance with the Indenture, the Borrower (a) will not suspend or discontinue any payments provided for in this Agreement, (b) will perform all its other duties and responsibilities called for by this Agreement, and (c) will not terminate this Agreement for any cause including any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in the laws of the United States or of the State or any political subdivision of either or any failure of the Issuer to perform any of its agreements, whether express or implied, or any duty, liability or obligation arising from or connected with this Loan.

(End of Article IV)

## ARTICLE V

### ADDITIONAL AGREEMENTS AND COVENANTS

Section 5.1. Right of Inspection. At all reasonable times and upon reasonable notice, the Borrower shall allow any duly authorized representative of the Issuer or the Trustee to visit and inspect the Project, to examine and make copies of and from its books of record and account, and to discuss its affairs, finances, and accounts with its officers, and shall furnish to the Issuer and the Trustee any information reasonably required regarding its business affairs and financial condition within a reasonable time after receipt of written request therefor.

Section 5.2. Borrower to Maintain its Existence; Sales of Assets or Mergers. The Borrower shall maintain its existence, not dissolve or sell, transfer or otherwise dispose of all or substantially all of its assets and not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it; provided, that it may do so if the surviving, resulting or transferee entity is other than the Borrower, it assumes in writing all of the obligations of the Borrower under this Agreement and the Regulatory Agreement and it has a net worth equal to or greater than that of the Borrower immediately prior to such consolidation, merger, sale or transfer. The Borrower shall not permit one or more other entities to consolidate with or merge into it, without the prior written consent of the Trustee and the Issuer; or take any action or allow any action to be taken to terminate the existence of the Borrower except as provided herein.

Section 5.3. Indemnification. The Borrower releases the Issuer and the Trustee from, agrees that the Issuer and the Trustee shall not be liable for, and indemnifies, defends and holds the Issuer and the Trustee harmless against, all liabilities, claims, costs and expenses and attorneys' fees imposed upon or incurred or asserted against the Issuer or the Trustee on account of: (i) any loss or damage to property or injury to or death of or loss by any person that may be occasioned by any cause whatsoever pertaining to the acquisition, financing, rehabilitation, occupation, possession, management, equipping, furnishing, maintenance, operation and use of the Project or from any work or thing done in or about the Project site, or any sidewalks, passageways, driveways, curbs, vaults and vault space, streets or parking areas on the Project site or adjacent thereto; (ii) any breach or default on the part of the Borrower in the performance of any covenant or agreement of the Borrower under this Agreement, the Regulatory Agreement or any related document, or arising from any act or failure to act by the Borrower, or any of its agents, contractors, servants, employees or licensees; (iii) the Borrower's failure to comply with any of the covenants contained in this Agreement, including, without limitation, the covenant in Section 5.4 hereof, and in the Continuing Disclosure Agreement; (iv) any action taken or omitted to be taken by the Issuer or the Trustee at the request of or with the consent of the Borrower including, without limitation, filing any required forms with the IRS or other governmental agencies; (v) the issuance, sale or delivery of the Bonds and the Borrower's furnishing information concerning the Project, the Borrower, its financial status or other matters relating to the Borrower, including but not limited to a violation of any law, ordinance, rule, regulation or court order relating to the sale of the Bonds or the use of the Official Statement (or other disclosure document) related thereto and any statement or information concerning the Borrower, any of its officers and partners, its operations or financial condition generally or the Project, contained in the Official Statement or supplement or amendment thereto furnished to the Issuer

or the purchaser of any Bonds, that is untrue or incorrect in any material respect, and any omission from such official statement or any statement or information which should be contained therein for the purpose for which the same is to be used or which is necessary to make the statements therein concerning the Borrower, any of its officers and partners and the Project not misleading in any material respect, provided that such official statement or supplement or amendment has been approved by the Borrower; and (vi) any claim, action or proceeding brought with respect to any matter set forth in clause (i), (ii), (iii), (iv) or (v) above; provided, however, that the indemnification provided in this Section shall not apply with regard to the Trustee to any matter arising or resulting from the gross negligence or willful misconduct of the Trustee or to any information provided by the Trustee in writing for use in connection with the offering and sale of the Bonds and shall be limited to Surplus Cash (as defined in the HUD Regulatory Agreement).

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

In case any action or proceeding is brought against the Issuer or the Trustee in respect of which indemnity may be sought hereunder, the party seeking indemnity promptly shall give notice of that action or proceeding to the Borrower, and the Borrower upon receipt of that notice shall have the obligation and the right to assume the defense of the action or proceeding; provided, that failure of a party to give that notice shall not relieve the Borrower from any of its obligations under this Section unless that failure materially prejudices the defense of the action or proceeding by the Borrower. At the Borrower's expense, an indemnified party may employ separate counsel and participate in the defense if the interests of the indemnified parties are not aligned with those of the Borrower; provided, however, that the indemnified parties, as a group, may only retain one separate counsel in any action or proceeding (or series of related actions or proceedings) at the expense of the Borrower. The Borrower shall not be liable for any settlement made without its consent, which consent shall not be unreasonably conditioned, withheld or delayed. Any provision of this Agreement or any other instrument or document executed and delivered in connection therewith to the contrary notwithstanding, the Issuer retains the right to (i) enforce any applicable federal or State law or regulation, ordinance or resolution of the Issuer; and (ii) enforce any rights accorded to the Issuer by federal or State law or policy or procedure of the Issuer, and nothing in this Agreement shall be construed as an express or implied waiver thereof.

The indemnification set forth above is intended to and shall include the indemnification of all affected officials, directors, officers, agents and employees of the Issuer and the Trustee, respectively. That indemnification is intended to and shall be enforceable by the Issuer and the Trustee, respectively, to the full extent permitted by law.

Section 5.4. Borrower Not to Adversely Affect Exclusion from Gross Income of Interest on Bonds. The Borrower hereby represents that it has taken or caused to be taken, and covenants that it will take or cause to be taken, all actions that may be required of it, alone or in conjunction with the Issuer, for the interest on the Bonds to be and to remain excluded from gross income for federal income tax purposes, and represents that it has not taken or permitted to be taken on its behalf, and covenants that it will not take or permit to be taken on its behalf, any actions that would adversely affect such exclusion under the provisions of the Code.

Section 5.5. Affirmative Covenants. Unless the Trustee (and, where applicable, the Issuer) otherwise consents in writing:

(a) Maintenance of Properties. The Borrower shall maintain and preserve in good working order and condition, ordinary wear and tear excepted, all of its properties which are necessary in the proper conduct of its business, and shall from time to time make all necessary repairs, renewals, replacements, additions and improvements to said properties. All damage to apartment units shall be repaired promptly and apartment units shall be maintained so as to be available at all times for habitation.

(b) Keeping of Records and Books of Account. The Borrower shall keep adequate records and books of account in which complete entries will be made in accordance with GAAP or indicating deviations therefrom, reflecting all financial transactions.

(c) Payment of Taxes, Etc. The Borrower shall promptly pay and discharge: all taxes, assessments, fees, and other Governmental charges or levies or imposed upon it or upon any of its properties, income or profits, before the same shall become delinquent; all lawful claims of materialmen, mechanics, carriers, warehousemen, landlords and other similar Persons for labor, materials, supplies and rentals, which if unpaid might by law become a Lien upon its properties; any Indebtedness heretofore or hereafter incurred by it when due, and discharge, perform and observe covenants, provisions and conditions to be discharged, performed and observed by it in connection therewith, or in connection with any agreement or other instrument relating thereto or in connection with any Lien existing at any time upon any of its properties; provided, however, that the Borrower shall not be required to pay any of the foregoing if (i) the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings, (ii) the Borrower shall have, in the opinion of an Independent certified public accounting firm or accountant, set aside on its books adequate reserves with respect thereto and (iii) the title of the Borrower to, and its right to use, its properties is not materially and adversely affected thereby.

(d) Insurance. The Borrower shall at all times:

(i) Maintain or cause to be maintained insurance of such types and in such amounts (including without limitation, builder's risk insurance and insurance against loss by fire, hazards included within the term "extended

coverage,” and such other hazards, contingencies or casualties and liabilities on the Project, liability insurance with respect to the Project, and flood insurance on any portion of the Project which lies in a federally identified flood hazard zone) upon its property with responsible and reputable insurers with an “A.M. Best” rating of not less than A- and of such character, as are usually maintained by Persons engaged in a like business under similar circumstances, and, with respect to casualty insurance on the Project equal to the original amount of the Loan and with an insurer with an “A.M. Best” rating of not less than A- and qualified to write such insurance in the State, subject to ordinary and reasonable deductibles.

(ii) Furnish to the Trustee, upon request, certified copies of its insurance policies or certificates of insurance showing its insurance coverage.

(iii) Require each policy of insurance covering the Project to contain a provision whereby it cannot be canceled or substantially modified except after not less than 30 days’ written notice to the Trustee.

(iv) Require each policy of insurance covering the Project to include as additional insured both the Issuer and the Trustee, as their interests may appear.

(e) The Borrower hereby agrees that, in the event it fails to pay or cause to be paid taxes, assessments, fees and other Governmental charges or levies or the premium on any required insurance, the Trustee may make such payment, but is not obligated to do so, and the Trustee shall be reimbursed by the Borrower therefor with interest on the amount so advanced at the Interest Rate for Advances.

(f) Notice of Material Litigation. The Borrower shall promptly notify the Trustee and the Issuer in writing of any litigation, arbitration proceeding or administrative investigation, inquiry or other proceeding to which it may hereafter become a party or be subject to which may involve any material risk of any material judgment or liability (unless fully covered by insurance) or which may otherwise result in any material adverse change in the business or assets or in the condition, financial or otherwise, of the Borrower or which may materially impair the ability of the Borrower to perform this Agreement, the Regulatory Agreement or the Note, or any other agreement or instrument herein or therein contemplated.

(g) Notice of Default. In the event that any Event of Default occurs of which the Borrower is aware, the Borrower shall give prompt notice in writing of such happening to the Trustee and Issuer.

(h) Performance of Contracts, Etc. Except to the extent contested in good faith, the Borrower shall perform according to and shall comply with all of its contractual obligations and all requirements of law if nonperformance thereof would materially and adversely affect the business or credit of the Borrower on an individual basis or would materially impair the ability of the Borrower to perform this



Agreement, the Regulatory Agreement or the Note or any other agreement or instrument herein or therein contemplated.

(i) Notice of Other Matters. The Borrower shall promptly notify the Trustee and the Issuer in writing of any of the following events:

(1) Any material change with respect to the business, assets, liabilities, financial condition, results of operations or business prospects of the Borrower other than changes in the ordinary course of business the effects of which have not been materially adverse.

(2) A default by the Borrower in any material respect under any material agreement to which the Borrower is a party or by which the Borrower or its properties or assets may be bound, which default materially and adversely affects its ability to perform this Agreement, the Regulatory Agreement or the Note giving in each case the details thereof and specifying the action proposed to be taken with respect thereto.

(j) Cooperation in Perfecting Security Interests, Etc. The Borrower shall promptly perform, upon request of the Trustee, such acts as may be necessary or advisable to perfect and maintain any Permitted Lien provided for in this Agreement or in any agreement or document contemplated herein or therein, or otherwise to carry out the intent of this Agreement. The Borrower shall, and shall promptly execute, deliver and perform or cause to be done, executed, delivered and performed, on request of the Trustee, all such documents, instruments, agreements, things and acts, including, without limitation, financing statements, continuation statements and mortgages as may be necessary or advisable to perfect or maintain a Permitted Lien on any and all assets or rights owned by the Borrower, or any interest of the Borrower therein, and the Trustee and its officers, employees and authorized agents, or any of them, are hereby irrevocably appointed the attorneys-in-fact of the Borrower to do all acts and things which the Trustee may deem necessary or advisable to preserve, perfect and continue perfected any Permitted Lien in favor of the Trustee. The Issuer shall have no responsibility for the preparation, filing or recording of any instrument, document or financing statement or for the maintenance of any security interest intended to be perfected thereby. The Issuer will execute such instruments provided to it by the Borrower as may be reasonably necessary in connection with such filing or recording.

(k) Environmental Matters. The Borrower will take and continue to take prompt action to remedy all environmental pollution and contamination, hazardous waste disposal and other environmental cleanup problems, if any, whether or not such cleanup problems have resulted from the order or request of a municipal, state, federal, administrative or judicial authority, or otherwise.

(l) Non-discrimination. The Borrower will not and will require each contractor, subcontractor and commercial tenant of the Project to covenant that it will not discriminate by reason of race, creed, color, handicap, national origin, sexual

orientation, gender identification or sex in the employment of any Person employed by it in connection with the Project or working in or on the Project. The Borrower will require each manager of the Project to covenant that in the leasing of the Project it will not discriminate by reason of race, creed, color, handicap, national origin, sexual orientation, gender identification or sex.

Section 5.6. Negative Covenants.

(a) Limitation on Liens. The Borrower shall not create, assume, incur or permit to exist or to be created, assumed or incurred, directly or indirectly, any Lien on any of the properties or assets of the Borrower whether now owned or hereafter acquired, except Permitted Liens.

(b) Indebtedness. So long as no Event of Default or Default hereunder shall have occurred and be continuing, the Borrower shall be permitted to incur any Indebtedness for any Project Cost or other obligation or payment due under this Agreement, the Indenture or the Regulatory Agreement.

(End of Article V)

## ARTICLE VI

### PREPAYMENT, TENDER AND TERMINATION

#### Section 6.1. Borrower's Obligations Upon Tender of Bonds.

If Bonds are not remarketed on any Mandatory Tender Date and a sufficient amount is not available in the Special Funds as provided in Section 4.01 of the Indenture for the purpose of paying the redemption price of such Bond, the Borrower will cause to be paid to the Trustee by the Mandatory Tender Date, an amount equal to the amount by which the redemption price of the Bonds exceeds the amount otherwise available pursuant to the Indenture.

#### Section 6.2. Option to Terminate.

The Borrower shall have the option to cancel or terminate this Agreement at any time when (a) the Indenture shall have been released in accordance with its provisions, and (b) sufficient money or security acceptable to the Issuer and the Trustee are on deposit with the Trustee or the Issuer, or both, to meet all Loan Payments and Additional Payments due or to become due through the date on which the last of the Bonds is then scheduled to be retired or redeemed, or, with respect to Additional Payments to become due, provisions satisfactory to the Trustee and the Issuer are made for paying such amounts as they come due. Such option shall be exercised by the Authorized Borrower Representative, on behalf of the Borrower, giving the Issuer and the Trustee five days' notice in writing of such cancellation or termination and such cancellation or termination shall become effective at the end of such notice period. The provisions of this Section shall not be deemed to permit a prepayment of the Note other than in accordance with its terms.

(End of Article VI)

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES

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

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

(b) The Borrower shall fail to observe and perform any other agreement, term or condition contained in this Agreement and the continuation of such failure for a period of 30 days after written notice thereof shall have been given to the Borrower by the Issuer or the Trustee, or for such longer period as the Issuer and the Trustee may agree to in writing; provided, that if the failure is other than the payment of money and is of such nature that it can be corrected but not within the applicable period, that failure shall not constitute an Event of Default so long as the Borrower institutes curative action within the applicable period and diligently pursues that action to completion, which must be resolved within 180 days after the aforementioned notice;

(c) The Borrower shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or hereafter in effect, which is not dismissed within 90 days; (iii) commence a proceeding under any other federal or state bankruptcy, insolvency, reorganization or similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for 90 days; (iv) make an assignment for the benefit of creditors; or (v) have a receiver or trustee appointed for it or for the whole or any substantial part of its property which appointment is not vacated within a period of 90 days;

(d) Any representation or warranty made by the Borrower herein or any statement in any report, certificate, financial statement or other instrument furnished in connection with this Agreement or with the purchase of the Bonds shall at any time prove to have been false or misleading in any adverse material respect when made or given; and

(e) There shall occur an "Event of Default" as defined in the Indenture or the Regulatory Agreement.

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

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

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

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

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

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

(a) If acceleration of the principal amount of the Bonds has been declared pursuant to Section 7.03 of the Indenture, the Trustee shall declare all Loan Payments to be immediately due and payable together with any other amounts payable by the Borrower under this Agreement and the Note whereupon the same shall become immediately due and payable;

(b) The Trustee may exercise any or all or any combination of the remedies specified in this Agreement;

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

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

Notwithstanding the foregoing, the Issuer shall not be obligated to take any step which in its opinion will or might cause it to expend time or money or otherwise incur liability unless and until a satisfactory indemnity bond has been furnished to the Issuer at no cost or expense to the Issuer. Any amounts collected as Loan Payments or applicable to Loan Payments and any other amounts which would be applicable to payment of Bond Service Charges collected pursuant to

action taken under this Section shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture or, if the Outstanding Bonds have been paid and discharged in accordance with the provisions of the Indenture, shall be paid as provided in Section 5.09 of the Indenture for transfers of remaining amounts in the Bond Fund.

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

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

Section 7.4. Agreement to Pay Attorneys' Fees and Expenses. If an Event of Default should occur and the Issuer or the Trustee should incur expenses, including attorneys' fees, in connection with the enforcement of this Agreement, the Continuing Disclosure Agreement, dated as of July 1, 2017, executed by the Borrower in favor of the Trustee and The Huntington National Bank as dissemination Agent, the Regulatory Agreement or the Note or the collection of sums due thereunder, the Borrower shall reimburse the Issuer and the Trustee, as applicable, for the expenses so incurred upon demand.

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

Section 7.6. Notice of Default. The Borrower shall notify the Trustee promptly if it becomes aware of the occurrence of any Event of Default hereunder or of any fact, condition or event which, with the giving of notice or passage of time or both, would become an Event of Default.

Section 7.7 Investor Limited Partner's Cure Rights. The Issuer hereby agrees that any cure of any Event of Default hereunder made or tendered by the Investor Limited Partner shall be deemed to be a cure by the Borrower, and shall be accepted or rejected by the Issuer on the same basis as if made or tendered by the Borrower.

(End of Article VII)

ARTICLE VIII  
MISCELLANEOUS

Section 8.1. Term of Agreement. This Agreement shall be and remain in full force and effect from the date of delivery of the Bonds to the Original Purchaser until such time as all of the Bonds shall have been fully paid (or provision made for such payment) pursuant to the Indenture and all other sums payable by the Borrower under this Agreement and the Note shall have been paid, except for obligations of the Borrower under Sections 3.8, 4.2 and 5.3 hereof, which shall survive any termination of this Agreement.

Section 8.2. Amounts Remaining in Funds. Any amounts in the Bond Fund remaining unclaimed by the Holders of Bonds for four years after the due date thereof (whether at stated maturity or otherwise), at the option of the Borrower, shall be deemed to belong to and shall be paid, at the written request of the Borrower, to the Borrower by the Trustee as overpayment of Loan Payments. With respect to that principal of and interest on the Bonds to be paid from moneys paid to the Borrower pursuant to the preceding sentence, the Holders of the Bonds entitled to those moneys shall look solely to the Borrower for the payment of those moneys. Further, any amounts remaining in the Project Fund and any other Special Funds or accounts created under this Agreement, the Regulatory Agreement or the Indenture after all of the Outstanding Bonds shall be deemed to have been paid and discharged under the provisions of the Indenture and all other amounts required to be paid under this Agreement, the Note, the Regulatory Agreement and the Indenture have been paid, shall be transferred to the Residual Fund and applied in accordance with the provisions of the Indenture.

Section 8.3. Notices. All notices, certificates, requests or other communications hereunder shall be in writing and shall be deemed to be sufficiently given when three business days after being mailed by registered or certified mail, postage prepaid, or forwarded by same day or overnight courier service, delivery charges prepaid, and addressed to the appropriate Notice Address. Any notice given pursuant to Article V or Article VII shall be simultaneously given to the Rating Agency. A duplicate copy of each notice, certificate, request or other communication given hereunder to the Issuer, the Borrower or the Trustee shall also be given to the others. The Borrower, the Issuer, and the Trustee, by notice given hereunder, may designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 8.4. Extent of Covenants of the Issuer; No Personal Liability. All covenants, obligations and agreements of the Issuer contained in this Agreement and the Indenture shall be effective to the extent authorized and permitted by applicable law. No such covenant, obligation or agreement shall be deemed to be a covenant, obligation or agreement of any present or future member, officer, agent or employee of the Issuer or its Economic Development Commission in other than his official capacity, and no official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof or by reason of the covenants, obligations or agreements of the Issuer contained in this Agreement or in the Indenture.



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

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

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

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

Section 8.9. Governing Law. This Agreement shall be deemed to be a contract made under the laws of the State and for all purposes shall be governed by and construed in accordance with the internal laws of the State applicable to contracts to be wholly performed therein without reference to its conflict of laws principles.

Section 8.10. Non-Recourse Obligations. It is hereby expressly agreed and understood that the obligations of Borrower hereunder, under the Note and under every document executed and delivered in connection herewith, are non-recourse to any partner or employee of the Borrower (each, a "*Related Party*") or except with respect to the Borrower's obligations under Section 5.3 hereof, to any asset of the Borrower or any Related Party other than the Pledged Revenues. In furtherance thereof but subordinate to the rights of the Senior Lender in the same, the Issuer and the Trustee shall be entitled to look solely and exclusively to the Pledged Revenues for the payment and other obligations of Borrower hereunder, under the Note and all evidences of indebtedness secured hereby, and shall not seek a personal judgment against any partner, officer, director, member or stockholder of the Borrower, provided that nothing herein shall relieve any such Related Party from liability for any of the following:

- (a) rent collected for more than one month in advance and received by such Related Party and not applied to the payment of costs and expenses of the operation of the Project;
- (b) misappropriation or misapplication by such Related Party of insurance or eminent domain proceeds;
- (c) fraud or material misrepresentation by such Related Party against the Issuer or the Holder;
- (d) conversion by such Related Party of all or a material portion of the Project; or
- (e) gross negligence, willful misconduct or intentional torts by such Related Party relating to the Project or the revenues therefrom.

Section 8.11. Conflict With HUD-Insured Loan and HUD Regulations; Supremacy of Senior Lender Mortgage and HUD Regulatory Agreement. Notwithstanding anything in this Agreement to the contrary:

(a) The provisions hereof (other than any provisions relating to the limited liability, Additional Payments, or indemnification, of the Issuer) are subordinate and subject to the National Housing Act of 1934, as amended, HUD and GNMA regulations, related administrative requirements, and the Senior Lender Mortgage, Mortgage Note, the HUD Regulatory Agreement and other loan documents executed in connection with the HUD-Insured Loan (as defined below) (the "HUD Loan Documents"). In the event of any conflict between the provisions of this Agreement (other than provisions relating to the limited liability, or indemnification, of the Issuer) and the provisions of any applicable HUD regulations, related administrative requirements, or the HUD Loan Documents, the HUD regulations, related administrative requirements or HUD Loan Documents shall control. Any ambiguity or inconsistency will be resolved in favor of, and pursuant to, the HUD mortgage insurance requirements, HUD and GNMA statutory, regulatory and administrative requirements and the terms of the HUD Loan Documents.

(b) Enforcement of this Agreement will not result in any claim against the Project, the undisbursed proceeds of the Senior Lender's loan (the "HUD-Insured Loan"), any reserve or deposit required by HUD in connection with the HUD-Insured Loan or the rents or income from the Project (other than available Surplus Cash, as such term is defined in the HUD Regulatory Agreement or as otherwise permitted by HUD).

(c) The Borrower shall not be deemed to be in violation of this Agreement if it shall take (or refrain from taking) any actions required (or prohibited) by HUD

pursuant to the National Housing Act of 1934, as amended, applicable HUD (and Section 8, if applicable) Regulations and related administrative requirements or the HUD Loan Documents.

(d) Any Project funds held by the Senior Lender for or on behalf of the Borrower shall be maintained separate and apart from the funds established and held by the Trustee and the various escrows and funds, if any, under the Indenture.

(e) No amendment to this Agreement shall conflict with the provisions of the National Housing Act, any applicable HUD regulations, related administrative requirements, the HUD Loan Documents, or any applicable GNMA regulations and related administrative requirements.

(f) This Agreement shall not be construed to restrict or adversely affect the duties and obligations of the Senior Lender under the contract of mortgage insurance between HUD and the Senior Lender with respect to the Project.

(g) Neither the Issuer, the Trustee nor any Holder has or shall be entitled to assert any claim against the Project, the undisbursed HUD-Insured Loan proceeds, any reserves or deposits required by HUD in connection with the HUD-Insured Loan or the rents or deposits or other income of the property other than "Surplus Cash" as defined in the HUD Regulatory Agreement.

(h) Nothing herein is intended to alter or conflict with the terms, conditions, and provisions of the HUD regulations, handbooks, administrative requirements, and lender notices in effect at the time of HUD's endorsement of the Mortgage Note, or the documents required to be executed by the Borrower in connection with the endorsement of the Mortgage Note; and to the extent that they do so, the HUD regulations, administrative requirements, handbooks, lender notices and documents shall control and this Agreement shall be amended or deemed amended so as not to alter or conflict with the aforesaid regulations, documents, administrative requirements, handbooks or notices. This provision shall terminate and be void upon termination of HUD-Insured Loan.

(End of Article VIII)

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

**CITY OF FORT WAYNE, INDIANA**

(SEAL)

By: \_\_\_\_\_  
Thomas C. Henry, Mayor

ATTEST:

\_\_\_\_\_  
Lana R. Keesling, City Clerk

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

**GLICK CAMBRIDGE SQUARE  
FORT WAYNE II, LP,**  
an Indiana limited partnership

By: **GLICK CAMBRIDGE SQUARE  
FORT WAYNE II LIHTC, LLC,**  
an Indiana limited liability company,  
its General Partner

By: **GENE B. GLICK COMPANY,**  
an Indiana corporation,  
its Sole Member

By: \_\_\_\_\_  
[INSERT],  
[INSERT TITLE]

## EXHIBIT A

### FORM OF NOTE

*This Note has not been registered under the Securities Act of 1933. Its transferability is restricted by the Trust Indenture and the Loan Agreement referred to herein.*

\$8,200,000.00

July \_\_, 2017

Glick Cambridge Square Fort Wayne II, LP, a limited partnership duly organized and validly existing under the laws of the State of Indiana (the "*Borrower*"), for value received, promises to pay in installments to The Huntington National Bank, as Trustee (the "*Trustee*") under the Indenture hereinafter referred to, the principal sum of

EIGHT MILLION TWO HUNDRED THOUSAND DOLLARS AND 00/100 (\$8,200,000.00)

and to pay interest on the unpaid balance of such principal sum from and after the date hereof at the rate of [INSERT]% per annum through and including the initial Mandatory Tender Date (as defined in the Indenture described below), and thereafter at the applicable Remarketing Rate (as defined in the Indenture) until the payment of such principal sum has been made or provided for. The principal sum stated above shall be paid on or before the fifth Business Day (as defined in the Indenture defined herein) immediately preceding May 1, 2019. Interest shall be calculated on the basis of a 360-day year of 12 equal months. Interest on this Note shall be paid in Federal Reserve funds on (a) the fifth Business Day next preceding May 1 and November 1, commencing November 1, 2018, (b) each Mandatory Tender Date, (c) the Maturity Date, and (d) the date of acceleration of the Bonds (the "*Interest Payment Dates*").

This Note has been executed and delivered by the Borrower to the Trustee pursuant to a certain Loan Agreement (the "*Agreement*") dated as of July 1, 2017, between the City of Fort Wayne, Indiana (the "*Issuer*") and the Borrower. Terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement and the Indenture, as defined below.

Under the Agreement, the Issuer has loaned the Borrower \$8,200,000 of the principal proceeds received from the sale of the Issuer's \$8,200,000 Multifamily Housing Revenue Bonds, Series 2017 (Cambridge Square Project) dated as of July 1, 2017 (the "*Bonds*") to assist in the financing of the Project (as defined in the Agreement), and the Borrower has agreed to repay such loan by making payments ("*Loan Payments*") at the times and in the amounts set forth in this Note for application to the payment of Bond Service Charges on the Bonds as and when due. The Bonds have been issued, concurrently with the execution and delivery of this Note, pursuant to, and are secured by, the Trust Indenture (the "*Indenture*"), dated as of July 1, 2017, between the Issuer and the Trustee.

To provide funds to pay the principal of and interest on the Bonds as and when due as specified herein, the Borrower hereby agrees to and shall make Loan Payments in Federal Reserve funds on the 5th Business Day immediately preceding each Interest Payment Date in an amount equal to the Bond Service Charges on the Bonds payable on the next succeeding Interest Payment Date. In addition, to provide funds to pay the Bond Service Charges on the Bonds as and when due at any other time, without duplication of the obligation stated above, the Borrower

hereby agrees to and shall make Loan Payments in Federal Reserve funds on the fifth Business Day immediately preceding any other date on which any Bond Service Charges on the Bonds shall be due and payable, whether at maturity, upon acceleration or otherwise, in an amount equal to those Bond Service Charges.

If payment or provision for payment in accordance with the Indenture is made in respect of the Bond Service Charges on the Bonds from moneys other than Loan Payments, this Note shall be deemed paid to the extent such payments or provision for payment of Bonds has been made. Consistent with the provisions of the immediately preceding sentence, the Borrower shall have credited against its obligation to make Loan Payments any amounts transferred from the Project Fund or the Assignment Fund to the Bond Fund. Subject to the foregoing, all Loan Payments shall be in the full amount required hereunder.

All Loan Payments shall be made to the Trustee at its corporate trust office for the account of the Issuer and deposited in the Bond Fund created by the Indenture. Except as otherwise provided in the Indenture, the Loan Payments shall be used by the Trustee to pay the Bond Service Charges on the Bonds as and when due.

The obligation of the Borrower to make the payments required hereunder shall be absolute and unconditional and the Borrower shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense (other than actual payment or performance), set-off, recoupment or counterclaim which the Borrower may have or assert against the Issuer, the Trustee or any other person. The Borrower hereby waives the right to presentment, demand, protest, and notice of demand and protest.

This Note is subject to prepayment in accordance with the terms and provisions of Section 6.1 of the Loan Agreement.

Whenever an Event of Default under Section 7.01 of the Indenture shall have occurred and, as a result thereof, the principal of and any premium on all Bonds then outstanding, and interest accrued thereon, shall have been declared to be immediately due and payable pursuant to Section 7.03 of the Indenture, the unpaid principal amount of and any premium and accrued interest on this Note shall also be due and payable in Federal Reserve funds on the date on which the principal of and premium and interest on the Bonds shall have been declared due and payable; provided that the annulment of a declaration of acceleration with respect to the Bonds shall also constitute an annulment of any corresponding declaration with respect to this Note.

The payment obligations of this Note are non-recourse to the Borrower and its partners to the extent set forth in Section 8.10 of the Loan Agreement.

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed in its name as of the date first above written.

**GLICK CAMBRIDGE SQUARE  
FORT WAYNE II, LP,**  
an Indiana limited partnership

By: **GLICK CAMBRIDGE SQUARE  
FORT WAYNE II LIHTC, LLC,**  
an Indiana limited liability company,  
its General Partner

By: **GENE B. GLICK COMPANY,**  
an Indiana corporation,  
its Sole Member

By: \_\_\_\_\_  
[INSERT],  
[INSERT TITLE]



# **EXHIBIT B** **SOURCES AND USES OF FUNDS**

## **Source of Funds:**

|                          |                     |
|--------------------------|---------------------|
| Bond Proceeds            | \$8,200,000         |
| FHA Mortgage Loan        | \$11,058,000        |
| LIHTC Equity             | \$4,101,968         |
| GP Capital contribution  | \$100               |
| Deferred Development Fee | \$993,072           |
| Completion Escrow LOC    | \$564,774           |
| Total Source of Funds    | <u>\$24,917,914</u> |

## **Use of Funds:**

|                                        |                     |
|----------------------------------------|---------------------|
| Payoff of Short Term Bonds             | \$ 8,200,000        |
| Land Acquisition Cost                  | \$1,300,000         |
| Building Acquisition Cost              | \$5,530,000         |
| Hard Construction costs                | \$5,727,705         |
| Repair Completion Escrow – LOC only    | \$564,774           |
| Third Party/Architect/engineer/other   | \$56,000            |
| Soft costs, legal, lender, bonds       | \$219,580           |
| Bond Interest Costs                    | \$50,000            |
| Bridge Loan Interest and Fees          | \$150,000           |
| Financing Fees and Costs               | \$282,182           |
| IHCDA Reservation Fees                 | \$30,973            |
| LIHTC equity syndicator & issuer costs | \$50,000            |
| Developer's Fee                        | \$1,987,500         |
| Development Consultant                 | \$35,000            |
| Reserves                               | \$734,200           |
| Total Use of Funds                     | <u>\$24,917,914</u> |

## **Hard Construction Draw Schedule**

| <u>Month</u> | <u>Amount</u> |
|--------------|---------------|
| Closing      | \$ -          |
| 1            |               |
| 2            |               |
| 3            |               |
| 4            |               |
| 5            |               |
| 6            |               |
| 7            |               |
| 8            |               |
| 9            |               |
| 10           |               |
| 11           |               |
| Total        | <u>\$</u>     |

## EXHIBIT C

### COMPLETION CERTIFICATE

To:

The Huntington National Bank

City of Fort Wayne, Indiana

Pursuant to Section 3.6 of the Loan Agreement (the "Agreement") between the City of Fort Wayne, Indiana (the "Issuer") and Glick Cambridge Square Fort Wayne II, LP (the "Borrower"), dated as of July 1, 2017, and relating to the captioned Bonds, the undersigned Authorized Borrower Representative hereby certifies that (with capitalized words and terms used and not defined in this Certificate having the meanings assigned in the Agreement):

(a) The Project was substantially completed and available and suitable for use as multifamily housing on \_\_\_\_\_.

(b) All other facilities necessary in connection with the Project have been acquired, constructed, equipped and improved,

(c) The acquisition, construction, renovation, equipping and improvement of the Project and those other facilities have been accomplished in such a manner as to conform in all material respects with all applicable zoning, planning, building, environmental and other similar governmental regulations.

(d) [Except as provided in subsection (e) of this Certificate,] all costs of that acquisition and installation due on or after the date of this Certificate and now payable have been paid.

[(e) The Trustee shall retain \$\_\_\_\_\_ in the Project Fund for the payment of costs of the Project not yet due or for liabilities which the Borrower is contesting or which otherwise should be retained, for the following reasons:]

(f) This Certificate is given without prejudice to any rights against third parties that now exist or subsequently may come into being.

IN WITNESS WHEREOF, the Authorized Borrower Representative has set his or her hand as of the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
Authorized Borrower Representative

**EXHIBIT D**

**FORM OF WRITTEN REQUEST**

STATEMENT NO. \_\_\_\_\_ REQUESTING DISBURSEMENT OF FUNDS FROM  
THE DISBURSEMENT ACCOUNT OF THE PROJECT FUND PURSUANT TO  
SECTION 3.4 OF THE LOAN AGREEMENT DATED AS OF JULY 1, 2017  
BETWEEN THE CITY OF FORT WAYNE, INDIANA  
AND GLICK CAMBRIDGE SQUARE FORT WAYNE II, LP

Pursuant to Section 3.4 of the Loan Agreement (the "*Agreement*") between the City of Fort Wayne, Indiana (the "*Issuer*") and Glick Cambridge Square Fort Wayne II, LP (the "*Borrower*") dated as of July 1, 2017, the undersigned Authorized Borrower Representative hereby requests and authorizes The Huntington National Bank as trustee (the "*Trustee*"), as depository of the Project Fund created by the Indenture, to advance the monies deposited in the Project Account created by the Indenture to the Senior Lender to fund the HUD insured loan.

This statement constitutes the approval of the Borrower of each disbursement hereby requested and authorized.

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

\_\_\_\_\_  
Authorized Borrower Representative

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Investor Limited Partner

ATTACHMENT 1

HUD DISBURSEMENT REQUEST  
TO THE SENIOR LENDER

# PRELIMINARY OFFICIAL STATEMENT DATED JUNE \_\_, 2017

New Issue

Moody's: " " (See "RATING" herein)

*In the opinion of Krieg DeVault LLP, Indianapolis, Indiana, Bond Counsel, under existing federal statutes, decisions, regulations and rulings existing on this date, interest on the Bonds (as herein defined) is excludable for federal income tax purposes from gross income under Section 103 of the Internal Revenue Code of 1986, as amended, (the "Code") except for interest on any Bond for any period during which such Bond is held by a person who is a "substantial user" of the Project (as hereinafter defined) or a "related person" within the meaning of Section 147(a) of the Code, and except as set forth under the heading "TAX MATTERS" herein. Further, under existing law, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and is not taken into account in determining adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations. Such opinion is conditioned on continuing compliance with the Tax Covenants (as herein defined). In the opinion of Krieg DeVault LLP, under existing laws, statutes, decisions, regulations and rulings, interest on the Bonds is exempt from income taxation in the State of Indiana. See "TAX MATTERS" and Appendix A herein.*

## **\$8,200,000\*** **CITY OF FORT WAYNE, INDIANA** **MULTIFAMILY HOUSING REVENUE BONDS, SERIES 2017** **(CAMBRIDGE SQUARE PROJECT)**

Dated as of July 1, 2017

CUSIP®(n):

Due May 1, 2019\*

Initial Interest Rate: %

Offering Price:

Initial Mandatory Tender Date: November 1, 2018\*

The City of Fort Wayne, Indiana (the "Issuer") is issuing its \$8,200,000 Multifamily Housing Revenue Bonds (Cambridge Square Project) Series 2017, (the "Bonds"). The Bonds are issuable only as fully registered bonds without coupons in the denomination of \$5,000 principal amount or any greater integral multiple of \$5,000. Interest on the Bonds will be payable on each May 1 and November 1, commencing November 1, 2017\*. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. Bonds will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York. Principal of and interest on the Bonds is payable by The Huntington National Bank, as trustee (the "Trustee"), to Cede & Co., which is to remit such payments to the Direct Participants (as defined herein) for subsequent disbursement to the purchasers of the Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Bonds are being issued by the Issuer, pursuant to a Trust Indenture (the "Indenture"), dated as of July 1, 2017, by and between the Issuer and the Trustee, to provide financing to Glick Cambridge Square Fort Wayne II, LP, an Indiana limited partnership (the "Owner"), for acquiring, rehabilitating, constructing, equipping and improving privately owned real and personal property of a multifamily housing complex currently known as the Cambridge Square, located at 7600 Cold Springs Boulevard, Fort Wayne, IN, and containing approximately 200 affordable living units and certain functionally-related improvements, or any other use that may be permitted under the Act (the "Project"). At all times the Bonds will be secured by Available Money (as defined herein) sufficient, without need for reinvestment, to pay all of the interest on the Bonds when due and to pay the principal of the Bonds on the earlier of any Mandatory Tender Date or any Redemption Date, as further described herein. Available Money will be invested in Eligible Investments under the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

The Bonds are subject to mandatory tender for purchase on November 1, 2018 (the "Initial Mandatory Tender Date"), subject to satisfaction of the applicable terms and conditions of remarketing set forth in the Indenture, or mandatory redemption, if the conditions to remarketing the Bonds are not met on or before the Initial Mandatory Tender Date. All Bondholders must tender their Bonds for purchase on the Initial Mandatory Tender Date. The Bonds may be remarketed and a new interest rate for the Bonds may be determined on the Initial Mandatory Tender Date in accordance with the terms of the Indenture, or the Bonds may be redeemed and cancelled on the Initial Mandatory Tender Date. If the Bonds are remarketed on the Initial Mandatory Tender Date, the terms of the Bonds after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Bonds on and after the Initial Mandatory Tender Date cannot rely on this Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing.

THE BONDS ARE NOT A GENERAL OBLIGATION, DEBT OR BONDED INDEBTEDNESS OF THE ISSUER, OR A PLEDGE OF THE MONEYS, FAITH AND CREDIT OF THE ISSUER, AND THE HOLDERS OF THE BONDS HAVE NOT BEEN GIVEN AND DO NOT HAVE ANY RIGHT TO HAVE EXCISES OR TAXES LEVIED BY THE ISSUER FOR THE PAYMENT OF BOND SERVICE CHARGES THEREON.

*The Bonds are offered when, as and if issued and received by the Underwriter, subject to the legal opinion of Krieg DeVault LLP, Indianapolis, Indiana, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Squire Patton Boggs (US) LLP, Cleveland, Ohio, and for the Owner by its counsel, Kuhl & Grant LLP, Indianapolis, Indiana. It is expected that the Bonds will be available for delivery to The Depository Trust Company in New York, New York, on or about July \_\_, 2017.*

## **THE STURGES COMPANY**

July \_\_, 2017

(a) Copyright © 2017, CUSIP Global Services (see Regarding This Official Statement).

\* Preliminary, subject to change.

## **REGARDING THIS OFFICIAL STATEMENT**

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds identified on the cover hereof. No person has been authorized to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. The information and expression of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor the sale of any of the Bonds shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof.

Information herein has been obtained from the Issuer (only as to the Sections labeled "THE ISSUER" and "ABSENCE OF LITIGATION" as it relates to the Issuer) and the Borrower and other sources believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter.

The Issuer has not confirmed, and assumes no responsibility for, the accuracy, completeness, sufficiency or fairness of any statements in this Official Statement or any amendments thereof or supplements thereto, other than in the Sections labeled "THE ISSUER" and "ABSENCE OF LITIGATION" as it relates to the Issuer, or in any reports, financial information, offering or disclosure documents or other information relating to the Underwriter, the Project, the Owner, or the history, businesses, properties, organization, management, financial condition, market area or any other matter relating to the Owner or contained otherwise in this Official Statement.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Upon issuance, the Bonds will not be registered by the Issuer under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or, other than the Issuer (to the extent described herein) approved the Bonds for sale.

CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by Standard & Poor's. CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. CUSIP numbers have been assigned by an independent company not affiliated with the Issuer or the Owner and are included solely for the convenience of the holders of the Bonds. The Issuer, the Bond Counsel and the Underwriter are not responsible for the selection or use of these CUSIP numbers and make no representation as to their correctness on the Bonds or the Cover of this Official Statement or as indicated above.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT TEND TO STABILIZE OR MAINTAIN THE MARKET PRICE FOR THE BONDS ABOVE THE LEVELS THAT WOULD OTHERWISE PREVAIL. SUCH ACTIVITIES, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

## TABLE OF CONTENTS

|                                                    | <u>Page</u> |
|----------------------------------------------------|-------------|
| Introduction.....                                  | 1           |
| The Issuer.....                                    | 2           |
| The Bonds.....                                     | 2           |
| Security and Sources of Payment for the Bonds..... | 5           |
| The Project.....                                   | 6           |
| The Owner.....                                     | 6           |
| The Trustee.....                                   | 7           |
| Estimated Sources and Uses of Funds.....           | 7           |
| Certain Bondholders' Risks.....                    | 8           |
| The Indenture.....                                 | 10          |
| The Loan Agreement.....                            | 23          |
| Tax Matters.....                                   | 29          |
| Underwriting.....                                  | 30          |
| Rating.....                                        | 31          |
| Certain Legal Matters.....                         | 31          |
| Absence of Litigation.....                         | 31          |
| Continuing Disclosure.....                         | 31          |
| Miscellaneous.....                                 | 32          |

Appendix A - Form of Opinion of Bond Counsel

Appendix B - Book-Entry Only System

Appendix C - Form of Continuing Disclosure Agreement

**\$8,200,000\***  
**CITY OF FORT WAYNE, INDIANA**  
**MULTIFAMILY HOUSING REVENUE BONDS, SERIES 2017**  
**(CAMBRIDGE SQUARE PROJECT)**

**INTRODUCTION**

This Official Statement sets forth certain information concerning the issuance and sale by the City of Fort Wayne, Indiana (the “*Issuer*”), a municipal corporation organized and validly existing under the laws of the State of Indiana (the “*State*”), of \$8,200,000\* aggregate principal amount of Multifamily Housing Revenue Bonds, Series 2017 (Cambridge Square Project) (the “*Bonds*”). The Bonds will be issued pursuant to Indiana Code Title 36, Article 7, Chapters 11.9 and 12, as amended (collectively, the “*Act*”), and a resolution of the Issuer (the “*Bond Resolution*”) and secured by a Trust Indenture, dated as of July 1, 2017 (the “*Indenture*”), between the Issuer and The Huntington National Bank, as trustee (in such capacity, the “*Trustee*”). The Bonds are being issued to make a loan (the “*Loan*”) to Glick Cambridge Square Fort Wayne II, LP, an Indiana limited partnership (the “*Owner*”) for acquiring, rehabilitating, constructing, equipping and improving privately owned real and personal property of a multifamily housing complex currently known as the Cambridge Square, located at 7600 Cold Springs Boulevard, Fort Wayne, IN, and containing approximately 200 affordable living units and certain functionally-related improvements, or any other use that may be permitted under the Act (the “*Project*”). The terms of the financing are to be as set forth in the Loan Agreement dated as of July 1, 2017 (the “*Loan Agreement*”). The obligation of the Owner to repay the Loan pursuant to the Loan Agreement will be evidenced by a promissory note (the “*Note*”).

Under the terms of the Indenture, an amount equal to the par amount of the Bonds is to be deposited in the Project Fund and amounts received as accrued interest plus the negative arbitrage deposit are to be deposited in the Interest Payment Account of the Bond Fund established under the Indenture, and invested in Eligible Investments, as defined in the Indenture. See “THE INDENTURE—Investment of Funds” herein.

The principal of and interest on the Bonds are payable from the security pledged under the Indenture, including the payments on the investment of funds under the Indenture. Under the Indenture, the Trustee is to invest amounts held under the Indenture in Eligible Investments (as defined below). See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” and “THE INDENTURE—Investment of Funds” herein.

The Owner’s operation the Project will be subject to the terms of a Regulatory Agreement and Declaration of Restrictive Covenants, dated as of July 1, 2017 (the “*Regulatory Agreement*”), among the Owner, the Trustee and the Issuer, which contains covenants required to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes. The Regulatory Agreement will require that for the Qualified Project Period (as defined therein), 40% of the dwelling units in the Project be occupied by families or individuals of low or moderate income, defined as families or individuals whose income does not exceed 60% (adjusted for family size) of the median gross income for the area in which the Project is located.

Brief descriptions of the Issuer, the Bonds, the security for the Bonds, the Owner, the Project, the Indenture and the Loan Agreement, are included in this Official Statement. All references herein to the Indenture, the Loan Agreement and other documents and agreements are qualified in their entirety by

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\* Preliminary, subject to change.



reference to such documents and agreements, copies of which are available for inspection at the offices of the Trustee.

### **THE ISSUER**

The Issuer is a municipal corporation organized and validly existing under the laws of the State. The Issuer is empowered to issue its bonds to provide funds to finance multifamily housing developments, as described in the Act. The Issuer adopted a resolution authorizing the issuance of the Bonds (the "*Bond Resolution*"). The responsibility for the operation of the Project will rest entirely with the Owner and not with the Issuer.

The Issuer acts as a conduit issuer and also issues obligations for its own purposes. Each bond issue or note issue the Issuer issues as a conduit issuer is an independent and separate obligation of the Issuer secured solely by the amounts pledged under the related trust indenture.

THE BONDS ARE NOT A GENERAL OBLIGATION, DEBT OR BONDED INDEBTEDNESS OF THE ISSUER, OR A PLEDGE OF THE MONEYS, FAITH AND CREDIT OF THE ISSUER, AND THE HOLDERS OF THE BONDS HAVE NOT BEEN GIVEN AND DO NOT HAVE ANY RIGHT TO HAVE EXCISES OR TAXES LEVIED BY THE ISSUER FOR THE PAYMENT OF BOND SERVICE CHARGES THEREON.

No agreement or obligation contained in the Indenture shall be deemed to be an agreement or obligation of any officer, employee, servant or agent of the Issuer in his or her individual capacity, and neither the directors of the Issuer nor any officer thereof executing any Bond shall be liable personally on such Bond or be subject to any personal liability or accountability by reason of the issuance thereof. No member, officer, employee, commissioner, servant or agent of the Issuer shall incur any personal liability with respect to any other action taken by him or her pursuant to the Indenture.

EXCEPT FOR INFORMATION CONCERNING THE ISSUER IN THIS SECTION AND "ABSENCE OF LITIGATION" (WITH RESPECT TO THE ISSUER), NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN SUPPLIED OR VERIFIED BY THE ISSUER, AND THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

### **THE BONDS**

The Bonds are available in book-entry only form. See "APPENDIX B - BOOK-ENTRY ONLY SYSTEM". So long as Cede & Co., as nominee of The Depository Trust Company, is the registered owner of the Bonds, references herein to the Bondholders or holders or registered owner or owners of the Bonds mean Cede & Co. and not the beneficial owners of the Bonds.

#### **General**

The Bonds are issuable in the denomination of \$5,000 principal amount or any greater integral multiple thereof. The Bonds will be dated as of July 1, 2017, will initially bear interest at the rate set forth on the cover page hereof until November 1, 2018 (the "*Initial Mandatory Tender Date*") and will mature on May 1, 2019\*, and are subject to mandatory tender for purchase or mandatory redemption on the Initial Mandatory Tender Date. Interest will be payable on each May 1 and November 1, commencing November 1, 2017\* (each, an "*Interest Payment Date*"), each mandatory tender date (each,

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\* Preliminary, subject to change.

together with the Initial Mandatory Tender Date, a "*Mandatory Tender Date*") after the Initial Mandatory Tender Date, and the Maturity Date in accordance with the provisions of the Indenture. Interest will be calculated and be due on the basis of a 360-day year consisting of twelve 30-day months. Principal of and interest on the Bonds will be payable by the Trustee to Cede & Co. as nominee of DTC. See "APPENDIX B - BOOK-ENTRY ONLY SYSTEM".

### **Special Obligations**

The Bonds are special, limited obligations of the Issuer payable solely from the Trust Estate (as defined herein) pledged under the Indenture and not from any other revenues, funds or assets of the Issuer. The Bonds are not general obligations, debt or bonded indebtedness of the Issuer or of the State or any political subdivision thereof, and the holder thereof does not have the right to have excises or taxes levied by the Issuer or by the State or any political subdivision thereof for the payment of the principal and premium, if any, and interest on the Bonds.

### **Mandatory Tender**

Purchase of Bonds on Mandatory Tender Dates. All Outstanding Bonds shall be subject to Mandatory Tender by the Holders for purchase in whole and not in part on each Mandatory Tender Date. The purchase price for each such Bond shall be payable in lawful money of the United States of America by wire, check or draft, shall equal 100% of the principal amount to be purchased and accrued interest, if any, to the Mandatory Tender Date, and shall be paid in full on the applicable Mandatory Tender Date.

Holding of Tendered Bonds. While tendered Bonds are in the custody of the Trustee pending purchase pursuant to the Indenture, the tendering Holders thereof shall be deemed the owners thereof for all purposes, and interest accruing on tendered Bonds through the day preceding the applicable Mandatory Tender Date is to be paid as if such Bonds had not been tendered for purchase.

Purchase of Tendered Bonds. The Trustee shall utilize amounts representing proceeds of remarketed Bonds on deposit in the Remarketing Proceeds Account to pay the principal amount, plus accrued interest, of Bonds tendered for purchase not later than 11:30 a.m. Local Time on the Mandatory Tender Date.

Undelivered Bonds. Bonds shall be deemed to have been tendered for purposes of the Indenture whether or not the Holders shall have delivered such Undelivered Bonds to the Trustee, and subject to the right of the Holders of such Undelivered Bonds to receive the purchase price of such Bonds on the Mandatory Tender Date, such Undelivered Bonds shall be null and void. If such Undelivered Bonds are to be remarketed, the Trustee shall authenticate and deliver new Bonds in replacement thereof pursuant to the remarketing of such Undelivered Bonds.

### **Notice of Mandatory Tender**

Notice to Holders. Not later than the 30<sup>th</sup> day prior to a Mandatory Tender Date, the Trustee shall give written notice of a mandatory tender on the Mandatory Tender Date to the Holders of the Bonds then Outstanding (with a copy to the Owner, the Issuer, the Investor Limited Partner, and the Remarketing Agent) by first class mail, postage prepaid, at their respective addresses appearing on the Register stating:

- (i) the Mandatory Tender Date and that (A) if certain conditions are met, all Outstanding Bonds are subject to Mandatory Tender for purchase on the Mandatory Tender Date, (B) all Outstanding Bonds must be tendered for purchase no later than 9:00 a.m. Local Time, on the Mandatory Tender Date and (C) Holders will not have the right to elect to retain their Bonds;

(ii) the address of the Designated Office of the Trustee at which Holders should deliver their Bonds for purchase and the date of the required delivery;

(iii) that all Outstanding Bonds will be purchased on the Mandatory Tender Date at a price equal to the principal amount of the Outstanding Bonds plus interest accrued to the Mandatory Tender Date;

(iv) that if, in the event that the conditions to remarketing set forth in the Indenture are not met as set forth therein, or, if proceeds from the remarketing are insufficient to pay the purchase price of the Bonds on the Mandatory Tender Date, all of the Bonds will be redeemed, without further notice, on the Mandatory Tender Date; and

(v) that any Bonds not tendered will nevertheless be deemed to have been tendered and will cease to bear interest from and after the Mandatory Tender Date.

Second Notice. In the event that any Bond required to be delivered to the Trustee for payment of the purchase price of such Bond shall not have been delivered to the Trustee on or before the 30th day following a Mandatory Tender Date, the Trustee shall mail a second notice to the Holder of the Bond at its address as shown on the Register setting forth the requirements set forth in the Indenture for delivery of the Bond to the Trustee and stating that delivery of the Bond to the Trustee (or compliance with the provisions of the Indenture concerning payment of lost, stolen or destroyed Bonds) must be accomplished as a condition to payment of the purchase price applicable to the Bond.

Failure to Give Notice. Neither failure to give or receive any notice described in this heading, nor the lack of timeliness of such notice or any defect in any notice (or in its content) shall affect the validity or sufficiency of any action required or provided for in this heading.

### **Mandatory Redemption**

On each Mandatory Tender Date, the Bonds shall be redeemed in whole at a redemption price of 100% of the principal amount of such Bonds, plus accrued interest to the Mandatory Tender Date, upon the occurrence of any of the following events: (i) the Owner has previously elected not to cause the remarketing of the Bonds, (ii) the conditions to remarketing set forth in the Indenture have not been met by the dates and times set forth therein, or (iii) the proceeds of a remarketing on deposit in the Remarketing Proceeds Account at 11:00 a.m. Local Time on the Mandatory Tender Date are insufficient to pay the purchase price of the Outstanding Bonds on such Mandatory Tender Date. Bonds subject to redemption in accordance with this paragraph shall be redeemed from (i) amounts on deposit in the Assignment Fund, (ii) amounts on deposit in the Bond Fund, (iii) amounts on deposit in the Project Fund, and (iv) any other Available Money made available for such purpose at the direction of the Owner.

*"Available Money"* means, as of any date of determination, any of (i) the proceeds of the Bonds, (ii) the proceeds of draws by the Trustee on any letters of credit provided to the Trustee for the benefit of the Owner, (iii) any other amounts, including the proceeds of refunding bonds, for which, in each case, the Trustee has received an opinion of counsel acceptable to the Rating Agency (as defined below) to the effect that the use of such amounts to make payments on the Bonds would not violate Section 362(a) of the Bankruptcy Code (or that relief from the automatic stay provisions of such Section 362(a) would be available from the bankruptcy court) or be avoidable as preferential payments under Section 544, 547 or 550 of the Bankruptcy Code should the Issuer or the Owner become a debtor in proceedings commenced under the Bankruptcy Code, (iv) any payments made by the Owner and held by the Trustee for a period of 123 days, provided that no Act of Bankruptcy with respect to the Owner has occurred during such period,

(v) the Collateral Funds, and (vi) investment income derived from the investment of money described in clause (i), (ii), (iii), (iv) or (v).

*"Rating Agency"* means Moody's Investor Services, Inc., or any successor thereto.

#### **No Additional Parity Bonds**

The Indenture does not permit the Issuer to issue additional indebtedness prior to or on a parity with the Bonds.

#### **SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**

**At all times the Bonds will be secured by Available Money sufficient, without need for reinvestment, to pay all of the interest on the Bonds when due and to pay the principal of the Bonds on the earlier of any Mandatory Tender Date or any Redemption Date, as further described herein. Available Money will be invested in Eligible Investments under the Indenture. See "THE INDENTURE – Investment of Funds" herein.**

The Bonds will be secured under the Indenture by all right, title and interest of the Issuer in and to (i) the Pledged Revenues, as defined below, including, without limitation, all payments by the Owner pursuant to the Note (the *"Loan Payments"*) and other amounts receivable by or on behalf of the Issuer under the Loan Agreement in respect of repayment of the Loan, (ii) the Special Funds, as defined below, including all accounts in those Funds and all money deposited therein and the investment earnings on such money, (iii) subject to the provisions of the Bond Resolution, all right, title and interest of the Issuer in the proceeds derived from the sale of the Bonds, and any securities in which money in the Special Funds are invested, and (except for money required to be rebated to the United States of America under the Code) the proceeds derived therefrom, and any and all other real or personal property of every name and nature from time to time pledged, assigned or transferred, as and for additional security under the Indenture by the Issuer or by anyone in its behalf, or with its written consent, to the Trustee, and (iv) the Loan Agreement and Note, except for certain unassigned rights of the Issuer. Such assets are referred to herein as the *"Trust Estate."*

*"Pledged Revenues"* means (a) the Loan Payments, (b) all other money received or to be received by the Issuer or the Trustee in respect of repayment of the Loan, including without limitation, all money and investments in the Bond Fund, (c) any money and investments in the Project Fund and the Assignment Fund, and (d) all income and profit from the investment of the foregoing money. The term *"Pledged Revenues"* does not include any money or investments in the Rebate Fund or the Residual Fund.

*"Special Funds"* means, collectively, the Bond Fund, the Project Fund and the Assignment Fund, and any accounts therein, all as created in the Indenture.

Amounts deposited in the Special Funds are to be invested in Eligible Investments. See *"THE INDENTURE—Investment of Funds"* herein.

The Bonds are special obligations of the Issuer payable from the Trust Estate. The Bonds and the interest thereon do not represent or constitute a general obligation, debt or bonded indebtedness or a pledge of the faith and credit, moneys or taxing power of the Issuer, the State, or any political subdivision of the State within the meaning of any constitutional, charter or statutory limitations. Neither the Issuer nor the State nor any political subdivision of the State will be obligated to pay the principal of and the interest on the Bonds or other costs incident thereto except from revenues pledged therefor and received under the Indenture, all as more fully set forth in the Indenture.

## **THE PROJECT**

The Project, currently known as Cambridge Square, consists of acquiring, rehabilitating, constructing, equipping and improving privately owned real and personal property of a multifamily housing complex located at 7600 Cold Springs Boulevard, Fort Wayne, IN, and containing approximately 200 affordable living units and certain functionally-related improvements, or any other use that may be permitted under the Act. The Project will not be pledged as security for the Bonds.

## **THE OWNER**

The Owner of the Project will be Glick Cambridge Square Fort Wayne II, LP (the "*Owner*"), an Indiana limited partnership. The general partner of the Owner is Glick Cambridge Square Fort Wayne II LIHTC, LLC (the "*General Partner*"), an Indiana limited liability company.

The Sole Member of the General Partner is the Gene B. Glick Company, an Indiana corporation. The Gene B. Glick Company was founded in 1947 in Indianapolis, and by the early 1960s, it was the largest single-family home builder in Indiana. It built its first apartment community in 1962, and by the mid-1970s the business focused solely on multi-family housing development and management. Today, the Gene B. Glick Company is one of the largest privately held real estate management and development firms in the United States, with more than 20,000 units in 12 states.

The Owner does not intend to acquire any substantial assets or engage in any substantial business activities other than those related to the ownership of the Project. However, the Owner's partners and affiliates may engage in the acquisition, development, ownership and management of similar types of housing projects.

Neither the Owner nor its partners or affiliates will be personally liable to pay the principal of and interest on the Bonds. Furthermore, no representation is made that the Owner will have substantial funds available for the Project. Accordingly, neither the Owner's financial statements nor those of its affiliates or partners are included in this Official Statement.

## **THE TRUSTEE**

The Huntington National Bank will serve as Trustee under the Indenture. The Trustee is a national banking association organized under the laws of the United States of America.

### ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of certain funds to be available upon the issuance and delivery of the Bonds:

|                            |                |
|----------------------------|----------------|
| <u>Sources of Funds</u>    |                |
| Principal Amount of Bonds  | \$8,200,000.00 |
| Accrued Interest           | 0.00           |
| Negative Arbitrage Deposit | <u>0.00</u>    |
| Total Sources              | <u>\$0.00</u>  |
| <u>Uses of Funds</u>       |                |
| Deposit to Project Fund    | \$8,200,000.00 |
| Deposit to Bond Fund       | <u>0.00</u>    |
| Total Uses                 | <u>\$0.00</u>  |

In addition to the Bond proceeds, the following additional sources of funds will be available to pay costs of the Project:

#### **Tax Credit Equity**

In addition to the proceeds of the Bonds, the Project will be financed with tax credit equity, which will pay for the costs of issuance of the Bonds and a portion of the other costs including construction costs. PNC Bank, National Association ("*PNC*"), as the limited partner (the "*Investor Limited Partner*") and a corporation affiliated with PNC as the special limited partner (the "*Special Limited Partner*"), will own a 99.99% interest in the Owner. In connection with this interest, the tax credit equity is expected to be approximately \$4,079,009.00, which is expected to be funded pursuant to the terms of Owner's [Amended and Restated Limited Partnership Agreement].

#### **Collateral Funds**

In connection with the development of the Project, PR Mortgage & Investment Corp. (the "*FHA Lender*") has received a commitment from the Federal Housing Administration ("*FHA*") pursuant to Section 223(f) of the National Housing Act in the approximate amount of \$11,058,000, that enables, upon compliance with the terms and conditions thereof, the FHA Lender to make FHA-insured advances in an aggregate amount to the Owner, evidenced by a nonrecourse mortgage note secured by a first lien mortgage on the Project. As construction costs are incurred, the Owner will request such construction advances from the FHA Lender and the FHA Lender will make, or caused to be made, deposits with the Trustee (the "*Collateral Funds*") and the Trustee will simultaneously disburse a like amount of Bond proceeds from the project Fund to pay Project costs. Collateral Funds in an amount not to exceed the principal amount of the Bonds are to be deposited in the Assignment Fund by the Trustee, upon receipt thereof, pursuant to the Indenture. The Owner has collaterally assigned its right to receive the Collateral Funds to the Trustee. None of the owners of the Bonds, the Trustee or the Issuer will have rights with respect to the FHA Insured Mortgage Loan or under the FHA Loan Documents. Furthermore, none of the owners of the Bonds, the Trustee or the Issuer will have a lien on any funds, accounts or reserves established, maintained and/or collected by the FHA Lender in connection with the FHA Insured Mortgage Loan. FHA does not provide enhancement with respect to the Bonds.

## **CERTAIN BONDHOLDERS' RISKS**

*The purchase of the Bonds will involve a number of risks. The following is a summary, which does not purport to be comprehensive or definitive, of some of such risk factors.*

### **Limited Security; Investment of Funds**

The Bonds are special obligations of the Issuer payable solely from the Trust Estate, which includes certain funds pledged to and held by the Trustee pursuant to the Indenture.

The Bonds are offered solely on the basis of the amounts held under the Indenture and are not offered on the basis of the credit of the Owner, the feasibility of the Project or any other security. As a consequence, limited information about the Project and no information about the financial condition or results of operations of the Owner is included in this Official Statement. The Bonds are offered only to investors who, in making their investment decision, rely solely on the amounts held under the Indenture and not on the credit of the Owner, the feasibility of the Project or any other security.

The principal of and interest on the Bonds are payable solely from and secured exclusively by certain revenues and funds pledged thereto under the Indenture. The Project will not be subject to any mortgage for the benefit of the holders of the Bonds. An amount equal to the proceeds from sale of the Bonds is to be deposited in the Interest Payment Account of the Bond Fund and the Project Fund and invested in Eligible Investments pursuant to the Indenture.

The Trustee is required to invest amounts held in the Special Funds in Eligible Investments, as defined in the Indenture. See "THE INDENTURE—Investment of Funds." In the event the Trustee is forced for any reason to liquidate the Eligible Investments prior to their stated maturity date, no assurance can be given, however, that the Trustee will be able to reinvest such amounts at a rate equal to the rate earned on the redeemed Eligible Investments. Failure to receive such a rate of return or a return of the amounts so invested could affect the ability to pay the principal of and interest on the Bonds.

### **Taxability**

The Bonds are not subject to redemption, and the rate of interest on the Bonds is not subject to adjustment, by reason of the interest on the Bonds being included in gross income for purposes of federal income taxation. Such event could occur if the Owner (or any subsequent owner of the Project) does not comply with the provisions of the Regulatory Agreement and the Loan Agreement that are designed, if complied with, to satisfy the continuing compliance requirements of the Code in order for the interest on the Bonds to be excludable from gross income for purposes of federal income tax.

### **Enforceability of Remedies**

The remedies available to the Trustee and the owners of the Bonds upon an event of default under the Loan Agreement or the Indenture are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing law and judicial decisions, the remedies provided for under the Loan Agreement or the Indenture may not be readily available, and the Owner will have no personal liability for the satisfaction of any obligation of the Owner under such agreements or of any claim against the Owner arising out of such agreements or the Indenture.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Bonds and the documents described above is subject to limitations imposed by such things as the exercise of judicial

discretion in accordance with general principles of equity (whether applied by a court of law or a court of equity), including judicial limitations on rights to specific performance and bankruptcy, insolvency, reorganization, moratorium or other similar laws heretofore or hereafter in effect affecting creditors' rights, to the extent constitutionally applicable.

#### **No Personal Liability of Owner**

The Owner has not been nor will it be personally liable for payments on the Bonds, nor will the Owner be personally liable under the other documents executed in connection with the issuance of the Bonds.

#### **Secondary Markets and Prices**

The Underwriter will not be obligated to repurchase any of the Bonds, and no representation is made concerning the existence of any secondary market for the Bonds. No assurance can be given that any secondary market will develop following the completion of the offering of the Bonds contemplated by this Official Statement, and no assurance can be given that the Bonds can be resold at their initial offering prices for any period of time.

#### **Eligible Investments**

Proceeds of the Bonds deposited into the Project Fund and money received by the Trustee for deposit into the Assignment Fund are required to be invested in Eligible Investments. See "THE INDENTURE—Investment of Funds" herein. There can be no assurance that there will not be a loss resulting from any investment held for the credit of the Project Fund or the Assignment Fund, and any failure to receive a return of the amounts so invested could affect the ability to pay the principal of and interest on the Bonds.

#### **Rating Based on Eligible Investments**

The rating on the Bonds is based on the amounts in the Project Fund and the Assignment Fund being invested in Eligible Investments. If one or more of such investments fail to meet the rating standards for Eligible Investments after their acquisition and prior to maturity, such a change may result in a downgrade or withdrawal of the rating on the Bonds.

#### **Future Legislation; IRS Examination**

The Project, its operation and the treatment of interest on the Bonds are subject to various laws, rules and regulations adopted by the local, State and federal governments and their agencies. There can be no assurance that relevant local, State or federal laws, rules and regulations may not be amended or modified or interpreted in the future in a manner that could adversely affect the Bonds, the trust estate created under the Indenture, the Project, or the financial condition of or ability of the Borrower to comply with its obligations under the various transaction documents.

In recent years, the Internal Revenue Service ("IRS") has increased the frequency and scope of its examination and other enforcement activity regarding tax exempt bonds. Currently, the primary penalty available to the IRS under the Code is a determination that interest on bonds is subject to federal income taxation. Such event could occur for a variety of reasons, including, without limitation, failure to comply with certain requirements imposed by the Code relating to investment restrictions, periodic payments of arbitrage profits to the United States of America, the timely and proper use of Bond proceeds and the facilities financed therewith and certain other matters. See "TAX MATTERS" herein. No assurance can



be given that the IRS will not examine the Issuer, the Borrower, the Project or the Bonds. If the Bonds are examined, it may have an adverse impact on their price and marketability.

## **Summary**

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement, including the Appendices hereto.

## **THE INDENTURE**

*The following is a brief summary of certain provisions of the Indenture. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Indenture, copies of which are on file with the Issuer and the Trustee.*

### **Authorized Amount of Bonds**

No Bonds may be issued under the Indenture except in accordance with the Indenture. The total authorized principal amount of Bonds to be issued under the provisions of the Indenture is \$8,200,000\*. The Indenture does not contemplate or authorize the issuance of additional series of parity bonds.

### **Payment and Ownership of Bonds**

Principal and interest on the Bonds ("*Bond Service Charges*") will be payable in lawful money of the United States of America without deduction for the services of the Trustee or any Paying Agent. Subject to the provisions of the Indenture with respect to the book-entry only system, (i) the principal of any Bond will be payable when due to a Holder upon presentation and surrender of such Bond at the principal corporate trust office of the Trustee or at the office, designated by the Trustee, of any Paying Agent, and (ii) interest on any Bond will be paid on each Interest Payment Date by check or draft which the Trustee will cause to be mailed on that date to the Person in whose name the Bond (or one or more Predecessor Bonds) is registered at the close of business on the 15<sup>th</sup> calendar day of the month immediately preceding that Interest Payment Date or 45 days before any Mandatory Tender Date (the "*Regular Record Date*") on the Register at the address appearing therein.

If and to the extent, however, that the Trustee fails to make payment or provision for payment of interest on any Bond on any Interest Payment Date, that interest shall cease to be payable to the Person who was the Holder of that Bond (or of any previous Bond or Bonds evidencing all or a portion of the same debt as that evidenced by the particular Bond or Bonds ("*Predecessor Bonds*")) as of the applicable Regular Record Date. In that event, except as described below under this caption, when moneys become available for payment of the interest, (x) the Trustee shall, pursuant to the Indenture, establish a Special Record Date for the payment of that interest which shall be not more than 15 nor fewer than 10 days prior to the date of the proposed payment, and (y) the Trustee shall cause notice of the proposed payment and of the Special Record Date to be mailed by first-class mail, postage prepaid, to each Holder at its address as it appears on the Register not fewer than 10 days prior to the Special Record Date and, thereafter, such interest will be payable to the persons who are the Holders of the Bonds (or their respective Predecessor Bonds) at the close of business on the Special Record Date.

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\* Preliminary, subject to change.

Subject to the foregoing, each Bond delivered under the Indenture upon transfer thereof, or in exchange for or in replacement of any other Bond, will carry the rights to interest accrued and unpaid, and to accrue on that Bond, or which were carried by that Bond.

#### **Establishment of Funds**

The following funds are to be established and maintained by the Trustee under the Indenture:

- the Bond Fund, including a separate Principal Payment Account, Interest Payment Account, and Remarketing Proceeds Account therein;
- the Project Fund;
- the Assignment Fund;
- the Residual Fund; and
- the Rebate Fund.

Amounts held in the Rebate Fund and the Residual Fund are not security for the Bonds and therefore are not available to pay the amounts due on the Bonds.

#### **Application of Loan Payments**

All payments under the Loan Agreement are to be deposited by the Trustee as follows: (1) into the Interest Payment Account, at least the amount necessary to pay the interest on the Bonds on the next succeeding Interest Payment Date; and (2) into the Principal Payment Account, at least the amount necessary to pay the principal due on the Bonds on the next succeeding Interest Payment Date; provided that the amounts required to be deposited into the Interest Payment Account and the Principal Payment Account may be deposited in the form of either or both money or direct obligations of the United States of America or obligations the full and prompt payment of which is secured by the pledge of the full faith and credit of the United States of America of those maturities and bearing the rate or rates of interest which will be sufficient, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, to produce the amounts required to be on deposit on the next succeeding Interest Payment Date.

#### **Project Fund and Assignment Fund**

On the Closing Date, the Trustee is to use money in the Project Fund and the Interest Payment Account of the Bond Fund to purchase Eligible Investments. To the extent money is not otherwise provided to the Trustee, including money deposited into the Bond Fund or the Assignment Fund, the Trustee is to transfer from the Project Fund to the Bond Fund sufficient Available Money to make the necessary interest and principal payments on each Interest Payment Date without further written direction.

Upon receipt of installments of Collateral Funds, the Trustee is to deposit such Collateral Funds in the Assignment Fund. Amounts on deposit in the Assignment Fund shall be invested in Eligible Investments that can be liquidated at or prior to the Initial Mandatory Tender Date at a price sufficient to pay Bond Service Charges on the Bonds as they become due. Each deposit into the Assignment Fund shall constitute an irrevocable deposit solely for the benefit of the Holders, subject to the provisions of the Indenture.

To the extent money on deposit in the Project Fund is invested in Eligible Investments at the time of any requested and permitted disbursement under the Indenture, the Trustee is authorized to exchange an amount of such Eligible Investments in the Project Fund for a like amount of Collateral Funds on deposit in the Assignment Fund and then disburse such amount of Bond proceeds from the Project Fund without the need to sell or terminate such Eligible Investments prior to their stated maturity date; provided, however, and that any such exchange must be accompanied by a requisition in the form attached to the Loan Agreement signed by the Authorized Borrower Representative that designates the Project costs to which amounts withdrawn from the Project Fund are allocated.

Upon the maturity of the Bonds, the Trustee will redeem any investments in the Assignment Fund and deposit the proceeds thereof, and any other amounts then on deposit in the Assignment Fund, into the Bond Fund to pay Bond Service Charges on the Bonds, in accordance with the provisions of the Indenture.

The Trustee shall cause to be kept and maintained adequate records pertaining to the Project Fund and the Assignment Fund and all disbursements therefrom. If requested by the Issuer or the Borrower, after the Project has been completed and a certificate of payment of all costs is filed in accordance with this Indenture, the Trustee shall file copies of the records pertaining to the Project Fund and disbursements therefrom with the Issuer and the Borrower.

When the aggregate principal amount on deposit in the Assignment Fund, together with the scheduled investment earnings thereon, equals the expected Bond Service Charges to be paid on the Bonds to and including the Maturity Date, the excess amounts shall be transferred upon receipt to the Residual Fund and used to pay Project Costs in accordance with the Loan Agreement.

Notwithstanding any provision of the Loan Agreement or any other provision of the Indenture to the contrary, the Trustee is not to disburse money from the Project Fund other than to pay Bond Service Charges unless and until the Trustee receives satisfactory evidence that Collateral Funds or other Available Money (or any combination of the foregoing) in an amount equal to or greater than the requested disbursement amount has been deposited in the Assignment Fund. Prior to making any disbursement, the Trustee is to verify that, upon making the disbursement, the aggregate amount held in the Assignment Fund and the Project Fund, together with projected investment earnings thereon, will be sufficient to pay Bond Services Charges as and when they become due.

#### **Bond Fund**

As provided in the Loan Agreement, and as evidenced and to be evidenced by the Note, Bond Service Charges are to be paid, as they become due, (i) in the first instance from the money on deposit in the Interest Payment Account and Principal Payment Account of the Bond Fund, (ii) next from amounts on deposit in the Assignment Fund and transferred as necessary to the Bond Fund, and (iii) thereafter, from amounts on deposit in the Project Fund and transferred as necessary to the Bond Fund.

## Investment of Funds

Except as otherwise set forth below, money in the Special Funds and the Rebate Fund are to be invested and reinvested by the Trustee in Eligible Investments at the oral or written direction (promptly confirmed in writing, if oral) of the Owner. At no time is the Owner to direct that any funds constituting gross proceeds of the Bonds be used in any manner as would constitute failure of compliance with Section 148 of the Code.

Investments of moneys in the Bond Fund, the Project Fund and the Assignment Fund are to mature or be redeemable at the times and in the amounts, and are to pay interest at the times and at the rates, necessary to provide money to pay Project costs or to pay Bond Service Charges on the Bonds, as the case may be, as they become due.

The amount deposited at closing into the Bond Fund will be invested in Eligible Investments that have a maturity date (or are redeemable at par) not later than the date when such funds are needed to pay Bond Service Charges on the Bonds. Amounts on deposit in the Project Fund on the Closing Date will be invested in Eligible Investments. Investment earnings from the Eligible Investments shall be invested in Eligible Investments that have a maturity date (or are redeemable at par) not later than the date when such funds are needed to pay Bond Service Charges on the Bonds. The amounts invested in Eligible Investments shall be invested at fair market value at a yield less than the yield on the Bonds.

*"Eligible Investments"* means any of the following investments, to the extent permitted under the Act and other applicable law, that mature (or are redeemable at the option of the Trustee) at such time or times as to enable disbursements to be made from the fund in which such investment is held in accordance with the applicable terms:

(a) Direct obligations of the United States of America or obligations the full and prompt payment of which is secured by the pledge of the full faith and credit of the United States of America, provided that the obligation has an interest accrual period and interest payment dates that provide for timely payments in amounts sufficient to meet the payment obligations under the Indenture;

(b) Non-callable, non-prepayable obligations of the following federal government agencies: Federal Home Loan Bank, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Tennessee Valley Authority, Farm Credit System, Washington Metropolitan Area Transit Authority, United States Import-Export Bank, United States Department of Housing and Urban Development, Farmers Home Administration, General Services Administration and United States Maritime Administration, provided the entity maintains a rating of "Aaa" from the Rating Agency and provided, further, that the obligation has an interest accrual period and interest payment dates that provide for timely payments in amounts sufficient to meet the payment obligations under the Indenture;

(c) Obligations of any state or any political subdivision of any state, which are rated in the highest category for long-term debt by the Rating Agency, the interest on which is excluded from gross income for federal income tax purposes and the full and timely payment of the principal of and any premium and the interest on which is fully and unconditionally payable from obligations of the character described in (a) or (b) above, provided that the obligation has an interest accrual period and interest payment dates that provide for timely payments in amounts sufficient to meet the payment obligations under the Indenture; and

(d) (1) the following money market funds, so long as they invest solely in direct obligations issued by the U.S. Treasury or repurchase agreements backed by those obligations: First American U.S. Treasury Money Market Fund; Wells Fargo Advantage 100% Treasury Money Market Funds; Federated

U.S. Treasury Cash Reserves (Fund 125); and Federated Treasury Obligations Fund (Fund 68); or, in the event those funds cease to exist or no longer have a rating of the highest category (without regard to gradation within a category) by the Rating Agency, (2) money market funds conforming to Rule 2a-7 of the Federal Investment Company Act of 1940, including any money market fund the investment advisor of which is the Trustee or an affiliate of the Trustee, (i) whose shares are registered under the Federal Securities Act of 1933 that invest solely in direct obligations issued by the U.S. Treasury and repurchase agreements backed by those obligations, (ii) which have a rating of the highest category (without regard to gradation within a category) by the Rating Agency and (iii) which are acceptable to the Rating Agency and the Underwriter.

Investments of moneys in the Bond Fund, the Project Fund and the Assignment Fund will mature or be redeemable at the times and in the amounts, and will pay interest at the times and at the rates, necessary to provide moneys to pay Bond Service Charges on the Bonds as they become due.

All investment earnings from the Special Funds will be credited to the Bond Fund and be used, without further direction, to pay interest on the Bonds on each Interest Payment Date.

### **Final Balances**

Except as provided in the Indenture, any amounts remaining in the Bond Fund, the Project Fund or the Assignment Fund (i) after all of the outstanding Bonds shall be deemed paid and discharged under the provisions of the Indenture, and (ii) after payment of any Rebate Amount, all fees, charges and expenses of the Trustee, the Registrar and any Paying Agents or Authenticating Agents, the Issuer and of all other amounts required to be paid under the Indenture, the Loan Agreement, the Regulatory Agreement and the Note, shall be transferred to the Residual Fund and (x) used to pay Project Costs and (y) thereafter, paid to the Owner.

### **Events of Default**

Each of the following is an "event of default" under the Indenture:

(a) Payment of any interest on any Bond is not made when and as that interest becomes due and payable;

(b) Payment of the principal of any Bond is not made when and as that principal becomes due and payable, whether at stated maturity, upon acceleration or otherwise;

(c) Failure by the Issuer to observe or perform any other covenant, agreement or obligation on its part to be observed or performed contained in the Indenture or in the Bonds, which failure has continued for a period of 30 days after written notice, by registered or certified mail, to the Issuer, the Owner and the Investor Limited Partner specifying the failure and requiring that it be remedied, which notice may be given by the Trustee in its discretion and must be given by the Trustee at the written request of the Holders of not less than 25% in aggregate principal amount of Bonds then outstanding; and

(d) The occurrence and continuance of an Event of Default as defined in the Loan Agreement.

The term "default" or "failure" as used above means (i) a default or failure by the Issuer in the observance or performance of any of the covenants, agreements or obligations on its part to be observed or performed contained in the Indenture or in the Bonds, or (ii) a default or failure by the Owner under the

Loan Agreement, exclusive of any period of grace or notice required to constitute a default or failure in an Event of Default, as provided above or in the Loan Agreement.

Notwithstanding anything in the Indenture to the contrary, the Trustee agrees that any cure of any Event of Default under the Indenture made or tendered by the Investor Limited Partner will be deemed to be a cure by the Owner, and will be accepted or rejected by the Trustee on the same basis as if made or tendered by the Owner.

#### **Acceleration**

Upon the occurrence of an Event of Default described in (a) and (b) under “—Events of Default” above, the Trustee must declare, by a notice in writing delivered to the Owner, the principal of all Bonds then outstanding (if not then due and payable), and the interest accrued thereon, to be due and payable immediately; provided, however, that the Trustee is to make such declaration only if the Trustee has determined that it will have sufficient funds available to pay the full amount of principal and accrued but unpaid interest to the Holders as of the date of acceleration. If the Trustee is unable to determine that sufficient funds will be available, the Trustee nonetheless is to declare upon the written request of the Holders of not less than 25% in aggregate principal amount of Bonds then outstanding the principal of all Bonds then outstanding (if not then due and payable), and the interest accrued thereon, to be due and payable immediately.

The provisions described in the preceding paragraph are subject, however, to the condition that if, at any time after declaration of acceleration and prior to the entry of a judgment in a court for enforcement under the Indenture (after an opportunity for hearing by the Issuer and the Owner),

(a) all sums payable under the Indenture (except the principal of and interest on Bonds that have not reached the stated Maturity Date but which are due and payable solely by reason of that declaration of acceleration), plus interest to the extent permitted by law on any overdue installments of interest at the rate borne by the Bonds in respect of which the default has occurred, have been duly paid or provision have been duly made therefor by deposit with the Trustee, and

(b) all existing Events of Default have been cured,

then and in every case, the Trustee is to waive the Event of Default and its consequences and rescind and annul that declaration. No waiver or rescission and annulment will extend to or affect any subsequent Event of Default or will impair any rights consequent thereon.

#### **Other Remedies; Rights of Holders**

With or without taking action described under “—Acceleration” above, upon the occurrence and continuance of an Event of Default, the Trustee may pursue any available remedy, including without limitation actions at law or equity to enforce the payment of Bond Service Charges or the observance and performance of any other covenant, agreement or obligation under the Indenture, the Loan Agreement, the Regulatory Agreement or the Note or any other instrument providing security, directly or indirectly, for the Bonds.

If, upon the occurrence and continuance of an Event of Default, the Trustee is requested so to do by the Holders of at least 25% in aggregate principal amount of Bonds outstanding, the Trustee (subject to the provisions of the Indenture), is to exercise any rights and powers conferred by the Indenture.

No remedy conferred upon or reserved to the Trustee (or to the Holders) by the Indenture is intended to be exclusive of any other remedy. Each remedy is to be cumulative and in addition to every other remedy given under the Indenture or otherwise to the Trustee or to the Holders. No delay in exercising or omission to exercise any remedy, right or power accruing upon any default or Event of Default is to impair that remedy, right or power or is to be construed to be a waiver of any default or Event of Default or acquiescence therein. Every remedy, right and power may be exercised from time to time and as often as may be deemed to be expedient.

No waiver of any default or Event of Default under the Indenture, whether by the Trustee or by the Holders, is to extend to or is to affect any subsequent default or Event of Default or is to impair any remedy, right or power consequent thereon.

### **Right of Holders to Direct Proceedings**

Anything to the contrary in the Indenture notwithstanding, the Holders of a majority in aggregate principal amount of Bonds then outstanding will have the right at any time to direct, by an instrument or document in writing executed and delivered to the Trustee, the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or any other proceedings thereunder; provided, that (i) any direction is not to be other than in accordance with the provisions of law and of the Indenture, (ii) the Trustee is indemnified as provided in the Indenture, and (iii) the Trustee may take any other action that it deems to be proper and that is not inconsistent with the direction.

### **Application of Money**

All money received by the Trustee is to be applied as follows, subject to the Indenture:

(a) Unless the principal of all of the Bonds has become, or has been declared to be, due and payable, all of such money is to be deposited in the Bond Fund and applied:

First -- To the payment to the Holders entitled thereto of all installments of interest then due on the Bonds, in the order of the dates of maturity of the installments of that interest, beginning with the earliest date of maturity and, if the amount available is not sufficient to pay in full any particular installment, then to the payment thereof ratably, according to the amounts due on that installment, to the Holders entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds; and

Second -- To the payment to the Holders entitled thereto of the unpaid principal of any of the Bonds that has become due, in the order of their due dates, beginning with the earliest due date, with interest on those Bonds from the respective dates upon which they became due at the rates specified in those Bonds, and if the amount available is not sufficient to pay in full all Bonds due on any particular date, together with that interest, then to the payment thereof ratably, according to the amounts of principal due on that date, to the Holders entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds.

(b) If the principal of all of the Bonds has become due or has been declared to be due and payable pursuant to the Indenture, all of such money is to be deposited into the Bond Fund and applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest, of interest over principal, of any

installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Holders entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds.

(c) If the principal of all of the Bonds has been declared to be due and payable, and if that declaration thereafter has been rescinded and annulled, subject to the provisions of paragraph (b) above in the event that the principal of all of the Bonds become due and payable later, such money is to be deposited in the Bond Fund and applied in accordance with the provisions of the Indenture.

(d) After payments have been made as set forth in paragraphs (a) – (c) above, any remaining balance shall be used for payment of any costs, expenses, liabilities and advances paid, incurred or made by the Trustee in the collection of moneys and to all fees of the Trustee for Ordinary and Extraordinary Expenses pursuant to any right given or action taken under the provisions of the Indenture or the provisions of the Loan Agreement, the Regulatory Agreement or the Note (including without limitation, reasonable attorneys' fees and expenses, except as limited by law or judicial order or decision entered in any action taken under the Indenture).

Whenever money is to be applied pursuant to the provisions described under this subcaption, such money is to be applied at such times, and from time to time, as the Trustee determines, having due regard to the amount of money available for application and the likelihood of additional money becoming available for application in the future. Whenever the Trustee is to direct the application of such money, it is to fix the date upon which the application is to be made, and upon that date, interest is to cease to accrue on the amounts of principal, if any, to be paid on that date, provided the money is available therefor. The Trustee is to give notice of the deposit with it of any money and of the fixing of that date, all consistent with the requirements of the Indenture for the establishment of, and for giving notice with respect to, a Special Record Date for the payment of overdue interest. The Trustee will not be required to make payment of principal of a Bond to the Holder thereof until the Bond is presented to the Trustee for appropriate endorsement or for cancellation if it is paid fully.

#### **Rights and Remedies of Holders**

A Holder will not have any right to institute any suit, action or proceeding for the enforcement of the Indenture, for the execution of any trust under the Indenture, or for the exercise of any other remedy under the Indenture, unless:

(a) there has occurred and is continuing an Event of Default of which the Trustee has been notified, as provided in the Indenture, or of which it is deemed to have notice under the Indenture,

(b) the Holders of at least 25% in aggregate principal amount of Bonds then outstanding have made written request to the Trustee and have afforded the Trustee reasonable opportunity to proceed to exercise the remedies, rights and powers granted under the Indenture or to institute the suit, action or proceeding in its own name, and have offered indemnity to the Trustee as provided in the Indenture, and

(c) the Trustee thereafter has failed or refused to exercise the remedies, rights and powers granted under the Indenture or to institute the suit, action or proceeding in its own name.



At the option of the Trustee, that notification (or notice), request, opportunity and offer of indemnity are conditions precedent in every case, to the institution of any suit, action or proceeding described above.

No one or more Holders of the Bonds will have any right to affect, disturb or prejudice in any manner whatsoever the security or benefit of the Indenture by its or their action, or to enforce, except in the manner provided therein, any remedy, right or power under the Indenture. Any suit, action or proceedings is to be instituted, had and maintained in the manner provided in the Indenture for the benefit of the Holders of all Bonds then outstanding. Nothing in the Indenture is to affect or impair, however, the right of any Holder to enforce the payment of the Bond Service Charges on any Bond owned by that Holder at and after the maturity thereof, at the place, from the sources and in the manner expressed in that Bond.

Any action or suit for recovery brought pursuant to the Indenture will be against an Owner or its assets only, and neither the Trustee or the Holders will have any right to proceed against any assets of the Issuer other than the amounts pledged under the Indenture. No recourse will be had for the payment of the Bonds against any elected or appointed officer, official, employee or agent of the Issuer or any person executing the Bonds.

#### **Waivers of Events of Default**

Except as described below, at any time, in its discretion, the Trustee may waive any Event of Default, and its consequences and may rescind and annul any declaration of maturity of principal or interest on, the Bonds. The Trustee must do so upon the written request of the Holders of

(a) at least a majority in aggregate principal amount of all Bonds then outstanding in respect of which an Event of Default in the payment of Bond Service Charges exists, or

(b) at least 25% in aggregate principal amount of all Bonds then outstanding, in the case of any other Event of Default.

There is not to be so waived, however, any Event of Default described in (a) or (b) under “— Events of Default” above or any declaration of acceleration in connection therewith rescinded or annulled, unless at the time of that waiver or rescission and annulment payments of the amounts provided in the Indenture for waiver and rescission and annulment in connection with acceleration of maturity have been made or provision has been made therefor. In the case of the waiver or rescission and annulment, or in case any suit, action or proceedings taken by the Trustee on account of any Event of Default have been discontinued, abandoned or determined adversely to it, the Issuer, the Trustee and the Holders are to be restored to their former positions and rights under the Indenture, respectively. No waiver or rescission is to extend to any subsequent or other Event of Default or impair any right consequent thereon.

#### **Supplemental Indentures**

Without the consent of, or notice to, any of the Holders, the Issuer and the Trustee may enter into indentures supplemental to the Indenture that are not, in the opinion of the Issuer and the Trustee, inconsistent with the terms and provisions of the Indenture for any one or more of the following purposes:

(a) To cure any ambiguity, inconsistency or formal defect or omission in the Indenture;

(b) To grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that lawfully may be granted to or conferred upon the Holders or the Trustee;

(c) To assign additional revenues under the Indenture;

(d) To accept additional security and instruments and documents of further assurance with respect to the Project;

(e) To add to the covenants, agreements, obligations and rights of the Issuer under the Indenture, other covenants, agreements and obligations to be observed or rights to be exercised for the protection of the Holders, or to surrender or limit any right, power or authority reserved to or conferred upon the Issuer in the Indenture;

(f) To evidence any succession to the Issuer and the assumption by its successor of the covenants, agreements and obligations of the Issuer under the Indenture, the Loan Agreement and the Bonds;

(g) To facilitate (A) the transfer of Bonds issued by the Issuer under the Indenture and held in Book Entry Form from one Depository to another and the succession of Depositories, or (B) the withdrawal of Bonds issued by the Issuer under the Indenture and delivered to a Depository for use in a Book Entry System and the issuance of replacement Bonds in fully registered form and in the form of physical certificates to others than a Depository;

(h) To permit the Trustee to comply with any obligations imposed upon it by law;

(i) To specify further the duties and responsibilities of, and to define further the relationship among, the Trustee, the registrar and any authenticating agents or paying agents;

(j) To achieve compliance of the Indenture with any applicable federal securities or tax law;

(k) To make amendments to the provisions of the Indenture relating to arbitrage matters under Section 148 of the Code, if, in the opinion of Bond Counsel, those amendments would not cause the interest on the Bonds outstanding to be included in gross income of the Holders for federal income tax purposes which amendments may, among other things, change the responsibility for making the relevant calculations, provided that in no event is such amendment to delegate to the Trustee, without its consent, in its sole discretion the obligation to make or perform the calculations required under Section 148 of the Code; and

(l) To permit any other amendment that, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Holders.

#### **Supplemental Indentures Requiring Consent of Holders**

Exclusive of Supplemental Indentures described above and subject to the terms, provisions and limitations described below, and not otherwise, with the consent of the Holders of not less than a majority of the principal amount of the Bonds, and with the consent of the Owner (if required by the Indenture), the Issuer and the Trustee may execute and deliver Supplemental Indentures adding any provisions to, changing in any manner or eliminating any of the provisions of the Indenture or any Supplemental Indenture or restricting in any manner the rights of the Holders. Nothing in the Indenture is to permit,

however, or be construed as permitting, without the consent of the Holders of the Bonds: (i) an extension of the maturity of the principal of or the interest on the Bonds, (ii) a reduction in the principal amount of the Bonds or the rate of interest thereon, (iii) the creation of a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) a reduction in the aggregate principal amount of the Bonds required for consent to a Supplemental Indenture.

If the Issuer requests that the Trustee execute and deliver any Supplemental Indenture for any of the purposes described in the preceding paragraph, upon (i) being satisfactorily indemnified with respect to its expenses in connection therewith, and (ii) if required by the Indenture, receipt of the Owner's consent to the proposed execution and delivery of the Supplemental Indenture, the Trustee is to cause notice of the proposed execution and delivery of the Supplemental Indenture to be mailed by first-class mail, postage prepaid, to the Holders of Bonds at their addresses as they appear on the Register at the close of business on the fifteenth day preceding that mailing.

The Trustee will not be subject to any liability to any Holder by reason of the Trustee's failure to mail, or the failure of any Holder to receive, the notice described above. Any failure of that nature will not affect the validity of the Supplemental Indenture when there has been consent thereto as described above. The notice is to set forth briefly the nature of the proposed Supplemental Indenture and state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Holders.

If the Trustee receives, within a period prescribed by the Owner, of not less than 60 days, but not exceeding one year, following the mailing of the notice, an instrument or document or instruments or documents, in form to which the Trustee does not reasonably object, purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then outstanding (which instrument or document or instruments or documents refer to the proposed Supplemental Indenture in the form described in the notice and specifically consent to the Supplemental Indenture in substantially that form), the Trustee is to execute and deliver the Supplemental Indenture in substantially the form to which reference is made in the notice as being on file with the Trustee, without liability or responsibility to any Holder, regardless of whether that Holder has consented thereto.

Any consent will be binding upon the Holder giving the consent and, anything in the Indenture to the contrary notwithstanding, upon any subsequent Holder of that Bond and of any Bond issued in exchange therefor (regardless of whether the subsequent Holder has notice of the consent to the Supplemental Indenture). A consent may be revoked in writing, however, by the Holder who gave the consent or by a subsequent Holder of the Bond by a revocation of such consent received by the Trustee prior to the execution and delivery by the Trustee of the Supplemental Indenture. At any time after the Holders of the required percentage of Bonds have filed their consents to the Supplemental Indenture, the Trustee is to make and file with the Issuer a written statement that the Holders of the required percentage of Bonds have filed those consents. That written statement will be conclusive evidence that the consents have been so filed.

If the Holders of the required percentage in aggregate principal amount of Bonds outstanding have consented to the Supplemental Indenture, as described above, no Holder will have any right (a) to object to (i) the execution or delivery of the Supplemental Indenture, (ii) any of the terms and provisions contained therein, or (iii) the operation thereof, (b) to question the propriety of the execution and delivery thereof, or (c) to enjoin or restrain the Trustee or the Issuer from that execution or delivery or from taking any action pursuant to the provisions thereof.

### **Consent of Owner**

Anything contained in the Indenture to the contrary notwithstanding, a Supplemental Indenture that affects any rights or obligations of the Owner will not become effective unless and until the Owner has consented in writing to the execution and delivery of that Supplemental Indenture.

### **The Trustee**

Prior to an event of default under the Indenture and after the curing of any such event of default, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Indenture. In case an event of default has occurred that has not been cured (of which the Trustee has been notified or is deemed to have notice), the Trustee is to exercise such rights and powers vested in it by the Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

Before taking any action under the Indenture, the Trustee may require that a satisfactory indemnity bond be furnished to the Trustee for the reimbursements of all expenses that it may incur and to protect it against all liability by reason of any action so taken, except liability that is adjudicated to have resulted from its negligence or willful default.

The Trustee may become the owner or pledgee of the Bonds and otherwise deal with the Issuer and the Owner with the same rights it would have if it were not the Trustee.

The Trustee may at any time resign from the trusts created by the Indenture by giving written notice to the Issuer, the Owner and to each registered owner of the Bonds then outstanding; provided that no such resignation will take effect until a successor has been appointed and has accepted such appointment as provided in the Indenture or an order of a court of competent jurisdiction allowing the Trustee to resign.

### **Satisfaction and Discharge of the Indenture**

The lien of the Indenture will be discharged if the Issuer pays or causes to be paid and discharged all the outstanding Bonds, or there are otherwise paid to the Holders of the outstanding Bonds all the Bond Service Charges due or to become due thereon, and provisions are also made for paying all other amounts payable under the Indenture by the Issuer, or under the Loan Agreement, the Regulatory Agreement and the Note by the Owner.

All or any part of the outstanding Bonds will be deemed to have been paid and discharged within the meaning of the Indenture if (a) the Trustee has received in trust and irrevocably committed for such payment, sufficient money, or (b) the Trustee has received, in trust and irrevocably committed for such payment, noncallable direct obligations of or obligations guaranteed as to full and timely payment by the United States of America certified by an independent public accounting firm of national reputation to be of such maturities and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient together with money referred to in (a) above, for the payment, at their maturities, of all payments of Bond Service Charges on the Bonds to the date of maturity. Any money so held by the Trustee may be invested by the Trustee, at the written direction of the Owner, but only in noncallable direct obligations of or obligations guaranteed as to full and timely payment by the United States of America having maturities of which, at the option of the Holder, will not be later than, the time or times at which such money will be required for the aforesaid purposes.

## **Covenants and Agreements of the Issuer**

In addition to any other covenants and agreements of the Issuer contained in the Indenture or the Bond Resolution, the Issuer further covenants and agrees with the Holders and the Trustee as follows:

(a) Payment of Bond Service Charges. The Issuer will cause the Bond Service Charges to be paid by the Trustee, solely from the Pledged Revenues received on the dates, at the places and in the manner provided in the Indenture.

(b) Pledged Revenues and Assignment of Pledged Revenues. The Issuer will not assign the Pledged Revenues or create or authorize to be created any debt, lien or charge thereon, other than the assignment thereof under the Indenture.

(c) Recordings and Filings. At the expense of the Owner, the Issuer will cause the Indenture, and any related instruments or documents relating to the assignment made by the Issuer under the Indenture to secure the Bonds, to be recorded and filed in the manner and in the places which may be required by law in order to preserve and protect fully the security of the Holders and the rights of the Trustee under the Indenture.

(d) Inspection of Project Books. All books, instruments and documents in the Issuer's possession relating to the Project and the Pledged Revenues to the extent they are public under applicable Public Records laws, will be open to inspection and copying at all times during the Issuer's regular business hours by any accountants or other agents of the Trustee which the Trustee may designate from time to time.

(e) Register. At reasonable times and under reasonable regulations established by the Registrar, the Register may be inspected and copied (at the expense of the person making such copies) by the Owner, the Trustee, by Holders of 25% or more in principal amount of the Bonds then outstanding, or a designated representative thereof.

(f) Rights and Enforcement of the Loan Agreement. The Trustee may enforce, in its name or in the name of the Issuer, all rights of the Issuer for and on behalf of the Holders, except for Unassigned Issuer's Rights, and may enforce all covenants, agreements and obligations of the Owner under and pursuant to the Loan Agreement, regardless of whether the Issuer is in default in the pursuit or enforcement of those rights, covenants, agreements or obligations. The Issuer, however, will do all things and take all actions on its part necessary to the extent of its legal authority and control, to comply with covenants, agreements, obligations, duties and responsibilities on its part to be observed or performed under the Loan Agreement, and will take all actions within its authority to keep the Loan Agreement in effect in accordance with the terms thereof.

*"Unassigned Issuer's Rights"* means all of the rights of the Issuer to receive Additional Payments under the Loan Agreement, to be held harmless and indemnified under the Loan Agreement, and as provided in the other Bond Documents, to be an insured under the Loan Agreement, to determine if satisfactory arrangements for Additional Payments as required under the Loan Agreement have been made, to be reimbursed for attorney's fees and expenses resulting from the enforcement of its remedies upon an Event of Default under the Loan Agreement, to receive notices pursuant the Loan Agreement, to give or withhold consent to amendments, changes, modifications, alterations and termination of the Loan Agreement, and to enforce its remedies under the Loan Agreement and the other Bond Documents.

(g) Issuer Not to Adversely Affect Exclusion From Gross Income of Interest on Bonds. The Issuer covenants that it (i) will take, or require to be taken, all actions that may be required of the Issuer

for the interest on the Bonds to be and remain excluded from the gross income for federal income tax purposes, and (ii) will not take or require to be taken any actions that to Issuer's knowledge would adversely affect that exclusion under the provisions of the Code.

#### **Observance and Performance of Covenants, Agreements, Authority and Actions**

The Issuer will observe and perform at all times all covenants, agreements, authority, actions, undertakings, stipulations and provisions to be observed or performed on its part under the Loan Agreement, the Indenture, the Bond Resolution, the Regulatory Agreement and the Bonds that are executed, authenticated and delivered under the Indenture, and under all proceedings of its Board pertaining thereto.

The Issuer represents and warrants that

- (a) It is duly authorized by the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Bonds, to execute and deliver the Indenture, the Loan Agreement and the Regulatory Agreement and to provide the security for payment of the Bond Service Charges in the manner and to the extent set forth in the Indenture.
- (b) All actions required on its part to be performed for the issuance, sale and delivery of the Bonds and for the execution and delivery of the Indenture and the Loan Agreement have been taken duly and effectively, as advised by Bond Counsel.
- (c) The Bonds will be valid and enforceable special obligations of the Issuer according to their terms.

#### **THE LOAN AGREEMENT**

*The following is a summary of certain provisions of the Loan Agreement. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Loan Agreement, a copy of which is on file with the Issuer and the Trustee.*

#### **Representations of the Issuer**

In the Loan Agreement, the Issuer represents and warrants that:

- (a) It is validly existing as a municipal corporation of the State pursuant to the Act, and has full legal right, power and authority (i) to enter into the Loan Agreement; (ii) to adopt the Bond Resolution and cause the delivery of the Bonds to the Bondholders pursuant to the Bond Resolution and the Loan Agreement as provided therein; (iii) to lend the proceeds of the Bonds to the Owner for the purpose set forth in the Loan Agreement; and (iv) to carry out and consummate the transactions contemplated by the Loan Agreement, the Indenture and the Regulatory Agreement (collectively, the "Issuer Documents");
- (b) The Issuer, with respect to the Bonds, as advised by Bond Counsel, has complied, and will at the Closing Date be in compliance in all material respects with the Issuer Documents and the relevant laws of the State;
- (c) (i) At or prior to the Closing Date, the Issuer will have taken all action required to be taken by it to authorize the issuance and sale of the Bonds and the performance of its obligations under the Issuer Documents; (ii) the Issuer has full legal right, power and authority to enter into the Issuer

Documents, will have full legal right, power and authority to deliver the Bonds to the Bondholders and to perform its obligations under the Bonds and the Issuer Documents, and all other documents to be executed by the Issuer in accordance with the issuance of the Bonds, and to carry out and effectuate the transactions contemplated by the Issuer Documents; (iii) on or prior to the Closing Date, the execution and delivery of, and the performance by the Issuer of the obligations contained in the Bonds and the Issuer Documents will have been duly authorized, and, when executed, the Issuer Documents will constitute valid and legally binding limited obligations of the Issuer enforceable against the Issuer in accordance with their respective terms, subject to any applicable bankruptcy, insolvency, reorganization or similar laws affecting the enforcement of creditors' rights generally and the application of equitable principles where equitable remedies are sought and limitations on the enforcement of judgments against public bodies; (iv) the Issuer has duly authorized the consummation by it of all transactions contemplated by the Loan Agreement; and (v) the Issuer Documents have been duly and validly adopted by the Issuer and are at the time of acceptance thereof in full force and effect;

(d) The Issuer, with respect to the Bonds, has not received notice that it is in material breach of or default under any applicable law or administrative regulation of the State, any department, division, agency or instrumentality thereof, or the United States or any applicable judgment or decree or any loan agreement, note, resolution, certificate, agreement or other instrument to which the Issuer is a party or is otherwise subject; and the adoption of the Bond Resolution and the execution and delivery of the Loan Agreement, the Bonds, the other Issuer Documents and all other documents to be executed by the Issuer in connection with the issuance of the Bonds, and compliance with the provisions of each thereof do not, to the Issuer's knowledge, conflict with or constitute a material breach of or default under any applicable law or administrative regulation of the State, any department, division, agency or instrumentality thereof, or the United States or any applicable judgment or decree, or any loan agreement, note, resolution, certificate, agreement or other instrument to which the Issuer is a party or is otherwise subject;

(e) All approvals, consents, and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by the Issuer, of its obligations under the Loan Agreement and under the Bond Resolution, the Issuer Documents and the Bonds and all other documents to be executed by the Issuer in connection with the issuance of the Bonds have been obtained;

(f) The Issuer will not take or omit to take any action, which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds under the Code; and

(g) The Bonds, when delivered and sold to the Bondholders as provided in the Loan Agreement, will have been duly authorized and executed and will constitute validly issued and binding limited obligations of the Issuer in conformity with, and entitled to the benefit and security of, the Act and the Issuer Documents.

(h) The Issuer agrees that all representations, warranties and covenants made by it in the Loan Agreement, and in certificates, agreements or other instruments delivered pursuant hereto or in connection with the Bonds, shall be deemed to have been relied upon by the Holders, and that all representations, warranties and covenants made by the Issuer herein and therein and all the Holders' rights hereunder and thereunder shall survive the delivery of the Bonds;

(i) The Issuer covenants that it will not pledge the amounts derived from the Loan Agreement other than as contemplated by the Indenture;

(j) The Issuer hereby finds and determines that financing the Project by the issuance of the Bonds will further the public purposes of the Act;

(k) To the best of its knowledge, no member or director of the Issuer, nor any other official or employee of the Issuer, has any interest, financial employment or other, in the Owner, the Project or the transactions contemplated hereby;

(l) There is no action, suit, proceeding, inquiry or investigation pending or, to the knowledge of the Issuer, threatened against the Issuer or its Economic Development Commission by or before any court, governmental agency or public board or body, which (i) affects or questions the existence or the title to office of any member of the Issuer or its Economic Development Commission; (ii) affects or seeks to prohibit, restrain or enjoy the execution and delivery of any of the Issuer Documents, or the issuance, execution or delivery of the Bonds; (iii) affects or questions the validity or enforceability of any of the Issuer Documents or the Bonds; (iv) questions the exclusion from gross income for federal income taxation of interest on the Bonds; or (v) questions the power or authority of the Issuer to perform its obligations under any of the Issuer Documents or the Bonds or to carry out the transactions contemplated by any of the Issuer Documents or the Bonds; and

(m) THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, THAT THE PROCEEDS OF THE BONDS WILL BE SUFFICIENT TO FINANCE THE REHABILITATION AND EQUIPPING OF THE PROJECT OR THAT THE PROJECT WILL BE ADEQUATE OR SUFFICIENT FOR THE BORROWER'S INTENDED PURPOSES. FURTHER, THE ISSUER MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AND SPECIFICALLY DISCLAIMS ANY WARRANTY AS TO THE PROJECT OR THE CONDITION THEREOF, OR THAT THE PROJECT WILL BE SUITABLE FOR THE PURPOSES OR NEEDS OF THE BORROWER. THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AND SPECIFICALLY DISCLAIMS ANY WARRANTY THAT THE BORROWER WILL HAVE QUIET AND PEACEFUL POSSESSION OF THE PROJECT. THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AND SPECIFICALLY DISCLAIMS ANY WARRANTY WITH RESPECT TO THE MERCHANTABILITY, CONDITION OR WORKMANSHIP OF ANY PART OF THE PROJECT OR ITS SUITABILITY FOR THE BORROWER'S PURPOSES

#### **Representations and Covenants of the Owner**

In the Loan Agreement, the Owner represents and covenants that:

(a) It is a limited partnership duly formed and validly existing under the laws of the State of Indiana (the "State"), is in good standing and duly authorized to conduct business in the State.

(b) It has full power and authority to execute, deliver and perform the Loan Agreement, the Note, the Continuing Disclosure Agreement, the Tax Certificate and Agreement and the Regulatory Agreement and to enter into and carry out the transactions contemplated by those documents. That execution, delivery and performance do not, and will not, violate any provision of law applicable to the Owner and do not, and will not, conflict with or result in a default under any agreement or instrument to which the Owner is a party or by which it is bound. The Loan Agreement, the Note and the Regulatory Agreement have, by proper action, been duly authorized, executed and delivered by the Owner and all steps necessary have been taken to constitute the Loan Agreement, the Note and the Regulatory Agreement valid and binding obligations of the Owner.



(c) The provision of financial assistance to be made available to it under the Loan Agreement and the commitments therefor made by the Issuer have induced the Owner to undertake the transactions contemplated by the Loan Agreement.

(d) It presently intends to use or operate the Project in a manner consistent with the Act and in accordance with the Regulatory Agreement for the life of the Bonds and knows of no reason why the Project will not be so operated. If, in the future, there is a cessation of that operation, it will use its best efforts to resume that operation or accomplish an alternate use by the Owner or others approved by the Issuer which will be consistent with the Act and the Regulatory Agreement.

(e) The Project will be completed in accordance with the Plans and Specifications (as defined in the Indenture) and the portion of the Project funded with the proceeds of the Bonds will constitute a qualified residential rental project within the meaning of Section 142(d) of the Code and will be operated and maintained in such manner as to conform in all material respects with all applicable zoning, planning, building, environmental and other applicable Governmental regulations and as to be consistent with the Act.

(f) The Project will be located entirely within the boundaries of the Issuer.

(g) At least 95% of the net proceeds of the Bonds allocable to the Project (as defined in Section 150 of the Code) will be used to provide a qualified residential rental project (as defined in Section 142(d) of the Code), and the Owner will not request or authorize any disbursement pursuant to the Loan Agreement, which, if paid, would result in less than 95% of the net proceeds of the Bonds being so used.

(h) The costs of issuance financed by the Bonds will not exceed 2% of the proceeds of the Bonds allocable to the Project (within the meaning of Section 147(g) of the Code), and the Owner will not request or authorize any disbursement pursuant to the Loan Agreement or otherwise, which, if paid, would result in more than 2% of the proceeds of the Bonds being so used. Except as permitted by Treasury Regulations 1.148-6(d)(3)(ii), none of the proceeds of the Bonds will be used for working capital purposes

(i) At least 95% of the proceeds of the Bonds allocable to the Project will be used or deemed used exclusively to pay costs that are (A) capital expenditures (as defined in Section 1.150-1(a) of the Code's regulations) and (B) not made for the acquisition of existing property, to the extent prohibited in Section 147(d) of the Code.

(j) The proceeds of the Bonds shall be used or deemed used exclusively to pay costs that are made exclusively with respect to a "qualified residential rental project" within the meaning of Section 142(d) of the Code and that for the greatest number of buildings the proceeds of the Bonds allocable to the Project will be deemed allocated on a pro rata basis to each building in the Project and the land on which it is located so that each building and the land on which it is located will have been financed fifty percent (50%) or more by the proceeds of the Bonds for the purpose of complying with Section 42(h)(4)(B) of the Code; provided, however, the foregoing representation, covenant and warranty is made for the benefit of the Owner and its members and neither the Trustee nor the Issuer will have any obligation to enforce this covenant nor will they incur any liability to any person, including without limitation, the Owner, the members of the Owner, any other affiliate of the Owner or the holders of the Bonds for any failure to meet the intent expressed in the foregoing representation, covenant and warranty; and provided further, failure to comply with this representation, covenant and warranty will not constitute a default or event of default under the Loan Agreement or the Indenture.

(k) The Owner has received and reviewed a copy of the Indenture and approves the terms and conditions thereof and agrees to the terms thereof.

(l) Neither the Owner nor any related Person thereto shall acquire any Bonds in any amount.

(m) The Owner understands the nature and structure of the transactions relating to the financing of the Project; it is familiar with the provisions of all of the documents and instruments relating to such financing to which it, the Lender, the Issuer or the Trustee is a party or of which it is a beneficiary; it understands the risks inherent in such transactions, including, without limitation, the risk of loss of the Project; and it has not relied on the Lender, the Issuer, the Trustee or their counsel for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by this Agreement and the Indenture or otherwise relied on the Lender, the Issuer, the Trustee or their counsel in any manner.

(n) The Project is, as of the Closing Date, in compliance with all requirements of the Regulatory Agreement, including all applicable requirements of the Act and Code. The residential units in the Project are to and will be rented or available for rental on a basis which satisfies the requirements of the Regulatory Agreement, including all applicable requirements of the Act and the Code. All current leases comply, and all future leases will comply, with all applicable laws and the Regulatory Agreement. The Project meets the requirements of the Loan Agreement, the Regulatory Agreement, the Act and the Code with respect to multifamily rental housing.

(o) The Owner will cause the Indenture, and any financing statements, related instruments or documents relating to any assignment made by the Issuer under the Indenture to secure the Bonds, to be recorded and filed in the manner and in the places which may be required by law in order to preserve and protect fully the security of the Holders and the rights of the Trustee under the Indenture.

The Owner acknowledges that the representations and covenants in the Loan Agreement made by the Owner have been expressly and specifically relied upon by the Issuer in determining to make the Loan to the Owner and the Loan would not have been made but for such representations and covenants.

### **General Terms of the Financing**

To provide funds to make the Loan for purposes of assisting in paying the Project Costs, the Issuer will issue, sell and deliver the Bonds to the Underwriter. The Bonds will be issued pursuant to the Indenture in the aggregate principal amount, will bear interest and will mature as set forth therein. In the Loan Agreement, the Owner approves the terms and conditions of the Indenture and the Bonds, and of the terms and conditions under which the Bonds will be issued, sold and delivered.

The proceeds from the sale of the Bonds will be loaned to the Owner and paid over to the Trustee for the benefit of the Owner and the Holders of the Bonds and deposited as follows: (a) a sum equal to the negative arbitrage deposit and any accrued interest paid by the Underwriter will be deposited in the Bond Fund, and (b) the balance of the proceeds will be deposited in the Project Fund. Pending disbursement pursuant to the provisions of the Loan Agreement, the proceeds deposited in the Project Fund, together with any investment earnings thereon, will constitute a part of the Pledged Revenues assigned by the Issuer to the Trustee as security for the payment of Bond Service Charges as provided in the Indenture.

### **Disbursements from the Project Fund**

Subject to the disbursement requirements of HUD and so long as no Event of Default under the Loan Agreement has occurred and is continuing for which the principal amount of the Bonds has been declared to be immediately due and payable pursuant to the Loan Agreement and the Indenture, disbursements from the Project Fund will be made only (i) upon the receipt by the Trustee of (A) a written request from the Owner, in substantially the form of the request attached to the Loan Agreement, and (B) Collateral Funds in the amount of the disbursement request and the transfer of funds as set forth in the Indenture. Proceeds of the Bonds disbursed pursuant to the Loan Agreement may only be used to pay those Project Costs identified in the Sources and Uses of Funds attached to the Loan Agreement, as it may be amended pursuant to the agreement of the Lender and the Owner.

Any disbursement for any item not described in, or the cost for which item is other than as described in the Loan Agreement, is to be accompanied by an Opinion of Bond Counsel to the effect that such disbursement will not cause the interest on the Bonds to be included in the gross income of the Holders for federal income tax purposes.

### **Assignment of Agreement and Pledged Revenues**

To secure the payment of Bond Service Charges, the Issuer will assign to the Trustee, by the Indenture, its rights under and interest in the Loan Agreement (except for the Unassigned Issuer's Rights) and the Note. In the Loan Agreement, the Owner agrees and consents to those assignments. The Issuer has agreed in the Loan Agreement that it will not attempt to further assign, transfer or convey its interest in the Pledged Revenues or the Loan Agreement or create any pledge or Lien of any form or nature with respect to the Pledged Revenues or Loan Payments under the Loan Agreement.

### **Owner Not to Adversely Affect Tax-Exempt Status of Interest on the Bonds**

The Owner, for the benefit of the Issuer, the Trustee and each holder of Bonds, represents in the Loan Agreement that it has not taken, or permitted to be taken on its behalf, and agrees that it will not take, or permit to be taken on its behalf, any action that would adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes, and that it will make and take, or require to be made and taken, such acts and filings as may from time to time be required under the Code to maintain such exclusion.

### **Events of Default**

Each of the following is an "Event of Default" under the Loan Agreement:

(a) The Owner fails to pay any Loan Payment on or prior to the date on which that Loan Payment is due and payable or within the cure period;

(b) The Owner fails to observe and perform any other agreement, term or condition contained in the Loan Agreement and such failure continues for a period of 30 days after the Owner has been provided written notice thereof by the Issuer or the Trustee, or for such longer period as the Issuer and the Trustee may agree to in writing; provided, that if the failure is other than the payment of money and is of such nature that it can be corrected but not within the applicable period, that failure will not constitute an Event of Default so long as the Owner institutes curative action within the applicable period and diligently pursues that action to completion, which must be resolved within 180 days after the aforementioned notice;

(c) The Owner: (i) admits in writing its inability to pay its debts generally as they become due; (ii) has an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or hereafter in effect, which is not dismissed within 90 days; (iii) commences a proceeding under any other federal or state bankruptcy, insolvency, reorganization or similar law, or has such a proceeding commenced against it and either has an order of insolvency or reorganization entered against it or has the proceeding remain undismissed and unstayed for 90 days; (iv) makes an assignment for the benefit of creditors; or (v) has a receiver or trustee appointed for it or for the whole or any substantial part of its property which appointment is not vacated within a period of 90 days;

(d) Any representation or warranty made by the Owner in the Loan Agreement or any statement in any report, certificate, financial statement or other instrument furnished in connection with the Loan Agreement or with the purchase of the Bonds shall at any time prove to have been false or misleading in any adverse material respect when made or given; and

(e) Upon the occurrence of an "Event of Default" as defined in the Indenture or the Regulatory Agreement.

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

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

#### **Amendments, Changes and Modifications**

Except as otherwise provided in the Indenture, the Loan Agreement may not be amended, changed, modified, altered or terminated without the prior written consent of the parties thereto.

#### **TAX MATTERS**

In the opinion of Krieg DeVault LLP, Indianapolis, Indiana, Bond Counsel, under existing federal statutes, decisions, regulations and rulings, interest on the Bonds is excludable from gross income for purposes of federal income taxation pursuant to Section 103 of the Code except for interest on any Bond for any period during which such Bond is held by a person who is a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code. Further, under existing law, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations and is not taken into account in determining adjusted current earnings for purposes of computing the federal alternative minimum tax imposed on certain corporations. This opinion is conditioned on continuing compliance by the Issuer and the Owner with the Tax Covenants (hereinafter defined). Failure to comply with the Tax Covenants could cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to the date of issue.

In the opinion of Krieg DeVault LLP, under existing statutes decisions, regulations and rulings interest on the Bonds is exempt from income taxation in the State. This opinion relates only to the

exemption from state income tax of interest on the Bonds. See "Appendix A—Form of Bond Counsel Opinion."

The Code imposes certain requirements that must be met subsequent to the issuance of the Bonds as a condition to the exclusion from gross income of interest on the Bonds for federal income tax purposes. The Issuer and the Owner will covenant not to take any action nor fail to take any action, within their respective power and control, with respect to the Bonds that would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds pursuant to Section 103 of the Code (collectively, the "*Tax Covenants*"). The Indenture and certain certificates and agreements to be delivered on the date of delivery of the Bonds establish procedures under which compliance with the requirements of the Code can be met.

Indiana Code Section 6-5.5 imposes a franchise tax (as defined in Indiana Code Section 6-5.5) on certain taxpayers which generally include all corporations that transact the business of a financial institution in the State. The franchise tax is measured in part by interest excluded from gross income under Section 103 of the Code minus associated expenses disallowed under Section 265 of the Code. Taxpayers should consult their own tax advisors regarding the impact of this statute on their ownership of the Bonds.

Although Bond Counsel will render an opinion in the form attached as Appendix A hereto, the accrual or receipt of interest on the Bonds may otherwise affect a Bondholder's federal income tax or state tax liability with respect to the Bonds. The nature and extent of these other tax consequences will depend upon the Bondholder's particular tax status and a Bondholder's other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Bonds. Bond Counsel expresses no opinion regarding any other tax consequences. Prospective purchasers of the Bonds should consult their own tax advisors with regard to other consequences of owning the Bonds.

Although Bond Counsel will render an opinion that interest on the Bonds is excludable from federal gross income, the accrual or receipt of interest on the Bonds may otherwise affect a Bondholder's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the Bondholder's particular tax status and the Bondholder's other items of income or deductions. Bond Counsel expresses no opinion regarding any other such tax consequences.

Legislation affecting municipal bonds is considered from time to time by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not have an adverse effect on the tax-exempt status of the Bonds or the market price of the Bonds.

A form of the opinion of Bond Counsel is attached hereto as APPENDIX A. Copies of such opinion will be available at the time of the initial delivery of the Bonds.

#### **UNDERWRITING**

The Sturges Company (the "Underwriter") is offering the Bonds at the price set forth on the cover hereof. The initial offering price may be changed from time to time and concessions from the offering price may be allowed to dealers, banks and others. Pursuant and subject to the terms and conditions set forth in a Bond Purchase Agreement, among the Underwriter, the Issuer and the Owner, the Underwriter has agreed to purchase the Bonds at price equal to the principal amount thereof plus the accrued interest

on the Bonds to the Closing Date. For its services relating to the transaction, the Underwriter will receive a fee of \$\_\_\_\_\_, from which the Underwriter will pay certain fees and expenses relating to the issuance of the Bonds.

The Underwriter does not guarantee a secondary market for the Bonds and is not obligated to make any such market in the Bonds. No assurance can be made that such a market will develop or continue. Consequently, investors may not be able to resell Bonds should they need or wish to do so for emergency or other purposes.

#### **RATING**

It is a condition to the Underwriter's acceptance of the Bonds on the Closing Date that Moody's has assigned a rating of "MIG-1" to the Bonds. The rating reflects only the view of Moody's at the time the rating was issued and an explanation of the significance of such rating may be obtained from Moody's. The rating is not a recommendation to buy, sell or hold the Bonds. There is no assurance that any such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating can be expected to have an adverse effect on the market price of the Bonds.

#### **CERTAIN LEGAL MATTERS**

Certain legal matters relating to the authorization and validity of the Bonds will be subject to the approving opinion of Krieg DeVault LLP, Indianapolis, Indiana, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Squire Patton Boggs (US) LLP, Cleveland, Ohio, and for the Owner by its counsel, Kuhl & Grant LLP, Indianapolis, Indiana. Compensation for certain of such counsel is contingent upon the issuance of the Bonds.

#### **ABSENCE OF LITIGATION**

It is a condition to the Underwriter's acceptance of the Bonds on the Closing Date that the Issuer and the Owner deliver a certificate to the effect that, with regard to the Issuer, that its principal executive officer has received no notice of legal proceedings pending or threatened as described herein, and to the Owner's knowledge, there are no legal proceedings pending or threatened to restrain or enjoin the issuance, sale or delivery of the Bonds or the payment, collection or application of the proceeds thereof or of the revenues and other money and securities pledged or to be pledged under the Indenture or in any way contesting or affecting any authority for or the validity of the Bonds or the Indenture.

#### **CONTINUING DISCLOSURE**

The Owner has undertaken responsibility for any continuing disclosure to Bondholders as described below, and the Issuer will have no liability to the Holders of the Bonds or any other person with respect to such disclosures.

The Owner will covenant, pursuant to the Continuing Disclosure Agreement (the "*Disclosure Agreement*") to provide annually certain audited financial information and operating data relating to the Project by not later than May 1 of each year, commencing May 1, 2018 (the "*Annual Report*"), and to provide notices of the occurrence of certain enumerated events such as a default under the Indenture or the Loan Agreement, a change in the rating on the Bonds, an event adversely affecting the tax-exempt status of the Bonds, or adversely affecting the Bondholders, or any event similar thereto. The Annual Report will be filed by the Trustee on behalf of the Owner to The Municipal Securities Rulemaking Board

(the “MSRB”) in an electronic format as prescribed by the MSRB and containing such identifying information as is prescribed by the MSRB. The notices of material events will be filed by the Trustee on behalf of the Owner, with the MSRB. See Appendix C for the proposed form of the Continuing Disclosure Agreement.

#### **MISCELLANEOUS**

The foregoing summaries and explanations do not purport to be comprehensive, and are expressly made subject to the exact provisions of documents referred to herein. Copies of the Indenture and the Loan Agreement may be obtained from the Trustee or, during the initial marketing of the Bonds, the Underwriter. Any statements in this Official Statement involving matters of opinion or forecast, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement among the Issuer, the Owner, or the Underwriter and the purchasers or holders of any Bonds.

The execution and delivery of this Official Statement have been duly authorized by the Issuer and the Owner.

**GLICK CAMBRIDGE SQUARE  
FORT WAYNE II, LP,**  
an Indiana limited partnership

By: **GLICK CAMBRIDGE SQUARE  
FORT WAYNE II LIHTC, LLC,**  
an Indiana limited liability company,  
its General Partner

By: **GENE B. GLICK COMPANY,**  
an Indiana corporation,  
its Sole Member

By: \_\_\_\_\_  
[INSERT],  
[INSERT TITLE]



**APPENDIX A**  
**FORM OF OPINION OF BOND COUNSEL**

July \_\_, 2017

City of Fort Wayne, Indiana, as Issuer  
Fort Wayne, Indiana

The Huntington National Bank, as Trustee  
Indianapolis, Indiana

The Sturges Company, as Underwriter  
Naples, Florida

Ladies and Gentlemen:

Re: City of Fort Wayne, Indiana Multifamily Housing Revenue Bonds, Series 2017 (Cambridge Square Project) ("Bonds") in the aggregate principal amount of \$8,200,000 dated the date hereof; Issued pursuant to a Trust Indenture (the "Indenture") dated as of July 1, 2017, between City of Fort Wayne, Indiana (the "Issuer") and The Huntington National Bank, as Trustee (the "Trustee"); Fully registered Bonds in the denominations as set forth in the Indenture.

We have acted as Bond Counsel in connection with the authorization and issuance of the Bonds by the Issuer.

We have examined (a) a certified transcript containing the proceedings of the Issuer and the City of Fort Wayne Economic Development Commission (the "Commission") relating to the authorization, issuance and sale of the Bonds pursuant to the Indenture and the approval and execution of the Indenture, a loan agreement dated as of July 1, 2017 (the "Loan Agreement"), between the Issuer and Glick Cambridge Square Fort Wayne II, LP (the "Borrower") and a Regulatory Agreement and Declaration of Restrictive Covenants dated as of July 1, 2017, among the Issuer, the Borrower and the Trustee (the "Regulatory Agreement"); (b) executed counterparts of the Loan Agreement; (c) an executed counterpart of the Indenture; (d) executed counterparts of the Regulatory Agreement; (e) a certificate showing execution, authentication and delivery of Bonds and no litigation pending as of said date of delivery; (f) the Arbitrage Certificate of the Issuer dated the date hereof; (g) a General Certificate of the Borrower, dated the date hereof; (h) a Tax Representation Certificate of the Borrower, dated the date hereof; (i) an opinion of Kuhl & Grant, LLP, Indianapolis, Indiana, counsel for the Borrower; (j) a Note executed by the Borrower and dated July \_\_, 2017; (k) an executed Internal Revenue Service Form 8038; and (l) the executed Bond No. [\_\_\_\_].

In delivering our opinion, we have relied upon a certified transcript of proceedings and other certificates and representations of the Borrower and the Issuer as set forth in the Indenture, the Loan Agreement, the Regulatory Agreement and the Bond transcript, including but not limited to the Arbitrage Certificate and the Tax Representation Certificate, executed by the Borrower (the "Tax Covenant"), and have not undertaken to verify any facts by independent investigation.

Based upon the foregoing and our review of such other information, papers, documents and statutes, regulations, rulings and decisions as we believe necessary or advisable, we are of the opinion that:

**THE LOAN AGREEMENT, THE INDENTURE AND THE REGULATORY AGREEMENT HAVE BEEN DULY AUTHORIZED, EXECUTED AND DELIVERED BY THE ISSUER AND ARE VALID AND BINDING AGREEMENTS OF THE ISSUER, ENFORCEABLE AGAINST THE ISSUER IN ACCORDANCE WITH THEIR RESPECTIVE TERMS.**

**THE BONDS HAVE BEEN DULY AUTHORIZED, EXECUTED AND ISSUED AND ARE VALID AND BINDING OBLIGATIONS OF THE ISSUER, ENFORCEABLE IN ACCORDANCE WITH THEIR TERMS.**

**UNDER STATUTES, DECISIONS, REGULATIONS AND RULINGS EXISTING ON THIS DATE, THE INTEREST ON THE BONDS IS EXEMPT FROM INCOME TAXATION IN THE STATE OF INDIANA. THIS OPINION RELATES ONLY TO THE TAX EXEMPTION OF INTEREST ON THE BONDS FROM STATE INCOME TAXES.**

**UNDER FEDERAL STATUTES, DECISIONS, REGULATIONS AND RULINGS EXISTING ON THIS DATE, THE INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR PURPOSES OF FEDERAL INCOME TAXATION PURSUANT TO SECTION 103 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AS IN EFFECT ON THE DATE HEREOF (THE "CODE") EXCEPT FOR INTEREST ON ANY BOND FOR ANY PERIOD DURING WHICH SUCH BOND IS HELD BY A PERSON WHO IS A "SUBSTANTIAL USER" OF THE PROJECT (AS DEFINED IN THE INDENTURE) OR A "RELATED PERSON" WITHIN THE MEANING OF SECTION 147(A) OF THE CODE. FURTHER, UNDER EXISTING LAW, INTEREST ON THE BONDS IS NOT AN ITEM OF TAX PREFERENCE FOR PURPOSES OF THE FEDERAL ALTERNATIVE MINIMUM TAX IMPOSED ON INDIVIDUALS AND CORPORATIONS AND IS NOT TAKEN INTO ACCOUNT IN DETERMINING ADJUSTED CURRENT EARNINGS FOR THE PURPOSE OF COMPUTING THE FEDERAL ALTERNATIVE MINIMUM TAX IMPOSED ON CERTAIN CORPORATIONS. THIS OPINION IS CONDITIONED ON CONTINUING COMPLIANCE BY THE BORROWER AND THE ISSUER WITH THE TAX COVENANTS. FAILURE TO COMPLY WITH THE TAX COVENANTS COULD CAUSE INTEREST ON THE BONDS TO LOSE THE EXCLUSION FROM GROSS INCOME FOR PURPOSES OF FEDERAL INCOME TAXATION RETROACTIVELY TO THE DATE OF ISSUANCE OF THE BONDS.**

It is to be understood that the rights of the owners of the Bonds, the Issuer, the Borrower, and the Trustee and the enforceability of the Bonds, the Loan Agreement and the Indenture may be subject to the valid exercise of the constitutional powers of the State of Indiana and the United States of America. It is to be further understood that the rights of the owners of the Bonds, the Issuer, the Trustee and the Borrower and the enforceability of the terms of the Loan Agreement, the Indenture and the Bonds are subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that the enforcement thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity.

We express no opinion herein with respect to matters of title in the facilities financed with the proceeds of the Bonds or the Trustee's interest therein.

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

This letter is not intended to create any new attorney-client relationships.

Very truly yours,

## APPENDIX B

### Book-Entry Only System

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

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

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of the notices be provided directly to them.

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

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

Redemption proceeds, distributions and dividends ("*debt charges payments*") on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions or dividends ("*debt charges*") to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information above in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer and the Underwriter take no responsibility for the accuracy thereof. The Issuer has no role in the purchases, transfers or sales of book entry interests. The rights of Beneficial Owners to transfer or pledge their interests, and the manner of transferring or pledging those interests, may be subject to applicable state law. Beneficial Owners may want to discuss with their legal advisers the manner of transferring or pledging their book-entry interests. The Issuer has no responsibility or liability for any aspects of the records or notices relating to, or payments made on account of, beneficial ownership, or for maintaining, supervising or reviewing any records relating to that ownership. The Issuer cannot and does not give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute to the Beneficial Owners payments of debt

charges on the Bonds made to DTC as the registered owner, or any redemption, if any, or other notices, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve or act in a manner described in this Official Statement.

*Direct Participants and Indirect Participants may impose service charges on Beneficial Owners in certain cases. Purchasers of book-entry interests should discuss that possibility with their brokers.*

## APPENDIX C

### Proposed Form of Continuing Disclosure Agreement

**\$8,200,000**

**CITY OF FORT WAYNE, INDIANA  
MULTIFAMILY HOUSING REVENUE BONDS, SERIES 2017  
(CAMBRIDGE SQUARE PROJECT)**

This Continuing Disclosure Agreement (the "Disclosure Agreement"), dated as of July 1, 2017, is executed and delivered by Glick Cambridge Square Fort Wayne II, LP, an Indiana limited partnership (the "Owner"), The Huntington National Bank, in its capacity as trustee (in such capacity, the "Trustee"), and The Huntington National Bank, as dissemination agent (in such capacity, the "Dissemination Agent"), in connection with the issuance and sale of the above-captioned bonds (the "Bonds"). The Bonds are being issued pursuant to a Trust Indenture, dated as of July 1, 2017 (the "Indenture"), between the City of Fort Wayne, Indiana (the "Issuer") and the Trustee. The Bonds are being issued by the Issuer to provide money to make a loan (the "Loan") to the Owner, to finance the acquisition, rehabilitation, and equipping of a multifamily rental housing facility (the "Project") located in the City of Fort Wayne, Indiana.

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Owner, the Trustee and the Dissemination Agent for the benefit of the Holders of the Bonds and in order to assist the Participating Underwriter (as defined below) in complying with the Rule (defined below). The Owner and the Dissemination Agent acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Disclosure Agreement, and has no liability to any person, including any Holder of the Bonds, with respect to any such reports, notices or disclosures.

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined herein or in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the Owner pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Disclosure Representative" means the general partner of the Owner or its designee, or such other person as the Owner shall designate in writing to the Dissemination Agent from time to time.

"Dissemination Agent" means The Huntington National Bank, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Owner and which has filed with the Trustee a written acceptance of such designation.

"Listed Events" means any of the events listed in Section 5(a) of this Disclosure Agreement.

"Participating Underwriter" means The Sturges Company and its successors and assigns.

"Repository" means the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system (<http://emma.msrb.org/>).

"Rule" means Rule 15c2 12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Tax exempt" means that interest on the Bonds is excludable from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise

includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax or environmental tax.

Section 3. Provision of Annual Reports.

(a) The Owner shall, or shall cause the Dissemination Agent to, not later than May 1 of each year, commencing May 1, 2018, provide to the Repository an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. If the Dissemination Agent is to provide such Annual Report to the Repository, not later than five Business Days prior to said date, the Owner shall provide the Annual Report to the Dissemination Agent. The Owner shall provide a written certification with the Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the Owner hereunder. The Dissemination Agent may conclusively rely upon such certification of the Owner. In each case, the Annual Report shall be submitted through the EMMA system and to the Trustee in an electronic format and contain such identifying information as is prescribed by the MSRB, and may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4; provided that the audited financial statements of the Owner may be submitted separately from the balance of the Annual Report if they are not available by that date. The Dissemination Agent's obligation to deliver the information at the times and with the contents described above shall be limited to the extent the Owner has provided such information to the Dissemination Agent as required hereby.

(b) If by five Business Days prior to the date specified in subsection (a) for providing the Annual Report to the Repository, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Owner to inquire if the Owner is in compliance with subsection (a).

(c) If the Owner does not provide a written certification to the Dissemination Agent to the effect that an Annual Report has been provided to the Repository by the date required in subsection (a), the Dissemination Agent shall, in a timely manner, send a notice to the Repository in an electronic format in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall, to the extent the Owner has provided the Annual Report to the Dissemination Agent, file a report with the Owner certifying that the information represented to the Dissemination Agent by the Owner as the Annual Report has been provided pursuant to this Disclosure Agreement and stating the date it was provided to the Repository.

(e) The Owner shall either make Annual Reports required by this Section 3 to the MSRB through its EMMA system (provided the Disclosure Representative shall have set up an account on the EMMA system) or shall make such Annual Reports available to the Dissemination Agent in an electronic format that meets the requirements prescribed by the MSRB.

Section 4. Content of Annual Reports. The Owner's Annual Report shall be substantially in the form attached hereto as Exhibit B and include the following information and, if available, shall contain or incorporate by reference audited financial statements for the year ended December 31:

1. the category of information being provided;
2. the period covered by any annual financial information/financial statements or operating data;
3. the issues or specific securities to which such document is related (including CUSIP number, Issuer name, state, issue description, dated date, maturity date and coupon rate);
4. the name of the Owner and any other obligated person other than the Issuer;



5. the name and date of the documents; and
6. contact information for the Disclosure Representative.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Owner is an "obligated person" (as defined by the Rule), which have been filed with the Repository. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Owner will clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events (each, a "Listed Event"):

- (1) Principal and interest payment delinquencies on the Bonds;
- (2) Non-payment related defaults on the Bonds, if material;
- (3) Unscheduled draws on debt service reserves relating to the Bonds reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements relating to the Bonds reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of Holders of the Bonds, if material;
- (8) Bond calls, if material (except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event);
- (9) Tender offers;
- (10) Defeasance of the Bonds;
- (11) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (12) Rating changes on the Bonds;
- (13) Bankruptcy, insolvency, receivership or similar event of the Owner or the Issuer; which event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Owner or the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Owner or the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental

authority having supervision or jurisdiction over substantially all of the assets or business of the Owner or the Issuer;

(14) The consummation of a merger, consolidation, or acquisition involving the Owner or the sale of all or substantially all of the assets of the Owner, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(15) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) The Trustee shall, within two business days after obtaining actual knowledge of the occurrence of any of the Listed Events (except events listed in clauses (a)(1),(8), (10) or (15) in which case the Trustee shall notify the Dissemination Agent and the Owner) contact the Disclosure Representative, inform such person of the event, and request that the Owner promptly notify the Dissemination Agent in writing to report the event pursuant to subsection (f). For purposes of this Disclosure Agreement, "actual knowledge" of such Listed Events shall mean knowledge by an officer of the Trustee at its designated office with responsibility for matters related to the Indenture.

(c) Whenever the Owner obtains knowledge of the occurrence of a Listed Event in clauses (a)(2), (6), (7), (9), (11), (14), or (15), because of a notice from the Trustee pursuant to subsection (b) or otherwise, the Owner shall within five business days determine if such event would constitute material information, within the meaning of such term under federal securities laws, for Holders of Bonds, provided, however, that any other Listed Event will always be deemed to be material.

(d) If the Owner has determined that knowledge of the occurrence of a Listed Event would be material, or if such Listed Event is otherwise deemed to be material pursuant to subsection (c) above (in each case, a "Material Listed Event"), the Owner shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (f).

(e) If in response to a request under subsection (b), the Owner determines that the Listed Event (other than a Material Listed Event) would not be material, the Owner shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the Owner to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the Repository with a copy to the Owner. Notwithstanding the foregoing, notice of the occurrence of a Material Listed Event shall be given by the Dissemination Agent within 10 business days of the occurrence thereof.

(g) Each notice filed with the Repository pursuant to this Section 5 shall set forth the following information:

- (1) the category of information being provided;
- (2) the period covered by any annual financial information/financial statements or operating data;
- (3) the issues or specific securities to which such document is related (including CUSIP number, Issuer name, state, issue description, dated date, maturity date and coupon rate);
- (4) the name of the Owner and any other obligated person other than the Issuer;

- (5) the name and date of the documents; and
- (6) contact information for the Disclosure Representative.

Section 6. Termination of Reporting Obligation. The obligations of the Owner, the Dissemination Agent and the Trustee under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds (after giving any required notice of such event hereunder). If the Owner's obligations under the Note (as defined in the Indenture) are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Owner, and the original Owner shall have no further responsibility hereunder.

Section 7. Dissemination Agent. The Owner may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign at any time by providing thirty days' written notice to the Owner.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Owner, the Trustee and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the Owner) and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Owner and the Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Trustee or the Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Owner from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Owner chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the Owner shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Owner or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee at the written direction of the Participating Underwriter or the Holders of at least 25% in aggregate principal amount of Outstanding Bonds, shall, solely to the extent indemnified to its satisfaction (including attorney's fees and expenses), or any Holder of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Owner or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture or the Note and the sole remedy under this Disclosure Agreement in the event of any failure of the Owner or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article VI of the Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) shall have only such duties as are

specifically set forth in this Disclosure Agreement, and the Owner agree to indemnify and save the Dissemination Agent and the Trustee and their respective officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Trustee's or Dissemination Agent's gross negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review or verify any information provided to it by the Owner or to determine the materiality of a Listed Event and shall not be deemed to be acting in any fiduciary capacity for the Owner, the Holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the Owner's failure to report to the Dissemination Agent a Listed Event. The obligations of the Owner under this Section shall survive resignation or removal of the Dissemination Agent or Trustee and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Owner, the Trustee, the Dissemination Agent, the Participating Underwriter and the Holders from time to time of the Bonds, and shall not create any rights in any other person or entity.

Section 13. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Indiana.

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Section 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**The Huntington National Bank,**  
as Dissemination Agent

By: \_\_\_\_\_  
Authorized Agent

**The Huntington National Bank,**  
as Trustee

By: \_\_\_\_\_  
Authorized Agent

**GLICK CAMBRIDGE SQUARE  
FORT WAYNE II, LP,**  
an Indiana limited partnership

By: **GLICK CAMBRIDGE SQUARE  
FORT WAYNE II LIHTC, LLC,**  
an Indiana limited liability company,  
its General Partner

By: **GENE B. GLICK COMPANY,**  
an Indiana corporation,  
its Sole Member

By: \_\_\_\_\_  
[INSERT],  
[INSERT TITLE]

**EXHIBIT A**

**NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: City of Fort Wayne, Indiana

State: Indiana

Name of Bond Issue: Multifamily Housing Revenue Bonds, Series 2017 (Cambridge Square Project)

CUSIP Number:

Name of Owner/  
Obligated Person: Glick Cambridge Square Fort Wayne II, LP

Contact Information:

Date of Issuance: July \_\_, 2017

Maturity Date: May 1, 2019

NOTICE IS HEREBY GIVEN that the Owner has not provided an Annual Filing for the period ending December 31, 20\_\_ with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated as of July 1, 2017, among the Owner and The Huntington National Bank, as Trustee and as Dissemination Agent. The Owner has notified the Dissemination Agent that it anticipates that the Annual Report will be filed by \_\_\_\_\_.

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

The Huntington National Bank, as Dissemination Agent,  
on behalf of the Owner

By: \_\_\_\_\_  
Title:

cc: Owner

**EXHIBIT B**

**ANNUAL REPORT FOR YEAR ENDED DECEMBER 31, 201\_\_**

Name of Issuer: City of Fort Wayne, Indiana

State: Indiana

Name of Bond Issue: Multifamily Housing Revenue Bonds, Series 2017 (Cambridge Square Project)

CUSIP Number:

Name of Owner/  
Obligated Person: Glick Cambridge Square Fort Wayne II, LP

Contact Information:

Date of Issuance: July \_\_, 2017

Maturity Date: May 1, 2019

Period Covered:

Amounts on Deposit under Indenture by Fund at December 31, 201\_\_

| <u>Project Fund</u> | <u>Assignment Fund</u> | <u>Bond Fund</u> |
|---------------------|------------------------|------------------|
| \$                  | \$                     | \$               |

Description of Investments for each Fund: \_\_\_\_\_

Are Audited Financial Statements Available? Yes/No?