

FINANCING AND COVENANT AGREEMENT

BETWEEN

YORKTOWN REAL EQUITIES INC.

AND

TOWN OF YORKTOWN, INDIANA

\$ _____

[TAXABLE] ECONOMIC DEVELOPMENT REVENUE BONDS, SERIES 2020
(BISON PROJECT)

Dated as of June 1, 2020

The rights of the Issuer hereunder have been assigned to The Huntington National Bank, Indianapolis, Indiana, as Trustee under a Trust Indenture dated as of the date hereof, from the Issuer.

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FINANCING AND COVENANT AGREEMENT

This is a FINANCING AND COVENANT AGREEMENT, dated as of June 1, 2020 ("Financing Agreement") between YORKTOWN REAL EQUITIES INC., a corporation duly organized and validly existing under the laws of the State of Indiana ("Company"), and the TOWN OF YORKTOWN, INDIANA, a municipal corporation duly organized and validly existing under the laws of the State of Indiana ("Issuer" and "Town").

Indiana Code, Title 36, Article 7, Chapters 11.9, 12, 14 and 25 as supplemented and amended (collectively, "Act"), authorizes and empowers the Issuer to issue revenue bonds and to provide the proceeds therefrom for the purpose of financing costs of economic development facilities and infrastructure for the diversification of economic development, promotion of job opportunities and providing housing options to attract new residents to the community and retain existing residents looking for new housing options within the community and vests the Issuer with powers that may be necessary to enable it to accomplish such purposes;

The Yorktown Redevelopment Commission ("Redevelopment Commission") did on August 14, 2019, adopt a declaratory resolution ("Declaratory Resolution") establishing the SR 32 Economic Development Area ("Area") located in the Town and, following a public hearing, the Declaratory Resolution was confirmed by a confirmatory resolution adopted on June 11, 2020;

The Declaratory Resolution approved the economic development plan ("Plan") for the Area which Plan contained specific recommendations for economic development in the Area, and the Declaratory Resolution established three allocation areas, including the Bison #1 Allocation Area ("Allocation Area"), as an allocation area in accordance with IC 36-7-14-39 for the purpose of capturing property taxes generated from the incremental assessed value of real property located in the Allocation Area;

The Issuer, upon finding that the Project (as hereinafter defined) and the proposed financing of the construction thereof will lead to the creation of construction employment opportunities, residential housing near downtown Yorktown and the furtherance of private investment; will benefit the health, safety, morals, and general welfare of the citizens of the Town and the State of Indiana; and will comply with the purposes and provisions of the Act, adopted an ordinance approving the proposed financing;

The Issuer intends to issue its [Taxable] Economic Development Revenue Bonds, Series 2020 (Bison Project) in the aggregate principal amount of \$_____ ("Series 2020 Bonds") pursuant to the Trust Indenture dated as of June 1, 2020 ("Indenture") between the Issuer and The Huntington National Bank, Indianapolis, Indiana, as Trustee ("Trustee"), and to provide the proceeds of the Series 2020 Bonds pursuant to the provisions of this Financing Agreement to the Company to finance the Project and Costs of Construction (each as hereinafter defined);

This Financing Agreement provides for the payment by the Issuer of the Series 2020 Bonds from the TIF Revenues (as defined herein);

The Series 2020 Bonds issued under the Indenture will be payable solely out of TIF Revenues and Bond proceeds.

PRELIMINARY STATEMENT

In consideration of the premises, the use of the proceeds of the Series 2020 Bonds and of other good and valuable consideration, the receipt of which is hereby acknowledged, the Company and the Town have executed and delivered this Financing Agreement.

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

ARTICLE I.

DEFINITIONS AND EXHIBITS

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

"Act" means, collectively, Indiana Code 36-7-11.9, -12, -14 and -25 and any successor provisions of the Indiana Code or successor codes.

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

"Allocation Area" means the Bison #1 Allocation Area as established in the Declaratory Resolution.

"Annual Fees" means annual Trustee Fees and reasonable annual fees and expenses incurred by the Issuer related to monitoring Tax Increment, in an amount not to exceed \$5,000.

"Area" means the SR 32 Economic Development Area.

"Authorized Representative" means, as to the Company, any officer of the Company or any other person certified by an officer of the Company to be such and means any person so designated by resolution of the Town Council as to the Issuer.

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

"Bond Fund" means the Bond Fund established by Section 4.2 of the Indenture.

"Bond Purchaser" means _____.

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

"Bonds" mean the Series 2020 Bonds, the Additional Bonds and any other bonds issued under the Indenture.

"Business Day" means any day other than (i) a Saturday or Sunday, (ii) a day on which commercial banks in New York, New York, or the Town or cities in which the corporate trust office of the Trustee are authorized or required by law to close or (iii) a day on which the New York Stock Exchange or the federal reserve payment system is closed.

"Company" means Yorktown Real Equities Inc., a corporation, and/or its assigns, duly organized and validly existing under the laws of the State of Indiana and qualified to do business in the State of Indiana, or any successors thereto permitted under Section 3.3 hereof.

"Construction Fund" means the Construction Fund established in Section 4.3 of the Indenture.

"Costs of Construction" means the following categorical costs of providing for an "economic development project" as defined and set forth in the Act:

(i) the "Bond Issuance Costs," namely the costs, fees and expenses incurred or to be incurred by the Issuer and the Company in connection with the issuance and sale of the Series 2020 Bonds, the fees and disbursements of Bond Counsel, fees of the Issuer's municipal advisor, the acceptance fee and first annual payment of the Trustee, application fees and expenses, publication costs, the filing and recording fees in connection with any filings or recording necessary under the Indenture or to perfect the lien thereof, the out-of-pocket costs of the Issuer, the fees and disbursements of counsel to the Company, the fees and disbursements of the Company's accountants, the fees and disbursements of counsel to the Issuer, the fees and disbursements of counsel to the purchasers of the Bonds, the costs of preparing or printing the Series 2020 Bonds, and the documentation supporting the issuance of the Series 2020 Bonds, the costs of reproducing documents and any other costs of a similar nature reasonably incurred;

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

(iii) all costs and expenses of construction, acquisition of equipment, acquisition of land and right-of-way interests, site preparation, environmental remediation and abatement, engineering services, including the costs of Issuer or Company for test borings, surveys, estimates, plans and specifications and preliminary investigation therefor, and for supervising construction, as well as for the performance of all other duties required by or consequent upon the proper construction and equipping of the Project;

(iv) all costs and expenses which Issuer or Company shall be required to pay, under the terms of any contract or contracts (including the architectural and engineering, development, and legal or other professional services with respect thereto), for the construction of the Project; and

(v) any sums required to reimburse Issuer or Company for advances made by either of them subsequent to the date of inducement by the Issuer for any of the above items or for any other costs incurred and for work done by either of them which are properly chargeable to the Project.

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

"Development" means a multi-family residential development consisting of approximately 176 apartment units, 82,000 square feet of garage space and other living amenities.

"Debt Service Reserve Fund" means the Debt Service Reserve Fund established by Section 4.4 of the Indenture.

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

"Indenture" means the Trust Indenture dated as of June 1, 2020, between the Issuer and the Trustee and all amendments and supplements thereto.

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

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

"Paying Agent" means The Huntington National Bank, Indianapolis, Indiana, and any successor paying agent or co-paying agent.

"Project" means the construction of road, water, sewer and storm water drainage improvements and any other capital improvements permissible under IC 36-7-11.9, IC 36-7-12 and IC 36-7-14, together with all necessary appurtenances, related improvements and equipment, located in the Town and in or physically connected to the Area to serve the Development.

"Qualified Investments" means to the extent permitted by the laws of the State of Indiana (i) Government Obligations; (ii) bonds, debentures, participation certificates or notes issued by any of the following: Federal Farm Credit Banks, Federal Financing Bank, Federal Home Loan Banks, Federal National Mortgage Association or Federal Home Loan Mortgage Corporation; (iii) certificates of deposit, time deposits and other interest-bearing deposit accounts with any banking institution, including the Trustee, which are insured by the Federal Deposit Insurance Corporation; (iv) any money market fund, sweep account, mutual fund or trust, which may be funds or trusts of the Trustee or Paying Agent, as shall invest solely in a portfolio of obligations described in (i) or (ii) above or money market funds rated, at the time of purchase, in the highest

category by Moody's Investors Service or Standard & Poor's Ratings Group; (v) repurchase agreements with the Trustee or any of its affiliated banks or any other bank having a net worth of at least \$100,000,000 secured by a pledge and physical delivery (except in the case of securities issued in book-entry form, which shall be registered in the name of the Trustee) to the Trustee or third-party bank, as custodian of obligations described in (i) or (ii) hereof; (vi) municipal obligations the interest on which would be excluded from the gross income of the owners thereof for federal tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, if (a) rated, at the time of purchase, in one of the three highest rating categories of either Moody's Investors Service or Standard & Poor's Ratings Group, or, (b) if fully secured by securities guaranteed as to principal and interest by the United States of America; and (vii) stock of a Qualified Regulated Investment Company which invests solely in obligations described in (vi) above.

"Redevelopment Commission" means the Yorktown Redevelopment Commission.

"Registrar" means the registrar and/or co-registrar at the time serving as such under the Indenture, and shall initially mean The Huntington National Bank, Indianapolis, Indiana.

"Series 2020 Bonds" means the Town of Yorktown, Indiana [Taxable] Economic Development Revenue Bonds, Series 2020 (Bison Project).

"Tax Increment" means all property tax proceeds attributable to the assessed valuation of real property in the Allocation Area in excess of the assessed valuation described in IC 36-7-14-39(b)(1), as such statutory provision exists on the date of issuance of the Series 2020 Bonds. The incremental assessed value is multiplied by the then current property tax rate (per \$100 assessed value).

"TIF Revenues" means Tax Increment received by the Redevelopment Commission and pledged to the Issuer pursuant to a resolution adopted on June 11, 2020 consisting of Tax Increment generated in the Allocation Area, minus Annual Fees, for a term not to exceed the final maturity date of the Series 2020 Bonds.

"Town" means the Town of Yorktown, Indiana.

"Trustee" means the trustee and/or co-trustee at the time serving as such under the Indenture, and shall initially mean The Huntington National Bank, Indianapolis, Indiana.

"Trustee Fees" means the acceptance fee and the annual fees and expenses of the Trustee as set forth in Exhibit D of the Indenture.

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

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

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

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

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

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

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

(End of Article I)

ARTICLE II.

REPRESENTATIONS; USE OF BOND PROCEEDS

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

(a) Issuer is a municipal corporation duly organized and existing under the laws of the State of Indiana. Under the provisions of the Act, the Issuer is authorized to enter into the transactions contemplated by this Financing Agreement and to carry out its obligations hereunder.

(b) Issuer agrees to provide funds from the issuance of the Series 2020 Bonds for financing the construction of the Project for the benefit of the holders of the Bonds, to encourage economic development and to provide new residential housing opportunities near downtown Yorktown and to benefit the health, safety, morals and general welfare of the citizens of the Town and the State of Indiana, and to secure the Bonds by pledging certain of its rights and interest in this Financing Agreement.

(c) This Financing Agreement has been duly executed and delivered by the Issuer and, assuming due execution by the Company, constitutes the legal, valid and binding agreement of the Issuer, enforceable against the Issuer in accordance with its terms, except as may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights in general.

Section 2.2. Representations by Company. Company represents and warrants that:

(a) It is a corporation duly organized and validly existing under the laws of the State of Indiana and authorized to do business in the State of Indiana, is not in violation of any laws in any manner material to its ability to perform its obligations under this Financing Agreement, has full power to enter into and perform its obligations under this Agreement, and by proper action has duly authorized the execution and delivery of this Financing Agreement.

(b) The Project and the Development are of the type authorized and permitted by the Act.

(c) All of the proceeds from the Series 2020 Bonds (including any income earned on the investment of such proceeds) will be used for Costs of Construction.

(d) The Company intends to operate or cause the Development to be operated as an economic development facility under the Act, until the expiration or earlier termination of this Financing Agreement as provided herein, unless the Company has sold or otherwise transferred the Project to a Surviving Corporation (as hereinafter defined) in accordance with Section 3.3 of this Financing Agreement.

(e) Neither the execution and delivery of this Financing Agreement, the consummation of the transactions contemplated hereby nor the fulfillment of or compliance with the terms and conditions of this Financing Agreement, will contravene the Company's formation or governing documents or any law or any governmental rule, regulation or order presently binding on the Company or conflicts with or results in a breach of the terms, conditions or

provisions of any agreement or instrument to which the Company is now a party or by which it is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any liens, charges, or encumbrances whatsoever upon any of the property or assets of the Company under the terms of any instrument or agreement.

(f) The execution, delivery and performance by the Company of this Financing Agreement do not require the consent or approval of, the giving of notice to, the registration with, or the taking of any other action in respect of, any federal, state or other governmental authority or agency, not previously obtained or performed.

(g) This Financing Agreement has been duly executed and delivered by the Company and, assuming due execution by the Issuer, constitutes the legal, valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except as may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights in general.

(h) There are no actions, suits or proceedings pending, or, to the knowledge of the Company, threatened, before any court, administrative agency or arbitrator which, individually or in the aggregate, might result in any material adverse change in the financial condition of the Company or might impair the ability of the Company to perform its obligations under this Financing Agreement.

(i) No event has occurred and is continuing which with the lapse of time or the giving of notice would constitute an event of default under this Financing Agreement.

(j) The Company reasonably anticipates that the estimated investment in the Development is approximately \$38,500,000 and the estimated cost of the Project is \$5,500,000, each to be completed by _____, 202_ and _____, 202_.

Section 2.3. Use of Series 2020 Bond Proceeds by Issuer. Concurrently with the execution and delivery hereof, the Issuer is issuing the Series 2020 Bonds and is providing the proceeds from the sale thereof to the Company by making the deposits and payments specified in Section 3.1 of the Indenture.

(End of Article II)

ARTICLE III.

PARTICULAR COVENANTS OF THE COMPANY

Section 3.1. Consent to Assignments to Trustee. The Company acknowledges and consents to the pledge and assignment of the Issuer's rights hereunder to the Trustee pursuant to the Indenture and agrees that the Trustee may enforce the rights, remedies and privileges granted to the Issuer hereunder, to receive payments under Section 3.6 hereof and to execute and deliver supplements and amendments to this Financing Agreement pursuant to Section 7.1 hereof.

Section 3.2. General Covenants. (a) The Company covenants and agrees with and for the express benefit of the Issuer, the Trustee and the owners of the Bonds, that the Company shall perform all of its other obligations, covenants and agreements hereunder, without notice or demand (except as provided herein), and without abatement, deduction, reduction, diminution, waiver, abrogation, set-off, counterclaim, recoupment, defense or other modification or any right of termination or cancellation arising from any circumstance whatsoever, whether now existing or hereafter arising, and regardless of any act of God, contingency, event or cause whatsoever, and irrespective (without limitation) of whether the Project or any part thereof is defective or nonexistent, or whether the Company's revenues are sufficient to make such payments, and notwithstanding any damage to, or loss, theft or destruction of, the Project or any part thereof, expiration of this Financing Agreement, any failure of consideration or frustration of purpose, the taking by eminent domain or otherwise of title to or of the right of temporary use of, all or any part of the Project, legal curtailment of the Company's use thereof, or whether with or without the approval of the Issuer, any change in the tax or other laws of the United States of America, the State of Indiana, or any political subdivision of either thereof, any change in the Issuer's legal organization or status, or any default of the Issuer hereunder, and regardless of the invalidity of any portion of this Financing Agreement; and the Company hereby waives the provisions of any statute or other law now or hereafter in effect impairing or conflicting with any of its obligations, covenants or agreements under this Financing Agreement or which releases or purports to release the Company therefrom. Nothing in this Financing Agreement shall be construed as a waiver by the Company of any rights or claims the Company may have against the Issuer under this Financing Agreement or otherwise, but any recovery upon such rights and claims shall be had from the Issuer separately, it being the intent of this Financing Agreement that the Company shall be unconditionally and absolutely obligated without right of set-off or abatement, to perform fully all of its obligations, agreements and covenants under this Financing Agreement for the benefit of the holders of the Bonds.

(b) Until such time as the Series 2020 Bonds shall have been fully paid, or provision for the payment thereof shall have been made in accordance with the Indenture, the Company covenants to pay all property tax bills for the Project before the tax bills are delinquent; provided however, nothing contained herein shall prevent Company from exercising any right to appeal any tax assessments in accordance with Indiana law.

(c) The obligations of the Company to perform and observe the other agreements on its part shall be absolute and unconditional, irrespective of any defense or any rights of set-off, recoupment or counterclaim it might otherwise have against the Issuer, and the Company shall pay absolutely during the term of this Financing Agreement all payments required thereunder

free of any deductions and without abatement, diminution or set-off; and until such time as the principal of and interest on the Series 2020 Bonds shall have been fully paid, or provision for the payment thereof shall have been made in accordance with the Indenture, the Company: (i) will perform and observe all of its agreements contained in this Financing Agreement; and (ii) will not terminate this Financing Agreement for any cause, including, without limiting the generality of the foregoing, failure of the Company to complete the Project, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax laws of the United States of America or of the State of Indiana or any political subdivision of either thereof, or any failure of the Issuer or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Financing Agreement or the Indenture.

Section 3.3. Maintenance of Corporate Existence. The Company covenants that so long as any Bonds are outstanding, it will maintain in good standing its corporate existence and qualification to do business in the State of Indiana, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it; provided that the Company may, without violating its agreement contained in this Section, consolidate with or merge into another limited liability company or other entity, or permit one or more other corporations or other entities to consolidate with or merge into it, or sell or otherwise transfer to another limited liability company or entity all or substantially all of its assets as an entirety and thereafter dissolve, provided the surviving, resulting or transferee entity (such limited liability company being hereinafter called the "Surviving Entity") (if other than the Company) expressly accepts, agrees and assumes in writing to pay and perform all of the obligations of the Company herein and be bound by all of the agreements of the Company contained in this Financing Agreement to the same extent as if the Surviving Entity had originally executed this Financing Agreement, and the Surviving Entity is an Indiana corporation or is a foreign corporation or partnership, trust or other person or entity organized under the laws of one of the states of the United States and is qualified to do business in the State of Indiana as a foreign corporation or partnership, trust or other person or entity.

Any sale, lease or other disposition of the Project or any portion thereof is subject to the conditions of Section 3.10 hereof.

Section 3.4. Reserved.

Section 3.5. Indemnity. The Company will pay, and protect, indemnify and save the Issuer (including members, directors, officials, officers, agents, attorneys and employees thereof), the Bondholders, the Trustee and the Paying Agent harmless from and against, all liabilities, losses, damages, costs, expenses (including attorneys' fees and expenses of the Issuer, the Trustee and the Paying Agent), causes of actions, suits, claims, demands and judgments of any nature arising from or relating to:

(a) The acceptance or administration of the Indenture and Financing Agreement by the Trustee thereunder or the performance of the Issuer's duties thereunder, except that if

liability arises from such Trustee's gross negligence or willful misconduct in connection with such action taken such indemnification shall not extend to the Trustee;

(b) Violation of any agreement or condition of this Financing Agreement or the Indenture, except by the Issuer or the Trustee;

(c) Violation of any contract, agreement or restriction by the Company relating to the Project, or a part thereof;

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

(e) Undertaking construction of the Project, or the failure to undertake the construction of the Project;

(f) Any act, failure to act, or misrepresentation by the Company, or any of the Company's agents, contractors, servants, employees or licensees;

(g) Any act, omitted act, or misrepresentation by the Issuer in connection with or in the performance of any obligation related to the issuance, sale, delivery of (or failure to issue, sell or deliver) the Series 2020 Bonds under this Financing Agreement or the Indenture, or any other agreement executed by or on behalf of the Issuer (provided that nothing in this clause should be construed to indemnify or release the Issuer from any liability which it would otherwise have had arising from the intentional misrepresentation, gross negligence or willful misconduct on the part of the Issuer other than as contemplated in this Financing Agreement); and

(h) The authorization, issuance, sale, trading, redemption, or servicing of the Series 2020 Bonds and the provision of any information or certification furnished by the Company in connection therewith, concerning the Series 2020 Bonds and the Project.

The indemnity provided by this Section 3.5 shall survive the resignation or removal of the Trustee and the termination of the Indenture and this Financing Agreement.

Section 3.6. Payment of Expenses of Issuance of Series 2020 Bonds. Pursuant to Section 3.1 and Section 4.3 of the Indenture, the Issuer has authorized the use of certain proceeds of the Series 2020 Bonds to pay all of the Issuer's costs of issuing of the Series 2020 Bonds, and the Company shall have no liability to pay such costs of the Issuer.

Section 3.7. Funding of Indenture Funds; Investments. The Issuer shall deposit with the Trustee all proceeds from the sale of the Series 2020 Bonds in the manner specified in Article 3.1 of the Indenture, and the Trustee shall deposit such proceeds in the manner specified in Article 3.1 of the Indenture.

The Company and the Issuer agree that all moneys in any fund established by the Indenture may, at the written direction of the Issuer, be invested in Qualified Investments.

The Trustee is hereby authorized to trade with itself in the purchase and sale of securities for such investments. The Trustee shall not be liable or responsible for any loss resulting from any such investment. All such investments shall be held by or under the control of the Trustee and any income resulting therefrom shall be applied in the manner specified in the Indenture.

Section 3.8. Reserved.

Section 3.9. Completion of Project. (a) The Company agrees that it will use reasonable efforts to cause to be made, executed, acknowledged and delivered any contracts, orders, receipts, writings and instructions with any other persons, firms, corporations or partnerships and in general do all things which may be requisite or proper, all for completing construction of the Development by _____, 202_ and the Project by _____, 20__.

(b) The Company agrees, for the benefit of the Issuer and the Bondholders and in order to fulfill the purposes of the Act, to complete the construction of the Project and to pay from other funds of the Company that portion of the costs therefor as may be in excess of the moneys available therefor in the Construction Fund. The Issuer does not make any warranty, either express or implied, that the moneys, which will be paid into the Construction Fund and which under the provisions of this Financing Agreement will be available for payment of the costs of the construction of the Project, will be sufficient to pay all the costs which will be incurred in that connection. The Company shall not be entitled to any reimbursement therefor from the Issuer, the Trustee, or the holders of any of the Bonds.

(c) The Issuer has, in the Indenture, authorized and directed Trustee to make payments from the Construction Fund to pay the Costs of Construction, or to reimburse Company for any Costs of Construction paid by it. The Company agrees to direct such requisitions to Trustee as may be necessary to effect payments out of the Construction Fund in accordance with this Section 3.9.

(d) The Completion Date shall be evidenced to Trustee and the Company by a certificate signed by an Authorized Representative of the Issuer in compliance with the provision of Section 4.3(d) of the Indenture and any excess proceeds in the Construction Fund at such time shall be deposited in the Bond Fund.

Section 3.10. Sale, Substitution, or Lease of the Project. The Company may sell, lease or transfer or otherwise dispose of the Project or any portion thereof only if the sale, lease or transfer or other disposition shall not relieve the Company from liability from the performance of all of the obligations of this Financing Agreement, except as permitted by Section 3.3 hereof, unless the transferee accepts, agrees and assumes in writing to pay and perform all of the obligations of the Company herein and be bound by all of the agreements of the Company contained in this Financing Agreement to the same extent as if the transferee had originally executed this Financing Agreement.

Section 3.11. Payment of Property Taxes. [As long as the Bonds are outstanding, the Company covenants to pay all property tax bills for the Development before the tax bills are

delinquent, subject to the Company's right to contest in good faith the amount or applicability of any property taxes or assessments.]

Section 3.12. Tax Exempt Status of Bonds. [The Company hereby represents, warrants and agrees that it will not take or permit, or omit to take or cause to be taken, any action that would adversely affect the exclusion from gross income of the recipients thereof of the interest on any Series 2020 Bonds issued as tax-exempt bonds for federal income tax purposes and, if it should take or permit, or omit to take or cause to be taken, any such action, the Company shall take or cause to be taken all lawful actions necessary to rescind or correct such actions or omissions promptly upon having knowledge thereof.] **OR** [The Company acknowledges that interest on the Series 2020 Bonds is **not** excluded from the gross income of the recipients thereof for federal income tax purposes.]

(End of Article III)

ARTICLE IV.

APPLICATION OF BOND PROCEEDS

Section 4.1. Use of 2020 Bond Proceeds by Issuer. Concurrently with the execution and delivery hereof, the Issuer is issuing the Series 2020 Bonds and is depositing the proceeds from the sale thereof with the Trustee for the use of the Company by making the deposits and payments specified in Sections 3.1 and 4.3 of the Indenture; provided such proceeds shall be used solely in connection with the construction of the Project [and advanced and used solely in accordance with the terms of this Financing Agreement and the Indenture. The purchaser of the Series 2020 Bonds shall deposit subsequent advances with the Trustee from time to time as needed and the advances shall be recorded in the records of the Trustee].

Section 4.2. Use of TIF Revenues.:

(a) Upon payment of the Bond Issuance Costs pursuant to Section 3.1 and Section 4.4(a) of the Indenture and upon receipt of the Written Request of the Company pursuant to Section 3.1 and Section 4.3(b) of the Indenture, the Trustee shall distribute sums for Costs of Construction of the Project as those costs are incurred until the Trustee has distributed in the aggregate total amount of _____ Dollars (\$_____). All of the foregoing is for the benefit of the holders of the Series 2020 Bonds, to the end that industry and the economy may be diversified and job opportunities promoted and retained, and to secure the Series 2020 Bonds by pledging the TIF Revenues to the Trustee.

(b) The Issuer covenants that, to the extent collected, it will pay the TIF Revenues to the Trustee as provided in Section 4.6 of the Indenture, provided that the Issuer shall have no other obligation to make payments of principal of or interest on the Series 2020 Bonds. Under no circumstances shall the Company be liable to make payments of principal or interest on the Series 2020 Bonds.

Section 4.3. Estoppel Certificate. The Issuer shall, upon reasonable request of the Company, provide the Company (or such person as the Company requests) with a certificate stating that an event of default by Company has not occurred hereunder as of the date of such certificate, provided that such state of facts are true.

ARTICLE V.

EVENTS OF DEFAULT AND REMEDIES THEREFOR

Section 5.1. Events of Default. (a) The occurrence and continuance of any of the following events shall constitute an "event of default" hereunder:

(i) failure of the Company to observe and perform any covenant, condition or provision hereof and to remedy such default within 30 days after written notice thereof from the Trustee to the Company, unless the Requisite Bondholders shall have consented thereto;

(ii) the entry of a decree or order for relief by a court having jurisdiction in the premises in respect of the Company in an involuntary case under any applicable bankruptcy, insolvency or similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Company or for any substantial part of its property, or ordering the windup or liquidation of its affairs; or the filing and pendency for thirty days without dismissal of a petition initiating an involuntary case under any other bankruptcy, insolvency or similar law; or

(iii) the commencement by the Company of any voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, whether consent by it to an entry to an order for relief in an involuntary case and under any such law or to the appointment of or the taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Company or of any substantial part of its property, or the making of it by any general assignment for the benefit of creditors, or the failure of the Company generally to pay its debts as such debts become due, or the taking of corporate action by the Company in furtherance of any of the foregoing; or

(iv) Any event of default under Section 7.1 of the Indenture.

(b) During the occurrence and continuance of any event of default hereunder, the Trustee, as assignee of the Issuer pursuant to the Indenture, shall have the rights and remedies hereinafter set forth, in addition to any other remedies herein or provided by law.

(c) Upon the occurrence of an event of default described in this Section 5.1 (except an event of default under Section 5.1(a)(iv) which results from an event of default under Section 7.1(b) of the Indenture):

(i) Right to Bring Suit, Etc. The Trustee shall, upon written direction by the Requisite Bondholders and upon receipt of indemnity in accordance with the Indenture, with or without entry, personally or by attorney, proceed to protect and enforce its rights by a suit or suits in equity or at law as directed in writing by the Requisite Bondholders, whether for damages or for the specific performance of any covenant or agreement contained in this Financing Agreement or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable remedy, and enforce any of its rights or duties hereunder; provided, however that all costs incurred by

the Trustee and the Issuer under this Article shall be paid to the Issuer and the Trustee by the Company on demand.

(ii) Waiver of Events of Default. If after any event of default occurs and prior to the Trustee exercising any of the remedies provided in this Financing Agreement, the Company will have completely cured such default, then in every case such default will be waived, rescinded and annulled by the Trustee by written notice given to the Company.

Section 5.2. Remedies Cumulative. No remedy here in conferred upon or reserved to the Trustee is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 5.3. Delay or Omission Not a Waiver. No delay or omission of the Trustee to exercise any right or power accruing upon any event of default shall impair any such right or power, or shall be construed to be a waiver of any such event of default or an acquiescence therein; and every power and remedy given by this Financing Agreement to the Trustee may be exercised from time to time and as often as may be deemed expedient by the Trustee.

Section 5.4. Waiver of Extension, Appraisement or Stay Laws. To the extent permitted by law, the Company will not during the continuance of any event of default hereunder insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Financing Agreement; and the Company hereby expressly waives all benefits or advantage of any such law or laws and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to the Trustee, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted.

Section 5.5. Remedies Subject to Provisions of Law. All rights, remedies and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Financing Agreement invalid or unenforceable under the provisions of any applicable law.

(End of Article V)

ARTICLE VI.

IMMUNITY

Section 6.1. Immunity. No covenant or agreement contained in the Bonds, this Financing Agreement or the Indenture shall be deemed to be a covenant or agreement of any member of the Issuer or the Redevelopment Commission or of any officer or employee of the Issuer, the Redevelopment Commission or their legislative and fiscal bodies in his or her individual capacity, and neither the members of the Issuer, the Redevelopment Commission, nor any officer or employee of the Issuer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

(End of Article VI)

ARTICLE VII.

SUPPLEMENTS AND AMENDMENTS TO THIS FINANCING AGREEMENT

Section 7.1. Supplements and Amendments to this Financing Agreement. Subject to the provisions of Article X of the Indenture, the Company and the Issuer may from time to time enter into such supplements and amendments to this Financing Agreement as to them may seem necessary or desirable to effectuate the purposes or intent hereof.

(End of Article VII)

ARTICLE VIII.

DEFEASANCE

Section 8.1. Defeasance. If provision shall have been made for the satisfaction and discharge of the Indenture as provided therein, then and in that case, this Financing Agreement, and the covenants of the Company contained herein, shall be discharged and the Issuer and the Trustee in such case on demand of the Company and at its cost and expense, shall execute and deliver to the Company a proper instrument or proper instruments acknowledging the satisfaction and termination of this Financing Agreement.

(End of Article VIII)

To the Company: Yorktown Real Equities Inc.
Attn: _____

To the Trustee: The Huntington National Bank
45 North Pennsylvania Street, INHP61
Indianapolis, IN 46204
Attn: John Alexander

Notwithstanding the foregoing, the Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to the Indenture and this Financing Agreement and delivered using Electronic Means; provided, however, that the Issuer and the Company, as the case may be, shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Issuer and the Company, as the case may be, whenever a person is to be added or deleted from the listing. If the Issuer and the Company, as the case may be, elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Issuer and the Company each understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Issuer and the Company, as the case may be, shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Issuer and the Company, as the case may be, and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Issuer and the Company, as the case may be. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Issuer and the Company each agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Issuer and the Company, as the case may be; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 9.5. Successors and Assigns. Whenever in this Financing Agreement any of the parties hereto is named or referred to, the successors and assigns of such party shall be deemed to be included and all the covenants, promises and agreements in this Financing Agreement contained by or on behalf of the Company, or by or on behalf of the Issuer, shall bind

and inure to the benefit of the respective successors and assigns, whether so expressed or not. Provided, however, the Company may not assign its rights or obligations under this Financing Agreement without the consent of the Bondholders, which may be withheld in their absolute discretion, unless Section 3.3 of this Financing Agreement has been complied with.

Section 9.6. Counterparts. This Financing Agreement is being executed in any number of counterparts, each of which is an original and all of which are identical. Each counterpart of this Financing Agreement is to be deemed an original hereof and all counterparts collectively are to be deemed but one instrument.

Section 9.7. Governing Law. It is the intention of the parties hereto that this Financing Agreement and the rights and obligations of the parties hereunder and the rights and obligations of the parties thereunder, shall be governed by and construed and enforced in accordance with, the laws of the State of Indiana.

(End of Article IX)

IN WITNESS WHEREOF, the Issuer and the Company have caused this Financing Agreement to be executed in their respective names, and the Issuer has caused its corporate seal to be hereunto affixed and attested by its duly authorized officers, all as of the date first above written.

YORKTOWN REAL EQUITIES INC.

By: _____

Printed: _____

Title: _____

TOWN OF YORKTOWN, INDIANA

By: _____
Town Council President

(SEAL)

Attest:

Clerk-Treasurer