INSTALLMENT PURCHASE CONTRACT
Flood Mitigation

This Installment Purchase Contract (Flood Mitigation) (the "Contract"), by and among PRF Flood Mitigation LLC (the “Developer”), the City of West Lafayette, Indiana (the “City”), and the Purdue Research Foundation (“PRF”) is executed this __ day of _____, 2015.

1. Definitions.

Acquisition Property shall mean the completed Project.

Acquisition Property Price shall mean the total aggregated IP Principal Amounts.

Agency shall mean any applicable: (a) governmental agency, board, commission, or department; or (b) other judicial, administrative, or regulatory body.

Assignment Transaction shall mean the purchase of an absolute assignment of the Payment Rights, the proceeds of the sale of which shall be used to finance the Project Costs.

AT Closing shall mean the closing with respect to the Assignment Transaction.

AT Closing Date shall mean the date of the AT Closing.

AT Documents shall mean all instruments, agreements, and other documents evidencing, or required in connection with, the Assignment Transaction, including, without limitation, the Participation Agreement, the Negative Pledge Agreement, and the Tax Representation Certificate.

Books and Records shall mean all of the books and records pertaining to the acquisition of the materials to construct, and the construction of, the Project in accordance with the Project Agreement, this Contract, and the Construction Contract.

Claims shall mean claims, judgments, liabilities, losses, costs, and expenses (including, without limitation, reasonable attorneys' fees).

Code shall mean the Internal Revenue Code of 1986, as amended, together with the Regulations

Construction Contract shall have the meaning ascribed to the term “Construction Contract” in the Project Agreement.

Contract Price shall mean the sum of all of the Installment Payments.

Cure Period shall mean a period of 30 days after a party failing to perform or observe any term or condition of this Contract to be performed or observed by it receives notice specifying the nature of the failure; provided that, if the failure is of such a nature that it cannot be remedied within 30 days, despite reasonably diligent efforts, then the 30 day period shall be extended as reasonably may be necessary for the defaulting party to remedy the failure, so long as the defaulting party: (a) commences to remedy the failure within the 30 day period; and (b) diligently pursues such remedy to completion.

Custodial Agreement shall mean that certain Custodial Agreement (Flood Mitigation) of even date herewith executed by and between Developer and the Payment Rights Purchaser or its designee, as “Custodial Agent”.

Developer Transfer shall mean, prior to the conveyance of the Acquisition Property to PRF: (a) any sale, transfer, conveyance, assignment, pledge, or other disposition of, or any encumbrance upon, the Project or the materials to construct the Project, or any interest in the foregoing; or (b) any granting of a security interest in the Project or the materials to construct the Project, other than to the Payment Rights Purchaser. Notwithstanding the foregoing, encumbrances created by the AT Documents, or required by the Project Agreement or this Contract, shall not constitute a Developer Transfer.

Event of Default shall have the meaning set forth in Section 14.

Force Majeure shall mean, with respect to a party: (a) an act or omission of the other party; or (b) any other cause that is not within the reasonable control of such party (including, without limitation: (i) unusually inclement weather; (ii) the unusual unavailability of materials, equipment, services or labor; and (iii) utility or energy shortages or acts or omissions of public utility providers).

Full Prepayment Closing Date shall mean, in the case of the exercise by PRF of the Full Prepayment Option (or the declaration by Developer of the exercise of the Full Prepayment Option pursuant to Subsection 15(a)), the date on which the Full Prepayment Price is to be paid.

Full Prepayment Notice shall mean a written notice pursuant to which PRF notifies Developer and the City that it is exercising the Full Prepayment Option.

Full Prepayment Option shall mean the option (but not the obligation) of PRF to satisfy in full the obligations with respect to the payment of the Acquisition Property Price in advance of the expiration of the Payment Period by paying the Full Prepayment Price.

Full Prepayment Price shall mean the sum of: (a) the Outstanding IP Principal Amount on the Full Prepayment Closing Date; plus (b) interest thereon that has: (i) accrued at the Standard Rate; and (ii) not been paid prior to the Full Prepayment Closing Date (stated alternatively, interest that has accrued, but has not been paid as part of the Installment Payments).

Initial Period shall mean the period: (a) beginning on the AT Closing Date; and (b) ending on the _____ anniversary of the last day of the calendar month in which the AT Closing Date occurs.

Initial Period Rate shall mean a per annum rate equal to **[waiting for bank commitment letter].**

Installment Payments shall mean semi-annual installment payments for the purchase of the Acquisition Property, which installment payments: (a) shall be in the amounts specified on Exhibit A and/or determined in accordance with Section 7; and (b) in the aggregate constitute the Contract Price. The installment payments shall consist of IP Interest Amounts and IP Principal Amounts as necessary to fully amortize the Acquisition Property Price over the Payment Period at the Standard Rate.

IP Interest Amount shall mean, with respect to any given Installment Payment, the amount thereof that is attributable to interest that has accrued on the Outstanding IP Principal Amount at the Standard Rate, which amount is specified on Exhibit A as the "Amount Attributable to Interest". **[May not need the remaining text, depending on terms in bank commitment letter]** The parties acknowledge that a change in the Second Period Rate will occur on the SP Rate Change Date; accordingly, to the extent that specific amounts are set forth on Exhibit A as the "Amount Attributable to Interest" for the Payment Due Dates following the SP Rate Change Date, such amounts are projections, as opposed to actual amounts.

IP Principal Amount shall mean, with respect to any given Installment Payment, the amount thereof specified on Exhibit A as the "Amount Attributable to Principal". The aggregated IP Principal Amounts shown on Exhibit A constitute the Acquisition Property Price.

Law shall mean any applicable federal, state, or local law, statute, ordinance, rule, or regulation, or any order or decree of any Agency.

Negative Pledge Agreement shall mean an agreement pursuant to which PRF covenants to the Payment Rights Purchaser that is shall keep the Project Site and, after the acquisition thereof, the Acquisition Property, free from liens, claims, security interests, encumbrances, and restrictions, except as specifically provided to the contrary therein, which agreement shall be consistent with Subsection 11(c).

Outstanding IP Principal Amount shall mean, as of any given date, the aggregate outstanding IP Principal Amount.

Partial Prepayment shall mean a payment of a portion of the Outstanding IP Principal Amount, which payment is made in addition to an Installment Payment.

Participation Agreement shall mean that certain Participation and Purchase Agreement (Flood Mitigation) of even date herewith executed by and among Developer, the City, PRF, and the Payment Rights Purchaser.

Payment Due Date shall mean each January ___ and July ___ during the Payment Period, commencing on _____.

Payment Period shall mean, collectively, the Initial Period and the Second Period.

Payment Rights shall mean the rights hereunder with respect to the receipt of the Installment Payments.

Payment Rights Price shall have the meaning ascribed to the term “Payment Rights Price” in the Project Agreement.

Payment Rights Purchaser shall mean MainSource Bank, and its successors and assigns.

PRF Transfer shall mean: (a) any sale, transfer, conveyance, assignment, pledge, or other disposition of, or any encumbrance upon, the Project Site, any interest in the Project Site; or (b) any granting of a mortgage or security interest in the Project Site, other than to the Payment Rights Purchaser. Notwithstanding the foregoing, encumbrances created by the AT Documents, or required by the Project Agreement or this Contract shall not constitute a PRF Transfer.

Project shall mean the project to be constructed on the Project Site by Developer pursuant to the Project Agreement. The Project is the “Project” under the Project Agreement.

Project Agreement shall mean that certain Project Agreement (Flood Mitigation) of even date herewith executed by Developer and PRF.

Project Costs shall mean have the meaning ascribed to the term “Project Costs” in the Project Agreement.

Project Fund shall mean the fund of the same name established pursuant to the Participation Agreement.

Project Site shall mean that certain real estate owned by PRF and located in the City that is defined as the “Project Site” in the Project Agreement.

Regulations shall mean the United States Treasury Regulations in effect with respect to the Internal Revenue Code of 1986, as amended.

Second Period shall mean the period: (a) commencing on the date immediately following the expiration date of the Initial Period; and (b) ending on the date that is _____ years thereafter.

Second Period Rate shall mean a per annum rate equal to **[waiting for bank commitment letter].**

SP Rate Change Date shall mean the date immediately following the _____ anniversary of the last day of the calendar month in which the AT Closing Date occurs. **[May not need this, depending on terms in bank commitment letter]**

Special Tax Counsel shall have the meaning ascribed to the term "Special Tax Counsel" in the Participation Agreement.

Standard Rate shall mean the per annum regular (non-default) rate of interest accruing on the Outstanding IP Principal Amount. Accordingly, the Standard Rate: (a) during the Initial Period is the Initial Period Rate; and (b) during the Second Period is the Second Period Rate.

Substantial Completion Date shall have the meaning ascribed to the term "Substantial Completion Date" in the Project Agreement.

Tax Representation Certificate shall mean a certification dated the AT Closing Date and delivered by PRF, which certification contains representations and covenants regarding: (a) the use of the Project; and (b) certain tax related matters; that have been determined by Special Tax Counsel, in the exercise of its reasonable discretion, to be necessary for Special Tax Counsel to provide an opinion regarding the tax-exempt nature of the IP Interest Amount.

2. General Obligations.

(a) Assignment Transaction. Subject to the terms and conditions of this Contract:

(i) Developer shall: (A) close the Assignment Transaction, including executing and delivering the AT Documents; and (B) satisfy its obligations under the AT Documents;

(ii) Each of the City and PRF shall execute the AT Documents to which it is a party;

(iii) Developer shall use the proceeds of the sale and assignment of the Payment Rights for the sole purpose of financing the Project Costs.

(iv) Developer shall comply with all of its obligations under the Project Agreement with respect to the construction of the Project.

(b) Conveyance. Subject to the terms and conditions of this Contract: (i) the City, acting as a conduit, shall agree to issue the obligations described in this Contract for the purpose of providing for PRF to acquire the Acquisition Property for the Acquisition Property Price; and (ii) Developer shall convey the Acquisition Property to PRF in exchange for payment by PRF, on behalf of the City, of the Installment Payments. Notwithstanding the foregoing, if the Full Prepayment Option is exercised, then, in lieu of the Acquisition Property Price, price paid shall be the Full Prepayment Price.

3. Assignment Transaction Closing. The AT Closing Date shall be established mutually by Developer, the City, and PRF. The AT Closing shall take place at the office of the Payment Rights Purchaser, or at such other place as the parties mutually agree. At the AT Closing Developer, the City, PRF, and the Payment Rights Purchaser shall execute the Participation Agreement and such other customary documents as the Payment Rights Purchaser and Special Tax Counsel reasonably may request.

4. Conditions of Performance. The obligations of each of Developer, the City, and PRF with respect to proceeding with the AT Closing and, in the case of PRF, the payment of the Acquisition Property Price, shall be subject to the satisfaction, or waiver in writing, of the following:

(a) each of Developer, the City, and PRF, exercising commercially reasonable discretion, shall have approved the terms and conditions of: (i) the sale and assignment of the Payment Rights; and (ii) the AT Documents to which each is a party;

(b) each of Developer, the City, and PRF, exercising commercially reasonable discretion, shall have determined that each of the other parties and the Payment Rights Purchaser are prepared to execute the AT Documents at the AT Closing;

(c) there shall be no breach of this Contract by a party that such party has failed to cure within the Cure Period;

(d) all of the representations and warranties set forth in Section 5 shall be true and accurate in all respects; and

(e) Special Tax Counsel shall have delivered an opinion stating that the IP Interest Amount is excludable from federal income taxes.

5. Representations. Each of Developer, the City, and PRF represents and warrants that:

(a) it has: (i) the power and authority to enter into this Contract and perform its obligations hereunder; (ii) the power and authority to carry out all transactions contemplated by this Contract; and (iii) complied with the Laws in all matters relating to the foregoing transactions;

(b) it has been authorized by proper action to execute, deliver, and perform its obligations under this Contract;

(c) Neither the execution and delivery of this Contract by it, nor the performance of its obligations hereunder: (i) violates any Law or the terms and conditions of any indenture, material agreement, or other instrument to which it is a party, or by which it or any of its properties or assets is bound; (ii) conflicts with, results in a breach of, or constitutes a default under any such indenture, agreement, or other instrument; or (iii) results in the creation or imposition of any prohibited lien, charge, or encumbrance of any nature upon any of its properties or assets; and

(d) it shall not take or, to the extent within its power, permit to be taken, any action that results in all or any portion of the IP Interest Amount being included in the gross income of the Payment Rights Purchaser for purposes of federal or State of Indiana income taxation.

In addition to the foregoing: (a) Developer represents and warrants that it is a limited liability company organized and existing under the laws of the State of Indiana; and (b) PRF represents and warrants that it

is an Indiana corporation formed and existing under the Indiana Foundation or Holding Companies Act, Acts of 1921, ch. 246, and an organization described in Section 501(c)(3) of the Code.

6. Project Fund.

(a) Project Fund. Funds in the Project Fund shall be disbursed to Developer in accordance with the Custodial Agreement to pay (or reimburse Developer for) Project Costs.

(b) Completion. Upon the occurrence of the Substantial Completion Date, PRF shall deliver written notice pursuant to the Participation Agreement stating that: (i) the Project has been constructed and/or installed in accordance with the terms and conditions of the Project Agreement; and (ii) all of the Project Costs have been determined and paid (or that: (A) all of the Project Costs have been paid, other than specified claims that are subject to dispute; and (B) there is to be retained in the Project Fund, until resolution of the dispute, the full amount of such specified claims). Upon the receipt of such statement, the remaining balance in the Project Fund less: (i) any amounts needed for Project Fund purposes; and (ii) the amount certified by PRF as sufficient to cover the full amount of the specified claims that are subject to dispute; shall be applied to the next due Installment Payments in accordance with the Participation Agreement.

7. Acquisition Property-Payment.

(a) Interest. **[Text in (i) and (ii) may change, depending on the bank commitment letter]**

(i) During the Initial Period, interest shall accrue on the Outstanding IP Principal Amount at the Initial Period Rate, which shall be determined, and fixed, on the AT Closing Date.

(ii) During the Second Period, interest shall accrue on the Outstanding IP Principal Amount at the Second Period Rate. As reflected in the definition thereof, the Second Period Rate shall be adjusted on the SP Rate Change Date.

(iii) During the Payment Period, interest shall accrue on the basis of a 360-day year based on the number of actual days elapsed.

(b) Payments.

(i) During the Payment Period, PRF, on behalf of the City, shall pay an Installment Payment to Developer on each Payment Due Date. In no event shall the City be obligated to pay to Developer any amount in excess of the amount of the Installment Payment actually paid by PRF to Developer. Notwithstanding the foregoing, Developer, the City, and PRF agree that in lieu of PRF paying the Installment Payment to Developer, PRF shall pay each Installment Payment directly to the Payment Rights Purchaser in accordance with the Participation Agreement. If PRF fails to pay any Installment Payment on the applicable Payment Due Date, then: (A) PRF shall: (i) remain obligated to pay the full amount of such Installment Payment; and (ii) pay interest on the unpaid amount of the Installment Payment at the Standard Rate; and (B) Developer shall not be

entitled to recover from the City any amount of any Installment Payment that PRF has failed to pay.

(ii) During the Initial Period, the amount of each Installment Payment shall be as set forth on Exhibit A.

(iii) **[Text may change, depending on the bank commitment letter]** The Second Period Rate will become the Standard Rate on the first day of the Second Period. The adjustment to the Second Period Rate contemplated in the definition thereof and in Subsection 7(a)(ii) will occur on the SP Rate Change Date. Accordingly, at least 30 days prior to the first Payment Due Date following the SP Rate Change Date, Developer shall deliver a written notice to PRF that: (A) sets forth the changed Second Period Rate; and (B) includes an addendum to Exhibit A that sets forth the actual IP Interest Amount and IP Principal Amount payable for the remainder of the Payment Period. During the Second Period, the amount of each Installment Payment shall be as set forth on Exhibit A or, after the SP Rate Change Date, the addendum thereto.

(iv) In the event that the IP Interest Amount shall be determined to be includable in gross income for federal income tax purposes, the Initial Period Rate or Second Period Rate, as applicable, shall increase to a rate such that the Payment Rights Purchaser shall be compensated for the loss of such exemption.

(c) Partial Prepayment. A Partial Prepayment may be made at any time by PRF.

(d) Full Prepayment. PRF may exercise the Full Prepayment Option, to be effective at any time during the Payment Period, by delivery of the Full Prepayment Notice. Within ten days after receipt by Developer and the City of the Full Prepayment Notice, Developer and PRF, each acting reasonably, shall agree on the Full Prepayment Closing Date; provided that, if the Full Prepayment Notice is delivered more than 90 days prior to the expiration of the Payment Period, then the Full Prepayment Closing Date shall not occur for at least 30 days after delivery of the Full Prepayment Notice. If PRF properly exercises the Full Prepayment Option, then, in lieu of the remainder of the Acquisition Property Price, PRF, on behalf of the City, shall pay the Full Prepayment Price to Developer (thereby paying off the Acquisition Property Price in full and satisfying all obligations to the Payment Rights Purchaser with respect to the payment of the Installment Payments). Notwithstanding the foregoing, Developer, the City, and PRF agree that in lieu of PRF paying the Full Prepayment Price to Developer, PRF, on behalf of the City, shall pay the Full Prepayment Price directly to the Payment Rights Purchaser in accordance with the Participation Agreement.

(e) Absolute Obligation. The obligation of PRF to pay the Installment Payments is absolute and unconditional, and until the Outstanding IP Principal Amount, together with all interest that has accrued thereon and remains unpaid, has been paid in full: (i) PRF shall not discontinue or suspend payment of any Installment Payments; and (ii) no Installment Payment shall be: (A) subject to reduction, whether by offset or otherwise; or (B) conditional upon the performance or nonperformance by any party of any agreement or any other cause.

(f) Principal/Interest. The obligations of the City hereunder with respect to the Installment Payments shall constitute an "obligation" under Section 1.150-1(b) of the Regulations: (i) the principal of which is the IP Principal Amount; and (ii) the interest on which is the IP Interest Amount; although, for purposes of the laws of the State of Indiana, the IP Principal Amount and the IP Interest Amount simply are two amounts that serve as the basis for calculating the amount of each Installment Payment, which, when aggregated, constitute the Contract Price. The City is a conduit issuer under this Contract.

(g) Obligation. This Contract does not constitute an indebtedness or obligation of the City and, accordingly: (a) neither the credit nor the taxing power of the City, the State of Indiana, or any political subdivision of either of the foregoing is pledged to the payment of the IP Principal Amount or the IP Interest Amount; and (b) the faith and credit of the City are not pledged to this Contract. This Contract is special and limited obligation of the City payable solely and exclusively by PRF.

8. Conveyance. As soon as reasonably is practicable after the Substantial Completion Date, Developer shall convey to PRF (or its designee) title to the Acquisition Property pursuant to conveyance documents that reasonably are approved by each of Developer and PRF. The conveyance of the Acquisition Property shall not: (a) result in a merger of this Contract into the deed and/or other conveyance documents by which PRF (or its designee) receives title, so that this Contract, and all of the rights of the parties hereunder, shall remain in full force and effect; or (b) have any effect on the obligations of the parties to make the Installment Payments pursuant to the terms and conditions of this Contract (stated alternatively, it shall not accelerate payment of the Outstanding IP Principal Amount or decrease the period within which Installment Payments are required to be made).

9. Developer Covenants.

(a) Filings. Developer shall keep in full force and effect, without any violations by Developer, any and all filings or registrations with any Agency necessary in connection with: (i) the performance by Developer of its obligations under the AT Documents; (ii) the acquisition of the materials to construct, and/or the construction of, the Project in accordance with the Project Agreement, this Contract, and the Construction Contract; or (iii) the sale of the Acquisition Property in accordance with this Contract.

(b) No Liens. At all times prior to conveyance of the Acquisition Property to PRF, Developer shall: (i) keep the Project, and the materials to construct the Project, free from any and all liens, claims, security interests, encumbrances, and restrictions, except for: (A) the lien of current real estate taxes not delinquent; and (B) any of the foregoing existing due to compliance with the Project Agreement, this Contract, and/or the AT Documents; and (ii) defend the Project, and the materials to construct the Project, against the claims and demands of others. If any mechanic's, supplier's, or similar lien is filed against the Project Site, the Project, or the materials to construct the Project for work claimed to have been done for, or materials claimed to have been furnished to, Developer, then Developer shall cause such mechanic's, supplier's, or similar lien to be discharged of record within 45 days after notice of the filing by bonding or providing other adequate security therefor, or as provided or required by the Laws.

(c) Laws. Developer shall comply with all Laws in: (i) the conduct of its business and other operations; and (ii) the performance of its obligations under the Project Agreement, the Construction Contract, this Contract, and the AT Documents.

(d) Records. Developer shall keep and maintain true, correct, accurate, and complete Books and Records. All Books and Records shall be kept and maintained in accordance with generally accepted accounting principles consistently applied. PRF and its attorneys, accountants, representatives, architects, engineers, and consultants at all reasonable times shall have: (i) free access to, and rights of inspection of, the Books and Records; and (ii) the right to audit, make extracts from, and receive from Developer originals or accurate copies of, the Books and Records.

(e) No Transfer. Except as approved by PRF: (i) there shall be no Developer Transfer by Developer; and (ii) Developer shall not cause or permit any Developer Transfer. The execution by PRF of the AT Documents to which it is a party shall not be deemed to be a consent by PRF to any Developer Transfer.

(f) No Mortgage. Developer shall not: (i) record or file any mortgage or financing statement covering all or any portion of the Project Site, the Project, or the materials to construct the Project, in any public office, except financing statements in favor of the Payment Rights Purchaser; or (ii) cause or permit any such mortgage or financing statement to be recorded or filed.

(g) No Merger. Developer shall not: (i) change its name; (ii) merge into, or consolidate with, any other entity, or otherwise reorganize; (iii) permit any change in the members of Developer or the percentage of ownership in Developer, if the effect of such change is that Developer no longer is controlled by, or under common control with, Gregory W. Martz; or (iv) fail to promptly notify PRF in writing of any change in the members of Developer or the percentage of ownership in Developer.

(h) No Amendments. Developer shall not: (i) amend, modify, or restate the articles of organization or operating agreement of Developer; (ii) cause or permit any such amendment, modification, or restatement; or (iii) be dissolved, wound up, or converted to another type of entity, or have its existence as a limited liability company terminated.

(i) Developer Interests. Developer shall not: (i) sell, convey, or transfer to any person any interest in Developer; (ii) otherwise encumber, pledge, or assign any interest in Developer; (iii) grant any security interest in any interest in Developer; or (iv) cause or permit any such sale, conveyance, transfer, encumbrance, pledge, assignment, or grant of security interest.

(j) Business. Developer shall not make or permit to be made any material change in the character of its business as currently conducted.

10. City Covenants.

(a) Contract Compliance. The City: (i) faithfully shall observe and perform all of its obligations under this Contract; and (ii) shall not terminate this Contract for any cause whatsoever; provided that the City shall not be obligated to expend any of its own funds in connection with its performance hereunder.

(b) Other Compliance. The City shall observe and perform all of its obligations under all other contracts affecting or involving the Project to which the City is a party.

(c) Protection. The City shall preserve and protect the security hereof, and the rights of Developer and the Payment Rights Purchaser to the Installment Payments.

(d) Assurances. The City shall adopt such resolutions, execute and deliver such instruments, and make any and all further assurances as reasonably may be necessary or proper: (i) to carry out the intention of this Contract; (ii) to facilitate the performance of this Contract; and/or (iii) in connection with assuring and confirming the rights and benefits provided to Developer and the Payment Rights Purchaser.

(e) Enforcement. Developer (or its assignee), in its name or in the name of the City, may enforce all rights of the City, and all obligations of PRF, under and pursuant to this Contract for and on behalf of the Payment Rights Purchaser, whether or not there is an existing Event of Default by the City.

11. PRF Covenants.

(a) Contract Compliance. PRF: (i) shall pay the Installment Payments punctually and in strict conformity with the terms of this Contract; (ii) faithfully shall observe and perform all of its obligations under this Contract; and (iii) shall not terminate this Contract for any cause whatsoever. If the City expends any funds in connection with its compliance with the representation set forth in Subsection 10(a), then PRF shall reimburse the City for such expenses promptly upon receipt of a written invoice accompanied by reasonable evidence supporting such expenditure.

(b) Other Compliance. PRF shall: (i) not take, or omit to take, any action under any contract, if the effect of such act or failure to act would in any manner impair or adversely affect the ability of PRF to pay Installment Payments; and (ii) observe and perform all of its obligations under all other contracts affecting or involving the Project to which PRF is a party.

(c) No Liens. At all times PRF shall: (i) keep the Project Site and, after the acquisition thereof, the Acquisition Property, free from any and all liens, claims, security interests, encumbrances, and restrictions, except for: (A) the lien of current real estate taxes not delinquent; and (B) any of the foregoing existing due to compliance with the Project Agreement, this Contract, and/or the AT Documents; and (ii) defend the Project Site against the claims and demands of others. If any mechanic's, supplier's, or similar lien is filed against the Project Site, the Acquisition Property, or the materials to construct the Project, for work claimed to have been done for, or materials claimed to have been furnished to, PRF, then PRF shall cause such mechanic's, supplier's, or similar lien to be discharged of record within 45 days after notice of the filing by bonding or providing other adequate security therefor, or as provided or required by the Laws.

(d) Taxes. PRF: (i) shall pay and discharge when due all taxes, assessments, and other governmental charges that lawfully are imposed upon the Project Site, the Project, the Acquisition Property, or any part of the foregoing; and (ii) upon request by Developer or the Payment Rights Purchaser, shall take such actions as may be necessary or appropriate to remedy or cure any defect in, or cloud upon, the title to the Project Site, the Project, the Acquisition Property, or any part of the foregoing.

(e) Protection. PRF shall: (i) preserve and protect the security hereof, and the rights of Developer and the Payment Rights Purchaser to the Installment Payments; and (ii) warrant and defend such rights against all claims and demands of all persons.

(f) Laws. PRF shall comply with the Laws in connection with its use and operation of the Project.

(g) Assurances. PRF shall adopt such resolutions, execute and deliver such instruments, and make any and all further assurances as reasonably may be necessary or proper: (i) to carry out the intention of this Contract; (ii) to facilitate the performance of this Contract; and/or (iii) in connection with assuring and confirming the rights and benefits provided to Developer and the Payment Rights Purchaser.

(h) No Transfer. Except as approved by Developer: (i) there shall be no PRF Transfer by PRF; and (ii) PRF shall not cause or permit any PRF Transfer. The execution by Developer of the AT Documents shall not be deemed to be a consent by Developer to any PRF Transfer.

(i) No Mortgage. PRF shall not: (i) record or file any mortgage or financing statement covering all or any portion of the Project Site, the Acquisition Property, or the materials to construct the Project, in any public office, except financing statements in favor of the Payment Rights Purchaser; or (ii) cause or permit any such mortgage or financing statement to be recorded or filed.

(j) Enforcement. Developer (or its assignee), in its name or in the name of the City, may enforce all rights of the City, and all obligations of PRF, under and pursuant to this Contract for and on behalf of the Payment Rights Purchaser, whether or not there is an existing Event of Default by the City.

12. Tax Covenants. Notwithstanding anything to the contrary set forth herein, none of Developer, the City, or PRF shall: (a) take any action; or (b) fail to take any action; that would result in loss of the exclusion under the Code of the IP Interest Amount from gross income, which IP Interest Amount was the subject of an opinion of Special Tax Counsel to the effect that the IP Interest Amount is excludable from gross income under the Code. Any agreement entered into by Developer, the City, or PRF that would result in a loss of such exclusion under the Code shall: (a) be of no force or effect; and (b) not convey any rights, or impose any obligation, at law or in equity. If Developer incurs out-of-pocket costs and expenses to comply with the terms and conditions of this Section, then PRF shall reimburse Developer for such costs and expenses.

13. Insurance.

(a) Construction. During construction of the Project, Developer shall maintain the insurance required by the Project Agreement.

(b) Post Conveyance. After conveyance of the Acquisition Property to PRF, PRF (or any lessee or other user of the Acquisition Property) shall maintain adequate and customary insurance in connection with its ownership, occupancy, possession, use, operation, and maintenance of the Acquisition Property.

(c) Policies. The policies of general liability insurance required to be maintained by this Section shall: (i) name Developer or PRF, as applicable, the City, and the Payment Rights Purchaser as additional insureds; and (ii) provide that Developer, PRF, the City, and the Payment Rights Purchaser shall be given written notice at least 30 days in advance of any intended cancellation or reduction of coverage.

(d) Self Insurance. Any insurance required to be maintained by this Section may be maintained under a self-insurance program, so long as such self-insurance: (i) is

maintained in the amounts customarily maintained in connection with projects similar to the Project; and (ii) in the opinion of an accredited actuary, is actuarially sound.

14. Events of Default. Each of the following shall be deemed to be an "Event of Default":

(a) the failure by any party to pay any amount due by it hereunder on the date due, including, without limitation, the failure by PRF to make any Installment Payment when due;

(b) the failure by any party to observe or perform any term or condition of this Contract to be observed or performed by it (other than the payment of any amount due hereunder), and the continuance of such failure beyond the Cure Period;

(c) the failure by any party to observe or perform any obligation to be observed or performed by it pursuant to the Participation Agreement, and the continuance of such failure beyond the applicable cure period set forth in the Participation Agreement;

(d) the filing by any party of a petition or answer seeking arrangement or reorganization under the Laws;

(e) the approval by a court of competent jurisdiction of a petition, filed with or without the consent of a party, seeking, with respect to such party, arrangement or reorganization under the Laws; or

(f) the assumption by a court of competent jurisdiction of custody or control of a party, or all or a substantial portion of the property of a party, pursuant to the provisions of any Law for the relief or aid of debtors.

15. Remedies.

(a) Remedies. If there is an Event of Default, then each non-defaulting party, without further notice or demand, shall have the following rights and remedies:

(i) if the defaulting party has failed to perform any of its obligations under this Contract: (A) enjoining the failure or specifically enforcing the performance of such obligation; or (B) performing the obligation that the defaulting party has failed to perform; provided that the performance by the non-defaulting party of such obligation shall not be construed to be a waiver of the Event of Default; and

(ii) if PRF is the defaulting party, then Developer may declare the Full Prepayment Option to have been exercised; provided that: (A) the Full Prepayment Closing Date shall occur on a date designated by Developer; and (B) if PRF fails to pay the Full Prepayment Price on the date designated by Developer as the Full Prepayment Closing Date, then such failure shall constitute an Event of Default, with the result being that Developer shall have the right to exercise any rights and remedies available to it at law or in equity (including, without limitation, those set forth in this Section).

(b) No Waiver. Neither: (i) a waiver by any party of an Event of Default; nor (ii) a delay in the exercise by any party of any right or remedy with respect to an Event of Default; shall

be deemed either to: (i) constitute a waiver of any subsequent Event of Default; (ii) release or relieve the defaulting party from performing any of its obligations under this Contract; or (iii) constitute an amendment or modification of this Contract. If Installment Payments are accepted during the continuance of an Event of Default, then such acceptance shall not be construed as a waiver of: (i) such Event of Default; or (ii) any right or remedy of Developer or the Payment Rights Purchaser with respect to such Event of Default. The rights and remedies hereunder are cumulative, and, except as specifically limited in this Contract, no: (i) right or remedy shall be deemed to be, or construed as, exclusive of any other right or remedy hereunder, at law, or in equity; or (ii) failure to exercise any right or remedy shall operate to prevent the subsequent exercise of such right or remedy.

(c) Damages. The non-defaulting party may recover from the defaulting party all damages that the non-defaulting party incurs: (i) by reason of any Event of Default by the defaulting party; and/or (ii) in connection with exercising its rights and remedies with respect to any Event of Default; together with interest thereon at the rate of 12% per annum. All such amounts shall be due and payable by the defaulting party immediately upon receipt of written demand from the other party, and the obligation of the defaulting party to pay such amounts shall survive the acquisition by PRF of the Acquisition Property.

16. Notice. Any notice required or permitted to be given by any party to this Contract shall be in writing, and shall be deemed to have been given when: (a) delivered in person to the other party; or (b) sent by national overnight delivery service, with confirmation of receipt, addressed as follows: to Developer at 8561 N. 175 E., Springport, Indiana 47386, Attn: Gregory W. Martz, with a copy to: Jennifer R. Shoup, Esq., Wallack Somers & Haas, PC, One Indiana Square, Suite 2300, Indianapolis, Indiana 46204; to the City at _____, Attn: _____, with a copy to _____; and to PRF at 1281 Win Hentschel Blvd, West Lafayette, Indiana 47906-4182, Attn: President, with a copy to David A. Starkweather, Esq., Stuart & Branigin LLP, P.O. Box 1010, 300 Main Street, Suite 900, Lafayette, Indiana 47902. Any party may change its address for notice from time to time by delivering notice to the other party as provided above.

17. Assignment. No party shall: (a) assign this Contract or any interest herein; or (b) delegate any duty or obligation hereunder; except as permitted by the Participation Agreement. Notwithstanding any assignment as permitted by the Participation Agreement: (a) the assigning or delegating party shall remain fully liable to perform all of its obligations under this Contract; and (b) a consent by a party to any assignment or delegation shall not release the assigning or delegating party from such performance. Any transfer of this Contract by operation of law (including, without limitation, a transfer as a result of merger, consolidation, or liquidation of any party) shall constitute an assignment for purposes of this Contract.

18. Mutual Indemnification. Developer and PRF shall indemnify and hold harmless each other, and PRF shall indemnify and hold harmless the City, from and against any and all Claims arising from, or connected with: (a) the negligence or wilful misconduct of: (i) Developer or PRF, respectively; or (ii) any party acting by, under, through, or on behalf of Developer or PRF, respectively; and/or (b) the: (i) breach by Developer or PRF, respectively, of any term or condition of the Project Agreement, this Contract, or the AT Documents; and (ii) resulting exercise by any defaulting party of its rights and remedies with respect to such breach.

19. Force Majeure. Notwithstanding anything to the contrary set forth herein, if any party is delayed in, or prevented from, observing or performing any of its obligations under, or satisfying any term or condition of, this Contract as a result of Force Majeure; then: (a) the party asserting Force Majeure shall deliver written notice to the other parties; (b) such observation, performance, or satisfaction shall be excused for the period of days that such observation, performance, or satisfaction is delayed or prevented;

and (c) the deadlines for observation, performance, and satisfaction, as applicable, shall be extended for the same period.

20. Code. This Contract is intended to be a contract for the purchase of property authorized by Indiana Code §§36-7-12-12.2 and 36-7-14-19. If and to the extent this Contract is not such a contract, then this Contract shall be deemed to: (i) include such terms not otherwise included; and (ii) exclude such terms not otherwise excluded; as is necessary to cause this Contract to be such a contract.

21. Miscellaneous. Subject to Section 17, this Contract shall inure to the benefit of, and be binding upon, Developer, the City, and PRF and their respective successors and assigns. This Contract constitutes the entire agreement between Developer, the City, and PRF with respect to the subject matter hereof, and may be modified only by a written agreement signed by all of Developer, the City, and PRF. The invalidity, illegality, or unenforceability of any one or more of the terms and conditions of this Contract shall not affect the validity, legality, or enforceability of the remaining terms and conditions hereof. This Contract may be executed in separate counterparts, each of which shall be an original, but all of which together shall constitute a single instrument. This Contract shall be governed by, and construed in accordance with, the laws of the State of Indiana. All Exhibits to this Contract are attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, the parties have executed this Contract on the date set forth above.

PRF FLOOD MITIGATION LLC

By: GM Development Companies LLC

By: _____
Gregory W. Martz, Member

THE CITY OF WEST LAFAYETTE, INDIANA

By: _____

Printed: _____

Title: _____

PURDUE RESEARCH FOUNDATION

By: _____

Printed: _____

Title: _____

EXHIBIT A
Installment Payments