FILED

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CITY CLERK

RESOLUTION NO. 10, 2010

INDUCEMENT RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF TERRE HAUTE GIVING PRELIMINARY APPROVAL FOR THE ISSUANCE OF ONE OR MORE SERIES OF TAXABLE OR TAX-EXEMPT RECOVERY ZONE FACILITY BONDS IN AN AMOUNT NOT TO EXCEED $8,500,000 FOR COSTS OF ECONOMIC DEVELOPMENT FACILITIES TO BE OWNED BY SYCAMORE HOTEL PARTNERS, LLC

WHEREAS, the health, safety, morals and general welfare of the State of Indiana (the "State") , the City of Terre Haute, Indiana (the "City") and Vigo County, Indiana (the "County") would be benefited by the acquisition, construction, installation and equipping of an economic development facility pursuant to the provisions of I.C. 36-7-11.9 and 12 as supplemented and amended (collectively, the "Act") and the American Recovery and Reinvestment Act of 2009; and

WHEREAS, Sycamore Hotel Partners, LLC (the "Borrower") has entered into discussions with the City of Terre Haute, Indiana (the "Issuer"), has applied for an allocation of Recovery Zone Facility Bonds ("Recovery Zone Bonds") from the County and has provided certain information regarding the acquisition, construction and equipping of an economic development facility consisting of a hotel to be located at the intersection of I465 and I70 in the City (the "Project"). The Project will be owned by the Borrower.

WHEREAS, the Borrower proposes to acquire, construct and equip the Project, thereby creating and/or retaining employment opportunities in the State, providing economic development to the State and benefiting the health, safety, morals, right to gainful employment and general welfare of the citizens of the State of Indiana, by financing all or a portion of the costs of the Project with one or more series of taxable or tax-exempt Recovery Zone Bonds in accordance with the Act; and

WHEREAS, based solely upon the information provided by the Borrower and without independent verification by the Issuer, the Project constitutes an economic development facility as defined by the Act, and complies with the purposes and provisions of the Act.

NOW, THEREFORE, BE IT RESOLVED by the Issuer as follows:

1. The health, safety, morals and general welfare of the State would be benefited by the acquisition, construction and equipping of the Project by the Borrower.

2. The proceeds of the revenue bonds may be used for all costs for which proceeds of such bonds may be used under the Act and the Internal Revenue Code of 1986, as amended, including, but not limited to, reimbursement of the Borrower for such costs incurred subsequent to the date hereof. This Resolution shall be deemed to constitute a declaration of the Issuer's official intent pursuant to Treasury Regulation Section 1.150-2 to permit the Borrower to be reimbursed from proceeds of the bonds for all qualified expenditures for the Project paid during the period beginning sixty (60) days prior to the date hereof until the date of issuance of the bonds.

3. The Borrower may proceed with the acquisition, construction and equipping of the Project in reliance on this Resolution.

4. The Borrower has already secured an allocation of the Recovery Zone Bond Project.

5. The Project constitutes an economic development facility which may be financed by the Issuer through issuance of its revenue bonds pursuant to the Act, and complies with the purposes and provisions of the Act and the Issuer, subject to compliance with all provisions of Indiana law and all policies and procedures of the Issuer and final approval by the Issuer of the structure and other aspects of this financing of the Project, and further subject to the exercise of administrative discretion, is willing to authorize the issuance of one or more series of taxable or tax-exempt Recovery Zone Bonds in an aggregate principal amount not to exceed $8,500,000 to finance such Project. If and when issued, the revenue bonds and the obligation to pay interest thereon will not constitute a debt, a liability, a general obligation or a pledge of the faith and credit of the Issuer, the State or any political subdivision thereof, or a charge against the general faith and credit or taxing powers, if any, of any of them, within the meaning of any constitutional or statutory provisions, but shall be secured solely by the limited sources authorized and permitted by the Act. No owner of such revenue bonds shall have the right to compel the taxing powers, if any, of the Issuer, the State or any political subdivision thereof to pay any principal of, premium, if any, or interest on the revenue bonds.

6. The Issuer, officers and employees of the Issuer, any agents of the Issuer, and any other person executing bonds for the Project are not subject to any personal liability or accountability by reason of any act authorized by this Resolution or the Act, and the Borrower releases said individuals from and agrees that said individuals shall not be liable for and agrees to hold said individuals harmless and indemnify the Issuer and said individuals against any expenses or damages incurred because of any lawsuit commenced by any person in connection with any action taken or omitted to be taken by said individuals with respect to the Project or the financing thereof.

Introduced by, _____ Don Morris, Councilman

Passed this _____ day of _____, 2010.

_____
Neil Garrison, President of Common Council

ATTEST:

_____
Charles P. Hanley, City Clerk

Present by to the Mayor this _____ day of _____, 2010.

_____
Charles P. Hanley, City Clerk

Approved by me, the Mayor, this _____ day of _____, 2010.

_____
Duke A. Bennett, Mayor

ATTEST:

_____
Charles P. Hanley, City Clerk