

## RESOLUTION NO. 51, 2013

A RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF TERRE HAUTE, INDIANA, AUTHORIZING THE PARTICIPATION OF SAID CITY IN THE MOTOR FUEL BUDGETING PROGRAM OF THE INDIANA BOND BANK FOR THE 2014 BUDGET YEAR, THE EXECUTION OF THE QUALIFIED ENTITY REIMBURSEMENT AGREEMENT IN CONNECTION THEREWITH AND OTHER RELATED MATTERS.

WHEREAS, the City of Terre Haute, Indiana (the "City") owns and operates a fleet of motor vehicles which motor vehicles are essential to the ability of the City to serve and provide municipal services to the inhabitants of the City, thereby ensuring the safety and well-being of said inhabitants; and

WHEREAS, the Common Council of the City (the "Council"), the legislative body and fiscal body of the City, finds that the availability of motor vehicle fuel, which includes both gasoline and diesel motor fuel (collectively, "Motor Fuel"), is therefore critical to the City in providing such services; and

WHEREAS, the market-driven volatility of Motor Fuel presents a substantial risk to the Motor Fuel budget of the City, which may require the appropriation of additional funds for the purchase of Motor Fuel should prices increase beyond the amount of funds which have been appropriated for such purpose; and

WHEREAS, current market conditions limit the ability of the City to secure Motor Fuel with qualified suppliers of Motor Fuel in a manner which minimizes the adverse impacts of the volatile Motor Fuel market on the budget for the City; and

WHEREAS, the City has been advised by representatives of the Indiana Bond Bank (the "Bond Bank"), including Crowe Horwath LLP and Maverick Energy Consulting, that the Bond Bank has established and continued a motor fuel budgeting program (the "Program") pursuant to which "qualified entities", as defined in Indiana Code 5-1.5-1-8, may participate for the purpose of managing and mitigating the volatility of Motor Fuel prices in order to achieve budget stability; and

WHEREAS, the Council finds that the City participated in the Program for its budget years 2010 through 2013 and is eligible to participate in the Program for its 2014 budget year; and

WHEREAS, the City's Board of Public Works and Safety (the "Board") has considered the matter of the City's participation in the Program and has adopted a resolution recommending to the Council that the City participate in the Program; and

WHEREAS, the Council, having considered the information presented to it, including the recommendation of the Board, finds that (i) participation in the Program will allow the City to

manage and mitigate the volatility of Motor Fuel prices in order to achieve stability in the City's Motor Fuel budget for the 2014 budget year, (ii) participation in the Program will enhance the City's ability to continue to operate its motor vehicle fleet in an economical manner to assure the continued provision of municipal services to the inhabitants of the City, and (iii) the City is authorized to participate in the Program pursuant to Indiana Code 5-1.5, 36-1-4 and 36-9-6; and

WHEREAS, the Bond Bank has caused to be prepared a Qualified Entity Reimbursement Agreement in connection with the Program, attached hereto as Exhibit A and incorporated herein by reference (the "Agreement"), for execution by and between the City and the Bond Bank; and

WHEREAS, the Bond Bank intends to enter into agreements substantially the same as the Agreement with other qualified entities in connection with the Program; and

WHEREAS, the Agreement has been reviewed by the Council, which has had an opportunity to obtain independent advice and counsel with respect thereto, and has also had the opportunity to review the Agreement with the Bond Bank and seek explanation of the provisions thereof from the Bond Bank; and

WHEREAS, the Agreement sets forth the obligations of the City with respect to its participation in the Program during the term of the Agreement; and

WHEREAS, based upon the foregoing, the Council finds and determines that the City should participate in the Program for the 2014 budget year, that the Agreement should be approved and that any other actions necessary to be taken to assure the City's participation in the Program for the 2014 budget year should be approved;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF TERRE HAUTE, INDIANA, AS FOLLOWS:

Section 1. The findings and determinations set forth in the preambles to this Resolution are hereby made findings and determinations of the City.

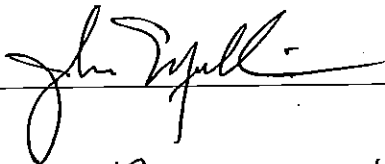
Section 2. The City is hereby authorized to enter into the Program with the Bond Bank for the purpose of managing and mitigating the volatility of Motor Fuel prices in order to achieve budget stability for the 2014 budget year.

Section 3. The Agreement, in the form attached hereto as Exhibit A, is hereby approved by the Council so that the City may participate in the Program. The Mayor of the City is hereby authorized and directed to execute and deliver, and the Controller of the City is hereby authorized and directed to attest, the Agreement, and to approve any such changes in form or substance thereto which are consistent with the terms of this Resolution, such changes to be conclusively evidenced by its execution. The Mayor, Clerk and Controller of the City, and any officer of the Board, are hereby further authorized and directed to take such other actions or deliver such other certificates as are necessary or desirable in connection with the City's participation in the Program and the other documents needed for the City's participation in the Program as they deem necessary or desirable in connection therewith.

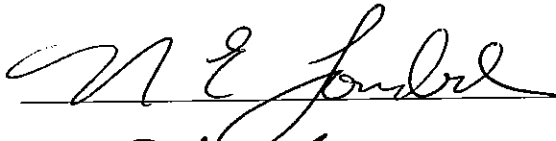
Section 4. The obligations of the City under the Agreement shall be payable from and shall not exceed the amount appropriated by the City for Motor Fuel for the 2014 budget year. The Controller is hereby authorized and directed to make any payments necessary to the Bond Bank pursuant to the terms of the Agreement from funds budgeted by the City for Motor Fuel for the 2014 budget year.


Section 5. All resolutions and parts of resolutions in conflict herewith are hereby repealed.

Section 6. This Resolution shall be in full force and effect upon its passage by the Council and approval by the Mayor of the City as required by law.


Introduced by:  John Mullican, Councilman

Passed in open Council this 12th day of December, 2013.

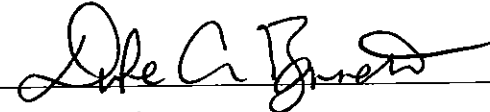
 Norman Loudermilk, President


ATTEST:  Charles P. Hanley, City Clerk

Presented by me to the Mayor this 13th day of December, 2013.

 Charles P. Hanley, City Clerk

Approved by me, the Mayor, this 13th day of DECEMBER, 2013.

 Duke A. Bennett, Mayor

ATTEST:  Charles P. Hanley, City Clerk

**EXHIBIT A**

*Form of Qualified Entity Reimbursement Agreement*

## QUALIFIED ENTITY REIMBURSEMENT AGREEMENT

This QUALIFIED ENTITY REIMBURSEMENT AGREEMENT, dated as of the \_\_\_\_\_ day of \_\_\_\_\_, 2013 (this "Agreement"), between the INDIANA BOND BANK, a body corporate and politic ("Bond Bank"), created and existing pursuant to the provisions of Indiana Code 5-1.5, as amended (the "Act"), having its principal place of business in the City of Indianapolis, Indiana, and CITY OF TERRE HAUTE, INDIANA, a political subdivision of the State of Indiana ("Qualified Entity");

### WITNESSETH:

WHEREAS, pursuant to the Act, the Board of Directors of the Bond Bank has adopted a resolution (the "Bond Bank Resolution") establishing a motor fuel budgeting program (the "Fuel Budgeting Program, Series 2014 A") and authorizing the Bond Bank (i) to enter into certain transactions with the Qualified Entity for the purpose of insuring against significant price fluctuations associated with the purchase of gasoline and/or diesel motor fuel (such gasoline and diesel motor fuel hereinafter referred to as "Motor Fuel") for use by the Qualified Entity, and (ii) to enter into one or more commodity index swap agreements with one or more commodity index swap counterparties that will allow the Qualified Entity to manage and mitigate the volatility of Motor Fuel prices in order to achieve budget stability for such Qualified Entity; and

WHEREAS, pursuant to Resolution No. \_\_\_\_\_ adopted on \_\_\_\_\_, 2013 (the "Qualified Entity Resolution") by the Common Council for the City of Terre Haute, Indiana, acting as the fiscal body for the Qualified Entity, the Qualified Entity is authorized to enter into this Agreement for the purpose of allowing the Bond Bank to (i) solicit and select creditworthy swap counterparties, (ii) negotiate and manage one or more commodity index swap agreements, and (iii) to fund all or a portion of the costs and expenses associated with any such swap agreements and the Fuel Budgeting Program, Series 2014 A, in accordance with this Agreement; and

WHEREAS, pursuant to Resolution No. \_\_\_\_\_, adopted on \_\_\_\_\_, 2013 by the Board of Public Works and Safety for the City of Terre Haute, Indiana, acting pursuant to Indiana Code 36-9-6, as amended, as the purchasing agent for the Qualified Entity with respect to Motor Fuel, the Qualified Entity is authorized to pay to the Bond Bank all or a portion of the funds budgeted for Motor Fuel by the Qualified Entity for the purpose of (i) reimbursing the Bond Bank for amounts advanced by the Bond Bank from the Reserve Account (as defined in the Bond Bank Resolution) necessary to make payments due by the Bond Bank, if any, with respect to a commodity index swap agreement, and (ii) to pay any and all expenses associated with or incurred by the Bond Bank in connection with the Fuel Budgeting Program, Series 2014 A, allocable to the Qualified Entity; and

WHEREAS, pursuant to the Bond Bank Resolution and in reliance, in part, on the adoption of the Qualified Entity Resolution and the execution and delivery of this Agreement by the Qualified Entity, the Bond Bank has entered into a commodity index swap agreement in the form of the Master Agreement, including the Schedule thereto and the Credit Support Annex thereto, each dated as of \_\_\_\_\_ (collectively, the "ISDA Agreement"), and the Confirmations entered into thereunder each dated \_\_\_\_\_ (the "Confirmations" and,

together with the ISDA Agreement, the “Swap Agreement”), with \_\_\_\_\_ (the “Swap Counterparty”);

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein THE BOND BANK AND THE QUALIFIED ENTITY AGREE AS FOLLOWS:

1. Representations and Warranties.

(a) The Qualified Entity makes the following representations and warranties to the Bond Bank:

(i) The Qualified Entity has been duly organized and is validly existing under and pursuant to State law.

(ii) Under State law: (A) the Qualified Entity has full legal right, power and authority (I) to enter into, execute, deliver and perform its obligations under this Agreement, (II) to adopt and perform its obligations under the Qualified Entity Resolution and (III) to carry out and consummate the transactions contemplated by this Agreement and the Qualified Entity Resolution; and (B) the Qualified Entity has complied with and will be in compliance in all respects with the terms of State law in connection with the adoption of the Qualified Entity Resolution and the entering into of this Agreement.

(iii) By all necessary official action, the Qualified Entity has duly approved and adopted the Qualified Entity Resolution, authorized the execution and delivery of this Agreement. This Agreement, when executed and delivered by the parties hereto and the consideration therefor is received by the Qualified Entity, will constitute the legal, valid and binding obligation of the Qualified Entity, enforceable in accordance with its terms, except that its enforceability may be limited by laws relating to bankruptcy, reorganization or other similar laws affecting the rights of creditors, by the exercise of judicial discretion in accordance with general principles of equity and by matters of public policy.

(iv) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby do not and will not conflict with or result in the creation or imposition of any liens, charges or encumbrances of any nature upon any of the property or assets of the Qualified Entity under: (A) any law, regulation, order or decree to which the Qualified Entity is subject; or (B) any agreement or instrument to which the Qualified Entity is a party or by which the Qualified Entity is bound (other than this).

(v) The Qualified Entity is a “qualified entity,” within the meaning of Indiana Code 5-1.5-1-8, as amended.

(vi) The Qualified Entity is not in breach of or in default under any applicable constitutional provision, law or administrative regulation of the State or the United States, or any applicable judgment or decree of any court, regulatory body or other public body or any loan agreement, indenture, bond, note, resolution, agreement or other instrument (collectively, “Laws and Agreements”) to which the Qualified Entity is a party or to which the

Qualified Entity or any of its property or assets is otherwise subject, and no event has occurred and is continuing, which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument. The execution and delivery of this Agreement and the Qualified Entity's compliance with the provisions hereof will not conflict with or constitute a breach of or default under any Laws and Agreements.

(vii) The Qualified Entity will take such action as may be reasonably requested to facilitate the timely consummation of the transactions contemplated by this Agreement.

(viii) The Qualified Entity hereby covenants that it has taken all proceedings required by law to enable it to appropriate and transfer funds to the Bond Bank as provided in Section 2 hereof.

(ix) Except as disclosed in writing to the Bond Bank, there is no action, suit, proceeding, inquiry or investigation of any nature at law or in equity, before or by any court, governmental agency, public board or body pending or, to the knowledge of the Qualified Entity, threatened, seeking to restrain or enjoin the performance of any of the covenants contained in this Agreement or in any way questioning or affecting (A) the transactions contemplated by this Agreement, (B) the right or authority of the Qualified Entity to carry out the terms and provisions of this Agreement, or (C) the power of the Qualified Entity to perform its obligations under this Agreement. Neither the existence of the Qualified Entity nor the right of the officials of the Qualified Entity to their offices nor the titles of the officers of the Qualified Entity to their respective offices are being contested, and no authority or proceeding in connection with or relating to the execution and delivery of this Agreement has been repealed, revoked or rescinded.

(x) The Qualified Entity hereby covenants that it has duly, regularly and properly adopted or will adopt a budget for 2014 setting forth estimated revenues to be received and estimated expenditures for the fiscal year, including funds appropriated for the purchase of Motor Fuel to be used by the Qualified Entity; has complied with or will comply with all statutory and regulatory requirements with respect to the adoption of such budget; and will levy *ad valorem* property taxes in accordance with all statutory and regulatory requirements.

(b) The Bond Bank makes the following representations and warranties:

(i) The Bond Bank is a separate body corporate and politic, constituting an instrumentality of the State, and duly organized and validly existing as such under the Act.

(ii) The Bond Bank has all necessary power and authority under the Act to enter into this Agreement and to consummate the transactions contemplated hereby and by proper corporate action has duly authorized the execution and delivery of this Agreement.

(iii) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby do not and will not conflict with or result in a breach of, and do not and will not constitute a default under, or result in the creation or imposition of any liens, charges or encumbrances of any nature upon any of the property or

assets of the Bond Bank under: (A) any law, regulation, order or decree to which the Bond Bank is subject; or (B) any agreement or instrument to which the Bond Bank is a party or by which the Bond Bank is bound.

2. Execution of Swap Agreement; Advancements; Reimbursement by Qualified Entity.

(a) The Bond Bank hereby agrees to enter into the Swap Agreement with the Swap Counterparty for the purpose of hedging the price associated with the purchase of Motor Fuel for use by the Qualified Entity, and to advance payments owed by the Bond Bank to the Swap Counterparty, if any, with respect to the Swap Agreement from the Reserve Account.

(b) Subject to Section 9, the Qualified Entity hereby agrees to appropriate and pay funds to the Bond Bank: (i) to reimburse the Bond Bank for amounts advanced by the Bond Bank from the Reserve Account necessary to make payments due by the Bond Bank to the Swap Counterparty, if any, with respect to the Swap Agreement, which are allocable to the Qualified Entity; (ii) to pay any and all expenses associated with or incurred by Bond Bank in connection with the Fuel Budgeting Program, Series 2014 A, allocable to the Qualified Entity, including, but not limited to, the Swap Agreement, other agreements contemplated under this Agreement, and future agreements, amendments to this Agreement or the agreements contemplated herein, or transactions made pursuant to and consistent with this Agreement; and (iii) paying any other transaction or related costs contemplated hereunder, which are allocable to the Qualified Entity.

(c) Within five (5) business days following a Scheduled Payment Date (as defined in the Swap Agreement), the Bond Bank or its agent shall: (i) confirm and calculate any amounts owed under the Swap Agreement pursuant to this Agreement (A) by the Qualified Entity to the Bond Bank or (B) to the Qualified Entity by the Bond Bank; and (ii) prepare and send any bills or payments to the Qualified Entity for such purpose. In the event the Bond Bank receives payments from the Swap Counterparty on a Scheduled Payment Date, the Bond Bank shall be entitled to retain any interest earned on such payments to cover administrative expenses of the Fuel Budgeting Program, Series 2014 A, prior to disbursing such funds to the Qualified Entity as provided herein.

(d) Any payments to be sent to the Qualified Entity shall be wired in immediately available funds to the account of the City identified below:

ABA # 086300012  
Attention: Karla Bensinger  
Account # 357023287 – City of Terre Haute

(e) Upon receipt of a bill stating the amounts owed by the Qualified Entity under this Agreement, the Qualified Entity hereby agrees to pay to the Bond Bank or its agent any amounts due as stated in the bill within fifteen (15) business days following the receipt of such bill. In the event the Bond Bank does not receive payment from the Qualified Entity within fifteen (15) business days following the Qualified Entity's receipt of a bill stating the amounts due, the amount due shall accrue interest from the due date at a rate of eight percent (8.00%) per annum until payment is received by the Bond Bank. In the event that payment is received, such



payment shall be used in the following order of priority: (i) to pay any accrued interest; and then (ii) to pay the principal of any amounts owed.

(f) The Qualified Entity agrees that the portion of the Swap Agreement allocated to the Qualified Entity, for which the Qualified Entity will be responsible pursuant to this Agreement, is set forth in Exhibit A attached hereto, commencing on the effective date of the Swap Agreement, as set forth in the Confirmation, and ending on December 31, 2014. The Qualified Entity approves the ISDA Agreement, attached as Exhibit B hereto. The Qualified Entity authorizes the Bond Bank to enter into the Confirmation on or after the date of the execution of this Agreement, so long as: (i) the Confirmation includes both (A) the sale of a floor (put) and (B) the purchase of a cap (call), the combination of which is commonly referred to as a "costless collar"; and (ii) (A) the floor price is no lower than \$\_\_\_\_, with respect to gasoline, and \$\_\_\_\_, with respect to diesel, and (B) the cap price is no higher than \$\_\_\_\_, with respect to gasoline, and \$\_\_\_\_ with respect to diesel. Upon the execution and delivery of the Confirmation by the Bond Bank and the Swap Counterparty, the Confirmation shall be attached to the ISDA Agreement, as part of the Swap Agreement, which is attached as Exhibit B hereto. The Bond Bank and the Qualified Entity agree that any amounts due by the Qualified Entity under the Swap Agreement pursuant to this Agreement will not exceed the current amount appropriated for Motor Fuel for use by the Qualified Entity.

(g) The terms and conditions for disbursement from the Reserve Account to the Swap Counterparty shall be set forth in the Swap Agreement, attached as Exhibit B hereto, and otherwise as may be entered into by the Bond Bank from time to time pursuant hereto.

(h) For the purposes provided in this Section, the Bond Bank's agent shall be The Bank of New York Mellon Trust Company, N.A., until the Bond Bank provides the Qualified Entity notice otherwise.

3. Withholding of Funds Owed to the Qualified Entity. In the event the Qualified Entity fails to remit payment to the Bond Bank within thirty (30) days after payment is due as provided in Section 2(e) hereof, the Bond Bank shall be entitled to exercise the following rights:

(a) If the Qualified Entity would otherwise be entitled to an allocable portion of amounts owed by the Swap Counterparty under the Swap Agreement pursuant to this Agreement, the Bond Bank shall be entitled to retain and apply such amounts against amounts owed by the Qualified Entity. Any amounts retained under this Section shall be used in the following order of priority: (i) to pay any accrued interest on amounts owed; then (ii) to pay the principal of any amounts owed.

(b) Pursuant to Indiana Code 5-1.5-8-5, to the extent that any department or agency of the State, including the treasurer of state, is the custodian of money payable to the Qualified Entity (other than for goods or services provided by the Qualified Entity), the Bond Bank may provide written notice to the department or agency head that the Qualified Entity is in default on the payment of any amounts owed arising from this Agreement, and the department or agency shall withhold the payment of that money from that Qualified Entity and pay over the money to the Bond Bank for the purpose of paying any amounts owed to the Swap Counterparty

pursuant to the Swap Agreement entered into by the Bond Bank on behalf of the Qualified Entity. Any amounts obtained under this Section shall be used in the following order of priority: (i) to pay any accrued interest on amounts owed; then (ii) to pay the principal of any amounts owed.

4. Term of Agreement; Renewal. The term of this Agreement shall commence on January 1, 2014, and, subject to Section 5 hereof, shall remain in full force and effect up to and including December 31, 2014. This Agreement may be extended beyond December 31, 2014, only if and when duly authorized and approved by the Qualified Entity and the Bond Bank, in writing, with the amended terms set forth therein.

5. Termination.

(a) In the event this Agreement is not extended beyond December 31, 2014, and any amount then remains owed and unpaid by one party to the other under this Agreement, this Agreement shall remain in full force and effect until all such amounts have been paid.

(b) In the event the Qualified Entity fails to remit payment to the Bond Bank within thirty (30) days after payment is due as provided in Section 2(e) hereof, the Bond Bank shall be entitled to terminate this agreement in its sole discretion. If the Bond Bank exercises its right to terminate this Agreement, the Bond Bank shall immediately terminate the notional amount of Motor Fuel allocable to the Qualified Entity in the Swap Agreement.

(i) If any termination payment is owed by the Bond Bank to the Swap Counterparty in connection with the termination of the Swap Agreement pursuant to this Section, such amounts shall be immediately due by the Qualified Entity and shall accrue interest at the rate of eight percent (8.00%) per annum from the date of such termination until paid. The Bond Bank shall send the Qualified Entity written notice of the termination payment stating that such termination payment: (A) is due within ten (10) business days following receipt of such notice; (B) shall accrue interest at the rate of eight percent (8.00%) per annum from the date of such termination until repaid; and (C) is in addition to any other amounts owed to the Bond Bank by the Qualified Entity pursuant to this Agreement.

(ii) If any termination payment is received by the Bond Bank from the Swap Counterparty in connection with the termination of the Swap Agreement pursuant to this Section, the Bond Bank shall be entitled to retain and apply such amounts against amounts owed by the Qualified Entity. Any amounts retained under this Section shall be used in the following order of priority: (A) to pay any accrued interest on amounts owed; then (B) to pay the principal of any amounts owed. In the event that there are excess moneys after making the payment of interest and principal amounts due, the Bond Bank shall be entitled to retain all such excess moneys.

6. Verification of Qualified Entity Budget. Simultaneously with the execution of this Agreement, the Qualified Entity shall furnish to the Bond Bank any documentation as requested by the Bond Bank, as to, among other things, the funding and maintenance amounts budgeted for the purchase of Motor Fuel to be used by the Qualified Entity.

7. Pledge and Assignment of Payments. The Qualified Entity and the Bond Bank agree that this Agreement and any payments to be made hereunder may be pledged or assigned by the Bond Bank.

8. Annual Financial Information and Reports. The Qualified Entity agrees to furnish to the Bond Bank, so long as this Agreement or the Swap Agreement entered into by the Bond Bank on behalf of the Qualified Entity pursuant to this Agreement remains in effect, annual financial reports, audit reports and such other financial information as is reasonably requested by the Bond Bank.

9. Severability. If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Agreement and this Agreement shall be construed and in force as if such invalid or unenforceable provision had not been contained herein.

10. Indemnification. To the extent permitted by law, the Qualified Entity releases the Bond Bank from, agrees that the Bond Bank shall not be liable for, and to the extent permitted by law agrees to indemnify and hold the Bond Bank harmless from, any liability for, or expense resulting from (including, but not limited to, reasonable attorneys' fees and expenses), or any loss or damage that may be occasioned by, any cause whatsoever pertaining to the execution and delivery of the Swap Agreement entered into by the Bond Bank on behalf of the Qualified Entity, or the actions taken or to be taken by the Bond Bank under this Agreement, except for the willful misconduct of the Bond Bank or the Trustee.

11. Counterparts. This Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. The Bond Bank and the Qualified Entity each agree that they will execute any and all documents or other instruments, and take such other actions as may be necessary to give effect to the terms of this Agreement.

12. Waiver. No waiver by either the Bond Bank or the Qualified Entity of any term or condition of this Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Agreement.

13. Entire Agreement. This Agreement, together with the Qualified Entity Resolution, merges and supersedes all prior negotiations, representations and agreements between the Bond Bank and the Qualified Entity relating to the subject matter hereof and constitutes the entire agreement between the Bond Bank and the Qualified Entity in respect hereof and thereof.

14. Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by and construed and enforced in accordance with the laws of the State of Indiana.

IN WITNESS WHEREOF, the Bond Bank and the Qualified Entity have caused this Agreement to be executed in their respective names, by their duly authorized officers, under the authority of resolutions adopted by each prior to the date hereof, all as of the day and year first above written.

INDIANA BOND BANK

By: \_\_\_\_\_  
Richard E. Mourdock, Chairperson Ex Officio

Attest:

\_\_\_\_\_  
Lisa Cottingham, Executive Director

CITY OF TERRE HAUTE, INDIANA

By: \_\_\_\_\_  
Duke A. Bennett, Mayor

Attest:

\_\_\_\_\_  
Leslie Ellis, Controller

**EXHIBIT A**

**PORTION OF THE SWAP AGREEMENT ALLOCATED TO  
THE QUALIFIED ENTITY**

(City of Terre Haute)

<u>Month</u>	<u>Gasoline (in gallons)</u>	<u>Diesel (in gallons)</u>
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		
TOTAL:		

**EXHIBIT B**  
**SWAP AGREEMENT**

**RESOLUTION NO. 1, 2013**

**A RESOLUTION OF THE BOARD OF PUBLIC WORKS AND SAFETY OF THE CITY OF TERRE HAUTE, INDIANA, RECOMMENDING THE PARTICIPATION OF SAID CITY IN THE MOTOR FUEL BUDGETING PROGRAM OF THE INDIANA BOND BANK FOR THE 2014 BUDGET YEAR, THE EXECUTION OF THE QUALIFIED ENTITY REIMBURSEMENT AGREEMENT IN CONNECTION THEREWITH AND OTHER RELATED MATTERS**

WHEREAS, the Board of Public Works and Safety (the "Board") of the City of Terre Haute, Indiana (the "City"), is the governing body; and

WHEREAS, the City owns and operates a fleet of motor vehicles which motor vehicles are essential to the ability of the City to serve and provide municipal services to the inhabitants of the City, thereby ensuring the safety and well-being of said inhabitants; and

WHEREAS, the Board finds that the availability of motor vehicle fuel, which includes both gasoline and diesel motor fuel (collectively, "Motor Fuel"), is therefore critical to the City in providing such services; and

WHEREAS, the market-driven volatility of Motor Fuel presents a substantial risk to the Motor Fuel budget of the City, which may require the appropriation of additional funds for the purchase of Motor Fuel should prices increase beyond the amount of funds which have been appropriated for such purpose; and

WHEREAS, current market conditions limit the ability of the City to secure Motor Fuel with qualified suppliers of Motor Fuel in a manner which minimizes the adverse impacts of the volatile Motor Fuel market on the budget for the City; and

WHEREAS, the Board has been advised by representatives of the Indiana Bond Bank (the "Bond Bank"), including Crowe Horwath LLP and Maverick Energy Consulting, that the Bond Bank has established and continued a motor fuel budgeting program (the "Program") pursuant to which "qualified entities", as defined in Indiana Code 5-1.5-1-8, may participate for the purpose of managing and mitigating the volatility of Motor Fuel prices in order to achieve budget stability; and

WHEREAS, the Board finds that the City participated in the Program for its budget years 2010 through 2013 and is eligible to participate in the Program for its 2014 budget year; and

WHEREAS, the Board, having considered the information presented to it, finds that (i) participation in the Program will allow the City to manage and mitigate the volatility of Motor Fuel prices in order to achieve stability in the City's Motor Fuel budget for the 2014 budget year, (ii) participation in the Program will enhance the City's ability to continue to operate its motor vehicle fleet in an economical manner to assure the continued provision of municipal services to

the inhabitants of the City, and (iii) the City is authorized to participate in the Program pursuant to Indiana Code 5-1.5, 36-1-4 and 36-9-6; and

WHEREAS, the Bond Bank has caused to be prepared a Qualified Entity Reimbursement Agreement in connection with the Program, attached hereto as Exhibit A and incorporated herein by reference (the "Agreement"), for execution by and between the City and the Bond Bank; and

WHEREAS, the Bond Bank intends to enter into agreements substantially the same as the Agreement with other qualified entities in connection with the Program; and

WHEREAS, the Agreement has been reviewed by the Board, which has had an opportunity to obtain independent advice and counsel with respect thereto, and has also had the opportunity to review the Agreement with the Bond Bank and seek explanation of the provisions thereof from the Bond Bank; and

WHEREAS, the Agreement sets forth the obligations of the City with respect to its participation in the Program during the term of the Agreement; and

WHEREAS, based upon the foregoing, the Board recommends to the Common Council of the City (the "Council") that the City should participate in the Program for the 2014 budget year, that the Agreement should be approved and that any other actions necessary to be taken to assure the City's participation in the Program for the 2014 budget year should be approved;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF PUBLIC WORKS AND SAFETY OF THE CITY OF TERRE HAUTE, INDIANA, AS FOLLOWS:

Section 1. The findings and determinations set forth in the preambles to this Resolution are hereby made findings and determinations of the Board of Public Works and Safety of the City.

Section 2. The Board hereby recommends to the Council that it authorize the City to enter into the Program with the Bond Bank for the purpose of managing and mitigating the volatility of Motor Fuel prices in order to achieve budget stability for the 2014 budget year.

Section 3. The Board hereby recommends to the Council that it approve the Agreement, in the form attached hereto as Exhibit A, so that the City may participate in the Program. The Board further recommends to the Council that it authorize the Mayor, Clerk and Controller of the City, and any officer of the Board, to take such actions or deliver such certificates as are necessary or desirable in connection with the City's participation in the Program and the other documents needed for the City's participation in the Program as they deem necessary or desirable in connection therewith, including execution and delivery of the Agreement.

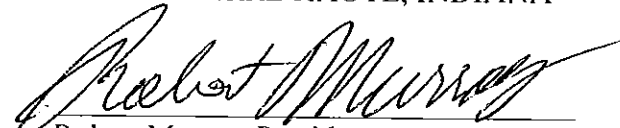
Section 4. All resolutions and parts of resolutions in conflict herewith are hereby repealed. The Clerk of the Board is hereby directed to deliver this Resolution to the Council.

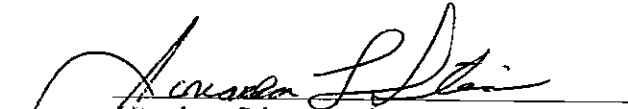


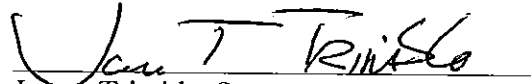
Section 5. This Resolution shall be in full force and effect upon its adoption.

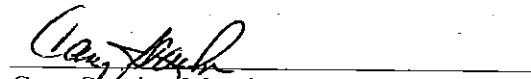
Adopted this 25<sup>th</sup> day of November, 2013.

BOARD OF PUBLIC WORKS AND SAFETY,  
CITY OF TERRE HAUTE, INDIANA

  
Robert Murray, President


  
Jonathon Stinson, Vice-President

  
James Trimble, Secretary

  
Cary Sparks, Member

\_\_\_\_\_  
Roland Shelton, Member

Attest:

  
Robin A. Drummy, Clerk of the Board

**EXHIBIT A**

*Form of Qualified Entity Reimbursement Agreement*

**GENERAL CERTIFICATE OF  
THE CITY OF TERRE HAUTE, INDIANA**

STATE OF INDIANA    )  
                                  ) SS:  
COUNTY OF VIGO    )

We, the duly elected or appointed, qualified and acting undersigned officers of the City of Terre Haute, Indiana (the "City"), in Vigo County, Indiana, hereby certify that:

1. The City is a municipal corporation and political subdivision of the State of Indiana (the "State") created and existing as such under the constitution and laws of the State.

2. The City is a qualified entity as defined in Indiana Code 5-1.5-1-8, as amended.

3. The City has full legal right, power and authority (a) to enter into, execute, deliver and perform its obligations under the Qualified Entity Reimbursement Agreement between the Indiana Bond Bank (the "Bond Bank") and the City dated as of December 1, 2013 (the "Agreement"); (b) to adopt and perform its obligations under Resolution No. 51, 2013, adopted by the Common Council of the City (the "Common Council") on December 12, 2013 (the "Resolution"); and (c) to carry out and consummate the transactions contemplated by the Agreement and the Resolution.

4. The Resolution attached hereto as Exhibit A and incorporated herein by reference has been compared by us and is a full, true and correct copy of the whole of said Resolution which has been duly passed by the Common Council, signed by the Mayor of the City and recorded in the permanent records of the City. The Resolution has not been amended, modified, repealed or rescinded and is now in full force and effect.

5. All actions taken by the Common Council concerning the Agreement and the Resolution were taken at meetings open to the public which complied in all respects with Indiana Code 5-14-1.5. Notice of the meetings was given in accordance with Indiana Code 5-14-1.5. No such actions were taken by secret ballot or by reference to agenda number or item only. If an agenda was used, it was posted at the entrance to the meeting room prior to the meeting. Memoranda were kept during the meeting and made available as required by Indiana Code 5-14-1.5-4. No executive sessions were held except those permitted by Indiana Code 5-14-1.5-6.1.

6. The Agreement has been duly authorized, executed and delivered by the appropriate officers of the City; and, assuming that the Bond Bank has all the requisite power and authority to execute and deliver Agreement, and has duly authorized, executed and delivered the Agreement, the Agreement constitutes the legal, valid and binding obligation of the City, enforceable in accordance with its terms, except that its enforceability may be limited by laws relating to bankruptcy, reorganization or other similar laws affecting the rights of creditors, by

the exercise of judicial discretion in accordance with general principles of equity and by matters of public policy.

7. The execution and delivery of the Agreement by the City, the performance by the City of its obligations thereunder and the consummation of the transactions contemplated therein do not and will not conflict with or result in the creation or imposition of any liens, charges or encumbrances of any nature upon any of the property or assets of the City under: (a) any law, regulation, order or decree to which the City is subject; or (b) any agreement or instrument to which the City is a party or by which the City is bound (other than the Agreement).

8. The City is not in breach of or in default under any applicable constitutional provision, law or administrative regulation of the State or the United States of America, or any applicable judgment or decree of any court, regulatory body or other public body or any loan agreement, indenture, bond, note, resolution, agreement or other instrument (collectively, the "Laws and Agreements") to which the City is a party or to which the City or any of its property or assets is otherwise subject, and no event has occurred and is continuing, which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument. The execution and delivery of the Agreement and the City's compliance with the provisions thereof will not conflict with or constitute a breach of or a default under any Laws and Agreements.

9. The City will take such action as may be reasonably requested to facilitate the timely consummation of the transactions contemplated by the Agreement.

10. The City has taken all proceedings required by law to enable it to appropriate and transfer funds to the Bond Bank pursuant to Section 2 of the Agreement.

11. All approvals, consents or authorizations of, or filings with, any governmental or public agency, authority or person required on the part of the City in connection with the execution, delivery and performance of the Agreement have been obtained or made. The City has complied with and will be in compliance in all respects with the laws of the State of Indiana in connection with the adoption of the Resolution and the entering into of the Agreement.

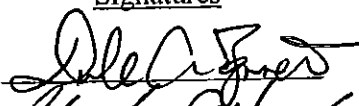
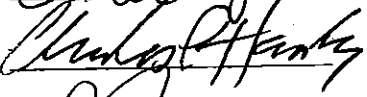

12. There is no action, suit, proceeding, inquiry or investigation of any nature at law or in equity, before or by any court, governmental agency, public board or body pending or, to the best of our knowledge, threatened, seeking to restrain or enjoin the performance of any covenants contained in the Agreement or in any way questioning or affecting (a) the transactions contemplated by the Agreement, (b) the right or authority of the City to perform its obligations under the Agreement, or (c) the power of the City to perform its obligations under the Agreement. Neither the existence of the City, nor the right of the officials of the City to their offices, nor the titles of the officers of the City to their respective offices are being contested, and no authority or proceeding in connection with or relating to the execution and delivery of the Agreement has been repealed, revoked or rescinded.

13. The City has duly, regularly, and properly adopted a budget for 2014 setting forth estimated revenues to be received and estimated expenditures for the fiscal year, including funds appropriated for the purchase of Motor Fuel (as defined in the Agreement) to be used by the City; has complied with all statutory and regulatory requirements with respect to the adoption of such budget; and will levy *ad valorem* property taxes in accordance with all statutory and regulatory requirements.

14. The Common Council, in the Resolution, has duly authorized the execution and delivery of the Agreement by the proper officials.

15. The seal which is impressed upon this certificate is the legally adopted, proper and only official corporate seal of the City.

IN WITNESS WHEREOF, we have signed our names and affixed the seal of the City on this the \_\_\_\_ day of December, 2013.

<u>Signatures</u>	<u>Name</u>	<u>Official Title</u>
	Duke A. Bennett	Mayor
	Charles P. Hanley	Clerk
	Chou-il Lee	Interim Controller

[SEAL]

**EXHIBIT A**

*Resolution*

**GENERAL CERTIFICATE OF  
THE CITY OF TERRE HAUTE, INDIANA**

STATE OF INDIANA    )  
                                  ) SS:  
COUNTY OF VIGO    )

We, the duly elected or appointed, qualified and acting undersigned officers of the City of Terre Haute, Indiana (the "City"), in Vigo County, Indiana, hereby certify that:

1. The City is a municipal corporation and political subdivision of the State of Indiana (the "State") created and existing as such under the constitution and laws of the State.

2. The City is a qualified entity as defined in Indiana Code 5-1.5-1-8, as amended.

3. The City has full legal right, power and authority (a) to enter into, execute, deliver and perform its obligations under the Qualified Entity Reimbursement Agreement between the Indiana Bond Bank (the "Bond Bank") and the City dated as of December 1, 2013 (the "Agreement"); (b) to adopt and perform its obligations under Resolution No. 51, 2013, adopted by the Common Council of the City (the "Common Council") on December 12, 2013 (the "Resolution"); and (c) to carry out and consummate the transactions contemplated by the Agreement and the Resolution.

4. The Resolution attached hereto as Exhibit A and incorporated herein by reference has been compared by us and is a full, true and correct copy of the whole of said Resolution which has been duly passed by the Common Council, signed by the Mayor of the City and recorded in the permanent records of the City. The Resolution has not been amended, modified, repealed or rescinded and is now in full force and effect.

5. All actions taken by the Common Council concerning the Agreement and the Resolution were taken at meetings open to the public which complied in all respects with Indiana Code 5-14-1.5. Notice of the meetings was given in accordance with Indiana Code 5-14-1.5. No such actions were taken by secret ballot or by reference to agenda number or item only. If an agenda was used, it was posted at the entrance to the meeting room prior to the meeting. Memoranda were kept during the meeting and made available as required by Indiana Code 5-14-1.5-4. No executive sessions were held except those permitted by Indiana Code 5-14-1.5-6.1.

6. The Agreement has been duly authorized, executed and delivered by the appropriate officers of the City; and, assuming that the Bond Bank has all the requisite power and authority to execute and deliver Agreement, and has duly authorized, executed and delivered the Agreement, the Agreement constitutes the legal, valid and binding obligation of the City, enforceable in accordance with its terms, except that its enforceability may be limited by laws relating to bankruptcy, reorganization or other similar laws affecting the rights of creditors, by

the exercise of judicial discretion in accordance with general principles of equity and by matters of public policy.

7. The execution and delivery of the Agreement by the City, the performance by the City of its obligations thereunder and the consummation of the transactions contemplated therein do not and will not conflict with or result in the creation or imposition of any liens, charges or encumbrances of any nature upon any of the property or assets of the City under: (a) any law, regulation, order or decree to which the City is subject; or (b) any agreement or instrument to which the City is a party or by which the City is bound (other than the Agreement).

8. The City is not in breach of or in default under any applicable constitutional provision, law or administrative regulation of the State or the United States of America, or any applicable judgment or decree of any court, regulatory body or other public body or any loan agreement, indenture, bond, note, resolution, agreement or other instrument (collectively, the "Laws and Agreements") to which the City is a party or to which the City or any of its property or assets is otherwise subject, and no event has occurred and is continuing, which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument. The execution and delivery of the Agreement and the City's compliance with the provisions thereof will not conflict with or constitute a breach of or a default under any Laws and Agreements.

9. The City will take such action as may be reasonably requested to facilitate the timely consummation of the transactions contemplated by the Agreement.

10. The City has taken all proceedings required by law to enable it to appropriate and transfer funds to the Bond Bank pursuant to Section 2 of the Agreement.

11. All approvals, consents or authorizations of, or filings with, any governmental or public agency, authority or person required on the part of the City in connection with the execution, delivery and performance of the Agreement have been obtained or made. The City has complied with and will be in compliance in all respects with the laws of the State of Indiana in connection with the adoption of the Resolution and the entering into of the Agreement.

12. There is no action, suit, proceeding, inquiry or investigation of any nature at law or in equity, before or by any court, governmental agency, public board or body pending or, to the best of our knowledge, threatened, seeking to restrain or enjoin the performance of any covenants contained in the Agreement or in any way questioning or affecting (a) the transactions contemplated by the Agreement, (b) the right or authority of the City to perform its obligations under the Agreement, or (c) the power of the City to perform its obligations under the Agreement. Neither the existence of the City, nor the right of the officials of the City to their offices, nor the titles of the officers of the City to their respective offices are being contested, and no authority or proceeding in connection with or relating to the execution and delivery of the Agreement has been repealed, revoked or rescinded.

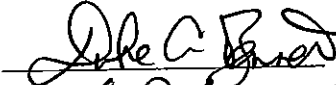
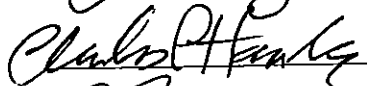
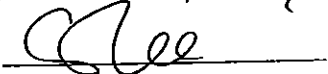


13. The City has duly, regularly, and properly adopted a budget for 2014 setting forth estimated revenues to be received and estimated expenditures for the fiscal year, including funds appropriated for the purchase of Motor Fuel (as defined in the Agreement) to be used by the City; has complied with all statutory and regulatory requirements with respect to the adoption of such budget; and will levy *ad valorem* property taxes in accordance with all statutory and regulatory requirements.

14. The Common Council, in the Resolution, has duly authorized the execution and delivery of the Agreement by the proper officials.

15. The seal which is impressed upon this certificate is the legally adopted, proper and only official corporate seal of the City.

IN WITNESS WHEREOF, we have signed our names and affixed the seal of the City on this the \_\_\_ day of December, 2013.

<u>Signatures</u>	<u>Name</u>	<u>Official Title</u>
	Duke A. Bennett	Mayor
	Charles P. Hanley	Clerk
	Chou-ill Lee	Interim Controller

[SEAL]

**EXHIBIT A**

*Resolution*

## QUALIFIED ENTITY REIMBURSEMENT AGREEMENT

This QUALIFIED ENTITY REIMBURSEMENT AGREEMENT, dated as of the 1<sup>st</sup> day of December, 2013 (this "Agreement"), between the INDIANA BOND BANK, a body corporate and politic ("Bond Bank"), created and existing pursuant to the provisions of Indiana Code 5-1.5, as amended (the "Act"), having its principal place of business in the City of Indianapolis, Indiana, and CITY OF TERRE HAUTE, INDIANA, a political subdivision of the State of Indiana ("Qualified Entity");

### WITNESSETH:

WHEREAS, pursuant to the Act, the Board of Directors of the Bond Bank has adopted a resolution (the "Bond Bank Resolution") establishing a motor fuel budgeting program (the "Fuel Budgeting Program, Series 2014 A") and authorizing the Bond Bank (i) to enter into certain transactions with the Qualified Entity for the purpose of insuring against significant price fluctuations associated with the purchase of gasoline and/or diesel motor fuel (such gasoline and diesel motor fuel hereinafter referred to as "Motor Fuel") for use by the Qualified Entity, and (ii) to enter into one or more commodity index swap agreements with one or more commodity index swap counterparties that will allow the Qualified Entity to manage and mitigate the volatility of Motor Fuel prices in order to achieve budget stability for such Qualified Entity; and

WHEREAS, pursuant to Resolution No. 51, 2013 adopted on December 12, 2013 (the "Qualified Entity Resolution") by the Common Council for the City of Terre Haute, Indiana, acting as the fiscal body for the Qualified Entity, the Qualified Entity is authorized to enter into this Agreement for the purpose of allowing the Bond Bank to (i) solicit and select creditworthy swap counterparties, (ii) negotiate and manage one or more commodity index swap agreements, and (iii) to fund all or a portion of the costs and expenses associated with any such swap agreements and the Fuel Budgeting Program, Series 2014 A, in accordance with this Agreement; and

WHEREAS, pursuant to Resolution No. \_\_\_\_\_, adopted on December 9, 2013 by the Board of Public Works and Safety for the City of Terre Haute, Indiana, acting pursuant to Indiana Code 36-9-6, as amended, as the purchasing agent for the Qualified Entity with respect to Motor Fuel, the Qualified Entity is authorized to pay to the Bond Bank all or a portion of the funds budgeted for Motor Fuel by the Qualified Entity for the purpose of (i) reimbursing the Bond Bank for amounts advanced by the Bond Bank from the Reserve Account (as defined in the Bond Bank Resolution) necessary to make payments due by the Bond Bank, if any, with respect to a commodity index swap agreement, and (ii) to pay any and all expenses associated with or incurred by the Bond Bank in connection with the Fuel Budgeting Program, Series 2014 A, allocable to the Qualified Entity; and

WHEREAS, pursuant to the Bond Bank Resolution and in reliance, in part, on the adoption of the Qualified Entity Resolution and the execution and delivery of this Agreement by the Qualified Entity, the Bond Bank has entered into a commodity index swap agreement in the form of the Master Agreement, including the Schedule thereto and the Credit Support Annex thereto, each dated as of December \_\_, 2013 (collectively, the "ISDA Agreement"), and the Confirmations entered into thereunder each dated December \_\_, 2013 (the "Confirmations" and,

together with the ISDA Agreement, the "Swap Agreement"), with BMO Haris Bank (the "Swap Counterparty");

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein THE BOND BANK AND THE QUALIFIED ENTITY AGREE AS FOLLOWS:

1. Representations and Warranties.

(a) The Qualified Entity makes the following representations and warranties to the Bond Bank:

(i) The Qualified Entity has been duly organized and is validly existing under and pursuant to State law.

(ii) Under State law: (A) the Qualified Entity has full legal right, power and authority (I) to enter into, execute, deliver and perform its obligations under this Agreement, (II) to adopt and perform its obligations under the Qualified Entity Resolution and (III) to carry out and consummate the transactions contemplated by this Agreement and the Qualified Entity Resolution; and (B) the Qualified Entity has complied with and will be in compliance in all respects with the terms of State law in connection with the adoption of the Qualified Entity Resolution and the entering into of this Agreement.

(iii) By all necessary official action, the Qualified Entity has duly approved and adopted the Qualified Entity Resolution, authorized the execution and delivery of this Agreement. This Agreement, when executed and delivered by the parties hereto and the consideration therefor is received by the Qualified Entity, will constitute the legal, valid and binding obligation of the Qualified Entity, enforceable in accordance with its terms, except that its enforceability may be limited by laws relating to bankruptcy, reorganization or other similar laws affecting the rights of creditors, by the exercise of judicial discretion in accordance with general principles of equity and by matters of public policy.

(iv) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby do not and will not conflict with or result in the creation or imposition of any liens, charges or encumbrances of any nature upon any of the property or assets of the Qualified Entity under: (A) any law, regulation, order or decree to which the Qualified Entity is subject; or (B) any agreement or instrument to which the Qualified Entity is a party or by which the Qualified Entity is bound (other than this).

(v) The Qualified Entity is a "qualified entity," within the meaning of Indiana Code 5-1.5-1-8, as amended.

(vi) The Qualified Entity is not in breach of or in default under any applicable constitutional provision, law or administrative regulation of the State or the United States, or any applicable judgment or decree of any court, regulatory body or other public body or any loan agreement, indenture, bond, note, resolution, agreement or other instrument (collectively, "Laws and Agreements") to which the Qualified Entity is a party or to which the

Qualified Entity or any of its property or assets is otherwise subject, and no event has occurred and is continuing, which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument. The execution and delivery of this Agreement and the Qualified Entity's compliance with the provisions hereof will not conflict with or constitute a breach of or default under any Laws and Agreements.

(vii) The Qualified Entity will take such action as may be reasonably requested to facilitate the timely consummation of the transactions contemplated by this Agreement.

(viii) The Qualified Entity hereby covenants that it has taken all proceedings required by law to enable it to appropriate and transfer funds to the Bond Bank as provided in Section 2 hereof.

(ix) Except as disclosed in writing to the Bond Bank, there is no action, suit, proceeding, inquiry or investigation of any nature at law or in equity, before or by any court, governmental agency, public board or body pending or, to the knowledge of the Qualified Entity, threatened, seeking to restrain or enjoin the performance of any of the covenants contained in this Agreement or in any way questioning or affecting (A) the transactions contemplated by this Agreement, (B) the right or authority of the Qualified Entity to carry out the terms and provisions of this Agreement, or (C) the power of the Qualified Entity to perform its obligations under this Agreement. Neither the existence of the Qualified Entity nor the right of the officials of the Qualified Entity to their offices nor the titles of the officers of the Qualified Entity to their respective offices are being contested, and no authority or proceeding in connection with or relating to the execution and delivery of this Agreement has been repealed, revoked or rescinded.

(x) The Qualified Entity hereby covenants that it has duly, regularly and properly adopted or will adopt a budget for 2014 setting forth estimated revenues to be received and estimated expenditures for the fiscal year, including funds appropriated for the purchase of Motor Fuel to be used by the Qualified Entity; has complied with or will comply with all statutory and regulatory requirements with respect to the adoption of such budget; and will levy *ad valorem* property taxes in accordance with all statutory and regulatory requirements.

(b) The Bond Bank makes the following representations and warranties:

(i) The Bond Bank is a separate body corporate and politic, constituting an instrumentality of the State, and duly organized and validly existing as such under the Act.

(ii) The Bond Bank has all necessary power and authority under the Act to enter into this Agreement and to consummate the transactions contemplated hereby and by proper corporate action has duly authorized the execution and delivery of this Agreement.

(iii) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby do not and will not conflict with or result in a breach of, and do not and will not constitute a default under, or result in the creation or imposition of any liens, charges or encumbrances of any nature upon any of the property or

assets of the Bond Bank under: (A) any law, regulation, order or decree to which the Bond Bank is subject; or (B) any agreement or instrument to which the Bond Bank is a party or by which the Bond Bank is bound.

2. Execution of Swap Agreement; Advancements; Reimbursement by Qualified Entity.

(a) The Bond Bank hereby agrees to enter into the Swap Agreement with the Swap Counterparty for the purpose of hedging the price associated with the purchase of Motor Fuel for use by the Qualified Entity, and to advance payments owed by the Bond Bank to the Swap Counterparty, if any, with respect to the Swap Agreement from the Reserve Account.

(b) Subject to Section 9, the Qualified Entity hereby agrees to appropriate and pay funds to the Bond Bank: (i) to reimburse the Bond Bank for amounts advanced by the Bond Bank from the Reserve Account necessary to make payments due by the Bond Bank to the Swap Counterparty, if any, with respect to the Swap Agreement, which are allocable to the Qualified Entity; (ii) to pay any and all expenses associated with or incurred by Bond Bank in connection with the Fuel Budgeting Program, Series 2014 A, allocable to the Qualified Entity, including, but not limited to, the Swap Agreement, other agreements contemplated under this Agreement, and future agreements, amendments to this Agreement or the agreements contemplated herein, or transactions made pursuant to and consistent with this Agreement; and (iii) paying any other transaction or related costs contemplated hereunder, which are allocable to the Qualified Entity.

(c) Within five (5) business days following a Scheduled Payment Date (as defined in the Swap Agreement), the Bond Bank or its agent shall: (i) confirm and calculate any amounts owed under the Swap Agreement pursuant to this Agreement (A) by the Qualified Entity to the Bond Bank or (B) to the Qualified Entity by the Bond Bank; and (ii) prepare and send any bills or payments to the Qualified Entity for such purpose. In the event the Bond Bank receives payments from the Swap Counterparty on a Scheduled Payment Date, the Bond Bank shall be entitled to retain any interest earned on such payments to cover administrative expenses of the Fuel Budgeting Program, Series 2014 A, prior to disbursing such funds to the Qualified Entity as provided herein.

(d) Any payments to be sent to the Qualified Entity shall be wired in immediately available funds to the account of the City identified below:

ABA # 086300012  
Attention: Karla Bensinger  
Account # 357023287 – City of Terre Haute

(e) Upon receipt of a bill stating the amounts owed by the Qualified Entity under this Agreement, the Qualified Entity hereby agrees to pay to the Bond Bank or its agent any amounts due as stated in the bill within fifteen (15) business days following the receipt of such bill. In the event the Bond Bank does not receive payment from the Qualified Entity within fifteen (15) business days following the Qualified Entity's receipt of a bill stating the amounts due, the amount due shall accrue interest from the due date at a rate of eight percent (8.00%) per annum until payment is received by the Bond Bank. In the event that payment is received, such

payment shall be used in the following order of priority: (i) to pay any accrued interest; and then (ii) to pay the principal of any amounts owed.

(f) The Qualified Entity agrees that the portion of the Swap Agreement allocated to the Qualified Entity, for which the Qualified Entity will be responsible pursuant to this Agreement, is set forth in Exhibit A attached hereto, commencing on the effective date of the Swap Agreement, as set forth in the Confirmation, and ending on December 31, 2014. The Qualified Entity approves the ISDA Agreement, attached as Exhibit B hereto. The Qualified Entity authorizes the Bond Bank to enter into the Confirmation on or after the date of the execution of this Agreement, so long as: (i) the Confirmation includes both (A) the sale of a floor (put) and (B) the purchase of a cap (call), the combination of which is commonly referred to as a "costless collar"; and (ii) (A) the floor price is no lower than \$\_\_\_\_, with respect to gasoline, and \$\_\_\_\_, with respect to diesel, and (B) the cap price is no higher than \$\_\_\_\_, with respect to gasoline, and \$\_\_\_\_ with respect to diesel. Upon the execution and delivery of the Confirmation by the Bond Bank and the Swap Counterparty, the Confirmation shall be attached to the ISDA Agreement, as part of the Swap Agreement, which is attached as Exhibit B hereto. The Bond Bank and the Qualified Entity agree that any amounts due by the Qualified Entity under the Swap Agreement pursuant to this Agreement will not exceed the current amount appropriated for Motor Fuel for use by the Qualified Entity.

(g) The terms and conditions for disbursement from the Reserve Account to the Swap Counterparty shall be set forth in the Swap Agreement, attached as Exhibit B hereto, and otherwise as may be entered into by the Bond Bank from time to time pursuant hereto.

(h) For the purposes provided in this Section, the Bond Bank's agent shall be The Bank of New York Mellon Trust Company, N.A., until the Bond Bank provides the Qualified Entity notice otherwise.

3. Withholding of Funds Owed to the Qualified Entity. In the event the Qualified Entity fails to remit payment to the Bond Bank within thirty (30) days after payment is due as provided in Section 2(e) hereof, the Bond Bank shall be entitled to exercise the following rights:

(a) If the Qualified Entity would otherwise be entitled to an allocable portion of amounts owed by the Swap Counterparty under the Swap Agreement pursuant to this Agreement, the Bond Bank shall be entitled to retain and apply such amounts against amounts owed by the Qualified Entity. Any amounts retained under this Section shall be used in the following order of priority: (i) to pay any accrued interest on amounts owed; then (ii) to pay the principal of any amounts owed.

(b) Pursuant to Indiana Code 5-1.5-8-5, to the extent that any department or agency of the State, including the treasurer of state, is the custodian of money payable to the Qualified Entity (other than for goods or services provided by the Qualified Entity), the Bond Bank may provide written notice to the department or agency head that the Qualified Entity is in default on the payment of any amounts owed arising from this Agreement, and the department or agency shall withhold the payment of that money from that Qualified Entity and pay over the money to the Bond Bank for the purpose of paying any amounts owed to the Swap Counterparty

pursuant to the Swap Agreement entered into by the Bond Bank on behalf of the Qualified Entity. Any amounts obtained under this Section shall be used in the following order of priority: (i) to pay any accrued interest on amounts owed; then (ii) to pay the principal of any amounts owed.

4. Term of Agreement; Renewal. The term of this Agreement shall commence on January 1, 2014, and, subject to Section 5 hereof, shall remain in full force and effect up to and including December 31, 2014. This Agreement may be extended beyond December 31, 2014, only if and when duly authorized and approved by the Qualified Entity and the Bond Bank, in writing, with the amended terms set forth therein.

5. Termination.

(a) In the event this Agreement is not extended beyond December 31, 2014, and any amount then remains owed and unpaid by one party to the other under this Agreement, this Agreement shall remain in full force and effect until all such amounts have been paid.

(b) In the event the Qualified Entity fails to remit payment to the Bond Bank within thirty (30) days after payment is due as provided in Section 2(e) hereof, the Bond Bank shall be entitled to terminate this agreement in its sole discretion. If the Bond Bank exercises its right to terminate this Agreement, the Bond Bank shall immediately terminate the notional amount of Motor Fuel allocable to the Qualified Entity in the Swap Agreement.

(i) If any termination payment is owed by the Bond Bank to the Swap Counterparty in connection with the termination of the Swap Agreement pursuant to this Section, such amounts shall be immediately due by the Qualified Entity and shall accrue interest at the rate of eight percent (8.00%) per annum from the date of such termination until paid. The Bond Bank shall send the Qualified Entity written notice of the termination payment stating that such termination payment: (A) is due within ten (10) business days following receipt of such notice; (B) shall accrue interest at the rate of eight percent (8.00%) per annum from the date of such termination until repaid; and (C) is in addition to any other amounts owed to the Bond Bank by the Qualified Entity pursuant to this Agreement.

(ii) If any termination payment is received by the Bond Bank from the Swap Counterparty in connection with the termination of the Swap Agreement pursuant to this Section, the Bond Bank shall be entitled to retain and apply such amounts against amounts owed by the Qualified Entity. Any amounts retained under this Section shall be used in the following order of priority: (A) to pay any accrued interest on amounts owed; then (B) to pay the principal of any amounts owed. In the event that there are excess moneys after making the payment of interest and principal amounts due, the Bond Bank shall be entitled to retain all such excess moneys.

6. Verification of Qualified Entity Budget. Simultaneously with the execution of this Agreement, the Qualified Entity shall furnish to the Bond Bank any documentation as requested by the Bond Bank, as to, among other things, the funding and maintenance amounts budgeted for the purchase of Motor Fuel to be used by the Qualified Entity.



7. Pledge and Assignment of Payments. The Qualified Entity and the Bond Bank agree that this Agreement and any payments to be made hereunder may be pledged or assigned by the Bond Bank.

8. Annual Financial Information and Reports. The Qualified Entity agrees to furnish to the Bond Bank, so long as this Agreement or the Swap Agreement entered into by the Bond Bank on behalf of the Qualified Entity pursuant to this Agreement remains in effect, annual financial reports, audit reports and such other financial information as is reasonably requested by the Bond Bank.

9. Severability. If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Agreement and this Agreement shall be construed and in force as if such invalid or unenforceable provision had not been contained herein.

10. Indemnification. To the extent permitted by law, the Qualified Entity releases the Bond Bank from, agrees that the Bond Bank shall not be liable for, and to the extent permitted by law agrees to indemnify and hold the Bond Bank harmless from, any liability for, or expense resulting from (including, but not limited to, reasonable attorneys' fees and expenses), or any loss or damage that may be occasioned by, any cause whatsoever pertaining to the execution and delivery of the Swap Agreement entered into by the Bond Bank on behalf of the Qualified Entity, or the actions taken or to be taken by the Bond Bank under this Agreement, except for the willful misconduct of the Bond Bank or the Trustee.

11. Counterparts. This Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. The Bond Bank and the Qualified Entity each agree that they will execute any and all documents or other instruments, and take such other actions as may be necessary to give effect to the terms of this Agreement.

12. Waiver. No waiver by either the Bond Bank or the Qualified Entity of any term or condition of this Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Agreement.

13. Entire Agreement. This Agreement, together with the Qualified Entity Resolution, merges and supersedes all prior negotiations, representations and agreements between the Bond Bank and the Qualified Entity relating to the subject matter hereof and constitutes the entire agreement between the Bond Bank and the Qualified Entity in respect hereof and thereof.

14. Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by and construed and enforced in accordance with the laws of the State of Indiana.

IN WITNESS WHEREOF, the Bond Bank and the Qualified Entity have caused this Agreement to be executed in their respective names, by their duly authorized officers, under the authority of resolutions adopted by each prior to the date hereof, all as of the day and year first above written.

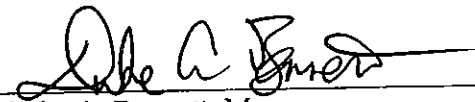
INDIANA BOND BANK

By: \_\_\_\_\_  
Richard E. Mourdock, Chairperson Ex Officio

Attest:

\_\_\_\_\_  
Lisa Cottingham, Executive Director

CITY OF TERRE HAUTE, INDIANA

By:  \_\_\_\_\_  
Duke A. Bennett, Mayor

Attest:

  
\_\_\_\_\_  
Chau-il Lee

**EXHIBIT A**

**PORTION OF THE SWAP AGREEMENT ALLOCATED TO  
THE QUALIFIED ENTITY**

(City of Terre Haute)

<u>Month</u>	<u>Gasoline (in gallons)</u>	<u>Diesel (in gallons)</u>
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		
TOTAL:		

**EXHIBIT B**  
**SWAP AGREEMENT**

## QUALIFIED ENTITY REIMBURSEMENT AGREEMENT

This QUALIFIED ENTITY REIMBURSEMENT AGREEMENT, dated as of the 1<sup>st</sup> day of December, 2013 (this "Agreement"), between the INDIANA BOND BANK, a body corporate and politic ("Bond Bank"), created and existing pursuant to the provisions of Indiana Code 5-1.5, as amended (the "Act"), having its principal place of business in the City of Indianapolis, Indiana, and CITY OF TERRE HAUTE, INDIANA, a political subdivision of the State of Indiana ("Qualified Entity");

### WITNESSETH:

WHEREAS, pursuant to the Act, the Board of Directors of the Bond Bank has adopted a resolution (the "Bond Bank Resolution") establishing a motor fuel budgeting program (the "Fuel Budgeting Program, Series 2014 A") and authorizing the Bond Bank (i) to enter into certain transactions with the Qualified Entity for the purpose of insuring against significant price fluctuations associated with the purchase of gasoline and/or diesel motor fuel (such gasoline and diesel motor fuel hereinafter referred to as "Motor Fuel") for use by the Qualified Entity, and (ii) to enter into one or more commodity index swap agreements with one or more commodity index swap counterparties that will allow the Qualified Entity to manage and mitigate the volatility of Motor Fuel prices in order to achieve budget stability for such Qualified Entity; and

WHEREAS, pursuant to Resolution No. 51, 2013 adopted on December 12, 2013 (the "Qualified Entity Resolution") by the Common Council for the City of Terre Haute, Indiana, acting as the fiscal body for the Qualified Entity, the Qualified Entity is authorized to enter into this Agreement for the purpose of allowing the Bond Bank to (i) solicit and select creditworthy swap counterparties, (ii) negotiate and manage one or more commodity index swap agreements, and (iii) to fund all or a portion of the costs and expenses associated with any such swap agreements and the Fuel Budgeting Program, Series 2014 A, in accordance with this Agreement; and

WHEREAS, pursuant to Resolution No. \_\_\_\_\_, adopted on December 9, 2013 by the Board of Public Works and Safety for the City of Terre Haute, Indiana, acting pursuant to Indiana Code 36-9-6, as amended, as the purchasing agent for the Qualified Entity with respect to Motor Fuel, the Qualified Entity is authorized to pay to the Bond Bank all or a portion of the funds budgeted for Motor Fuel by the Qualified Entity for the purpose of (i) reimbursing the Bond Bank for amounts advanced by the Bond Bank from the Reserve Account (as defined in the Bond Bank Resolution) necessary to make payments due by the Bond Bank, if any, with respect to a commodity index swap agreement, and (ii) to pay any and all expenses associated with or incurred by the Bond Bank in connection with the Fuel Budgeting Program, Series 2014 A, allocable to the Qualified Entity; and

WHEREAS, pursuant to the Bond Bank Resolution and in reliance, in part, on the adoption of the Qualified Entity Resolution and the execution and delivery of this Agreement by the Qualified Entity, the Bond Bank has entered into a commodity index swap agreement in the form of the Master Agreement, including the Schedule thereto and the Credit Support Annex thereto, each dated as of December \_\_, 2013 (collectively, the "ISDA Agreement"), and the Confirmations entered into thereunder each dated December \_\_, 2013 (the "Confirmations" and,

together with the ISDA Agreement, the "Swap Agreement"), with BMO Haris Bank (the "Swap Counterparty");

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein THE BOND BANK AND THE QUALIFIED ENTITY AGREE AS FOLLOWS:

1. Representations and Warranties.

(a) The Qualified Entity makes the following representations and warranties to the Bond Bank:

(i) The Qualified Entity has been duly organized and is validly existing under and pursuant to State law.

(ii) Under State law: (A) the Qualified Entity has full legal right, power and authority (I) to enter into, execute, deliver and perform its obligations under this Agreement, (II) to adopt and perform its obligations under the Qualified Entity Resolution and (III) to carry out and consummate the transactions contemplated by this Agreement and the Qualified Entity Resolution; and (B) the Qualified Entity has complied with and will be in compliance in all respects with the terms of State law in connection with the adoption of the Qualified Entity Resolution and the entering into of this Agreement.

(iii) By all necessary official action, the Qualified Entity has duly approved and adopted the Qualified Entity Resolution, authorized the execution and delivery of this Agreement. This Agreement, when executed and delivered by the parties hereto and the consideration therefor is received by the Qualified Entity, will constitute the legal, valid and binding obligation of the Qualified Entity, enforceable in accordance with its terms, except that its enforceability may be limited by laws relating to bankruptcy, reorganization or other similar laws affecting the rights of creditors, by the exercise of judicial discretion in accordance with general principles of equity and by matters of public policy.

(iv) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby do not and will not conflict with or result in the creation or imposition of any liens, charges or encumbrances of any nature upon any of the property or assets of the Qualified Entity under: (A) any law, regulation, order or decree to which the Qualified Entity is subject; or (B) any agreement or instrument to which the Qualified Entity is a party or by which the Qualified Entity is bound (other than this).

(v) The Qualified Entity is a "qualified entity," within the meaning of Indiana Code 5-1.5-1-8, as amended.

(vi) The Qualified Entity is not in breach of or in default under any applicable constitutional provision, law or administrative regulation of the State or the United States, or any applicable judgment or decree of any court, regulatory body or other public body or any loan agreement, indenture, bond, note, resolution, agreement or other instrument (collectively, "Laws and Agreements") to which the Qualified Entity is a party or to which the

Qualified Entity or any of its property or assets is otherwise subject, and no event has occurred and is continuing, which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument. The execution and delivery of this Agreement and the Qualified Entity's compliance with the provisions hereof will not conflict with or constitute a breach of or default under any Laws and Agreements.

(vii) The Qualified Entity will take such action as may be reasonably requested to facilitate the timely consummation of the transactions contemplated by this Agreement.

(viii) The Qualified Entity hereby covenants that it has taken all proceedings required by law to enable it to appropriate and transfer funds to the Bond Bank as provided in Section 2 hereof.

(ix) Except as disclosed in writing to the Bond Bank, there is no action, suit, proceeding, inquiry or investigation of any nature at law or in equity, before or by any court, governmental agency, public board or body pending or, to the knowledge of the Qualified Entity, threatened, seeking to restrain or enjoin the performance of any of the covenants contained in this Agreement or in any way questioning or affecting (A) the transactions contemplated by this Agreement, (B) the right or authority of the Qualified Entity to carry out the terms and provisions of this Agreement, or (C) the power of the Qualified Entity to perform its obligations under this Agreement. Neither the existence of the Qualified Entity nor the right of the officials of the Qualified Entity to their offices nor the titles of the officers of the Qualified Entity to their respective offices are being contested, and no authority or proceeding in connection with or relating to the execution and delivery of this Agreement has been repealed, revoked or rescinded.

(x) The Qualified Entity hereby covenants that it has duly, regularly and properly adopted or will adopt a budget for 2014 setting forth estimated revenues to be received and estimated expenditures for the fiscal year, including funds appropriated for the purchase of Motor Fuel to be used by the Qualified Entity; has complied with or will comply with all statutory and regulatory requirements with respect to the adoption of such budget; and will levy *ad valorem* property taxes in accordance with all statutory and regulatory requirements.

(b) The Bond Bank makes the following representations and warranties:

(i) The Bond Bank is a separate body corporate and politic, constituting an instrumentality of the State, and duly organized and validly existing as such under the Act.

(ii) The Bond Bank has all necessary power and authority under the Act to enter into this Agreement and to consummate the transactions contemplated hereby and by proper corporate action has duly authorized the execution and delivery of this Agreement.

(iii) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby do not and will not conflict with or result in a breach of, and do not and will not constitute a default under, or result in the creation or imposition of any liens, charges or encumbrances of any nature upon any of the property or

assets of the Bond Bank under: (A) any law, regulation, order or decree to which the Bond Bank is subject; or (B) any agreement or instrument to which the Bond Bank is a party or by which the Bond Bank is bound.

2. Execution of Swap Agreement; Advancements; Reimbursement by Qualified Entity.

(a) The Bond Bank hereby agrees to enter into the Swap Agreement with the Swap Counterparty for the purpose of hedging the price associated with the purchase of Motor Fuel for use by the Qualified Entity, and to advance payments owed by the Bond Bank to the Swap Counterparty, if any, with respect to the Swap Agreement from the Reserve Account.

(b) Subject to Section 9, the Qualified Entity hereby agrees to appropriate and pay funds to the Bond Bank: (i) to reimburse the Bond Bank for amounts advanced by the Bond Bank from the Reserve Account necessary to make payments due by the Bond Bank to the Swap Counterparty, if any, with respect to the Swap Agreement, which are allocable to the Qualified Entity; (ii) to pay any and all expenses associated with or incurred by Bond Bank in connection with the Fuel Budgeting Program, Series 2014 A, allocable to the Qualified Entity, including, but not limited to, the Swap Agreement, other agreements contemplated under this Agreement, and future agreements, amendments to this Agreement or the agreements contemplated herein, or transactions made pursuant to and consistent with this Agreement; and (iii) paying any other transaction or related costs contemplated hereunder, which are allocable to the Qualified Entity.

(c) Within five (5) business days following a Scheduled Payment Date (as defined in the Swap Agreement), the Bond Bank or its agent shall: (i) confirm and calculate any amounts owed under the Swap Agreement pursuant to this Agreement (A) by the Qualified Entity to the Bond Bank or (B) to the Qualified Entity by the Bond Bank; and (ii) prepare and send any bills or payments to the Qualified Entity for such purpose. In the event the Bond Bank receives payments from the Swap Counterparty on a Scheduled Payment Date, the Bond Bank shall be entitled to retain any interest earned on such payments to cover administrative expenses of the Fuel Budgeting Program, Series 2014 A, prior to disbursing such funds to the Qualified Entity as provided herein.

(d) Any payments to be sent to the Qualified Entity shall be wired in immediately available funds to the account of the City identified below:

ABA # 086300012  
Attention: Karla Bensinger  
Account # 357023287 – City of Terre Haute

(e) Upon receipt of a bill stating the amounts owed by the Qualified Entity under this Agreement, the Qualified Entity hereby agrees to pay to the Bond Bank or its agent any amounts due as stated in the bill within fifteen (15) business days following the receipt of such bill. In the event the Bond Bank does not receive payment from the Qualified Entity within fifteen (15) business days following the Qualified Entity's receipt of a bill stating the amounts due, the amount due shall accrue interest from the due date at a rate of eight percent (8.00%) per annum until payment is received by the Bond Bank. In the event that payment is received, such



payment shall be used in the following order of priority: (i) to pay any accrued interest; and then (ii) to pay the principal of any amounts owed.

(f) The Qualified Entity agrees that the portion of the Swap Agreement allocated to the Qualified Entity, for which the Qualified Entity will be responsible pursuant to this Agreement, is set forth in Exhibit A attached hereto, commencing on the effective date of the Swap Agreement, as set forth in the Confirmation, and ending on December 31, 2014. The Qualified Entity approves the ISDA Agreement, attached as Exhibit B hereto. The Qualified Entity authorizes the Bond Bank to enter into the Confirmation on or after the date of the execution of this Agreement, so long as: (i) the Confirmation includes both (A) the sale of a floor (put) and (B) the purchase of a cap (call), the combination of which is commonly referred to as a "costless collar"; and (ii) (A) the floor price is no lower than \$\_\_\_\_, with respect to gasoline, and \$\_\_\_\_, with respect to diesel, and (B) the cap price is no higher than \$\_\_\_\_, with respect to gasoline, and \$\_\_\_\_ with respect to diesel. Upon the execution and delivery of the Confirmation by the Bond Bank and the Swap Counterparty, the Confirmation shall be attached to the ISDA Agreement, as part of the Swap Agreement, which is attached as Exhibit B hereto. The Bond Bank and the Qualified Entity agree that any amounts due by the Qualified Entity under the Swap Agreement pursuant to this Agreement will not exceed the current amount appropriated for Motor Fuel for use by the Qualified Entity.

(g) The terms and conditions for disbursement from the Reserve Account to the Swap Counterparty shall be set forth in the Swap Agreement, attached as Exhibit B hereto, and otherwise as may be entered into by the Bond Bank from time to time pursuant hereto.

(h) For the purposes provided in this Section, the Bond Bank's agent shall be The Bank of New York Mellon Trust Company, N.A., until the Bond Bank provides the Qualified Entity notice otherwise.

3. Withholding of Funds Owed to the Qualified Entity. In the event the Qualified Entity fails to remit payment to the Bond Bank within thirty (30) days after payment is due as provided in Section 2(e) hereof, the Bond Bank shall be entitled to exercise the following rights:

(a) If the Qualified Entity would otherwise be entitled to an allocable portion of amounts owed by the Swap Counterparty under the Swap Agreement pursuant to this Agreement, the Bond Bank shall be entitled to retain and apply such amounts against amounts owed by the Qualified Entity. Any amounts retained under this Section shall be used in the following order of priority: (i) to pay any accrued interest on amounts owed; then (ii) to pay the principal of any amounts owed.

(b) Pursuant to Indiana Code 5-1.5-8-5, to the extent that any department or agency of the State, including the treasurer of state, is the custodian of money payable to the Qualified Entity (other than for goods or services provided by the Qualified Entity), the Bond Bank may provide written notice to the department or agency head that the Qualified Entity is in default on the payment of any amounts owed arising from this Agreement, and the department or agency shall withhold the payment of that money from that Qualified Entity and pay over the money to the Bond Bank for the purpose of paying any amounts owed to the Swap Counterparty

pursuant to the Swap Agreement entered into by the Bond Bank on behalf of the Qualified Entity. Any amounts obtained under this Section shall be used in the following order of priority: (i) to pay any accrued interest on amounts owed; then (ii) to pay the principal of any amounts owed.

4. Term of Agreement; Renewal. The term of this Agreement shall commence on January 1, 2014, and, subject to Section 5 hereof, shall remain in full force and effect up to and including December 31, 2014. This Agreement may be extended beyond December 31, 2014, only if and when duly authorized and approved by the Qualified Entity and the Bond Bank, in writing, with the amended terms set forth therein.

5. Termination.

(a) In the event this Agreement is not extended beyond December 31, 2014, and any amount then remains owed and unpaid by one party to the other under this Agreement, this Agreement shall remain in full force and effect until all such amounts have been paid.

(b) In the event the Qualified Entity fails to remit payment to the Bond Bank within thirty (30) days after payment is due as provided in Section 2(e) hereof, the Bond Bank shall be entitled to terminate this agreement in its sole discretion. If the Bond Bank exercises its right to terminate this Agreement, the Bond Bank shall immediately terminate the notional amount of Motor Fuel allocable to the Qualified Entity in the Swap Agreement.

(i) If any termination payment is owed by the Bond Bank to the Swap Counterparty in connection with the termination of the Swap Agreement pursuant to this Section, such amounts shall be immediately due by the Qualified Entity and shall accrue interest at the rate of eight percent (8.00%) per annum from the date of such termination until paid. The Bond Bank shall send the Qualified Entity written notice of the termination payment stating that such termination payment: (A) is due within ten (10) business days following receipt of such notice; (B) shall accrue interest at the rate of eight percent (8.00%) per annum from the date of such termination until repaid; and (C) is in addition to any other amounts owed to the Bond Bank by the Qualified Entity pursuant to this Agreement.

(ii) If any termination payment is received by the Bond Bank from the Swap Counterparty in connection with the termination of the Swap Agreement pursuant to this Section, the Bond Bank shall be entitled to retain and apply such amounts against amounts owed by the Qualified Entity. Any amounts retained under this Section shall be used in the following order of priority: (A) to pay any accrued interest on amounts owed; then (B) to pay the principal of any amounts owed. In the event that there are excess moneys after making the payment of interest and principal amounts due, the Bond Bank shall be entitled to retain all such excess moneys.

6. Verification of Qualified Entity Budget. Simultaneously with the execution of this Agreement, the Qualified Entity shall furnish to the Bond Bank any documentation as requested by the Bond Bank, as to, among other things, the funding and maintenance amounts budgeted for the purchase of Motor Fuel to be used by the Qualified Entity.

7. Pledge and Assignment of Payments. The Qualified Entity and the Bond Bank agree that this Agreement and any payments to be made hereunder may be pledged or assigned by the Bond Bank.

8. Annual Financial Information and Reports. The Qualified Entity agrees to furnish to the Bond Bank, so long as this Agreement or the Swap Agreement entered into by the Bond Bank on behalf of the Qualified Entity pursuant to this Agreement remains in effect, annual financial reports, audit reports and such other financial information as is reasonably requested by the Bond Bank.

9. Severability. If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Agreement and this Agreement shall be construed and in force as if such invalid or unenforceable provision had not been contained herein.

10. Indemnification. To the extent permitted by law, the Qualified Entity releases the Bond Bank from, agrees that the Bond Bank shall not be liable for, and to the extent permitted by law agrees to indemnify and hold the Bond Bank harmless from, any liability for, or expense resulting from (including, but not limited to, reasonable attorneys' fees and expenses), or any loss or damage that may be occasioned by, any cause whatsoever pertaining to the execution and delivery of the Swap Agreement entered into by the Bond Bank on behalf of the Qualified Entity, or the actions taken or to be taken by the Bond Bank under this Agreement, except for the willful misconduct of the Bond Bank or the Trustee.

11. Counterparts. This Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. The Bond Bank and the Qualified Entity each agree that they will execute any and all documents or other instruments, and take such other actions as may be necessary to give effect to the terms of this Agreement.

12. Waiver. No waiver by either the Bond Bank or the Qualified Entity of any term or condition of this Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Agreement.

13. Entire Agreement. This Agreement, together with the Qualified Entity Resolution, merges and supersedes all prior negotiations, representations and agreements between the Bond Bank and the Qualified Entity relating to the subject matter hereof and constitutes the entire agreement between the Bond Bank and the Qualified Entity in respect hereof and thereof.

14. Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by and construed and enforced in accordance with the laws of the State of Indiana.

IN WITNESS WHEREOF, the Bond Bank and the Qualified Entity have caused this Agreement to be executed in their respective names, by their duly authorized officers, under the authority of resolutions adopted by each prior to the date hereof, all as of the day and year first above written.

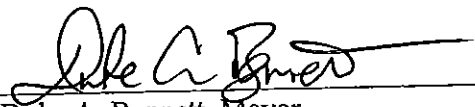
INDIANA BOND BANK

By: \_\_\_\_\_  
Richard E. Mourdock, Chairperson Ex Officio

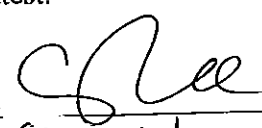
Attest:

\_\_\_\_\_  
Lisa Cottingham, Executive Director

CITY OF TERRE HAUTE, INDIANA

By:  \_\_\_\_\_  
Duke A. Bennett, Mayor

Attest:

  
\_\_\_\_\_  
Chou-il Lee

**EXHIBIT A**

**PORTION OF THE SWAP AGREEMENT ALLOCATED TO  
THE QUALIFIED ENTITY**

(City of Terre Haute)

<u>Month</u>	<u>Gasoline (in gallons)</u>	<u>Diesel (in gallons)</u>
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		
<b>TOTAL:</b>		

**EXHIBIT B**  
**SWAP AGREEMENT**

**CERTIFICATE OF CORPORATION COUNSEL FOR THE  
CITY OF TERRE HAUTE, INDIANA**

STATE OF INDIANA        )  
                                  )        SS:  
COUNTY OF VIGO        )

I, Chou-il Lee, serve as corporation counsel for the City of Terre Haute, Indiana (the "City") and am familiar with the proceedings of the City relating to the authorization, execution and delivery of the Qualified Entity Reimbursement Agreement between the City and the Indiana Bond Bank, dated December 1, 2013 (the "Agreement"). Based upon the foregoing and upon such other information and documents as I believe necessary to enable me to render this Certificate, I certify and opine that:

1. The City is a duly constituted municipal corporation of the State of Indiana (the "State"), validly existing under the constitution and statutes of the State, is a qualified entity within the meaning of Indiana Code 5-1.5-1-8, as amended, and has the power and authority to authorize, execute and deliver the Agreement.

2. The City has complied with all of the requirements of Indiana law with respect to the authorization, execution and delivery of the Agreement. The Agreement was executed and delivered to the Indiana Bond Bank.

3. All actions of and resolutions adopted by the Common Council of the City (the "Council") relating to the Agreement, including, particularly, Resolution No. 51, 2013 adopted by the Council on December 12, 2013 (the "Resolution"), and all related proceedings, comply with all by-laws, rules and regulations of the City and the Council.

4. The Resolution is in full force and effect, and none of the proceedings had or actions taken with regard to the Agreement or the Resolution has or have been amended, repealed, rescinded or revoked.

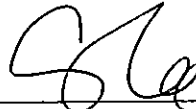
5. As of this date, no notice has been received by the City, nor has any litigation been filed, which would challenge the corporate existence or legal capacity of the City, nor contesting the title of the City officers to their respective offices.

6. As of this date, no notice of litigation has been received nor does litigation presently exist which would challenge the validity of the Resolution or the execution and delivery of the Agreement.

7. As of this date, the City is not in breach of or in default under any applicable constitutional provision, law or administrative regulation of the State or the United States of America, or any applicable judgment or decree of any court, regulatory body or other public body or any loan agreement, indenture, bond, note, resolution, agreement or other instrument (collectively, the "Laws and Agreements") to which the City is a party or to which the City or any of its property or assets is otherwise subject, and no event has occurred and is continuing, which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument. The execution and delivery of the Agreement and the City's compliance with the provisions thereof will not conflict with or constitute a breach of or a default under any Laws and Agreements.

8. I have reviewed the Resolution, the Agreement and the General Certificate of the City, dated the date hereof and delivered in connection therewith, and nothing has come to my attention that would render the statements and representations therein untrue, inaccurate or in any way misleading or that would lead me to conclude that any material fact that should have been stated to make such statements and representations, in light of the circumstances under which they were made, not misleading, was omitted.

Dated this \_\_\_\_ day of December, 2013.



---

Chou-il Lee, Corporation Counsel for the  
City of Terre Haute, Indiana



**CERTIFICATE OF CORPORATION COUNSEL FOR THE  
CITY OF TERRE HAUTE, INDIANA**

STATE OF INDIANA        )  
                                  )        SS:  
COUNTY OF VIGO        )

I, Chou-il Lee, serve as corporation counsel for the City of Terre Haute, Indiana (the "City") and am familiar with the proceedings of the City relating to the authorization, execution and delivery of the Qualified Entity Reimbursement Agreement between the City and the Indiana Bond Bank, dated December 1, 2013 (the "Agreement"). Based upon the foregoing and upon such other information and documents as I believe necessary to enable me to render this Certificate, I certify and opine that:

1. The City is a duly constituted municipal corporation of the State of Indiana (the "State"), validly existing under the constitution and statutes of the State, is a qualified entity within the meaning of Indiana Code 5-1.5-1-8, as amended, and has the power and authority to authorize, execute and deliver the Agreement.

2. The City has complied with all of the requirements of Indiana law with respect to the authorization, execution and delivery of the Agreement. The Agreement was executed and delivered to the Indiana Bond Bank.

3. All actions of and resolutions adopted by the Common Council of the City (the "Council") relating to the Agreement, including, particularly, Resolution No. 51, 2013 adopted by the Council on December 12, 2013 (the "Resolution"), and all related proceedings, comply with all by-laws, rules and regulations of the City and the Council.

4. The Resolution is in full force and effect, and none of the proceedings had or actions taken with regard to the Agreement or the Resolution has or have been amended, repealed, rescinded or revoked.

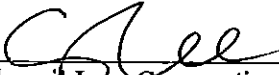
5. As of this date, no notice has been received by the City, nor has any litigation been filed, which would challenge the corporate existence or legal capacity of the City, nor contesting the title of the City officers to their respective offices.

6. As of this date, no notice of litigation has been received nor does litigation presently exist which would challenge the validity of the Resolution or the execution and delivery of the Agreement.

7. As of this date, the City is not in breach of or in default under any applicable constitutional provision, law or administrative regulation of the State or the United States of America, or any applicable judgment or decree of any court, regulatory body or other public body or any loan agreement, indenture, bond, note, resolution, agreement or other instrument (collectively, the "Laws and Agreements") to which the City is a party or to which the City or any of its property or assets is otherwise subject, and no event has occurred and is continuing, which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument. The execution and delivery of the Agreement and the City's compliance with the provisions thereof will not conflict with or constitute a breach of or a default under any Laws and Agreements.

8. I have reviewed the Resolution, the Agreement and the General Certificate of the City, dated the date hereof and delivered in connection therewith, and nothing has come to my attention that would render the statements and representations therein untrue, inaccurate or in any way misleading or that would lead me to conclude that any material fact that should have been stated to make such statements and representations, in light of the circumstances under which they were made, not misleading, was omitted.

Dated this \_\_\_\_ day of December, 2013.

  
\_\_\_\_\_  
Chou-ii Lee, Corporation Counsel for the  
City of Terre Haute, Indiana