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STATE OF INDIANA  
LAKE COUNTY  
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MAY 13 9 15 AM '70  
ANDREW J. NICHOLS  
RECORDER

TRUST IN DEED



GARY COMMUNITY SCHOOL BUILDING CORPORATION

GARY NATIONAL BANK  
Gary, Indiana, Trustee

\$4,000,000 First Mortgage Bonds

Dated April 1, 1970

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TRUST INDENTURE

STATE OF INDIANA  
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ANDREW J. NIDENKO  
RECORDER

THIS INDENTURE, executed and dated as of the first day of April, 1970, made and entered into between GARY COMMUNITY SCHOOL BUILDING CORPORATION, a corporation organized and existing under the laws of the State of Indiana (hereinafter called the "Corporation"), and GARY NATIONAL BANK, a national banking association having its principal office in the City of Gary, Indiana (hereinafter called the "Trustee"), WITNESSETH:

WHEREAS, the Corporation was organized under an act of the Indiana General Assembly entitled "An Act concerning domestic and foreign corporations for profit, providing penalties for the violation hereof, and repealing all laws or parts of laws in conflict herewith," approved March 16, 1929, and all acts amendatory thereof and supplemental thereto, for the sole purpose of acquiring a site or sites suitable for a school building or school buildings, erecting thereon a school building or school buildings, leasing the same to School City of Gary, and collecting the rental therefor, all without profit to the Corporation, its officers, directors and stockholders, other than the return of the capital actually invested, and to issue bonds or other securities of said Corporation secured by pledge or mortgage of its assets to carry out the above purpose, all in accordance with the provisions of an act passed by the General Assembly of the State of Indiana, approved March 13, 1947, being Chapter 273 of the Acts of 1947, and acts amendatory thereof or supplemental thereto; and

WHEREAS, the Corporation has, by due corporate action, determined to borrow the sum of Four Million Dollars (\$400,000) for the purpose of procuring funds to pay the cost of acquiring a site suitable for a school building and the erection and equipment of a school building thereon, and to execute and issue its First Mortgage Bonds in the form and terms as hereinafter provided; and

WHEREAS, in order to secure the principal and interest of all of said bonds and the performance of the covenants herein contained, the Corporation has in like manner determined to execute and deliver this Indenture which shall be and constitute a mortgage or deed of trust with respect to the real estate herein described; and



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WHEREAS, all acts, proceedings and things necessary and required by law and by the bylaws of the Corporation to make said bonds, when executed by the Corporation and authenticated by the Trustee, the valid, binding and legal obligations of the Corporation and to constitute and make this Indenture a valid and effective deed of trust, have been done, taken and performed, and the issuance, execution and delivery of said bonds, and the execution, acknowledgment and delivery of this Indenture have, in all respects, been duly authorized by the Corporation in the manner provided and required by law; now therefore,

GARY COMMUNITY SCHOOL BUILDING CORPORATION, in consideration of the premises and the acceptance of such bonds by the holders thereof, and the sum of One Dollar (\$1) in hand paid by the Trustee, receipt of which is hereby acknowledged, and especially in order to secure the punctual payment of the principal and interest of the bonds to be issued and at any time outstanding hereunder as the same shall become due, according to the tenor hereof, and the faithful performance of all the covenants and agreements contained in said bonds and in this Indenture, and in performance of the authority of every kind and nature which said Corporation has or may have, by these presents does grant, bargain, sell, transfer, assign, demise, release, convey, mortgage, pledge, set over and confirm unto GARY NATIONAL BANK, as Trustee, and its successors and assigns, the following:

Real estate located in Lake County, Indiana, the same being more particularly described in Exhibit A hereto attached and made a part hereof;

Also, all real estate or interests in real estate hereafter acquired by the Corporation, together with the tenements, hereditaments and appurtenances belonging to or in any wise appertaining to any real estate owned by the Corporation;

Also, all buildings, improvements and structures thereon.

TO HAVE AND TO HOLD all of said property unto said Trustee and its successors in said trust; and to their assigns forever; in trust, nevertheless, upon the terms and conditions set forth herein for the equal and proportionate benefit, security and protection of all holders of the bonds and interest coupons,



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if any, issued or to be issued under and secured by this Indenture, without preference, priority or distinction as to lien or otherwise by reason of the date of maturity thereof, or for any other reason whatsoever, subject to the provisions of this Indenture.

PROVIDED, HOWEVER, that if the Corporation, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of the bonds and the interest due or to become due thereon, at the times and in the manner as set forth in said bonds and the interest coupons respectively, in accordance with the terms hereof, and shall well and truly keep, perform and observe all covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by the Corporation, and shall pay to the Trustee all sums of money due, or to become due to it, in accordance with the terms and provisions hereof, then this Indenture and the rights hereby granted shall cease, determine and be void, and the Trustee, in such case, on demand of the Corporation, upon the payment by the Corporation to the Trustee of its reasonable fees, costs and expenses, shall execute and deliver to the Corporation such deeds, discharges or satisfactions as shall be requisite to discharge the lien hereof and to reconvey to or to revest in the Corporation the property hereby conveyed; otherwise, this Indenture to be and remain in full force and effect.

All bonds issued and secured hereunder are to be issued, authenticated and delivered, and all property hereby mortgaged and pledged is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed; and the Corporation has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective holders, from time to time, of the said bonds or coupons or any part thereof, as follows, that is to say:

#### ARTICLE I.

##### Definitions

Section 1.01. The terms defined in this Article I shall, for all purposes of this Indenture, and any indenture supplemental hereto, have the meanings herein specified, unless the context otherwise requires:

- (a) The term "Corporation" shall include and mean the Corporation, and shall also include

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any corporation successor thereto by consolidation, merger or purchase.

(b) The term "Trustee" shall mean and include not only the Trustee but also its successor or successors in trust.

(c) The term "bond" or "bonds" shall (unless the context shall otherwise require) mean any bond or bonds, or all the bonds, as the case may be, authenticated and delivered under this Indenture.

(d) The term "redemption price," with respect to the bonds outstanding under this Indenture, shall mean the price at which the bonds are redeemable as set forth in Article IV of this Indenture.

(e) The term "Indenture" or "this Indenture" shall mean this instrument, either as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture entered into pursuant to the provisions of this Indenture.

(f) The term "Sinking Fund" shall mean the Sinking Fund created and established by Section 3.01.

(g) The term "Operation and Reserve Fund" shall mean the Operation and Reserve Fund created and established by Sec. 3.02.

(h) The term "Paying Agent" shall mean any bank, banks, trust company or trust companies (singular or plural) other than the Trustee at which the principal of or interest on the bonds is payable.

(i) Unless the context shall clearly otherwise indicate, words importing the singular number shall include the plural number in each case, and vice versa, and words importing persons shall include firms and corporations, and terms employed in the disjunctive form shall be deemed to be employed also in the conjunctive form and vice versa.



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ARTICLE II.

Maturities, Form, Issuance,  
Delivery and Registration of Bonds

Section 2.01. The principal amount of all bonds which may be issued and outstanding under this Indenture shall not exceed Four Million Dollars (\$4,000,000) face value. The bonds shall be dated as of April 1, 1970, shall be issued in the denomination of Five Thousand Dollars (\$5,000) each, and shall be numbered 1 to 800 inclusive.

The bonds shall mature serially on January 1 in the years and amounts as follows:

Years	Amounts	Years	Amounts
1973	\$160,000	1981	\$275,000
1974	170,000	1982	290,000
1975	180,000	1983	310,000
1976	195,000	1984	335,000
1977	210,000	1985	360,000
1978	225,000	1986	385,000
1979	240,000	1987	410,000
1980	255,000		

The bonds shall bear interest at the following rates:

<u>Bonds Numbered</u>	<u>Maturing</u>	<u>Interest Rate</u>
1 to 141 incl.	1973-1976 incl.	7% per annum
142 to 382 incl.	1977-1981 incl.	6.10% per annum
383 to 800 incl.	1982-1987 incl.	6.70% per annum

The interest on all of the bonds is payable semi-annually on January 1 and July 1 of each year, beginning January 1, 1971.

The principal and interest of the bonds shall be payable in lawful money of the United States of America, at the principal

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office of the Trustee in the City of Gary, Indiana, or, at the option of the holder, at the principal office of Central National Bank in Chicago, in the City of Chicago, Illinois.

All bonds and interest coupons shall be cancelled upon their payment by a Paying Agent or Trustee, and each Paying Agent shall deliver such cancelled bonds and coupons to the Trustee. The Trustee shall deliver such cancelled bonds and coupons to the Corporation, or, if the Corporation so requests, the Trustee shall cremate such bonds and coupons or destroy them by other approved means and furnish to the Corporation a certificate of their cremation or destruction, signed by an authorized officer of the Trustee.

Sec. 2.02. The bonds shall be executed by the President or Vice President of the Corporation, or a facsimile of the signature of such President or Vice President may be imprinted, engraved or otherwise reproduced thereon, and the corporate seal shall be impressed thereon and attested by the Secretary of the Corporation. In case the officers who have signed, sealed or caused to be sealed any of said bonds, or whose facsimile signature appears thereon, shall cease to be such officers of the Corporation before the bonds shall be duly issued and delivered, such bonds shall, nevertheless, be the bonds of the Corporation and in all respects binding and obligatory upon it to the same extent as if signed and sealed by the officers of the Corporation at the date of the actual issuance and delivery thereof. The interest coupons shall be executed by placing thereon the facsimile signature of the Treasurer of the Corporation, and said coupons shall be binding and obligatory upon the Corporation without distinction as to whether the Treasurer whose facsimile signature appears thereon shall be the Treasurer at the date of the actual issuance and delivery of said bonds and coupons.

Sec. 2.03. Each of the bonds shall be authenticated by a certificate of the Trustee endorsed thereon in the form hereinafter set forth. Only such bonds as shall bear thereon the certificate of the Trustee shall be secured by this Indenture or entitled to any lien or benefit hereunder, and the certificate of the Trustee upon any such bond executed by the Corporation shall be conclusive evidence that the bond so authenticated has been duly issued hereunder and is entitled to the benefits of the trust hereby created.



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Sec. 2.04. The form of said bonds, the interest coupons to be attached thereto, the Trustee's certificate to be endorsed thereon, and the registration endorsement (with appropriate insertions of amounts and distinguishing numbers and letters), shall be substantially as follows:

**STOP**

(Form of Bond)

UNITED STATES OF AMERICA  
State of Indiana  
County of Lake

No. \_\_\_\_\_

\$5,000

GARY COMMUNITY  
SCHOOL BUILDING CORPORATION

FIRST MORTGAGE BOND

GARY COMMUNITY SCHOOL BUILDING CORPORATION, a corporation duly organized and existing under the laws of the State of Indiana (hereinafter called the "Corporation"), for value received, hereby promises to pay to the bearer, or if this bond be registered as to principal, then to the registered owner hereof, the principal sum of

FIVE THOUSAND DOLLARS

on January 1, 19\_\_ (unless this bond is subject to and shall have been duly called for prior redemption and payment as provided for herein), and to pay interest thereon at the rate of \_\_\_ per cent (\_\_\_%) per annum from the date hereof until the principal shall be fully paid, which interest is payable on January 1 and July 1 of each year, beginning on January 1, 1971, upon presentation and surrender of the annexed coupons as they severally become due.

Both principal of and interest on this bond are payable in lawful money of the United States of America at the principal office of Gary National Bank, in the City of Gary, Indiana, or, at the option of the holder, at the principal office of Central National Bank in Chicago, in the City of Chicago, Illinois.

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This bond is one of an authorized issue of bonds of the Corporation, all of like date, tenor and effect (except as to numbering, interest rates and dates of maturity), in the aggregate principal amount of Four Million Dollars (\$4,000,000), issued under and in accordance with, and all equally and ratably entitled to the benefits of, and ratably secured by, a Trust Indenture (hereinafter called the "Indenture"), dated as of April 1, 1970, executed by the Corporation and Gary National Bank, as Trustee, to which reference is hereby made for a description of the property securing the bonds, the rights under said Indenture of the Corporation, the holders of the bonds and the Trustee, to all of which the holders hereof, by the acceptance of this bond, agree.

The Corporation covenants that on January 1 and July 1 in each year so long as any of the bonds secured hereby are outstanding, beginning with January 1, 1971, it will pay to the Trustee, prior to the due date, an amount sufficient to pay the principal and all interest coupons falling due on any maturity date until all of the bonds and interest coupons of this issue shall have been retired.

The bonds of this issue may be redeemed prior to maturity at the option of the Corporation, in whole or in part, and in inverse numerical order, (a) on any interest payment date not earlier than July 1, 1976, from funds other than proceeds of any borrowing made for such purpose, or (b) on any interest payment date not earlier than July 1, 1980, from any moneys made available for that purpose, at face value plus the following premiums:

3% if redeemed on July 1, 1976, or thereafter on or before January 1, 1980;

2% if redeemed on July 1, 1980, or thereafter on or before January 1, 1984;

1% if redeemed on July 1, 1984, or thereafter prior to maturity;



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plus in each case accrued interest to the date fixed for redemption; provided fifteen (15) days notice has been given in the manner provided in the Indenture. If this bond is so called for redemption, and payment is made to the Trustee in accordance with the terms of the Indenture, this bond shall cease to bear interest or to be entitled to the lien of the Indenture from and after the date fixed for the redemption in the call.

In case an event of default, as defined in the Indenture, occurs, the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof, in the manner, and with the effect, and subject to the conditions provided in the Indenture.

This bond, unless registered, shall pass by delivery, but may, at any time, be registered as to principal on the records kept for that purpose at the principal office of the Trustee in the City of Gary, Indiana; and, if so registered, shall be transferable only upon said records at the principal office of the Trustee by the owner in person or by attorney unless the last preceding transfer shall be to bearer; and it shall continue to be subject to successive registration and transfers to bearer at the option of the holder, but such registration shall not affect the negotiability of the annexed interest coupons which shall at all times be transferable by delivery. Each registration of this bond shall be noted hereon by the Trustee.

This bond shall not be a valid obligation until duly authenticated by the Trustee, or its successors in trust, by the execution of the certificate endorsed hereon. The holder of this bond shall have no recourse for its payment against present or future stockholders, officers or directors of the Corporation, and such recourse is, by the acceptance of this bond, expressly waived.

IN WITNESS WHEREOF, the GARY COMMUNITY SCHOOL BUILDING CORPORATION has caused this bond to be executed in its name and on its behalf by (the facsimile of the signature of) its President or Vice President, its corporate seal to be here-

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unto impressed and attested by its Secretary, and  
the interest coupons hereto attached to be exe-  
cuted by the facsimile signature of its Treasurer,  
as of the first day of April, 1970.

(Seal) GARY COMMUNITY SCHOOL  
BUILDING CORPORATION  
By \_\_\_\_\_  
President

Attest:



(Form of Interest Coupon)

Coupon No. \_\_\_\_\_ \$ \_\_\_\_\_

On \_\_\_\_\_ 1, 19\_\_\_\_  
(unless the bond hereinafter mentioned is subject  
to and shall have been duly called for previous  
redemption and payment provided therefor), GARY  
COMMUNITY SCHOOL BUILDING CORPORATION will pay  
to bearer, at the principal office of Gary Na-  
tional Bank, in the City of Gary, Indiana, or,  
at the option of the holder, at the principal  
office of Central National Bank in Chicago, in  
the City of Chicago, Illinois, the amount shown  
hereon in lawful money of the United States of  
America, being the interest then due on its First  
Mortgage Bond, dated April 1, 1970, No. \_\_\_\_\_.

GARY COMMUNITY SCHOOL  
BUILDING CORPORATION

By \_\_\_\_\_ (Facsimile)  
Treasurer



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(Form of Trustee's Certificate)

TRUSTEE'S CERTIFICATE

This bond is one of the bonds described in the within mentioned Indenture.



GARY NATIONAL BANK  
Trustee,  
By \_\_\_\_\_  
Authorized Officer

(Form of Registration)

REGISTRATION CERTIFICATE

This bond may be registered as to principal at the principal office of Gary National Bank, in the City of Gary, Indiana. No writing shall be placed hereon except by a duly authorized officer of the Trustee.

Date of Registration	Registered Owner	GARY NATIONAL BANK, Trustee, By _____
_____	_____	_____
_____	_____	_____

Sec. 2.05. The bonds so executed by the Corporation and authenticated by the Trustee shall be delivered by the Trustee to the purchaser thereof in the amount, at the times, and upon payment of the purchase price thereof, as requested in writing by the Treasurer of the Corporation. Upon delivery by the Trustee of any of the bonds secured by this Indenture, all coupons thereon then matured shall be detached and cancelled by the Trustee and delivered to the Corporation.

The proceeds of the bonds and proceeds from the sale of common stock of the Corporation which have not been expended prior to delivery of the bonds shall be held by the Trustee in

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trust in a special account designated as "Gary Community School Building Corporation Construction Fund." The accrued interest paid by the purchaser and Three Hundred Seventy-three Thousand Three Hundred Thirty-four Dollars (\$373,334) from the bond proceeds shall be deposited and held in a separate account within such Fund, to be designated as "Bond Interest Account." The Trustee shall apply said Fund to the cost of construction and equipment of the school building to be erected by the Corporation on the real estate hereinbefore described, including, but not limited to, the following items:

(a) Obligations incurred for labor and to contractors, builders and materialmen in connection with the construction of said school building;

(b) The cost of acquiring the real estate hereinbefore described;

(c) Interest accruing on all obligations of the Corporation during the period of construction (to be paid from the Bond Interest Account to the extent that funds are available in such Account);

(d) The cost of equipment for said school building;

(e) The cost of all indemnity and surety bonds required by this Indenture, the fees and expenses of the Trustee and any Paying Agent during construction, and premiums on insurance during construction;

(f) Architect's and engineer's expenses and fees;

(g) The cost of preparing and issuing the bonds and other securities of the Corporation and legal expenses and fees; and

(h) All other incidental costs incurred in connection with the cost of construction and equipment of said school building.

It shall be the duty of the Trustee, without other or further authority than is hereby given, to pay from said Construction Fund interest accruing on all obligations of the Corporation



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as long as said Fund is held by the Trustee. All other payments from the Fund shall be made by the Trustee upon presentation of architect's or engineer's certificates of work completed and materials furnished, approved in writing by any two (2) officers of the Corporation, or in the case of any items not subject to certification by the architect or engineer, then upon the presentation of an affidavit executed by any two (2) officers of the Corporation, stating the character of the expenditure, the amount thereof, and to whom due, together with the statement of the creditor as to the amount owing.

The Trustee shall invest all or so much of the Fund as is practicable in securities of, or securities guaranteed by, the United States Government. The Trustee is authorized to sell any securities so acquired from time to time in order to make the payments provided for by this section. All interest earned on such investments shall be credited to the Bond Interest Account until One Hundred Eighty-six Thousand Six Hundred Sixty-six Dollars (\$186,666) has been deposited in such account from interest earned on investments. Until the filing of the affidavits as hereinafter provided, the Bond Interest Account shall be used only for the payment of principal and interest on the bonds. After the accrued interest plus a total of Five Hundred Sixty Thousand Dollars (\$560,000) from bond proceeds and interest earned on investments has been deposited in such Account, further interest earned on investments shall be deposited in the Construction Fund and may be used in the same manner as any other funds in the Construction Fund.

The Corporation shall furnish to the Trustee at the time of the first lease rental payment an affidavit executed by the President or Vice President, and Secretary of the Corporation, the architect or engineer, and an officer of the lessee school corporation, to the effect that the school building has been completed and is ready for occupancy, and also an affidavit executed by the President or Vice President and Secretary of the Corporation to the effect that the property of the Corporation is free of all liens, encumbrances and claims whatsoever, excepting only current taxes not in default, this Indenture and the lease referred to in Section 3.01 hereof. Upon the filing with the Trustee of such affidavit, the Trustee shall:

- (a) transfer to the Sinking Fund created by Article III an amount sufficient to pay principal and interest on the bonds which the lease rental received pursuant to the lease referred to in Section 3.01 hereof will not be sufficient to pay when due; and



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(b) one (1) year later transfer the  
balance, if any, to the Operation and Reserve  
Fund referred to in Sec. 3.02 hereof.

The Trustee shall have no responsibility to see that the Construction Fund is properly applied, except as herein specifically provided.

Sec. 2.06. In case any bond issued under this Indenture, or the coupons thereto appertaining, or both, shall become mutilated or be destroyed, stolen or lost, the Corporation, in its discretion, may issue, and thereupon said Trustee shall certify and deliver in exchange for and in place and upon cancellation of the mutilated bond, or in lieu of and substitution for the same if destroyed, stolen or lost, a new bond of like denomination and tenor, having attached corresponding coupons, but which, in the discretion of the Corporation or the Trustee, may bear the same or a different serial number, be marked "Duplicate," or be otherwise distinguished. In case of destruction, theft or loss, the applicant for a substituted bond shall furnish to the Corporation and said Trustee evidence of the destruction of such bond or coupons so destroyed, which evidence must be satisfactory to the Corporation and said Trustee, in their discretion, and said applicant shall also furnish indemnity satisfactory to both of them in their discretion. The Corporation shall have the right to require the payment of the expense of making such replacement prior to the delivery of a new bond.

Sec. 2.07. The Trustee shall keep, at its principal office, a record for the registration of bonds issued hereunder which shall, at all reasonable times, be open for inspection by the Corporation. Upon presentation for such purpose of any bond or bonds secured hereby, the Trustee shall cause such bond or bonds to be registered as to principal under such reasonable regulations as the Trustee may prescribe, including a reasonable fee therefor to be paid by the Corporation as provided in Section 10.01. Such registration shall be noted on each bond so registered. Registration of the principal of any bond or bonds shall not, however, affect the negotiability of the interest coupons appurtenant to said bond or bonds, but such coupons shall at all times be negotiable by delivery.

The registered holder of any such registered bond shall have the right to cause the same to be released from registration by presentation to the Trustee and to be made payable to bearer by the endorsement of the Trustee thereon, in which case said bond shall be transferable by delivery with the same effect as though never registered; and thereafter the principal of said



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bond shall be payable to bearer and transferable by delivery with the same effect as though never registered, unless and until said bond shall again be registered. Successive registrations and releases from registration may be made from time to time with the same effect as the first registration or release, and each such registration and release shall be noted on the bond by the Trustee.

Sec. 2.08. Every holder of a bond or bonds secured hereby, by accepting the same, agrees with the Corporation and every subsequent holder thereof that the delivery of such bond to any transferee, if not registered, or if it be registered and the last registration be to bearer, shall vest title in such bond and the interest represented thereby in such transferee to the same extent and for all purposes as would delivery under like circumstances of any negotiable instrument payable to bearer. The Corporation, the Trustee and any Paying Agent may deem and treat the bearer of any bond hereby secured, which bond shall not at the time be registered as to principal, and the bearer of any coupon, as the absolute owner of such bond or coupon for the purpose of receiving payment therefor and for all other purposes whatsoever, and neither the Corporation, the Trustee nor any Paying Agent shall be affected by any notice to the contrary. The Corporation, the Trustee and any Paying Agent may deem and treat the person in whose name any bond issued hereunder may be registered as the absolute owner of such bond for the purpose of receiving payment therefor on account of the principal of said bond, and for all other purposes whatsoever.

#### ARTICLE III.

##### Sinking Fund and Operation and Reserve Fund

Section 3.01. There is hereby established and created a fund designated as the "Gary Community School Building Corporation Sinking Fund." The Trustee shall deposit in such Sinking Fund from each rental payment received by the Trustee pursuant to the lease between the Corporation and the School City of Gary, dated November 13, 1969, as amended on March 28, 1970, an amount equal to the following, whichever is less:

- (a) All of such rental payment; or
- (b) An amount which, when added to the amount in the Sinking Fund on the deposit date equals the sum of the following amounts:



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- (i) Five Hundred Dollars (\$500);
- (ii) Unpaid interest on the bonds due on, before or within twenty (20) days after the date such rental payment becomes due;
- (iii) Unpaid principal on the bonds due on, before or within seven (7) months from the date such rental payment becomes due.

Any portion of a rental payment remaining after such deposit shall be deposited by the Trustee in the Operation and Reserve Fund provided for in Sec. 3.02. The Trustee shall from time to time withdraw from such Sinking Fund, and shall deposit in a special trust fund and make available to itself and any Paying Agent, sufficient moneys for paying the principal of the bonds at maturity and to pay the interest on the bonds as the same falls due. The Trustee shall invest the Sinking Fund in the same manner as the Construction Fund under Sec. 2.05, but sufficient securities shall mature prior to the time the funds invested will be needed for payment of principal of and interest on the bonds.

Sec. 3.02. There is hereby established and created a fund designated as the "Gary Community School Building Corporation Operation and Reserve Fund." The Operation and Reserve Fund shall be used only to pay necessary incidental expenses of the Corporation (e.g. required audits, appraisals, meetings and reports), the payment of principal, interest and redemption premiums of the bonds herein described upon redemption as authorized by Article IV hereof, and if the amount in the Sinking Fund at any time is less than the required amount, the Trustee shall, without any further authorization, transfer funds from the Operation and Reserve Fund to the Sinking Fund in an amount sufficient to raise the amount in the Sinking Fund to the required amount. Such action by the Trustee shall not constitute a waiver of any other right or remedy the Trustee may have under this Indenture. The Operation and Reserve Fund shall be invested by the Trustee without further authorization in the same manner as the Construction Fund. Incidental expenses shall be paid by the Trustee upon the presentation of an affidavit executed by any two (2) executive officers of the Corporation, stating the character of the expenditure, the amount thereof, and to whom due, together with the statement of the creditor as to the amount owing.

Sec. 3.03. Whenever the amounts contained in the Sinking Fund and the Operation and Reserve Fund are sufficient, together



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with any other funds deposited with the Trustee by the Corporation, to redeem, upon the next redemption date, all bonds secured hereby then outstanding, the Trustee shall apply the amounts in such Funds to the redemption of such bonds pursuant to Article IV hereof.

Sec. 3.04. At the request of the Corporation, expressed by a resolution of the board of directors, or a copy thereof certified by the Secretary and delivered to the Trustee, the Trustee may remove funds from the Operation and Reserve Fund to be used for the redemption of bonds, or for the purchase of bonds if the Corporation and Trustee agree that purchase of bonds would be advantageous to the Corporation, but such funds so removed and used shall not exceed the excess of the total amount in the Sinking Fund and Operation and Reserve Fund over the principal and interest of the bonds which will become due in the following thirteen (13) months.

#### ARTICLE IV.

##### Redemption of Bonds

Section 4.01. The Corporation shall have the right, at its option, to redeem, according to the procedure hereinafter provided, all or any part of the bonds secured by this Indenture, in inverse numerical order, (a) on any interest payment date not earlier than July 1, 1976, from funds other than proceeds of any borrowing made for such purpose, or (b) on any interest payment date not earlier than July 1, 1980, from any moneys made available for that purpose, at face value plus interest accrued to the date fixed for redemption, together with the following premiums:

3% if redeemed on July 1, 1976, or thereafter  
on or before January 1, 1980;

2% if redeemed on July 1, 1980, or thereafter  
on or before January 1, 1984;

1% if redeemed on July 1, 1984, or thereafter  
prior to maturity.

Sec. 4.02. To evidence its intention to exercise the right of redemption, the Corporation shall, not less than thirty (30) days prior to the date selected for redemption, file with the Trustee written notice of its intention to redeem, desig-



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nating the date fixed for redemption, and if less than all of the outstanding bonds are to be redeemed stating the aggregate principal amount of bonds which the Corporation desires to redeem. If less than all of the outstanding bonds are to be redeemed, then the bonds shall be redeemed in their inverse numerical order, and the Corporation shall notify the Trustee in writing of the bonds to be redeemed. No failure or defect in such notice by the Corporation to the Trustee shall affect the validity of the redemption of any bonds.

Sec. 4.03. Notice of such redemption shall be published by the Corporation, or by the Trustee, in the discretion of the Trustee, at least one (1) time in one (1) daily newspaper or financial journal published and of general circulation in the City of Indianapolis, Indiana, and in one (1) such newspaper or financial journal published and of general circulation in the City of Chicago, Illinois, not less than fifteen (15) days prior to the date fixed for such redemption, and such notice shall be mailed to the holders of all registered bonds. Said notice shall, with substantial accuracy:

(a) Designate the time and places of redemption, said places to be the offices of the Trustee and any Paying Agent;

(b) If the bonds to be redeemed are less than the whole amount outstanding, designate the bonds by number and aggregate principal amount of said bonds; and

(c) State that on the designated date fixed for said redemption said bonds shall be redeemed by the payment of the applicable redemption price hereinbefore set forth, and that from and after the date so fixed for such redemption interest on the bonds so called for redemption shall cease.

In all cases, the cost and expenses of the preparation and publication of said notices of redemption shall be paid by the Corporation.

Sec. 4.04. Such notice having been published as above provided, the bonds designated for redemption shall, on the date specified in such notice, become due and payable at the then applicable redemption price, and on presentation and surrender of such bonds in accordance with such notice, at the place at which the same are expressed in such notice to be redeemable, with all appertaining unmatured interest coupons,



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such bonds shall be redeemed by the Trustee and any Paying Agent on behalf of the Corporation by the payment of such redemption price to the bearers or registered owners out of funds held by the Trustee or any Paying Agent for that purpose. From and after the date of redemption so designated, unless default shall be made in the redemption of the bonds upon presentation, interest on bonds designated for redemption shall cease. If not so paid on presentation thereof, the bonds shall continue to bear interest at the rate therein specified.

Sec. 4.05. All bonds so redeemed shall, together with all unpaid coupons appertaining thereto, be cancelled and delivered to the Corporation, or destroyed as provided in Section 2.01. Bonds or coupons so redeemed shall not be reissued, nor shall any bonds or coupons be issued in lieu thereof.

Sec. 4.06. If the amount necessary to redeem any bonds called for redemption, as aforesaid, shall have been deposited with the Trustee or any Paying Agent for the account of the holder or holders of such bonds on or before the date specified for such redemption, and if the notice hereinbefore mentioned shall have been duly published or provision satisfactory to the Trustee shall have been made for the giving and publication of such notice, and if all proper charges and expenses of the Trustee in connection with such redemption shall have been paid or provided for, the Corporation shall be released from all liability on such bonds and such bonds shall no longer be deemed to be outstanding hereunder, and interest thereon shall cease at the date specified for such redemption; and thereafter such bonds and the appertaining unmatured interest coupons shall not be secured by the lien of this Indenture. The Trustee shall be privileged to give notice of any call for redemption, but shall not be required to do so unless the amount necessary to redeem the bonds called and to pay all proper charges of the Trustee shall have been deposited with, paid to, or otherwise made available to the Trustee, as aforesaid. In case any question shall arise as to whether any such notice shall have been sufficiently given or any such redemption shall be effective, such question shall be decided by the Trustee, and the decision of the Trustee shall be final and binding upon all parties in interest.

#### ARTICLE V.

##### Covenants of the Corporation

Section 5.01. The Corporation covenants and agrees that it will faithfully do and perform, and at all times faithfully



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observe, any and all covenants, undertakings, stipulations and provisions contained in each and every bond and interest coupon issued hereunder, and will duly and punctually pay or cause to be paid the principal of said bonds and the interest thereon, at the times and places, and in the manner mentioned in said bonds and interest coupons, according to the true intent and meaning thereof.

Sec. 5.02. Interest on the bonds until the maturity thereof shall be payable only upon presentation and surrender of the coupons annexed thereto, as such coupons respectively mature. In order to prevent any accumulation of coupons after their maturity, the Corporation covenants and agrees that it will not directly or indirectly extend, or assent to an extension of, the time of payment of any coupons of any of the bonds by purchasing or funding of such coupons, or by any other arrangement. In case the time for the payment of any such coupons shall be so extended, such coupons shall not be entitled, in case of any default hereunder, to the benefit of this Indenture, except subject to the prior payment of the principal of all bonds issued and outstanding hereunder and of so much of the accrued interest thereon as shall not be represented by such extended coupons.

Sec. 5.03. The Corporation covenants that it will promptly make, execute and deliver all indentures supplemental hereto, or otherwise, and take all such action as may reasonably be deemed, by the Trustee or by its counsel, necessary or advisable for the better securing of any bonds issued hereunder, or for better assuring and confirming to the Trustee the mortgaged property or any part thereof. The Corporation covenants that it will cause this Indenture and any indenture supplemental hereto to be duly recorded, re-recorded, filed and re-filed, at the times and in the places now or hereafter required by law for the proper maintenance of the priority of the lien hereof.

Sec. 5.04. The Corporation covenants that, except as to that part of the mortgaged property which may hereafter be acquired by it, the Corporation is now well seised of the mortgaged property, subject only to current taxes, and has good right, full power and lawful authority to make this Indenture and subject all of the mortgaged property to the lien hereof, in the manner and form herein respectively contained or intended, and that it has and will preserve good and indefeasible title to all such property, and will warrant and defend the same to the Trustee against the claims of all persons whatsoever.



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Sec. 5.05. The Corporation covenants that it will promptly, and before they shall become delinquent, pay or cause to be paid all lawful taxes, charges and assessments at any time levied or assessed upon or against the mortgaged property, or any part thereof, or upon the use of the same, or upon the income or profits thereof, and all license fees, franchise and corporation taxes and other like statutory charges; provided, however, that no such tax, charge or assessment shall be required to be paid so long as the validity of the same shall be in good faith contested by the Corporation; further, that it will not suffer any lien or charges equal or prior to the lien hereby created to be enforced or to exist against the mortgaged property or any part thereof, except the lien of current taxes not yet due; that it will not commit or suffer any waste of said property; and that it will at all times operate the property and keep and maintain said property and all buildings, structures, apparatus and appurtenances thereon or thereof in good repair, working order and condition, and will from time to time make all needful and proper repairs, renewals and replacements.

Sec. 5.06. The Corporation covenants that until all indebtedness secured by this Indenture is fully paid, it will maintain its corporate existence, paying all license or other fees and making all returns necessary for that purpose; that it will not do or suffer to be done anything whereby its corporate existence or its right to hold the mortgaged property might in any way be questioned; and that it will faithfully observe and comply with the terms of all applicable laws and ordinances of the State of Indiana and any political or municipal subdivision thereof.

Sec. 5.07. If the Corporation should at any time fail to pay in apt season any tax, assessment or other charge upon the mortgaged property, or any part thereof, or fail to pay promptly when payable any license fee, franchise or corporation tax, or like statutory charge, the Trustee may, without obligation to inquire into the validity thereof, pay such tax, assessment, fee or other charge, but without prejudice to the rights of the Trustee arising hereunder in consequence of such default, and the amount of every payment so made at any time by the Trustee, with interest thereon at the rate of six per cent (6%) per annum from the date of payment, shall constitute an additional indebtedness of the Corporation secured by the lien of this Indenture, prior or paramount to the lien hereunder of any of said bonds and the interest thereon.

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Sec. 5.08. The Corporation covenants that proper books of record and account will be kept in which full, true and correct entries will be made of all dealings or transactions of or in relation to the properties, business and affairs of the Corporation, and that it will:

(a) At such times as the Trustee shall reasonably request, furnish statements in reasonable detail showing the earnings, expenses and financial condition of the Corporation.

(b) From time to time furnish to the Trustee such information as to the property of the Corporation as the Trustee shall reasonably request.

(c) ~~On or before the expiration of one hundred twenty (120) days after the completion of the building, furnish to the Trustee a full audit and report, certified by independent certified public accountants, covering the operations of the Corporation to the completion of construction, and showing the earnings and expenses for such period, and the assets, liabilities and financial condition of the Corporation at the expiration of such period. Such financial statements and reports shall be available at all reasonable times for the inspection of any bondholder or his authorized agent.~~

If the Corporation shall fail to obtain and furnish such audit and report, the Trustee may, in its discretion, procure such audit and report, and pay for the same from the Operation and Reserve Fund, unless there are not sufficient funds in said Fund, in which case all moneys paid by the Trustee for such audit and report, together with interest thereon at the rate of six per cent (6%) per annum, shall be repaid by the Corporation upon demand, and shall constitute an additional indebtedness of the Corporation secured by the lien of this Indenture, prior and paramount to the lien hereunder of said bonds and interest thereon. The Trustee, however, shall not be obligated to obtain such audit and report unless fully indemnified against the expense thereof and furnished with means therefor.



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(d) On or before the expiration of ninety (90) days after the end of each calendar year, file with the Trustee a certificate signed by its President or a Vice President, and its Treasurer or Secretary, stating that all taxes then due on the mortgaged property have been duly paid (unless the Corporation shall, in good faith, contest any of said taxes, in which event the facts concerning such contest shall be set forth); also stating that all insurance premiums required by the terms of the Indenture to be paid by the Corporation upon the mortgaged property have been duly paid, and that all reports have been filed and fees paid to maintain the Corporation in good standing as required by law.

The Corporation further covenants that all books, documents and vouchers relating to the properties, business and affairs of the Corporation shall at all times be open to the inspection of such accountants or other agents as the Trustee may from time to time designate.

Sec. 5.09. The Corporation covenants that it will not declare or pay dividends on any class of its capital stock now outstanding or hereafter issued, nor make any provision for the acquisition or retirement of such stock until all of the bonds secured by this Indenture have been redeemed or paid.

Sec. 5.10. The Corporation covenants that it will not guarantee, endorse or otherwise become surety for or upon the indebtedness of others except by endorsement of negotiable instruments for deposit or collection in the ordinary course of business, and that it will not sell its accounts receivable.

Sec. 5.11. The Corporation covenants that it will not acquire any property, real or personal, subject to an existing mortgage or other encumbrance, except as permitted by Sec. 5.12.

Sec. 5.12. The Corporation covenants that it will not incur any indebtedness other than the bonds secured by this Indenture unless such additional indebtedness is payable solely from income of the Corporation other than the rental payments provided for in the lease referred to in Sec. 5.14.

Sec. 5.13. The Corporation covenants that the proceeds of the bonds shall be used for the following purposes:



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(First) The payment of the balance, if any, of the purchase price of the real estate herein specifically described;

(Second) To the payment of the cost of construction of a school building on said real estate in accordance with the provisions of Sec. 5.14 hereof. The cost of erection shall include but not be limited to the items set forth in Sec. 2.05 hereof.

(Third) Any balance remaining after the completion of such school building in accordance with Sec. 5.14 hereof may be obligated within a period of one (1) year thereafter for any one or more of the following purposes upon written request of the Lessee:

(a) For the purchase of equipment for said building;

(b) For the purchase of real estate adjacent to the real estate hereinbefore described; or

(c) For the improvement of said building or for the improvement of any real estate which is subject to the mortgage hereof.

(Fourth) Any balance remaining after one (1) year from the completion of said school building (as evidenced by the first payment of lease rental) shall be transferred to the Operation and Reserve Fund as provided in Sec. 2.05.

Sec. 5.14. The Corporation covenants that it has entered into a valid and binding lease of the mortgaged property to the School City of Gary, dated November 13, 1969, as amended March 28, 1970, and that a full, true and correct copy of said lease is on file with the Trustee. The Corporation further covenants that, upon the receipt by the Trustee of the proceeds of the bonds secured hereby, it will forthwith proceed to construct the school building on the mortgaged property in accordance with the plans and specifications referred to in said lease, and will complete such construction with all expedition practicable in accordance with such plans and specifications, together



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with such changes or modifications therein as may be authorized by the Corporation pursuant to this section. The Corporation further covenants that it will not authorize, approve or permit any changes to be made in such plans and specifications unless all of the following conditions exist:

(a) The proposed changes in the plans and specifications are approved in writing by School City of Gary, as lessee, and, if such proposed changes, together with all other changes previously made, will increase the original cost of erection of said school building in an amount exceeding Ten Thousand Dollars (\$10,000), then by the original purchaser of the bonds, or if the purchaser is more than one investment house, by the manager of such syndicate;

(b) The proposed changes in the plans and specifications will not alter the character of the building nor reduce the value thereof; and

(c) The proposed changes in the plans and specifications will not result in an increase in the cost of erection of said school building exceeding the amount of the uncommitted funds of the Corporation on hand which are not required for the completion of the building in accordance with the plans and specifications adopted prior to the execution of said lease, interest on the bonds during the construction period, and the payment of the incidental expenses incurred in connection with said project.

Except for changes made in the plans and specifications pursuant to this section, the Corporation covenants that it will not agree to any modification of the terms of said lease which would substantially impair or reduce the security of the holders of the bonds described herein or agree to a reduction of the lease rental provided for therein until all indebtedness secured by this Indenture is fully paid, except upon compliance with the provisions of Sec. 11.02. The Corporation further covenants that any modification permitted by this paragraph will be made only after a copy thereof has been filed with the Trustee.

Sec. 5.15. The Corporation covenants and agrees that it will bring suit to mandate the governing board or officials



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of the lessee under the lease mentioned in Sec. 5.14 to levy a tax to pay the rentals, or such other appropriate action as the Trustee may request, within sixty (60) days after receiving a written request from the Trustee. The Corporation further appoints the Trustee its attorney-in-fact to file such suit and take any other action to enforce such lease which the Trustee may determine in its discretion.

ARTICLE VI.

Insurance

Section 6.01. The Corporation covenants that during the construction of the school building referred to in Sec. 5.14, it will carry or will cause other persons to carry for its benefit the following kinds of insurance:

(a) Builder's risk insurance in the amount of one hundred per cent (100%) of the insurable value of such building against physical loss or damage thereto, however caused, with such exceptions as are ordinarily required by insurers of buildings or facilities of a similar type. Such insurance shall be carried in completed value form.

(b) Bodily injury and property damage insurance as shall protect the Corporation from claims for damages for bodily injury, including accidental death, as well as claims for property damages which may arise from such construction. Such insurance shall be carried for not less than the following limits of liability for the policies indicated:

Combined bodily injury insurance, including accidental death, and property damage insurance in an amount not less than One Million Dollars (\$1,000,000) on account of one occurrence; or, in the alternative,

Bodily injury insurance in an amount not less than One Million Dollars (\$1,000,000) for injuries, including accidental death, to any one (1) person, and in an amount



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not less than One Million Dollars  
(\$1,000,000) on account of one (1)  
accident; and

Property damage insurance in  
an amount not less than Five Hundred  
Thousand Dollars (\$500,000) on ac-  
count of any one (1) accident and  
in an amount not less than Five Hun-  
dred Thousand Dollars (\$500,000) in  
the aggregate during each policy  
period, each of which shall be not  
longer than one (1) year.

The Corporation further covenants that all contracts for the construction of said school building will or do require the contractor to carry such insurance as will protect the contractor from liability under the Indiana Workmen's Compensation and Workmen's Occupational Diseases Acts. Certificates of the insurance coverage required under the preceding sentence shall be furnished to the Trustee.

Sec. 6.02. The Corporation covenants that, after the completion of such school building, it will carry or cause to be carried:

(a) Insurance on the mortgaged property against physical loss or damage thereto, however caused, with such exceptions as are ordinarily required by insurers of buildings or facilities of a similar type, which insurance shall be in an amount equal to one hundred five per cent (105%) of the full replacement cost of the mortgaged property as certified by a registered architect, a registered engineer, or a professional appraisal engineer selected by the Corporation with the approval of the Trustee, on the effective date of such insurance and on or before April 1 of each year thereafter (such appraisal may be based on a recognized index of conversion factors); and

(b) Rent or rental value insurance in an amount equal to the full rental value of the mortgaged property for a period of two (2) years against physical loss or damage of the type insured against under Sec. 6.02 (a) above.



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Sec. 6.03. Such insurance policies shall be maintained in good and responsible insurance companies satisfactory to the Trustee, and shall be countersigned by an agent of the insurer who is a resident of the State of Indiana. A copy of such policies, together with a certificate of the Insurance Commissioner certifying that the persons countersigning such policies are duly qualified in the State of Indiana as resident agents of the insurers on whose behalf they have signed, and the architect's or engineer's certificates referred to in Sec. 6.02 (a) shall be deposited with the Trustee. The Corporation shall furnish to the original purchaser of the bonds issued hereunder a copy of each certificate deposited with the Trustee and, on or before April 1 of each year, a schedule of all such policies which were in force on the first day of such year. Such schedule shall contain the names of the insurers, the amounts of each policy, the character of the risk insured against, the expiration date of each policy, the premium paid thereon, and any other pertinent data.

Sec. 6.04. In case the Corporation shall at any time refuse, neglect or fail to obtain and furnish such certificate or to effect insurance as aforesaid, the Trustee may, in its discretion, procure such certificate and/or such insurance, and all moneys paid by the Trustee for such certificate and/or insurance, together with interest thereon at the rate of six per cent (6%) per annum, shall be repaid by the Corporation upon demand, and shall constitute an additional indebtedness of the Corporation secured by the lien of this Indenture, prior and paramount to the lien hereunder of said bonds and interest thereon. The Trustee, however, shall not be obligated to effect such insurance unless fully indemnified against the expense thereof and furnished with means therefor.

Sec. 6.05. The insurance policies required by Section 6.01 (a) and Sec. 6.02 (a) shall be for the benefit, as their interests shall appear, of the Trustee, the Corporation, and other persons having an insurable interest in the insured property. Such policies shall clearly indicate that any proceeds under the policies relative to the mortgaged property shall be payable to the Trustee, and the Trustee is hereby authorized to demand, collect and receipt for and recover any and all insurance moneys which may become due and payable under any of said policies of insurance and to prosecute all necessary actions in the courts to recover any such insurance moneys. The Trustee may, however, accept any settlement or adjustment which the officers of the Corporation may deem it advisable to make with the insurance companies.



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Sec. 6.06. The proceeds of such insurance received by the Trustee shall be applied to the repair, replacement or reconstruction of the damaged or destroyed property. Such proceeds shall be held and disbursed by the Trustee in the manner and upon the showings provided for in Sec. 2.05 hereof, except that the Trustee may release such proceeds, or a part thereof, upon a showing satisfactory to the Trustee that repairs have been made and paid for.

Sec. 6.07. In the event the Corporation shall not commence to repair or replace the mortgaged property so damaged or destroyed within ninety (90) days after any such loss or damage, or the Corporation, having commenced such work of repair or replacement, shall abandon or fail diligently to prosecute the same, the Trustee may, in its discretion, make or complete such repairs or replacements, and if it shall elect so to do, may enter upon said premises to any extent necessary for the accomplishment of such purposes, but nothing herein contained shall obligate the Trustee to make or complete any such repairs or replacements unless it shall have been requested to do so by the holders of not less than twenty-five per cent (25%) in aggregate principal amount of all bonds outstanding hereunder, and shall have been indemnified to its satisfaction against all loss, damage and expense which it might thereby incur.

Sec. 6.08. In case the Corporation shall neglect, fail or refuse to proceed forthwith in good faith with the repair or replacement of the mortgaged property which shall have been so destroyed or damaged, and such negligence, failure or refusal shall continue for one hundred twenty (120) days, the Trustee, upon receipt of the insurance moneys, shall (unless the Trustee proceeds to make the repairs or replacements of the destroyed or damaged property as above provided) apply such proceeds in the following manner:

(a) If the proceeds are sufficient to redeem all of the then outstanding bonds and such bonds are then subject to redemption, the Trustee shall apply the proceeds to the redemption of such bonds in the manner provided in Article IV of this Indenture, and with the same force and effect as if such redemption had been made at the option of the Corporation.

(b) If the proceeds are not sufficient to redeem all of the then outstanding bonds, or if such bonds are not then subject to redemption, the Trustee shall apply the proceeds to the pay-

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ment of the outstanding bonds in the manner provided by Sec. 7.11 hereof in the case of proceeds from the sale of the mortgaged property.

Sec. 6.09. If, at any time, the mortgaged property is totally or substantially destroyed and the amount of insurance money received on account thereof by the Trustee is sufficient to redeem all of the then outstanding bonds hereunder and such bonds are then subject to redemption, the Corporation, with the written approval of the lessee of such property, may direct the Trustee to use said moneys for the purpose of calling for redemption all of the bonds issued and then outstanding under this Indenture at the then current redemption price.

Sec. 6.10. In the event of any reconstruction of any building constituting part of the mortgaged property after substantially total destruction thereof, a new building or buildings on the mortgaged premises may be constructed by the Corporation in accordance with plans and specifications which must be satisfactory to the Trustee and the lessee thereof, and such new building or buildings may be wholly different in design or construction or designed for a different purpose.

Sec. 6.11. The Trustee may accept the statements, affidavits and certificates hereinabove in this Article VI provided to be filed with the Trustee, as evidence of the facts therein stated, but the Trustee (although under no obligation so to do) may, at the expense of the Corporation, require further or other evidence of such matters and may rely on the report or opinion of such architect, engineer, other person, or counsel, as it may select for the purpose of making an investigation thereof.

#### ARTICLE VII.

##### Remedies in Case of Default

Section 7.01. If any of the following events occurs, it is hereby defined as and is declared to be and to constitute an "event of default":

(a) Default in the due and punctual payment of the interest on any bonds hereby secured and outstanding, and the continuance thereof for sixty (60) days;

(b) Default in the due and punctual payment of the principal of any bond hereby secured,



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whether at the stated maturity thereof, or upon proceedings for the redemption thereof, or upon the maturity thereof by declaration as hereinafter provided;

(c) Default in the performance or observance of any other of the covenants or agreements of the Corporation in this Indenture or in any supplemental indenture, or in the bonds, contained, and the continuance thereof for a period of sixty (60) days after written notice thereof to the Corporation by the Trustee;

(d) If the Corporation: (1) admits in writing its inability to pay its debts generally as they become due; (2) files a petition in bankruptcy; (3) makes an assignment for the benefit of its creditors; or (4) consents to or fails to contest the appointment of a receiver or trustee for itself or of the whole or any substantial part of the mortgaged property;

(e) If the Corporation: (1) be adjudged insolvent by a court of competent jurisdiction; (2) on a petition in bankruptcy filed against the Corporation be adjudged a bankrupt; or (3) if an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the Corporation, a receiver or trustee of the Corporation or of the whole or any substantial part of the mortgaged property, and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within sixty (60) days from the date of entry thereof;

(f) If any judgment shall be recovered against the Corporation or any attachment or other court process issue that shall become or create a lien upon any of its property, and such judgment, attachment, or court process shall not be discharged or effectually secured within sixty (60) days;

(g) If the Corporation shall file a petition under the provisions of Chapter X of "An Act to establish a uniform system of bankruptcy throughout the United States," approved July 1,

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1898, as amended, or file answer seeking the relief provided in said Chapter X;

(h) If a court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against the Corporation under the provisions of said Chapter X, and such judgment, order or decree shall not be vacated or set aside or stayed within one hundred twenty (120) days from the date of the entry thereof;

(i) If, under the provisions of any other law now or hereafter existing for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Corporation or of the whole or any substantial part of the mortgaged property, and such custody or control shall not be terminated within one hundred twenty (120) days from the date of assumption of such custody or control;

(j) Failure of the Corporation to bring suit to mandate the governing board or officials of the lessee to levy a tax to pay the rental provided in the lease referred to in Article V, or such other action to enforce the lease as is reasonably requested by the Trustee, if such rental is more than sixty (60) days in default;

(k) If the lease rental provided for in said lease is not paid within sixty (60) days after each date it is due.

Sec. 7.02. In the case of the happening and continuance of any of the events of default specified in Section 7.01, then in any such case the Trustee, by notice in writing mailed to the Corporation, may, and upon written request of the holders of twenty-five per cent (25%) in principal amount of the bonds then outstanding hereunder shall, declare the principal of all bonds hereby secured and then outstanding, and the interest accrued thereon, immediately due and payable, and upon such declaration such principal and interest shall thereupon become and be immediately due and payable; subject, however, to the right of the holders of a majority in principal amount of all such outstanding bonds, by written notice to the Corporation and to the Trustee, to annul each declaration and destroy its effect at any time before any sale hereunder if, before any such sale, all agreements with respect to which default shall



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have been made shall be fully performed and all such defaults be cured, and all arrears of interest upon all bonds outstanding hereunder and the reasonable expenses and charges of the Trustee, its agents and attorneys, and all other indebtedness secured hereby, except the principal of any bonds not then due by their terms and interest accrued thereon since the then last interest payment date, shall be paid or the amount thereof shall be paid to the Trustee for the benefit of those entitled thereto.

Sec. 7.03. If default occurs with respect to the payment of principal or interest due hereunder, interest shall be payable on overdue principal at the rate of six per cent (6%) per annum and upon overdue interest at the rate of six per cent (6%) per annum.

Sec. 7.04. Upon the occurrence of one or more events of default, the Corporation, upon demand of the Trustee, shall forthwith surrender to the Trustee the actual possession of, and it shall be lawful for the Trustee by such officer or agent as it may appoint with or without process of law to take possession of, all the mortgaged property and to hold, operate and manage the same, and from time to time to make all needful repairs and such extensions, additions or improvements as to the Trustee shall seem wise; and to receive the rents, revenues, issues, earnings, income, profits and proceeds thereof and out of the same to pay all proper costs and expenses of so taking, holding and managing the same, including reasonable compensation to the Trustee, its agents and counsel, any charges of the Trustee hereunder, any taxes and assessments and other charges prior to the lien of this Indenture which the Trustee may deem it wise to pay, and all expenses in connection therewith; and to apply the remainder of the moneys so received by the Trustee, subject to the provisions of Sec. 5.02 of this Indenture, first, to the payment of the installments of interest which are due and unpaid in the order of their maturity, and next, if the principal of said bonds is due, to the payment of the principal thereof and the accrued interest thereon pro rata, without any preference or priority whatsoever except as aforesaid. Whenever all that is due upon such bonds and installments of interest and under any of the terms of this Indenture shall have been paid, and all defaults made good, the Trustee shall surrender possession to the Corporation, its successors or assigns, but the same right of entry shall exist upon any subsequent default. The Trustee shall be under no obligation, however, to act under this Sec. 7.04 unless, in the exercise of its discretion, it is willing to do so.



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Sec. 7.05. Upon the occurrence of any one or more events of default, the Trustee, by such officer or agent as it may appoint, with or without entry, may, if at the time such action shall be lawful, sell all the mortgaged property as an entirety, or in such parts or parcels as the holders of a majority in principal amount of the bonds outstanding hereunder shall in writing request, or in the absence of such request as the Trustee may determine, at public auction at some convenient place in Lake County, Indiana, or at such other place or places as may be required by law, after having first given notice of such sale by publication in at least one (1) daily newspaper of general circulation published in Lake County, Indiana, at least once a week for four (4) weeks next preceding such sale, and any other notice which may be required by law. The Trustee may from time to time adjourn such sale in its discretion by announcement at the time and place fixed for such sale without further notice, and upon such sale the Trustee may make and deliver to the purchaser or purchasers good and sufficient deeds or other instruments of conveyance or transfer of the property sold.

Sec. 7.06. In case of the happening and continuance of any of the events of default specified in Section 7.01, the Trustee may, and shall upon the written request of the holders of at least twenty-five per cent (25%) in principal amount of the bonds then outstanding hereunder and upon being indemnified to its reasonable satisfaction, proceed to protect and enforce its rights and the rights of the holders of the bonds by suit or suits in equity or at law, or in any court of competent jurisdiction, whether for specific performance of any covenant or agreement contained herein or in aid of any power herein granted, or for any foreclosure hereof or hereunder, or for the enforcement of any other appropriate legal or equitable remedy.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein; and every such right or power may be exercised from time to time and as often as may be deemed expedient.



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Sec. 7.07. In case of an event of default hereunder and upon the filing of judicial proceedings to enforce the rights of the Trustee and of the bondholders hereunder, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the mortgaged property and of the rents, revenues, issues, earnings, income and proceeds thereof pending such proceedings, with such powers as the court making such appointment shall confer, whether or not the mortgaged property shall be deemed sufficient ultimately to satisfy the indebtedness hereby secured.

Sec. 7.08. Upon any sale made either under the power of sale hereby given, or under judgment or decree in any judicial proceedings for foreclosure or otherwise for the enforcement of this Indenture, any bondholder or bondholders or the Trustee may bid for and purchase the mortgaged property or any part thereof, and upon compliance with the terms of sale, may hold, retain, possess and dispose of such property in his, their or its absolute right, without further accountability, and any purchaser at any such sale may, in paying the purchase money, turn in any of the bonds or coupons or claims for interest or other indebtedness outstanding hereunder in lieu of cash to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon. Said bonds and coupons, in case the amount so payable thereon shall be less than the amount due thereon, shall be returned to the holders thereof after being appropriately stamped to show partial payment.

Sec. 7.09. Upon any sale made either under the power of sale hereby given or under judgment or decree in any judicial proceedings for the foreclosure or other enforcement of this Indenture, the receipt of the Trustee or of the officer making such sale shall be sufficient discharge to the purchaser or purchasers for the purchase money, and such purchaser or purchasers shall not, after paying such purchase money and receiving such receipt, be obliged to see to the application of such purchase money.

Sec. 7.10. Any sale made either under the power of sale hereby given or under judgment or decree in any judicial proceedings for foreclosure or other enforcement of this Indenture shall, to the extent then permitted by law, operate to divest all right, title and interest, either at law or in equity of the Corporation of, in and to the property so sold, and be a perpetual bar both at law and in equity against the Corporation, its successors and assigns, and all persons claiming from, through or under the Corporation.



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Sec. 7.11. The proceeds of any sale made either under the power of sale hereby given or under judgment or decree in any judicial proceedings for the foreclosure or other enforcement of this Indenture, together with any other amounts of cash which may then be held by the Trustee as a part of the mortgaged property, shall be applied as follows:

(a) To the payment of all costs and expenses of sale, and of all costs of the suit or suits wherein such sale may have been ordered, including all reasonable fees and expenses of the Trustee, and of any receiver or receivers appointed therein, together with reasonable attorneys' and agents' fees of the Trustee, and all costs of advertising and conveyance;

(b) To the payment of all other expenses of the trust hereby created, including all moneys paid or advanced by the Trustee, or the holders of any bonds secured hereby, for taxes, tax deed, assessments, abstracts, repairs, insurance, mechanic's and other liens on the mortgaged property, or otherwise, in connection with the management or administration of the trusts hereby created, with interest thereon at the rate of six per cent (6%) per annum from the date or dates paid or advanced;

(c) To the payment of all the principal and accumulated and unpaid interest on the bonds then outstanding in full, if said proceeds be sufficient but if not sufficient, then to the payment thereof ratably without preference or priority of any one bond over any other, or of interest over principal, or of principal over interest, or of any installment of interest over any other installment of interest, subject, however, to the provisions of Sec. 5.02 hereof;

(d) Any surplus thereof remaining, to the Corporation, its successors or assigns, or to whomsoever may be lawfully entitled to receive the same.

Sec. 7.12. In case of a default on its part, as aforesaid, to the extent that such rights may then lawfully be waived, neither the Corporation, nor anyone claiming through or under it, shall or will set up, claim or seek to take advantage of



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any appraisement, stay, or valuation laws now or hereafter in force in any locality where any of the mortgaged property may be situated, in order to prevent or hinder the enforcement or foreclosure of this Indenture, or the absolute sale of the mortgaged property, or the final and absolute putting into possession thereof, immediately after such sale, of the purchaser or purchasers thereat, but the Corporation, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may so do, the benefit of such laws and all rights of appraisement to which it may be entitled under the laws of the State of Indiana. And the Corporation, for itself and all who may claim through or under it, waives any and all rights to have the estates comprised in the security intended to be created hereby marshaled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may order the sale of the mortgaged property as an entirety or otherwise.

Sec. 7.13. All rights of action under this Indenture or under any of the bonds or coupons, including the right to file and prove a claim in any receivership, insolvency, bankruptcy, or other similar proceedings for the entire amount due and payable by the Corporation under this Indenture, may be enforced by the Trustee without the possession of any of the bonds or coupons or the production thereof in any trial or other proceeding relating thereto, and any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, and any recovery shall be for the equal benefit of the holders of the outstanding bonds and coupons.

Sec. 7.14. It is hereby declared and agreed, as a condition upon which each successive holder of all or any such bonds or coupons receives and holds the same, that no holder or holders of any such bond or coupon shall have the right to institute any proceeding in law or equity for the foreclosure of this Indenture, or for the appointment of a receiver, or for any other remedy under this Indenture, without first giving notice in writing to the Trustee of the occurrence and continuance of an event of default as aforesaid, and unless the holders of at least twenty-five per cent (25%) in principal amount of the then outstanding bonds shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and without also having offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be by the Trustee incurred therein or thereby; and such notice, request, and offer of indemnity



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may be required by the Trustee as conditions precedent to the execution of the powers and trust of this Indenture or to the institution of any suit, action or proceeding at law or in equity for the foreclosure hereof, for the appointment of a receiver, or for any other remedy hereunder, or otherwise, in case of any such default as aforesaid; it being understood and intended that no one or more holders of the bonds or coupons shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by his or their action, or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided, and for the equal benefit of all holders of outstanding bonds and coupons. Notwithstanding any other provisions of this Indenture, the right of any holder of any bond to receive payment of the principal of and interest on such bond on or after the respective due dates therein expressed, or to institute suit for the recovery of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such holder.

Sec. 7.15. At any time hereafter, before full payment of the bonds secured hereby, and whenever it shall deem it to be expedient for the better protection or security of such bonds (even though there shall then be no default existing), the Corporation, with the consent of the Trustee, may surrender and deliver to the Trustee full possession of the whole or any part of the mortgaged property for any period, fixed or indefinite. In such event the Trustee shall enter into and upon the premises so surrendered and delivered, and shall take and receive possession thereof for such period, fixed or indefinite, as aforesaid, without prejudice, however, to its right, at any time subsequently when entitled thereto by any provision hereof, to insist upon and maintain such possession thereof beyond the expiration of such prescribed period, and the Trustee, from the time of its entry, shall maintain, use, manage, control and employ such property in accordance with the provisions of this Indenture, and shall receive and apply the income and revenues thereof as provided in Sec. 7.04 of this Indenture.

Sec. 7.16. No recourse under or upon any obligation, covenant or agreement contained in this Indenture or in any bond or coupon hereby secured, or because of the creation of any indebtedness hereby secured, shall be had against any incorporator, stockholder, officer, director or employee, present or future, of the Corporation or of any successor corporation, either directly or through the Corporation, by the enforcement of any assessment or by any legal or equitable proceeding or



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by virtue of any statute or otherwise; it being expressly agreed and understood that this Indenture and the obligations hereby secured are solely corporate obligations, and that no personal liability whatever shall attach to or be incurred by such incorporators, stockholders, officers, directors or employees of the Corporation, or of any successor corporation, or any of them, because of the incurring of the indebtedness hereby authorized, or under or by reason of any of the obligations, covenants or agreements contained in this Indenture, or in any of the bonds or coupons hereby secured, or implied therefrom; and that any and all personal liability of every name and nature, and any and all rights and claims against every such incorporator, stockholder, officer, director or employee, whether arising at common law, or in equity, or created by statute or constitution, are hereby expressly released and waived as a condition of, and as a part of the consideration for, the execution of this Indenture and the issuance of bonds and interest obligations secured hereby.

ARTICLE VIII.

Possession Until Default,  
Defeasance, Payment, Release

Section 8.01. Unless an event of default as in Article VII hereof defined shall have occurred, and unless such default shall have continued beyond the period of grace, if any, therein provided, the Corporation shall be suffered and permitted to remain in full possession, enjoyment and control of all of the mortgaged property, except money which is expressly required to be deposited or pledged with the Trustee or any Paying Agent hereunder, and shall be permitted to manage, operate and lease the same, and, subject always to the provisions hereof, to receive, receipt for, take, use and dispose of all income, revenues, rents, issues and profits thereof.

Sec. 8.02. While in possession of the mortgaged property and not in default hereunder, the Corporation shall have the right at all times, as proper management of the business of the Corporation may require, to alter, change, add to, repair or replace any of the property constituting a part of the mortgaged property, provided that the Corporation shall, and hereby covenants at all times to, maintain and preserve the value of the mortgaged property from substantial impairment or reduction so that the security of the bonds issued hereunder shall not thereby be substantially impaired or reduced.



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Sec. 8.03. The Trustee shall at all times have full power and authority, to be exercised in its own discretion and not otherwise, to release from the lien and operation of this indenture, in such manner and subject to such conditions as the Trustee shall deem proper, such portion of the mortgaged property now owned, or which shall at any time be acquired or held for the use of the Corporation, as shall have become unfit or unnecessary for use, but any and all new or other property of the classes covered by this Indenture, which may be acquired in substitution for mortgaged property so released, shall by virtue and force hereof become and be, immediately upon the acquisition thereof, subject to the lien and operation of these presents, without any new conveyance or transfer or other act or proceeding whatsoever; and the proceeds from all such sales of mortgaged property which shall not be invested in other property subject to the lien of this Indenture, within ninety (90) days after the receipt thereof, shall be deposited in the Operation and Reserve Fund. Transactions under the provisions of this section shall be covered by such requests and reports in writing as the Trustee may require. All releases granted and consents given by the Trustee under this section shall be in writing, and copies of the same shall be retained by the Trustee and be open to inspection by holders of the bonds secured hereby. A certified copy of the resolution adopted by the board of directors of the Corporation relative to the disposal of mortgaged property found to be unfit or unnecessary for use, shall be conclusive in favor of the Trustee as to the truth of the matters therein recited.

Sec. 8.04. Upon payment of the principal of and interest on all of the bonds issued hereunder according to the tenor thereof, or upon provision being made for such payment by deposit with the Trustee or any Paying Agent of the entire amount due for such principal and interest, and upon full performance of all covenants and agreements of the Corporation in said bonds and in this Indenture contained, all the estate, right, title and interest of the Trustee or its successor in trust hereunder, shall cease and the Trustee shall then, upon payment of its charges and expenses, release and discharge this Indenture. The certificate of the Corporation, signed and sworn to by the President or a Vice President and by the Secretary of the Corporation, that notice of redemption has been given as provided in Article IV hereof, and that all other covenants and agreements of the Corporation in said bonds and in this Indenture contained have been fully performed, together with the deposit with the Trustee or any Paying Agent of the full redemption price of all outstanding bonds, shall be full warrant and authority to the Trustee to execute and



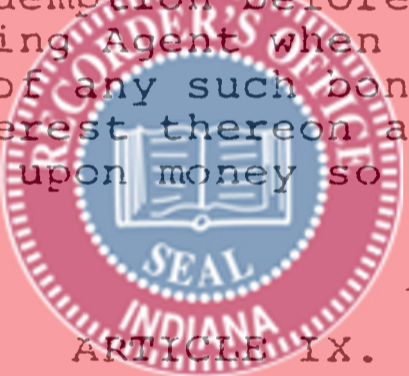
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deliver such release and discharge; but the Trustee may require such other additional proof as it may, in its discretion, desire.

Sec. 8.05. Any bond or coupon not presented at the proper time and place for payment shall, within the meaning of this Indenture, be deemed to be fully paid when due if the money necessary to discharge the principal amount thereof and all interest then accrued and unpaid thereon (and the premium required in case of redemption before maturity) is held by the Trustee or any Paying Agent when or before the same become due. The holder of any such bond or coupon shall not be entitled to any interest thereon after the maturity thereof nor to any interest upon money so held by the Trustee or any Paying Agent.



Merger, Consolidation or Sale

Section 9.01. Nothing in this Indenture contained shall prevent any consolidation or merger of the Corporation with or into, or any conveyance or transfer subject to this Indenture of all the mortgaged property as an entirety to, any other corporation; provided, however, that such consolidation, merger, conveyance or transfer shall be upon such terms as in no respect to impair the lien of this Indenture or any of the rights or powers of the Trustee or the bondholders hereunder; and provided further, that upon any such consolidation, merger, conveyance or transfer, the due and punctual payment of the principal of and interest on all such bonds, according to their tenor, and the due and punctual performance and observance of all the terms and covenants and conditions of this Indenture and of the lease between the Corporation and the School City of Gary, dated November 13, 1969, as amended March 28, 1970, to be kept or performed by the Corporation shall be assumed by the corporation formed by such consolidation or into which such merger shall have been made, or to which such mortgaged property shall have been so conveyed and transferred; and such corporation shall also, forthwith, execute and deliver to the Trustee and record a proper instrument whereby such corporation shall assume the due and punctual payment of the principal of and interest on the bonds secured hereby, and the performance of all the covenants and conditions to be performed by the Corporation under this Indenture and said lease.



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ARTICLE X.  
Concerning the Trustee

Section 10.01. The Trustee hereby accepts the trusts of this Indenture upon the following terms and conditions, to which the parties and the holders of said bonds agree:

(a) After completion of construction of the building, the Trustee shall annually prepare a financial report covering all funds of the Corporation and shall furnish a copy to the Corporation and to the original purchaser of the bonds.

(b) The Trustee shall be under no obligation to see to the filing or recording of this Indenture or any indenture supplemental hereto, and may authenticate and deliver the bonds in accordance with the provisions hereof prior to the filing or recording of this Indenture.

(c) The Trustee shall be entitled to reasonable compensation for all services rendered in the execution of the trusts hereby created, and may employ agents, attorneys and counsel in the execution of such trusts; and the compensation of the Trustee, as well as the reasonable compensation of its attorneys and counsel and of such persons as it may employ in the administration or management of the trusts hereunder, and all other reasonable expenses necessarily incurred or actually disbursed hereunder, the Corporation agrees to pay to the Trustee on demand, and for such payment the Trustee shall have a lien on the mortgaged property and on all funds in the hands of the Trustee not held in trust for any specific purpose in priority to the rights and claims of the holders of said bonds and interest coupons.

(d) The Trustee shall not be responsible in any manner for:

(1) The validity, execution, acknowledgment, filing or recording of this Indenture or any indenture supplemental hereto, or the refiling or re-recording thereof;



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(2) For any recitals, covenants or agreements of the Corporation in said bonds or herein contained, except to pay from the Operation and Reserve Fund expenses incurred by the Corporation to enable it to comply with its covenants contained herein;

(3) For the amount, value or description of the mortgaged property, or the fixing or continuance thereof of the lien hereof;

(4) For the default or misconduct of any agent or employee appointed by it, if such agent or employee shall have been selected with reasonable care, or for anything done by it in connection with this trust, except for its willful misconduct or gross negligence;

(5) For the consequence of any act done in good faith;

(6) For any actions taken by the Trustee in accordance with the opinion of counsel employed by the Trustee; or

(7) For the loss of any money caused by the insolvency, act, default or omission of any Paying Agent.

(e) The Trustee shall be under no obligation to keep advised or informed as to whether the Corporation is in default under any of the terms or covenants of this Indenture; and unless and until the Trustee shall have received written notice to the contrary from the holders of at least five per cent (5%) in principal amount of the bonds then outstanding hereunder, the Trustee may, for all purposes of this Indenture, assume that the Corporation is not in default hereunder and that none of the events hereinbefore defined as "events of default" has happened.



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(f) The Trustee shall not be required to appear in or defend any suit which may be brought against it respecting the mortgaged property, or by reason of being Trustee hereunder, or to institute any suit or proceeding to enforce any covenant or remedy herein provided, or to take any action toward the execution or enforcement of the trusts hereby created, which, in the opinion of the Trustee, will be likely to involve the Trustee in expense or liability, or to foreclose this Indenture, unless the holders of said bonds or some part thereof shall furnish the Trustee with reasonable security and indemnity against such expense or liability.

(g) The Trustee shall be fully protected in acting upon or in accordance with any notice or request, consent, certificate, demand, resolution or other instrument or document believed by the Trustee to be genuine and to have been signed, authorized, executed, certified or sealed by the proper person or persons; and the Trustee is authorized to accept the certificate of the Secretary of the Corporation, under its corporate seal, to any resolution of the board of directors or stockholders of the Corporation as conclusive evidence that such resolution was duly and lawfully adopted and is binding upon the Corporation.

(h) The Trustee, or any officer or director of the Trustee, may acquire and hold bonds issued hereunder or may engage in or be interested in any financial or other transaction in which the Corporation may be interested, and the Trustee may be depository, trustee, transfer agent, registrar or agent of the Corporation, or for any committee or other body in respect to the stock, bonds, notes, debentures, obligations or securities of the Corporation, whether or not issued pursuant hereto.

(i) The Trustee may, in relation to any powers or duties imposed upon it by this Indenture, act upon the opinion or advice of the attorney, surveyor, engineer or accountant, whether retained by the Trustee or by the Corporation, and shall not be responsible for any loss resulting from any action or non-action in accordance with any such opinion or advice.

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(j) The Trustee is relieved from filing any inventory, or qualifying under the jurisdiction of any court, or otherwise complying with the provisions of the Uniform Trustees' Accounting Act of 1945, or with any laws amendatory thereof or supplemental thereto, and the provisions of said law are hereby waived.

Sec. 10.02. The Trustee agrees to invest funds from time to time held by it as Trustee under this Indenture, and apply the interest earned thereon as provided in Articles II and III, but shall not be under any duty or obligation to pay interest on any funds held by it which cannot practicably be so invested either to the Corporation or to the holder of any bond or coupon, or to any other person; any and all such liability for the payment of such interest being hereby expressly waived.

Sec. 10.03. In the event that the Trustee, or any successor trustee, shall become legally consolidated or merge with another banking association or corporation, the banking association or corporation resulting from such consolidation or merger shall thereupon become and be the Trustee hereunder with the same titles, rights, powers, benefits, duties and limitations, without the execution or filing or recording of any instrument, and without any action on the part of the Corporation or the holders of bonds hereunder. A purchase of the assets and assumption of the liabilities of the Trustee by another banking association or corporation shall be deemed to be a consolidation or merger for the purposes of this section.

Sec. 10.04. The Trustee, or any successor trustee, may be removed at any time by an instrument or concurrent instruments in writing filed with the Trustee and signed by the holders of a majority in principal amount of the bonds then outstanding hereunder, or by their attorneys-in-fact thereunto duly authorized.

Sec. 10.05. The Trustee, or any successor trustee, may resign the trust created by this Indenture upon first giving notice of such proposed resignation and specifying the date when such resignation shall take effect, which notice shall be given to the Corporation in writing at least twenty (20) days prior to the date when such resignation shall take effect, and shall be given to the bondholders by publishing such notice at least once a week for two (2) successive weeks in a daily newspaper published and of general circulation in the City of Indianapolis, State of Indiana, the first publication thereof to



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be at least twenty (20) days prior to the date when such resignation shall take effect. Such resignation shall take effect on the day so designated in such notice, unless previously a successor trustee shall be appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor trustee.

Sec. 10.06. In case at any time the Trustee shall become incapable of acting, or shall be removed, a successor trustee may be appointed by the holders of at least a majority in principal amount of the bonds hereby secured and then outstanding, by an instrument or instruments in writing signed by such bondholders or by their duly constituted attorneys-in-fact; but until a new trustee shall be so appointed by the bondholders, the Corporation, by an instrument executed by order of its board of directors, may appoint a trustee to fill such vacancy until a new trustee shall be appointed by the bondholders as aforesaid, and when any such new trustee shall be appointed by the bondholders, any trustee theretofore appointed by the Corporation shall thereupon and thereby be superseded and retired. Each such successor trustee appointed by any of such methods shall be a bank or trust company authorized by law so to act, and having a capital and surplus of not less than Ten Million Dollars (\$10,000,000).

Sec. 10.07. Any successor trustee appointed hereunder shall execute, acknowledge and deliver to the Corporation, and to its predecessor, an instrument accepting such appointment; and thereupon, upon the execution and filing for record of the same in the public recording office where this Indenture shall have been recorded, such successor trustee, without any further act or instruments or deeds of conveyance, shall become vested with all of the assets, powers, rights, duties, trusts and obligations of its predecessor in trust hereunder with like effect as if originally named as trustee herein; but nevertheless, on the written request of the successor trustee, the trustee ceasing to act shall execute and deliver to such successor trustee all conveyances and instruments proper to evidence the vesting in the new trustee of the interest and title of the retiring trustee in the mortgaged property and in the trusts hereby created, subject, however, to any lien which the retiring trustee may have pursuant to any provision hereof; and upon request in writing of any successor trustee, the Corporation covenants to make, execute, acknowledge and deliver any and all deeds, conveyances, assignments, or instruments in writing for the more fully and certainly vesting in and confirming to such successor trustee all such assets, property, rights, powers and trusts.



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ARTICLE XI.

Supplemental Indentures

Section 11.01. The Corporation and the Trustee may, from time to time and at any time, enter into such indentures supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental indentures shall thereafter form a part hereof):

(a) to cure any ambiguity or formal defect or omission in this Indenture, or in any supplemental indenture, which does not adversely affect the rights of the bondholders; or

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

Sec. 11.02. Subject to the terms and provisions contained in this section, and not otherwise, the holders of not less than sixty-six and two-thirds per cent (66-2/3%) in aggregate principal amount of the bonds then outstanding shall have the right from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Corporation and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary or desirable by the Corporation for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing herein contained shall permit or be construed as permitting:

(a) an extension of the maturity of the principal or interest on any bond issued hereunder; or

(b) a reduction in the principal amount of any bond or the redemption premium or the rate of interest thereon; or

(c) the creation of a lien upon the mortgaged property ranking prior to or on a parity with the lien created by this Indenture; or



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(d) a preference or priority of any bond or bonds over any other bond or bonds; or

(e) a reduction in the aggregate principal amount of the bonds required for consent to such supplemental indenture.

Nothing herein contained, however, shall be construed as making necessary the approval by the bondholders of the execution of any supplemental indenture or indentures as authorized in Section 11.01 of this Article.

If at any time the Corporation shall request the Trustee to enter into any supplemental indenture for any of the purposes of this section, the Trustee shall, at the expense of the Corporation, give notice by publication in newspapers of general circulation or financial journals published in the Cities of Indianapolis, Indiana, and Chicago, Illinois, of the proposed execution of such supplemental indenture. Such notice shall also be mailed, postage prepaid, to all owners of registered bonds and to all other bondholders who shall have filed their names and addresses with the Trustee for such purpose. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that a copy thereof is on file at the office of the Trustee for inspection by all bondholders. The Trustee shall not, however, be subject to any liability to any bondholder by reason of its failure to mail the notice required by this section, and any such failure shall not affect the validity of such supplemental indenture when consented to and approved as provided in this section.

Whenever, at any time within one (1) year after publication of such notice, the Corporation shall deliver to the Trustee an instrument or instruments purporting to be executed by the holders of not less than sixty-six and two-thirds per cent (66-2/3%) in aggregate principal amount of the bonds then outstanding, which instrument or instruments shall refer to the proposed supplemental indenture described in such notice and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof referred to in such notice as on file with the Trustee; thereupon, but not otherwise, the Trustee may execute such supplemental indenture in substantially such form, without liability or responsibility to any holder of any bond, whether or not such holder shall have consented thereto.

If the holders of not less than sixty-six and two-thirds per cent (66-2/3%) in aggregate principal amount of the bonds



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outstanding at the time of the execution of such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no holder of any bond shall have any right to object to the execution of such supplemental indenture or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Corporation from executing the same, or from taking any action pursuant to the provisions thereof.

Upon the execution of any supplemental indenture pursuant to the provisions of this section, the Indenture shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Corporation, the Trustee, and all holders of bonds then outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Sec. 11.03. The Trustee is authorized to join with the Corporation in the execution of any such supplemental indenture and to make the further agreements and stipulations which may be contained therein. Any supplemental indenture executed in accordance with the provisions of this Article shall thereafter form a part of this Indenture, and all the terms and conditions contained in any such supplemental indenture as to any provision authorized to be contained therein shall be, and shall be deemed to be, part of the terms and conditions of this Indenture for any and all purposes.

Sec. 11.04. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of any counsel approved by it who may be counsel for the Corporation, as conclusive evidence that any such proposed supplemental indenture complies with the provisions of this Indenture, and that it is proper for the Trustee, under the provisions of this Article, to join in the execution of such supplemental indenture.

Sec. 11.05. Notwithstanding anything contained in the foregoing provisions of this Indenture, the rights and obligations of the Corporation and of the holders of the bonds, and the terms and provisions of the bonds and this Indenture, or any supplemental indenture, may be modified or altered in any respect with the consent of the Corporation and the consent of the holders of all the bonds then outstanding.



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ARTICLE XII.

Miscellaneous Provisions

Section 12.01. Any bank or trust company with or into which any Paying Agent may be merged or consolidated, or to which the assets or business of such Paying Agent may be sold, shall be deemed a successor of such Paying Agent for the purposes of this Indenture. If the position of any Paying Agent shall become vacant for any reason, the Corporation may, within thirty (30) days thereafter, appoint another bank or trust company as Paying Agent to fill such vacancy; provided, however, if the Corporation fails to make such appointment the Trustee may do so.

Sec. 12.02. Any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee on the Corporation shall be deemed to have been sufficiently given or served for all purposes, by being deposited, postage prepaid, in a United States Post Office letter box, addressed (until another address is filed in writing by the Corporation with the Trustee for that purpose) as follows:

Gary Community School Building Corporation  
620 East Tenth Place  
Gary, Indiana.

Any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Corporation on the Trustee shall be deemed to have been sufficiently given or served for all purposes, by being deposited, postage prepaid, in a United States Post Office letter box, addressed (until another address is filed in writing by the Trustee with the Corporation for that purpose) as follows:

Gary National Bank  
504 Broadway  
Box 209  
Gary, Indiana 46401.

Sec. 12.03. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, GARY COMMUNITY SCHOOL BUILDING CORPORATION has caused its corporate name to be hereunto subscribed by its President or Vice President, and its corporate



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seal to be hereunto affixed and attested by its Secretary, and GARY NATIONAL BANK, as Trustee, has likewise caused these presents to be executed in said Trustee's name and behalf by its President or Vice President, and its corporate seal to be hereunto affixed and attested by its Cashier or Assistant Cashier, in token of its acceptance of said trust, as of the day and year first hereinabove written.



GARY COMMUNITY SCHOOL  
BUILDING CORPORATION

(Seal)

By James D. Pryor  
(Written Signature)  
James D. Pryor  
(Printed Signature)  
President

Attest:

Jon L. Evans  
(Written Signature)  
Jon L. Evans  
(Printed Signature)  
Secretary

GARY NATIONAL BANK

(Seal)

By F. D. Michael  
(Written Signature)  
F. D. Michael  
(Printed Signature)  
Senior Vice President

Attest:

K. J. Ryan  
(Written Signature)  
K. J. Ryan  
(Printed Signature)  
Assistant Cashier



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STATE OF INDIANA )  
COUNTY OF LAKE ) SS:

Before me, the undersigned, a Notary Public in and for said County and State, this 1st day of April, 1970, personally appeared James D. Pryor and Jon L. Evans, personally known to me to be the President and Secretary respectively of Gary Community School Building Corporation, and acknowledged the execution of the foregoing Indenture for and on behalf of said Corporation.

WITNESS my hand and notarial seal.

(Seal)



Marie Lounges  
(Written Signature)  
Marie Lounges  
(Printed Signature)  
Notary Public

My commission expires January 16, 1973

STATE OF INDIANA )  
COUNTY OF LAKE ) SS:

Before me, the undersigned, a Notary Public in and for said County and State, this 1st day of April, 1970, personally appeared F. D. Michael and K. J. Ryan, personally known to me to be the Sr. V. President and Assistant Cashier respectively of Gary National Bank, and acknowledged the execution of the foregoing Indenture for and on behalf of said Bank.

WITNESS my hand and notarial seal.

(Seal)

Marie Lounges  
(Written Signature)  
Marie Lounges  
(Printed Signature)  
Notary Public

My commission expires January 16, 1973

Prepared By  
Clarence Burns, Atty at Law

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EXHIBIT A

Attached to and made a part of the Trust  
Indenture executed by Gary Community  
School Building Corporation, and  
Gary National Bank, Trustee  
Dated April 1, 1970

Lots No. 395 through 410, Marquette Park Estates First Addition and Lots No. 439 through 476 Marquette Park Estates Second Addition containing 29.86 acres, more or less, all in the City of Gary, Lake County, Indiana, together with that part of the vacated West 33 feet of Randolph Street lying East of and adjoining the East line of Lot 395, Robert Bartlett's Marquette Park Estates First Addition, aforesaid, and lying East of and adjoining the East lines of Lots 458 and 459 including that portion of the West 33 feet of vacated Randolph Street lying between the South line of Lot 458 and the North line of Lot 459, both extended East to the East line of the Section, Robert Bartlett's Marquette Park Estates Second Addition, aforesaid; and together with that part of First Avenue lying Easterly of the East line of Parke Street and the West line of the vacated portion of Randolph Street mentioned above as shown on Robert Bartlett's Marquette Park Estates Second Addition, aforesaid, also described as follows:

Parcel "A" (Perimeter)

A parcel of land in the Southeast Quarter of Section 32, Township 37 North, Range 7 West of the 2nd P.M., more particularly described as beginning at a point on the East line of said Section 32 which is 1247.58 feet south of the Northeast corner of said Southeast Quarter measured along said East line; thence continuing south along said East line of said Southeast Quarter whose bearing is South 00 degrees 36 minutes 30 seconds West a distance of 777.78 feet to the North line of the 100-foot strip of right-of-way conveyed to the Indiana Harbor Railroad Company; thence South 67 degrees 32 minutes 30 seconds West along said North line of said railroad right-of-way a distance of 224.32 feet to the point of tangency of a circular curve; thence Southwesterly along the arc of a circular curve, being the North line of said railroad right-of-way convex to the Southeast whose radius is 5679.65 feet and tangent is 613.47 feet, a distance of 1222.15 feet along the arc to the East line of Parke Street; thence North 01 degree 06 minutes 30 seconds East along the East line of Parke Street, a distance of 898.15 feet to the point of tangency of a circular curve; thence continuing Northerly along the arc of a circular curve, being the East line of Parke Street, convex to the East whose radius is 580.59 feet and tangent is 85.74



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feet, a distance of 169.63 feet along the arc to the point of a circular curve; thence Northeasterly along the arc of a circular curve convex to the Northwest whose radius is 25.00 feet and tangent is 27.34 feet, a distance of 41.50 feet along the arc of the curve to a point on the South line of Ash Avenue; thence North 79 degrees 25 minutes 30 seconds East along the South line of Ash Avenue, a distance of 74.59 feet; thence South 88 degrees 53 minutes 30 seconds East along the South line of Ash Avenue, a distance of 671.57 feet to a point of tangency of a circular curve; thence continuing Easterly along the arc of a circular curve, being the South line of Ash Avenue, convex to the South whose radius is 461.21 feet and tangent is 120.14 feet, a distance of 235.05 feet along the arc to the point of tangency of a circular curve; thence continuing Easterly along the arc of a circular curve, being the South line of Ash Avenue, convex to the North whose radius is 461.21 feet and tangent is 120.14 feet, a distance of 235.05 feet along the arc; thence South 88 degrees 53 minutes 30 seconds East along the South line of Ash Avenue a distance of 185.91 feet to the point of beginning, containing 29.86 acres, more or less, all in Lake County, Indiana.

together with any adjacent land thereafter acquired by Lessor.

This instrument prepared by  
Robert D. McCord  
10th Floor, 111 Monument Circle  
Indianapolis, Indiana 46204