

FILED

MAY 06 2026

Belinda Munson  
MUNCIE CITY CLERK

ORDINANCE NO. 9-24

**AN ORDINANCE OF THE CITY OF MUNCIE, INDIANA  
APPROVING MATTERS RELATED TO LEASE FINANCING  
OF FIRE STATION PROJECT**

WHEREAS, a petition (the "Petition") in four (4) or more counterparts, signed by at least fifty (50) taxpayers of the City of Muncie, Indiana (the "City"), has been filed with the Common Council of the City (the "Council") requesting (i) the acquisition, construction and equipping by a nonprofit building corporation (the "Building Corporation") of a new fire station to replace the existing fire station #5, and all necessary and related improvements and equipment in connection therewith (collectively, the "Project"); (ii) the leasing by the City of the Project from the Building Corporation for the purpose of financing the Project; and (iii) the issuance of bonds by the Building Corporation to pay certain costs of the Project; and

WHEREAS, the Petition has been carefully considered and investigations have been conducted by the Council, both before and after the filing of said Petition; and

WHEREAS, the Council now finds that a need exists for the financing of the proposed Project, and that the City cannot provide the necessary funds to pay the costs of the Project required to meet such need; and

WHEREAS, a detailed summary of the Project has been presented to the Council, together with plans, specifications and cost estimates of the Project; and

WHEREAS, a proposed lease (the "Lease") for the Project, including temporary facilities during the construction of the Project (collectively, the "Premises"), between the Building Corporation, as lessor, and the City, as lessee, has been submitted to the Council; and

WHEREAS, it is deemed desirable to proceed with the necessary negotiations and all other steps necessary for the financing of the Project by the Building Corporation and the lease of the Premises to the City; and

WHEREAS, notice of a hearing on the Lease pursuant to the provisions of Indiana Code 36-1-10-13 and 5-3-1 has been duly published in the *Star Press* and a hearing was held on the Lease to determine the necessity for the execution of the Lease and whether the Lease rental provided is fair and reasonable rental for the Premises; and

WHEREAS, the County has imposed a local income tax pursuant to Indiana Code 6-3.6, which local income tax includes an expenditure rate economic development distribution amount allocated to the City pursuant to Indiana Code 6-3.6-6-9, and the City is the recipient of certified distributions of the revenues of such income taxes (herein the "LIT Revenues"); and

WHEREAS, pursuant to Indiana Code 6-3.6 and Indiana Code 5-1-14-4 the City is authorized to pledge the LIT Revenues to the payment of obligations, including lease rentals, incurred for public safety fire protection purposes; and

WHEREAS, the Council has determined that in order to facilitate the market of the bonds to be issued by the Building Corporation to finance the Project, it is necessary to pledge to the payment of the lease rentals under the Lease, the LIT Revenues, and to the extent such LIT Revenues are not sufficient, an ad valorem property tax on all taxable property, both real and personal, within the City; and

WHEREAS, the Council finds that the City has previously pledged the LIT Revenues to the payment of (i) the lease rentals due under a Lease Agreement, dated October 7, 2014, between the Muncie EDIT Building Corporation, as lessor, and the City of Muncie Redevelopment Commission, as lessee (as amended to the date hereof, the "Horizon Center Lease") which rentals are due on June 15 and December 15 of each year over a period ending December 15, 2038 and which secure in part the City of Muncie, Indiana Economic Development Revenue Bonds, Series 2014A (Horizon Center Garage Project) and City of Muncie, Indiana Taxable Economic Development Revenue Bonds, Series 2014B (Horizon Center Garage Project), dated October 30, 2014 (collectively, the "2014 Bonds"), and maturing semiannually on February 1 and August 1 over a period ending February 1, 2039, (ii) the City of Muncie, Indiana Economic Development Revenue Bonds, Series 2019B (Canal District/Accutech Projects), dated December 20, 2019 (the "2019B Bonds"), and maturing semiannually on January 15 and July 15 over a period ending January 15, 2039, (iii) the lease rentals due under a Lease Agreement, dated August 16, 2018, between the Sustainable Muncie Corp., as lessor, and the City of Muncie Redevelopment Commission, as lessee, as amended by an Addendum to Lease dated September 28, 2018 and a Second Addendum to Lease dated December 20, 2019 (collectively, the "Madjax Lease") which rentals are due on January 15 and July 15 of each year over a period ending January 15, 2039 and which secure in part the City of Muncie, Indiana Taxable Economic Development Revenue Refunding Bonds, Series 2019C (Madjax/Cardinal Projects), dated December 20, 2019 (the "2019C Bonds"), and maturing semiannually on February 1 and August 1 over a period ending February 1, 2039 and (iv) the City of Muncie, Indiana Local Income Tax Revenue Bonds, Series 2024, dated May 21, 2024 (the "2024 Bonds"), and maturing semiannually on June 15 and December 15 of each year over a period ending December 15, 2043; and

WHEREAS, the pledge of LIT Revenues to (i) the Horizon Center Lease is limited in each year to an amount not exceeding \$488,000, (ii) the 2019B Bonds is limited in each year to an amount not exceeding \$225,000 and (iii) to the Madjax Lease is limited in each year to an amount not exceeding \$100,000; and

WHEREAS, the ordinances and resolutions authorizing the Horizon Center Lease, the 2019B Bonds, the Madjax Lease and the 2024 Bonds (collectively, the "Outstanding Parity Obligations") permit the issuance of additional obligations payable from the LIT Revenues ranking on a parity with the Outstanding Parity Obligations, and the City, based on the advice of its municipal advisor, has determined that the lease rentals due under the Lease herein authorized will constitute a first charge against the LIT Revenues, on a parity with the pledge of LIT Revenues to the payment of Outstanding Parity Obligations;

NOW, THEREFORE, BE IT ORDAINED by the Common Council of the City of Muncie, Indiana, as follows:

Section 1. The Petition heretofore filed with the Council is hereby approved.

Section 2. A need exists for the financing of the costs of the Project and the Project cannot be financed from any funds available to the City. The Council hereby authorizes the Mayor, the Controller, the City's municipal advisor, LWG CPAs & Advisors, the City's counsel, Beasley & Gilkison, LLP, and the City's bond counsel, Bose McKinney & Evans LLP, to take such steps as may be necessary to secure the financing of the Project and the leasing of the Premises as provided by Indiana Code 36-1-10, 6-3.6 and 6-1.1-20, each as amended (collectively, the "Act").

Section 3. Providing for the financing and construction of the Project by the Building Corporation and the leasing of the Premises to the City is in the public interest of the citizens of the City and is a proper public purpose for which the Council agrees to cooperate with the Building Corporation and to assist it in complying with all requirements of the Act and other applicable laws.

Section 4. The Council hereby agrees upon and approves the form of the Lease attached hereto as Exhibit A and incorporated herein by reference. The Council finds that the service and improvements to be provided throughout the term of the Lease will serve the public purposes of the City and are in the best interests of the City's residents. The rental provided under the Lease is fair and reasonable, and the execution of the Lease is necessary and wise. The Mayor and the Controller are hereby authorized and directed to execute the Lease on behalf of the City.

Section 5. As set forth in the Lease and as hereby pledged by the Council, the rentals due under the Lease shall be payable from LIT Revenues, on a parity with the Outstanding Parity Obligations, and to the extent LIT Revenues are not sufficient, an ad valorem property tax on all taxable property, both real and personal, within the City. In accordance with Indiana Code 6-3.6-10-9, the Council finds that the pledge of LIT Revenues herein authorized does not exceed an amount equal to twenty-five percent (25%) of the City's total certified distribution under Indiana Code 6-3.6.

Section 6. The City reserves the right to authorize and issue additional bonds or enter into leases or other obligations payable from the LIT Revenues, ranking on a parity with the payment of lease rentals due by the City under the Lease (the "Parity Obligations"), subject to the following conditions:

(a) All lease rental payments and principal and interest payments due under the Lease and the Outstanding Parity Obligations, to the extent payable from LIT Revenues, shall have been paid to date in accordance with their terms, with no payments in arrears.

(b) The amount of the most recent certified distribution of the LIT Revenues for the City from the Indiana Department of Local Government Finance (or its successor, if any) shall be at least equal to two hundred percent (200%) of the lease rental and debt service requirements with respect to the Lease, the Outstanding Parity Obligations (but only to the extent such Outstanding Parity Obligations are payable from LIT Revenues) and the additional Parity

Obligations proposed to be issued for each respective year during the term of the Lease, the Outstanding Parity Obligations and the Parity Obligations. For purposes of this subsection, the showings required herein shall be prepared by a certified public accountant employed by the City for that purpose.

(c) Principal of and interest on any Parity Obligations and lease rentals on any Parity Obligations shall be payable semiannually on June 15 and December 15.

Section 7. In accordance with Indiana Code 36-1-10-11, the Council hereby authorizes the sale of the real estate upon which the Project will be constructed (the "Real Estate") to the Building Corporation for not less than the average of the two (2) appraisals subject to (i) the execution of the Lease by the City and the Building Corporation and (ii) the issuance of the bonds by the Building Corporation to finance costs of the Project, including the purchase of the Real Estate. Any proceeds received by the City from the sale of the Real Estate shall be applied towards costs of the Project.

Section 8. The Controller is hereby authorized to publish notice of the execution of the Lease as soon as possible after the Lease is executed in accordance with Indiana Code 36-1-10-13 and Indiana Code 5-3-1.

Section 9. The detailed summary of and plans, specifications and cost estimates for the Project as presented at this meeting, which is to be leased by the City from the Building Corporation, are hereby approved. The costs of the Project shall not exceed \$11,500,000 without further authorization of the Council.

Section 10. The Council hereby approves the issuance by the Building Corporation of bonds in the aggregate principal amount not to exceed \$11,500,000 to finance the costs of the Project, including but not limited to, the costs of acquiring the real property upon which the Project will be constructed and related financing costs, including costs of issuance, capitalized interest and, if necessary, a debt service reserve.

Section 11. The Mayor, the Controller and the Clerk, together and/or individually, are hereby authorized and directed to execute such documents, agreements, applications and instruments as may be necessary for (i) the sale of the Real Estate to the Building Corporation, including obtaining any appraisals in connection therewith, (ii) the leasing of temporary facilities during construction of the Project, (iii) the issuance of the bonds by the Building Corporation to finance the Project, (iv) the acquisition, construction and equipping of the Project, (v) the lease of the Premises from the Building Corporation by the City pursuant to the Lease, and (vi) the completing of all other actions necessary to carry out and effectuate the intent of this ordinance.

Section 12. This ordinance shall be in full force and effect from and after its passage and execution by the Mayor.

PASSED AND ADOPTED by the Common Council of the City of Muncie, Delaware County, Indiana, this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

	Yeas	Nays	Abstained	Absent
Jeff Green	_____	_____	_____	_____
Nora Powell	_____	_____	_____	_____
Brandon Garrett	_____	_____	_____	_____
Sara Gullion	_____	_____	_____	_____
Jerry Dishman	_____	_____	_____	_____
Harold Mason	_____	_____	_____	_____
Dale Basham	_____	_____	_____	_____
Ro Selvey	_____	_____	_____	_____
William McIntosh	_____	_____	_____	_____

\_\_\_\_\_  
President Muncie Common Council

Presented by me to the Mayor for his approval, this \_\_\_\_\_ day of \_\_\_\_\_, 2026.


\_\_\_\_\_  
Belinda Munson, Muncie City Clerk

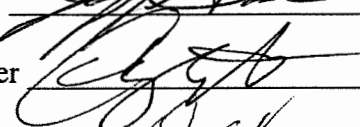
The above resolution is approved/vetoed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

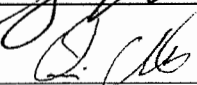
\_\_\_\_\_  
Dan Ridenour, Mayor of the City of Muncie

ATTEST:

\_\_\_\_\_  
Belinda Munson, Muncie City Clerk of the Common Council

This ordinance is proposed by Council Member 

This ordinance is approved in form by Controller 

This ordinance is approved in form by Legal Counsel 

**EXHIBIT A**

*Form of Lease*

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**LEASE**

by and between

**MUNCIE MUNICIPAL FACILITIES BUILDING CORPORATION**

and

**CITY OF MUNCIE, INDIANA**

Dated as of \_\_\_\_\_, 2026

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LEASE

THIS LEASE (this "Lease"), entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2026, by and between the Muncie Municipal Facilities Building Corporation, an Indiana nonprofit corporation (the "Lessor"), and City of Muncie, Indiana, a municipal corporation existing under by the laws of the State of Indiana (the "Lessee" or "City");

WITNESSETH:

In consideration of the mutual covenants herein contained, the parties hereto hereby agree as follows:

1. PREMISES, TERM AND WARRANTY.

(a) The Lessor does hereby lease, demise and let to the Lessee (i) certain real estate in the City, described in Exhibit A attached hereto and made a part hereof, including [insert description of temporary site during construction] (the "Interim Real Estate") and (ii) the to be constructed fire station located at 600 North Tillotson Avenue in the City (the "Improvements" and "Permanent Real Estate", respectively) (the Interim Real Estate, including the site thereof and appurtenances thereto, the Improvements and the Permanent Real Estate, collectively, the "Premises") according to plans and specifications prepared for the Lessor and the Lessee (the "Plans and Specifications"), to have and to hold the same, with all rights, privileges, easements and appurtenances thereunto belonging, have and to hold the same, with all rights, privileges, easements and appurtenances thereunto belonging, beginning on the date the Bonds (as hereinafter defined in Section 2 of this Lease) are issued by the Lessor and ending on a date not more than twenty-two (22) years thereafter.

(b) Notwithstanding the foregoing, the Premises may be amended to add additional property to the Premises or remove any portion of the Premises, provided, however, following such amendment, the rentals payable under this Lease shall be based on the value of the portion of the Premises which is available for use and shall be fair and reasonable, and the rental payments due under this Lease shall be in amounts sufficient to pay when due all principal of and interest on all outstanding Bonds.

(c) Notwithstanding the foregoing, the term of this Lease will terminate at the earlier of (x) the exercise by the Lessee of the option to purchase the Premises and the payment of the option price, or (y) the payment or defeasance of all bonds issued (i) to finance the cost of the Premises, (ii) to refund such bonds, (iii) to refund such refunding bonds, or (iv) to improve the Premises.

(d) The date the Improvements are complete and ready for occupancy shall be endorsed on this Lease at the end hereof in the form of Exhibit C attached hereto by the parties hereto as soon as the same can be done after such date and such endorsement shall be recorded as an addendum to this Lease. As provided in such addendum, after such date of completion the Interim Real Estate shall be released from this Lease.

(e) The Lessor hereby represents that it is possessed of, or will acquire, a good and indefeasible estate in fee simple to the Premises, and the Lessor warrants and will defend the same against all claims whatsoever not suffered or caused by the acts or omissions of the Lessee or its assigns.

(f) The Lessor agrees to require the contractor for the Improvements to furnish to the Lessor a bond conditioned upon the final completion of the Improvements within a time period required by the Lessor in the contract.

(g) The Plans and Specifications may be changed, additional construction work may be performed and additional equipment may be purchased by the Lessor, but only with the approval of the Lessee, and only if such changes, additional construction work or additional equipment do not alter the character of the Premises or reduce the value thereof. Any such additional construction work or additional equipment shall be part of the property covered by this Lease. The Plans and Specifications have been filed with and approved by the Lessee.

## 2. RENTAL PAYMENTS.

(a) The Lessee agrees to pay rental for the Premises at a rate per year during the term of this Lease not to exceed Nine Hundred Eighty-Five Thousand Dollars (\$985,000). Each such semi-annual installment, payable as hereinafter described, shall be based on the value of that portion of the Premises which is complete and ready for use and occupancy by the Lessee at the time such semi-annual installment is made. The first rental installment shall be due on the later of (i) the first June 15 or December 15 following the issuance of the Bonds, as determined by the Lessor and the Lessee at the time the parties hereto endorse the Addendum to Lease in the form attached hereto as Exhibit B or (ii) the date on which a portion of the Premises is available for use and occupancy by the Lessee. Thereafter, such rental shall be payable in advance in semi-annual installments on June 15 and December 15 of each year. The last semi-annual rental payment due before the expiration of this Lease shall be adjusted to provide for rental at the yearly rate so specified from the date such installment is due to the date of the expiration of this Lease. All rentals payable under the terms of this Lease shall be paid by the Lessee to the trustee (the "Trustee") under the trust indenture (the "Indenture") securing the bonds to be issued by the Lessor to provide funds for the project on the Premises (such bonds, or bonds issued to refund such bonds, the "Bonds"). All payments so made by the Lessee shall be considered as payments to the Lessor of the rentals payable hereunder.

(b) After the sale of the Bonds, the annual rental shall be reduced to the multiple of \$1,000 next higher than the principal and interest due in each twelve (12) month period commencing each year on July 1, plus Five Thousand Dollars (\$5,000), payable in semi-annual installments. In addition, each such reduced semi-annual installment shall be based on the value of the portion of the Premises which is complete and ready for use and occupancy by the Lessee at the time such semi-annual installment is made. Such amount of adjusted rental shall be endorsed on this Lease at the end hereof in substantially the form of Exhibit B attached hereto by the parties hereto as soon as the same can be done after the sale of the Bonds, and such endorsement shall be recorded as an addendum to this Lease.

(c) The fixed annual rentals described in this Section 2 (the “Fixed Annual Rentals”) and the additional rentals described in Section 3 (the “Additional Rentals”) shall be payable solely from (i) the certified distributions of the revenues of the expenditure rate economic development distribution amount of local income taxes received by the Lessee pursuant to Indiana Code 6-3.6-6-9 (the “LIT Revenues”), on a parity with the payment of the Outstanding Parity Obligations (as hereinafter defined), and (ii) to the extent that the LIT Revenues are insufficient to pay such amounts, from the revenues of an ad valorem tax levied by the Lessee on all taxable property in the City pursuant to the Indiana Code 36-1-10-17 (the “Property Tax Revenues”). The Lessee may pay the Fixed Annual Rentals and the Additional Rentals or any other amounts due hereunder from any other revenues legally available to the Lessee; provided, however, the Lessee shall be under no obligation to pay any Fixed Annual Rentals or Additional Rentals or any other amounts due hereunder from any moneys or properties of the Lessee except the LIT Revenues or the Property Tax Revenues received by the Lessee. For purposes of this Lease, the term “Outstanding Parity Obligations” means (i) the lease rentals due under a Lease Agreement, dated October 7, 2014, between the Muncie EDIT Building Corporation, as lessor, and the City of Muncie Redevelopment Commission, as lessee (as amended to the date hereof, the “Horizon Center Lease”) which rentals are due on June 15 and December 15 of each year over a period ending December 15, 2038 and which secure in part the City of Muncie, Indiana Economic Development Revenue Bonds, Series 2014A (Horizon Center Garage Project) and City of Muncie, Indiana Taxable Economic Development Revenue Bonds, Series 2014B (Horizon Center Garage Project), dated October 30, 2014 (collectively, the “2014 Bonds”), and maturing semiannually on February 1 and August 1 over a period ending February 1, 2039, (ii) the City of Muncie, Indiana Economic Development Revenue Bonds, Series 2019B (Canal District/Accutech Projects), dated December 20, 2019 (the “2019B Bonds”), and maturing semiannually on January 15 and July 15 over a period ending January 15, 2039, (iii) the lease rentals due under a Lease Agreement, dated August 16, 2018, between the Sustainable Muncie Corp., as lessor, and the City of Muncie Redevelopment Commission, as lessee, as amended by an Addendum to Lease dated September 28, 2018 and a Second Addendum to Lease dated December 20, 2019 (collectively, the “Madjax Lease”) which rentals are due on January 15 and July 15 of each year over a period ending January 15, 2039 and which secure in part the City of Muncie, Indiana Taxable Economic Development Revenue Refunding Bonds, Series 2019C (Madjax/Cardinal Projects), dated December 20, 2019 (the “2019C Bonds”), and maturing semiannually on February 1 and August 1 over a period ending February 1, 2039 and (iv) the City of Muncie, Indiana Local Income Tax Revenue Bonds, Series 2024, dated May 21, 2024 (the “2024 Bonds”), and maturing semiannually on June 15 and December 15 of each year over a period ending December 15, 2043. The pledge of LIT Revenues to (i) the Horizon Center Lease is limited in each year to an amount not exceeding \$488,000, (ii) the 2019B Bonds is limited in each year to an amount not exceeding \$225,000 and (iii) to the Madjax Lease is limited in each year to an amount not exceeding \$100,000.

(d) The Lessee may pay the Fixed Rentals in advance to the Lessor, and, the Lessor shall use such amounts to optionally redeem all or a portion of the Bonds, on such dates and with such maturity dates as directed by the Lessee. After the prepayment of rent, the annual rental shall be reduced to the multiple of \$1,000 next higher than the principal and interest due in each twelve (12) month period commencing each year on June 30, plus Five Thousand Dollars (\$5,000.00), payable in semi-annual installments. In addition, each such reduced semi-annual installment shall be based on the value of that portion of the Premises which is complete and

ready for use and occupancy by the Lessee at the time such semi-annual installment is made. Such amount of adjusted rental shall be endorsed on this Lease at the end hereof in substantially the form of Exhibit B attached hereto by the parties hereto as soon as the same can be done after the sale of the Bonds, and such endorsement shall be recorded as an addendum to this Lease.

3. ADDITIONAL RENTAL PAYMENTS. The Lessee shall pay as further rental for the Premises all taxes and assessments levied against or on account of the Premises or the receipt of lease rental payments hereunder and the amount required to reimburse the Lessor for any insurance payments made by it under Section 6. In addition, the Lessee shall pay for all of the utilities in connection with the operation of the Premises and all rebate costs associated with the Bonds. The Lessee also shall pay as additional rental all administrative expenses of the Lessor, including ongoing trustee fees, relating to the Bonds. Any and all such payments shall be made and satisfactory evidence of such payments in the form of receipts shall be furnished to the Lessor by the Lessee at least three (3) days before the last day upon which the same must be paid to avoid delinquency. In case the Lessee shall in good faith desire to contest the validity of any such tax or assessment, and shall so notify the Lessor, and shall furnish bond with surety to the approval of the Lessor for the payment of the charges so desired to be contested and all damages or loss resulting to the Lessor from the non-payment thereof when due, the Lessee shall not be obligated to pay the same until such contests shall have been determined. The Lessee shall pay as further rental the amount calculated by or for the Trustee as the amount required to be paid to the United States Treasury, after taking into account other available moneys, to prevent the Bonds from becoming arbitrage bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code").

4. DAMAGE TO PREMISES; ABATEMENT OF RENT. In the event the Premises are partially or totally destroyed, whether by fire or any other casualty, so as to render the same unfit, in whole or part, for use by the Lessee, (x) it shall then be the obligation of the Lessor to restore and rebuild the Premises as promptly as may be done, unavoidable strikes and other causes beyond the control of the Lessor excepted; provided, however, that the Lessor shall not be obligated to expend on such restoration or rebuilding more than the amount of the proceeds received by the Lessor from the insurance provided for in Section 6 hereof, and provided further, the Lessor shall not be required to rebuild or restore the Premises if the Lessee instructs the Lessor not to undertake such work because the Lessee anticipates that either (i) the cost of such work exceeds the amount of insurance proceeds and other amounts available for such purpose, or (ii) the same cannot be completed within the period covered by rental value insurance, and (y) the rent shall be abated for the period during which the Premises or any part thereof is unfit for use by the Lessee, in proportion to the percentage of the area of the Premises which is unfit for use by the Lessee.

5. OPERATION, MAINTENANCE AND REPAIR; ALTERATIONS; PERSONAL PROPERTY. The Lessee shall operate, maintain and repair the Premises during the term of this Lease in good repair, working order and condition at its expense. The Lessee shall use and maintain the Premises in accordance with the laws and ordinances of the United States of America, the State of Indiana and all other proper governmental authorities. The Lessee shall have the right, without the consent of the Lessor, to make all alterations, modifications and additions and to do all improvements it deems necessary or desirable to the Premises which do not reduce the rental value thereof. At the end of the term of this Lease, the Lessee shall deliver

the building to the Lessor in as good condition as at the beginning of the term of this Lease, reasonable wear and tear excepted. Equipment or other personal property which becomes worn out or obsolete may be discarded or sold by the Lessee. The Lessee need not replace such personal property, but may replace such property at its own expense, which replacement property shall belong to the Lessee. The proceeds of the sale of any personal property covered by this Lease shall be paid to the Trustee. The Lessee may trade in any obsolete or worn out personal property or replacement property which will belong to the Lessee upon payment to the Trustee of an amount equal to the trade-in value of such property.

6. INSURANCE. The Lessee, at its own expense, shall, during the term of this Lease, keep the Premises insured against physical loss or damage, however caused, with such exceptions as are ordinarily required by insurers of buildings or improvements of a similar type, with good and responsible insurance companies approved by the Lessor. Such insurance shall be in an amount at least equal to the greater of (i) the option to purchase price as set forth in Section 9 hereof, and (ii) one hundred percent (100%) of the full replacement cost of the Premises. During the term of this Lease, the Lessee shall also, at its own expense, maintain rent or rental value insurance in an amount equal to the full rental value of the Premises for a period of two (2) years against physical loss or damage of the type insured against pursuant to the preceding requirements of this Section 6. During the full term of this Lease, the Lessee will also, at its own expense, carry combined bodily injury insurance, including accidental death, and property damage with reference to the Premises in the amount of One Million Dollars (\$1,000,000) combined single limit on account of each occurrence with one or more good and responsible insurance companies. The public liability insurance required herein may be by blanket insurance policy or policies. Such policies shall be for the benefit of all persons having an insurable interest in the Premises, and shall be made payable to the Lessor or to such other person or persons as the Lessor may designate. Such policies shall be countersigned by an agent of the insurer who is a resident of the State of Indiana, and such policies, together with a certificate of the insurance commissioner of the State of Indiana 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 may have signed, and the certificate of the architect or engineer hereinbefore referred to, shall be deposited with the Lessor. If, at any time, the Lessee fails to maintain insurance in accordance with this Section 6, such insurance may be obtained by the Lessor and the amount paid therefor shall be added to the amount of rental payable by the Lessee under this Lease; provided, however, that the Lessor shall be under no obligation to obtain such insurance and any action or non-action of the Lessor in this regard shall not relieve the Lessee of any consequence of its default in failing to obtain such insurance.

7. ASSIGNMENT AND SUBLETTING. The Lessee shall not assign this Lease or sublet the Premises without the written consent of the Lessor. The Lessor shall not assign this Lease without the written consent of the Lessee, except to the extent provided in the Indenture.

8. TAX COVENANTS. Notwithstanding any other provision of this Lease to the contrary, the Lessee shall not take any action or fail to take any action with respect to its use of the Premises that would result in loss of the exclusion from gross income of interest paid on the Bonds under the Code, which Bonds, when initially issued and sold, were the subject of an opinion of bond counsel to the effect that interest thereon was excludable from gross income under the Code. Any agreement entered into by the Lessee with respect to the Premises that

would result in a loss of the exclusion from gross income of interest paid on such Bonds under the Code shall be of no force or effect and shall not convey any rights or impose any obligation in respect to it, at law or in equity.

9. OPTION TO PURCHASE.

(a) The Lessor hereby grants to the Lessee the right and option, on any date prior to the expiration of this Lease, upon written notice to the Lessor, to purchase the Premises at a price equal to the amount required to enable the Lessor to pay all indebtedness related to the Premises, including the Bonds, with accrued and unpaid interest to the date on which such indebtedness will be redeemed and all premiums payable on the redemption thereof, and to enable the Lessor to liquidate, if the Lessor is to be liquidated, by paying the expenses and charges of liquidation and to pay the cost of transferring the Premises.

(b) Upon request of the Lessee, the Lessor shall furnish an itemized statement setting forth the amounts required to be paid by the Lessee on the next rental payment date in order to purchase the Premises in accordance with Section 9(a) hereof.

(c) If the Lessee exercises its option to purchase, it shall pay to the Trustee that portion of the purchase price which is required to pay the Bonds, including all premiums payable on the redemption thereof and accrued and unpaid interest. Such payment shall not be made until the Trustee gives to the Lessee a written statement that such amount will be sufficient to retire the Bonds, including all premiums payable on the redemption thereof and accrued and unpaid interest.

(d) The remainder of such purchase price shall be paid by the Lessee to the Lessor. Nothing herein contained shall be construed to provide that the Lessee shall be under any obligation to purchase the Premises, or under any obligation in respect to any creditors or other security holders of the Lessor.

(e) Upon the exercise of the option to purchase granted herein, the Lessor will upon such payment of the option price deliver, or cause to be delivered, to the Lessee documents conveying to the Lessee all of the Lessor's title to the property being purchased, as such property then exists, subject to the following: (i) those liens and encumbrances (if any) to which title to said property was subject when conveyed to the Lessor; (ii) those liens and encumbrances created by the Lessee or to the creation or suffering of which the Lessee consented, and liens for taxes or special assessments not then delinquent; and (iii) those liens and encumbrances on its part contained in this Lease. In the event of purchase of the Premises by the Lessee or conveyance of the same to the Lessee, the Lessee shall procure and pay for all surveys, title searches, abstracts, title policies and legal services that may be required, and shall furnish at the Lessee's expense all tax payments required for the transfer of title.

10. OPTION TO RENEW. The Lessor hereby grants to the Lessee the right and option to renew this Lease for a further like, or lesser, term, upon the same or like conditions as herein contained, and the Lessee may exercise this option by written notice to the Lessor given prior to the expiration of this Lease.

11. TRANSFER TO THE LESSEE. In the event the Lessee has not exercised its option to purchase the Premises in accordance with Section 9 hereof and has not exercised its option to renew this Lease in accordance with Section 10 hereof, then, upon expiration of this Lease and upon full performance by the Lessee of its obligations under this Lease, the Premises shall become the absolute property of the Lessee, and, upon the Lessee's request, the Lessor shall execute proper instruments conveying to the Lessee all of the Lessor's title thereto.

12. ADDITIONAL OBLIGATIONS PAYABLE FROM LIT REVENUES. The Lessee reserves the right to issue bonds or enter into leases or other obligations payable from the LIT Revenues and entitled to the pledge of the LIT Revenues on a parity with the pledge of the LIT Revenues as set forth in this Lease in accordance with the requirements set forth below ("Parity Obligations") subject to the following conditions precedent:

(a) All lease rental payments and principal and interest payments due under this Lease and the Outstanding Parity Obligations, to the extent payable from LIT Revenues, shall have been paid to date in accordance with their terms, with no payments in arrears.

(b) The amount of the most recent certified distribution of the LIT Revenues for the City from the Indiana Department of Local Government Finance (or its successor, if any) shall be at least equal to two hundred percent (200%) of the lease rental and debt service requirements with respect to this Lease, the Outstanding Parity Obligations (but only to the extent such Outstanding Parity Obligations are payable from LIT Revenues) and the additional Parity Obligations proposed to be issued for each respective year during the term of this Lease, the Outstanding Parity Obligations and the Parity Obligations. For purposes of this subsection, the showings required herein shall be prepared by a certified public accountant employed by the Lessee for that purpose.

(c) Principal of and interest on any Parity Obligations and lease rentals on any Parity Obligations shall be payable semiannually on June 15 and December 15.

13. DEFAULTS.

(a) If the Lessee shall default in the (i) payment of any rentals or other sums payable to the Lessor hereunder, or (ii) observance of any other covenant, agreement or condition hereof and such default shall continue for ninety (90) days after written notice to correct the same, then, in any of such events, the Lessor may proceed to protect and enforce its rights by suit or suits in equity or at law in any court of competent jurisdiction, whether for specific performance of any covenant or agreement contained herein or for the enforcement of any other appropriate legal or equitable remedy, or may authorize or delegate the authority to file a suit or make appropriate claims, or the Lessor, at its option, without further notice, may terminate the estate and interest of the Lessee hereunder, and it shall be lawful for the Lessor forthwith to resume possession of the Premises and the Lessee covenants to surrender the same forthwith upon demand.

(b) The exercise by the Lessor of the above right to terminate this Lease shall not release the Lessee from the performance of any obligation hereof maturing prior to the Lessor's actual entry into possession. No waiver by the Lessor of any right to terminate this Lease upon

any default shall operate to waive such right upon the same or other default subsequently occurring.

14. NOTICES. Whenever either party shall be required to give notice to the other under this Lease, it shall be sufficient service of such notice to deposit the same in the United States mail, in an envelope duly stamped, registered and addressed to the other party, at its last known address.

15. SUCCESSORS OR ASSIGNS. All covenants in this Lease, whether by the Lessor or the Lessee, shall be binding upon the successors and assigns of the respective parties hereto.

16. SEVERABILITY. In the case of any section or provision of this Lease, or any covenant, stipulation, obligation, agreement, act or action, or part thereof, made, assumed, entered into or taken under this Lease, or any application thereof, is for any reason held to be illegal or invalid, or is at any time inoperable, that illegality or invalidity or inoperability shall not affect the remainder hereof or any other section or provision of this Lease or any other covenant, stipulation, obligation, agreement, act or action, or part thereof, made, assumed, entered into or taken under this Lease, which shall be construed and enforced as if that illegal or invalid or inoperable portion were not contained herein.

17. TABLE OF CONTENTS; CAPTIONS. The table of contents appended to this Lease and the captions included throughout this Lease are for convenience and reference only and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Lease.

18. CONSTRUCTION OF COVENANTS. This Lease was entered into for the purpose of constructing, erecting, renovating and improving the Premises and leasing the same by the Lessor to the Lessee under the provisions of the Indiana Code 36-1-10. All provisions herein contained shall be construed in accordance with the provisions of said statutes, and to the extent of inconsistencies, if any, between the covenants and agreements in this Lease and provisions of said statutes, the provisions of said statutes shall be deemed to be controlling and binding upon the Lessor and the Lessee.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed for and on their behalf as of the day and year first hereinabove written.

**LESSEE**

CITY OF MUNCIE, INDIANA

By:

\_\_\_\_\_  
Dan Ridenour, Mayor

ATTEST:

\_\_\_\_\_  
Craig Wright, Controller  
City of Muncie, Indiana

**LESSOR**

MUNCIE MUNICIPAL FACILITIES  
BUILDING CORPORATION

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary/Treasurer

STATE OF INDIANA                    )  
  ) SS:  
COUNTY OF DELAWARE            )

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared Dan Ridenour and Craig Wright, personally known to me as the Mayor and Controller, respectively, of City of Muncie, Indiana and acknowledged the execution of the foregoing lease for and on behalf of said county.

WITNESS my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

(Seal)

\_\_\_\_\_  
(Written Signature)

\_\_\_\_\_  
(Printed Signature)  
Notary Public

My Commission expires:  
\_\_\_\_\_

My county of residence is:  
\_\_\_\_\_



EXHIBIT A  
TO LEASE BETWEEN  
CITY OF MUNCIE BUILDING CORPORATION, LESSOR,  
AND CITY OF MUNCIE, INDIANA LESSEE

REAL ESTATE DESCRIPTION

The Interim Real Estate shall consist of [insert description of temporary site during construction]

The Permanent Real Estate shall consist of the to be constructed fire station to be located at the following site which, together with the fire station, constitutes the Permanent Real Estate:

Lot Seventy-three (73) and parts of Lots Seventy-two (72) and One Hundred Eight (108), and a part of the now vacated Sutton Street on the south side of Lot One Hundred Eight (108), all in Westside Addition, an Addition to the City of Muncie, Indiana, as per plat thereof recorded in Plat Book 3, page 18, in the Office of the Recorder of Delaware County, Indiana, more particularly described as follows, to-wit:

Beginning at a point in the center line of Tillotson Avenue, as said Tillotson Avenue is shown on the Plat of the Westside Addition, an Addition to the City of Muncie, Indiana, recorded in Plat Book 3, at page 18, in the Office of the Recorder of Delaware County, Indiana, three hundred sixty-two (362) feet north of the center line of University Avenue, formerly called Jarret Street, as said University Avenue is now established and is shown (as Jarret Street) on the plat of Westside Addition, an Addition to the City of Muncie, Indiana; thence east parallel with the center line of the aforesaid University Avenue one hundred seventy-seven and one-half (177 1/2) feet; thence north parallel with the center line of the aforesaid Tillotson Avenue, one hundred fifty (150) feet; thence west parallel with the center line of the said University Avenue one hundred seventy-seven and one-half (177 1/2) feet to the center line of the said Tillotson Avenue; thence south on the said center line of Tillotson Avenue one hundred fifty (150) feet to the point of beginning.

Caption Real Estate is commonly known as: 600 N Tillotson Ave, Muncie, IN 47304

EXHIBIT B  
TO LEASE BETWEEN  
MUNCIE MUNICIPAL FACILITIES BUILDING CORPORATION, LESSOR,  
AND CITY OF MUNCIE, INDIANA LESSEE

ADDENDUM TO LEASE  
MUNCIE MUNICIPAL FACILITIES BUILDING CORPORATION, LESSOR,  
AND CITY OF MUNCIE, INDIANA LESSEE

THIS ADDENDUM (this "Addendum"), entered into as of this \_\_\_\_ day of \_\_\_\_\_, 202\_\_, by and between Muncie Municipal Facilities Building Corporation, an Indiana nonprofit corporation (the "Lessor"), and City of Muncie, Indiana, a municipal corporation existing under by the laws of the State of Indiana (the "Lessee");

WITNESSETH:

WHEREAS, the Lessor entered into a lease with the Lessee dated as of \_\_\_\_\_, 2026 (the "Lease"); and

WHEREAS, it is provided in the Lease that there shall be endorsed thereon the adjusted rental.

NOW, THEREFORE, IT IS HEREBY AGREED, CERTIFIED AND STIPULATED by the undersigned as follows:

Section 1. The Annual Rental. The adjusted rental is set forth on Appendix I attached hereto.

IN WITNESS WHEREOF, the undersigned have caused this Addendum to be executed for and on their behalf as of the day and year first above written.

**LESSEE**

CITY OF MUNCIE, INDIANA

By:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Controller  
City of Muncie, Indiana

**LESSOR**

MUNCIE MUNICIPAL FACILITIES  
BUILDING CORPORATION

By:

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary/Treasurer

STATE OF INDIANA        )  
                                  ) SS:  
COUNTY OF DELAWARE )

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared \_\_\_\_\_ and \_\_\_\_\_, personally known to me as the Mayor and Controller, respectively, of City of Muncie, Indiana acknowledged the execution of the foregoing addendum to lease for and on behalf of said county.

WITNESS my hand and notarial seal this \_\_\_\_ day of \_\_\_\_\_, 202\_\_.

(Seal)

\_\_\_\_\_  
(Written Signature)

\_\_\_\_\_  
(Printed Signature)  
Notary Public

My Commission expires:

My county of residence is:

\_\_\_\_\_

\_\_\_\_\_

STATE OF INDIANA        )  
                                  ) SS:  
COUNTY OF DELAWARE )

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared \_\_\_\_\_ and \_\_\_\_\_, personally known to me to be the President and Secretary/Treasurer, respectively, of the Muncie Municipal Facilities Building Corporation, and acknowledged the execution of the foregoing addendum to lease for and on behalf of said corporation.

WITNESS my hand and notarial seal this \_\_\_\_ day of \_\_\_\_\_, 202\_\_.

(Seal)

\_\_\_\_\_  
(Written Signature)

\_\_\_\_\_  
(Printed Signature)  
Notary Public

My Commission expires:

My county of residence is:

\_\_\_\_\_  
This instrument prepared by Dennis H. Otten, Esquire, Bose McKinney & Evans LLP, 111 Monument Circle, Suite 2700, Indianapolis, Indiana 46204.

I affirm under penalties of perjury that I have taken reasonable care to redact each Social Security Number in this document, unless required by law. /s/ Dennis H. Otten

Appendix I to Addendum to Lease

Rental Schedule

Payment Date

Amount

EXHIBIT C  
TO LEASE BETWEEN  
MUNCIE MUNICIPAL FACILITIES BUILDING CORPORATION, LESSOR,  
AND CITY OF MUNCIE, INDIANA LESSEE

ADDENDUM TO LEASE  
MUNCIE MUNICIPAL FACILITIES BUILDING CORPORATION, LESSOR,  
AND CITY OF MUNCIE, INDIANA LESSEE

THIS ADDENDUM (this "Addendum"), entered into as of this \_\_\_\_ day of \_\_\_\_\_, 202\_\_, by and between Muncie Municipal Facilities Building Corporation, an Indiana nonprofit corporation (the "Lessor"), and City of Muncie, a municipal corporation existing under by the laws of the State of Indiana (the "Lessee");

WITNESSETH:

WHEREAS, the Lessor entered into a lease with the Lessee dated as of \_\_\_\_\_, 2026 (the "Lease"); and

WHEREAS, it is provided in the Lease that there shall be endorsed thereon the date the entire Premises, as defined therein, are complete and ready for occupancy.

NOW, THEREFORE, IT IS HEREBY AGREED, CERTIFIED AND STIPULATED by the undersigned that the date the Improvements are complete and ready for occupancy is \_\_\_\_\_, 202\_\_. The Interim Real Estate (as defined in the Lease) is hereby released from the Lease.

IN WITNESS WHEREOF, the undersigned have caused this Addendum to be executed for and on their behalf as of the day and year first above written.

**LESSEE**

CITY OF MUNCIE, INDIANA

By:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Controller  
City of Muncie, Indiana

**LESSOR**

MUNCIE MUNICIPAL FACILITIES  
BUILDING CORPORATION

By:

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary/Treasurer

STATE OF INDIANA        )  
                                  ) SS:  
COUNTY OF DELAWARE )

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared \_\_\_\_\_ and \_\_\_\_\_, personally known to me as the Mayor and Controller, respectively, of City of Muncie, Indiana, acknowledged the execution of the foregoing addendum to lease for and on behalf of said county.

WITNESS my hand and notarial seal this \_\_\_\_ day of \_\_\_\_\_, 202\_\_.

(Seal)

\_\_\_\_\_  
(Written Signature)

\_\_\_\_\_  
(Printed Signature)  
Notary Public

My Commission expires:

My county of residence is:

\_\_\_\_\_

\_\_\_\_\_

STATE OF INDIANA        )  
                                  ) SS:  
COUNTY OF DELAWARE )

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared \_\_\_\_\_ and \_\_\_\_\_ personally known to me to be the \_\_\_\_\_ and \_\_\_\_\_, respectively, of Muncie Municipal Facilities Building Corporation, and acknowledged the execution of the foregoing addendum to lease for and on behalf of said corporation.

WITNESS my hand and notarial seal this \_\_\_\_ day of \_\_\_\_\_, 202\_\_.

(Seal)

\_\_\_\_\_  
(Written Signature)

\_\_\_\_\_  
(Printed Signature)  
Notary Public

My Commission expires:

My county of residence is:

\_\_\_\_\_

\_\_\_\_\_

This instrument prepared by Dennis H. Otten, Esquire, Bose McKinney & Evans LLP, 111 Monument Circle, Suite 2700, Indianapolis, Indiana 46204.

I affirm under penalties of perjury that I have taken reasonable care to redact each Social Security Number in this document, unless required by law. /s/ Dennis H. Otten

