

January 30, 2014

Town of Fishers  
Attn: Scott Fadness, Town Manager  
One Municipal Drive  
Fishers, IN 46038

***Re: Construction of Saxony Hall and Lake Maintenance***

Dear Mr. Fadness:

This letter of intent (“Letter”) summarizes the principal terms of a proposal being considered by the Town of Fishers (“Town”) and Interstate Holdings, LLC (including its affiliates, referred to as “Holdings”) regarding (i) the construction and sale to the Town of a building known as Saxony Hall and public restroom facilities adjacent thereto (jointly, “Saxony Hall”) at the Saxony Mixed Use development located in Fishers, Hamilton County, Indiana; and (ii) transfer of responsibilities associated with the beach and pathways around Saxony Lake, an approximately 20 acre lake in Saxony Village (“Lake”) to the Town. The possible construction and sale of Saxony Hall is referred to as the “Transaction” and Town and Holdings are referred to collectively as the “Parties.”

1. Construction of Saxony Hall.

(a) Holdings will cooperate with Town to finalize a construction budget for Saxony Hall.

(b) The Parties acknowledge that the real estate where Saxony Hall is located is currently owned by Holding and valued at approximately Fifty Thousand and no/100 Dollars (\$50,000). Holdings will dedicate the land to the Town..

(c) Holdings will contribute an additional \$ 536,100 in cash toward the construction costs of Saxony Hall.

(d) Town will contribute the balance of the cost which is currently estimated at \$586,100 toward the construction of Saxony Hall which amount shall not exceed six hundred twenty five thousand and no//100 dollars (\$625,000.00).

(e) Holdings will be responsible for managing construction of Saxony Hall.

(f) Upon completion of construction of Saxony Hall Town acceptable to Town, Town will take fee simple title to Saxony Hall.

(g) Upon Holdings delivering fee simple title to Town, Town shall issue park impact fee credits to Holdings in an amount equal to the value of the items included in items (b) and (c) above, which amount may not exceed six hundred twenty five thousand and no/100 Dollars

(\$625,000.00) ("PIF Credit") The PIF Credit may be transferred, assigned or sold by Holdings and used for any real estate project in the Town in lieu of payment of park impact fee payments.

(h) Holdings shall have the perpetual right to utilize, at no cost, approximately one half of the storage space in Saxony Hall located adjacent to the concession and office areas.

(i) Any road impact, park impact, and other impact fees for Saxony Hall shall be waived or otherwise paid by Town.

## 2. Maintenance.

Upon commencement of construction of Saxony Hall, Town will assume all of the maintenance, monitoring and provision of the Lake beach, adjacent to the Lake ("Beach") as depicted on the attached Exhibit A, including but not limited to providing the following:

- (i) Lifeguard services at the Beach;
- (ii) Management of the floating line which designates the "swim area" near the Beach;
- (iii) Regular maintenance and cleaning of the Beach;
- (iv) Regular water quality testing and taking all necessary steps to ensure normal operation of the Beach and water activities;
- (v) Regulation and clean up of issues associated with any water fowl;
- (vi) Operation of the beach area from Memorial Day to Labor Day, 7 days per week with open hours, weather permitting, from 11:00 A.M. to 7:00 P.M. EST;
- (vii) Maintain Lake pathways around Lake and Beach throughout the year;
- (viii) All Beach equipment and supplies, including life guard chairs;
- (ix) Collecting Beach user data, including addresses, and such other data, e.g. daily weather conditions, temperature, etc., as may be reasonably requested by Holdings and share such data monthly with Holdings, or more frequently as reasonably requested by Holdings;
- (x) Silt removal from Lake, as necessary, due to Beach erosion or beach operations; and
- (xi) Town shall be entitled to lease the beach hut, currently located on the Lake beach, at a rate of \$1.00 per year. Town shall be responsible for all maintenance and repair of said hut. Said lease shall be for ten (10) years and may be extended year by year thereafter.

3. Continuity in Services. If Fishers does not maintain the Lake and Beach area in a manner consistent with the prior practices of Holdings as outlined above, Holdings or SOPA shall have the option, but not the obligation, to assume control of the maintenance and services provided at the Lake and beach area.

4. Real Estate Taxes. The Parties agree to use their best efforts to reach an equitable accommodation to offset real estate tax implications to the outstanding Saxony Tax Increment Financing bonds.

5. Right to Acquire. For a period of ten (10) years from the date of this Agreement, Holdings, or its assigns, shall have the first right to acquire Saxony Hall in the event Town elects to sell, trade or otherwise dispose of Saxony Hall. Town shall provide Holdings with forty-five (45) days notice of its intent to sell, trade or dispose of Saxony Hall and the terms thereto. Holdings shall respond within said forty-five (45) day period if it desires to acquire Saxony Hall, in which case the Parties shall use their best efforts to achieve closing within a reasonable time period thereafter.

6. Proposed Definitive Agreement. As soon as reasonably practicable after the execution of this Letter, the Parties shall commence to negotiate a definitive agreement (the "Definitive Agreement") relating to items outlined herein to be drafted by Holdings' counsel. The Definitive Agreement would include the terms summarized in this Letter and such other representations, warranties, conditions, covenants, and other terms that are customary for transactions of this kind and are not inconsistent with this Letter.

7. Conditions. The Parties' obligation to close the proposed Transaction will be subject to customary conditions, including:

(a) The Parties shall agree on a budget for Saxony Hall;

(b) Holdings receives adequate assurances relating to park impact fee credits discussed in item 1(g) above; and,

(c) The Parties shall agree on a plan for transition of the maintenance of the Lake, beach and surrounding areas.

8. GOVERNING LAW. THIS LETTER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH LAWS OF THE STATE OF INDIANA, WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAW PROVISION OR RULE (WHETHER OF THE STATE OF INDIANA OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF LAWS OF ANY JURISDICTION OTHER THAN THOSE OF THE STATE OF INDIANA.

9. No Third Party Beneficiaries. Except as specifically set forth or referred to herein, nothing herein is intended or shall be construed to confer upon any person or entity other than

the Parties and their successors or assigns, any rights or remedies under or by reason of this Letter.

10. Expenses. The Parties will each pay their own transaction expenses, including the fees and expenses of investment bankers and other advisors, incurred in connection with the proposed Transaction.

11. No Binding Agreement. This Letter reflects the intention of the Parties, but for the avoidance of doubt neither this Letter nor its acceptance shall give rise to any legally binding or enforceable obligation on any Party. No contract or agreement providing for any transaction involving the Company shall be deemed to exist between Holdings and any of its affiliates and Fishers unless and until a final definitive agreement has been executed and delivered.

12. Miscellaneous. This Letter may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. The headings of the various sections of this Letter have been inserted for reference only and shall not be deemed to be a part of this Letter.

[SIGNATURE PAGE FOLLOWS]

If you are in agreement with the terms set forth above and desire to proceed with the proposed Transaction on that basis, please sign this Letter in the space provided below and return an executed copy to the attention of Richard L. Arnos.

Sincerely,

INTERSTATE HOLDINGS, LLC  
By: Republic Development Corporation

By: \_\_\_\_\_  
Name: Richard L. Arnos  
Title: President

**Agreed to and accepted by:**

**THE TOWN OF FISHERS**

By: \_\_\_\_\_  
Name: **Scott Fadness**  
Title: **Town Manager**