

## Attachment F. Sample Affordable Housing Program Agreement

The following document represents a sample of the required Affordable Housing Program Agreement. The document included in this Attachment F is current as of the most recent approval of this Implementation Plan by the Bank's Board of Directors and may have changed after that date as a result of subsequent regulatory or other requirements. Please contact the Bank for the most recent version of the Affordable Housing Program Agreement in force at the time of execution.

**Project #:** ( \_\_\_\_\_ )

### Affordable Housing Program Agreement for Direct Subsidies

The Federal Home Loan Bank of Indianapolis ("Bank"); the applying Member, \_\_\_\_\_ ("Member"); the person(s) or entity(ies) owning or supporting the project, \_\_\_\_\_. (the "Project Sponsor(s)") as identified in the Application (as hereinafter defined) hereby enter into this Affordable Housing Agreement for an owner-occupied or rental housing project ("Agreement"), effective as of the date of the Affordable Housing Program ("AHP") application submitted by the Member ("Application"), if approved by the Bank. This Agreement sets forth the respective duties and obligations of the Bank, the Member and Project Sponsor regarding the approval and funding of the Member's Application submitted to the Bank. Other Application documents, exhibits, or writings are incorporated into this Agreement.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Bank, the Member, and Project Sponsor hereby agree as follows:

1. **The Application** – The Member and Project Sponsor shall be bound by the terms and conditions governing the approval and funding of the Application, including any and all representations in said Application and as the initial Application submission may have been modified during the Application review process. A summary of the terms and conditions governing the project and the Bank-accepted Application are set forth in the Schedule attached hereto (the "Schedule").
2. **Regulation and Modifications** – Member and Project Sponsor acknowledge notice of and agree to be bound by:
  - A. The AHP regulations (12 C.F.R. Part 1291) and any other directives of the Federal Housing Finance Agency ("FHFA") (including, but not limited to, Advisory Bulletins, Regulatory Interpretations, etc.) as may be amended and in effect from time to time, or the regulations in effect from time to time of any successor in interest to the FHFA; and
  - B. The AHP guidelines and requirements of the Bank or any successor in interest to the Bank, as set forth in the Bank's AHP Plan as may be in effect and approved by the Board of Directors of the Bank from time to time. Member and Project Sponsor agree that no modifications will be made to the project's specifications, as set forth in the Application and Schedule, without the prior written approval of the Bank. Any modifications or changes to the project after the date of approval of the Application that would change the score that the Application originally received shall permit the Bank, at its discretion, to withdraw the subsidy, unless the Application is modified as permitted under the AHP regulations. To the extent the AHP regulations are inconsistent with any term or

provision of this Agreement, said AHP regulations shall control and govern the conduct and obligations of the parties.

3. **Subsidy Necessity** – The use of the subsidy is set forth in the Schedule. In order to ensure that the approved level of subsidy from the Bank is still warranted at the actual funding date, in conformity with the requirements of the AHP regulations, the Bank will reevaluate the subsidy level and will only fund that portion of the subsidy deemed necessary by the Bank to fund the project, if any. In such reevaluation, the Bank will principally consider pro-forma data, including, among other factors, the following:
  - A. All sources of funds including without limitation estimates of funds from all other sources, whether actually committed or not;
  - B. An estimate of the market value of in-kind donations and volunteer professional labor services, excluding the value of sweat equity; and
  - C. Project costs, as reflected in the project's budget, including without limitation whether such costs are reasonable and customary in accordance with the Bank's project feasibility guidelines in light of industry standards for the location of the project and the long-term financial needs of the project.
4. **Financial Feasibility** – Before funding, the Bank shall also determine whether the project is and continues to be operationally feasible, in accordance with the Bank's project feasibility guidelines based on factors including but not limited to applicable financial ratios, geographic location, and other non-financial project characteristics. The approved subsidy must be necessary for the financial feasibility of the project and the rate of interest, points, fees, and any other charges for all loans financing the project must not exceed a market rate of interest, points, fees, and other charges for loans of similar maturity, terms, and risk. The Bank is not required to fund the subsidy if it determines, in its discretion, that the project is or will not be financially feasible due to changing market or other conditions including, but not limited to, those affecting the financial condition of the Project Sponsor, developer, or other party providing significant support to the project.
5. **Bank Decisions Entitled to Deference** – The Member, the Project Sponsor, and the Bank agree that the Bank's actions under the AHP program shall be reviewed under an arbitrary and capricious standard. The parties further acknowledge that the Bank, as a government-sponsored enterprise, is entitled to a broad degree of discretion in administering the AHP program, and nothing in this Agreement shall be construed to limit such discretion.
6. **Subsidy Pass-Through Requirement** – The Member shall pass on the full amount of the subsidy to the project for which the subsidy was approved.
7. **Subsidy Use** – The Member and the Project Sponsor agree to use the subsidy in accordance with the terms of the Member's Application, the requirements of the AHP regulations and the Bank's policies and procedures and shall repay to the Bank any repayments of principal and interest received by the Member from the Project Sponsor.
8. **Subsidy Timing** – The subsidy must be drawn down and used by the project within the time periods set forth in the Bank's AHP Plan. Therefore, all sources of funding must be committed within a reasonable period of time from the Application's approval. If the subsidy approved is not drawn down and used by the project within the time periods specified, the Bank shall cancel its approval (unless the approved Application is modified by the Bank pursuant to paragraph 10), and the Member agrees to promptly return any funding subsidy to the Bank.

9. **Assignment of Member Enforcement Rights** – Member hereby agrees, if requested by the Bank, to assign to the Bank the right to file an enforcement action against the Project Sponsor and authorizes the Bank to engage in any action necessary to recover any funds granted by the Bank pursuant to the Application, including, but not limited to, the subsidy, or applicable portion thereof, that is not used in compliance with the terms of the Application or the requirements of the regulations, unless such non-compliance is cured by the Project Sponsor within a reasonable period of time, as determined by the Bank, or the circumstances of such non-compliance are eliminated through a modification of the Application, in accordance with the AHP regulations. Except as requested above, the Member acknowledges that it is primarily responsible for enforcing the Agreement against the Project Sponsor.
10. **Subsidy Repayment** – The Member shall repay to the Bank that portion of the subsidy (including, but not limited to, interest at the Bank’s fixed rate of interest for a comparable term measured from the date the subsidy was granted as determined by the Bank in its discretion) that as a result of the Member’s actions or omissions, is not used in compliance with the terms of the Application or the requirements of the AHP regulations, unless such non-compliance is cured by the Member within a reasonable period of time as determined by the Bank or the circumstances of such non-compliance are eliminated through a modification of the Application, as approved in writing by the Bank, pursuant to the AHP regulations. If recapture of the subsidy or recovery of the subsidy is required pursuant to 12 C.F.R. Section 1291.61, the amount to be recaptured or to be recovered shall be immediately deemed to be an advance issued to the Member by the Bank, and will be subject to the terms and conditions of the Advances, Pledge and Security Agreement and the Bank’s Collateral Policy and Credit Policy Manual, while the Bank determines which action permitted under Section 1291.60 will be taken.
- 11.1 **Member and Project Sponsor Repayment** – The Project Sponsor shall repay to the Member and the Member shall recover and repay to the Bank that portion of the subsidy (including, but not limited to, interest at the Bank’s fixed rate of interest for a comparable term measured from the date that the subsidy was granted as determined by the Bank in its discretion) that, is not used in compliance with the terms of the Application or the requirements of the AHP regulations, unless such non-compliance is cured by the Project Sponsor within a reasonable period of time as determined by the Bank or the circumstances of such non-compliance are eliminated through a modification of the Application, pursuant to the AHP regulations. Alternatively, the Project Sponsor may repay the subsidy directly to the Bank.

THE MEMBER SHALL NOT BE LIABLE TO THE BANK FOR THE RETURN OF AMOUNTS THAT CANNOT BE RECOVERED FROM THE PROJECT SPONSOR THROUGH REASONABLE COLLECTION EFFORTS BY THE MEMBER UNLESS: (i) THE BANK DETERMINES THAT REASONABLE COLLECTION EFFORTS WERE NOT MADE BY THE MEMBER OR (ii) THE FHFA OR ITS STAFF DETERMINES, PURSUANT TO 12 C.F.R §1291.62(b), THAT THE BANK IS REQUIRED TO REIMBURSE THE AHP FUND OR TAKE OTHER ENFORCEMENT ACTION. THE MEMBER AND THE PROJECT SPONSOR AGREE TO BE PARTIES TO ANY ENFORCEMENT ACTION AND TO BE BOUND BY THE FHFA’S FINAL DETERMINATION ON REPAYMENT. IF A MEMBER CANNOT RECOVER AHP MONIES FROM THE PROJECT SPONSOR OR PROJECT, THE MEMBER SHALL, UPON REQUEST OF THE BANK, PROVIDE WRITTEN DOCUMENTATION TO THE BANK OF THE MEMBER’S COLLECTION EFFORTS. COLLECTION EFFORTS SHALL GENERALLY BE DETERMINED REASONABLE BY THE BANK IF THE MEMBER ENGAGES IN SUCH ACTIONS AS IT WOULD NORMALLY DO IN THE COLLECTION OF ITS NON-AHP COMMERCIAL AND CONSUMER LOANS AND IN ACCORDANCE WITH PRUDENT BANKING PRACTICES. PROJECT SPONSOR AGREES THAT ANY ENFORCEMENT ACTION AGAINST IT

MAY BE BROUGHT BY THE MEMBER OR THE BANK AS THE MEMBER AND THE BANK SHALL AGREE.

**11.2 Collection Expense Reimbursement** – For each AHP project, each of the Project Sponsors and, with respect to rental projects only, the project owner (Obligor) shall pay all charges and expenses incurred by the FHLBI or the Member (including, but not limited to, reasonable attorneys’ fees and expenses) in connection with (a) any investigation by the FHLBI or the Member in relation to the AHP Agreement, any related document, or any other AHP requirement as it relates to the project; (b) the enforcement, protection, or preservation of any right or claim of the FHLBI or the Member against the Project Sponsor or project owner under the AHP Agreement, any related document, or any other AHP requirement as it relates to the project; or (c) the collection of any amounts due under the AHP Agreement, any related document, or any other AHP requirement as it relates to the project. As used herein, “related document” includes, but is not limited to, the retention/recapture documents required by the AHP Agreement and the Regulation.

**12.1 Monitoring and Auditing** – Member and Project Sponsor both expressly authorize the Bank or its agents to inspect and audit the Member’s AHP project(s), including, without limitation, loan documentation, retention agreements, accounting records, and site visits to the Member, Project Sponsor, and the project. The Project Sponsor and the Member agree to fully cooperate with the Bank in effectuating off-site and on-site reviews of the project and in providing to the Bank any project documentation periodically required under the AHP regulations and this Agreement. In addition, the Project Sponsor shall also provide prompt notice to the Bank if the project received low-income housing tax credits (“LIHTC”) and the project is in material and unresolved noncompliance with the LIHTC income targeting or rent requirements at any time during the retention agreement period.

**12.2 Monitoring of Owner-Occupied Projects** – For owner-occupied projects, during the period of construction or rehabilitation of the project, the Project Sponsor shall report to the Member semi-annually (or more frequently at Member’s request) on whether reasonable progress is being made towards completion of the project. During such period, the Member shall take steps necessary to determine whether reasonable progress is being made towards completion of the project and shall report to the Bank semi-annually (or more frequently at Bank’s request) on the status of the project. Within one year of the disbursement to the project of the entire subsidy, the Member shall review the project documentation and certify to the Bank that:

- A. The subsidy has been used for eligible purposes according to the commitments made in the Application and Schedule; and
- B. The AHP-assisted units are subject to deed restrictions or other legally enforceable retention agreements, or mechanisms as specified in paragraph 12.3 below.

Where the subsidy is used to finance the purchase of owner-occupied units, the Project Sponsor shall maintain household income verification documentation available for review by the Member or the Bank.

**12.3 Retention Agreements for Owner-Occupied Units Funded by AHP Direct Subsidies** – For projects receiving AHP direct subsidy for the purchase, or purchase in conjunction with rehabilitation of an owner-occupied unit, the Member shall ensure that an owner-occupied unit financed by the proceeds of a direct subsidy is subject to a deed restriction or other legally enforceable retention agreement or mechanism requiring that:

- A. The Bank is to be given notice of any sale or refinancing of the unit occurring prior to the end of the retention period. Such notice should reference this Agreement; and

- B. In the case of a sale, transfer, or assignment of the title/deed prior to the end of the retention period, an amount calculated by the Bank, equal to the lesser of: (a) the subsidy, reduced on a pro rata basis per month until the unit is sold, transferred, or its title or deed transferred, during the retention period; or (b) any net proceeds from the sale, transfer, or assignment of title or deed of the unit, minus the AHP-assisted household's investment, shall be repaid to the Bank, unless the purchaser is a very low-, low- or moderate-income household as defined in the AHP regulations, the unit was assisted with a permanent mortgage loan funded by a AHP subsidized advance and not a direct subsidy, or the amount of subsidy required to be repaid is \$2,500 or less. For purposes of determining whether a subsequent sale, transfer, or assignment of the unit is to a purchaser that qualifies as a very low-, low-, or moderate-income household, the Bank shall determine the purchaser's income using one or more proxies that are reliable indicators of the subsequent purchaser's income, and which shall be selected by the Bank prior to such determination and stated in the Bank's AHP Implementation Plan, unless documentation demonstrating that household's actual income is made available to the Bank; or
- C. In the case of a refinancing prior to the end of the Retention Period, an amount equal to the lesser of: (a) the Subsidy, reduced on a pro rata basis per month until the unit is refinanced, during the Retention Period; or (b) any net proceeds from the refinancing of the unit, minus the AHP-assisted household's investment, shall be repaid to the Member for reimbursement to the, unless: (x) one of the exceptions to repayment stated in clause B of this section applies, or (y) the unit continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism incorporating the requirements of clauses A, B and C of this section.
- D. In the case of a foreclosure, deed-in-lieu, or assignment of the first mortgage to the Secretary of HUD (assuming AHP funding is used in conjunction with FHA financing), the obligation to repay the direct Subsidy to the Member shall terminate upon final settlement or disposition once such action is completed. Otherwise, the covenants contained herein shall continue until release by the Member in writing or the expiration of the Retention Period, whichever should first occur. Upon the death of the AHP-assisted sole owner, or owners in the case of multiple title holders, the AHP Retention Agreement terminates, and there is no obligation to repay the AHP Subsidy.

**12.4 Member Monitoring of Rental Projects** – During the period of construction or rehabilitation of the rental project, the Member shall take the steps necessary to determine whether reasonable progress is being made towards completion of the project and shall report to the Bank semi-annually (or more frequently at Bank's request) on the status of the project.

**12.5 Project Sponsor Monitoring of Rental Projects** – During the period of construction or rehabilitation of the project, the Project Sponsor shall report to the Member semi-annually (or more frequently at Member's request) on whether reasonable progress is being made towards completion of the project.

Within the first year after project completion, the Project Sponsor shall:

- Certify to the Bank that, with respect to the services and activities committed to in the Application:
  - i. The AHP subsidies were used for eligible purposes according to the commitments made in the approved Application;
  - ii. The household incomes and rents comply with the income targeting and rent commitments made in the approved Application;

- iii. The project's costs were reasonable in accordance with the Bank's project cost guidelines, and the AHP subsidies were necessary for the completion of the project as currently structured;
- iv. Each AHP-assisted unit of an owner-occupied project and rental project is subject to an AHP retention agreement in a form approved by the Bank;
- v. The services and activities committed in the approved AHP application have been provided; and
- vi. The project's costs are reasonable.

In the second year after completion of the project and annually thereafter until the end of the project's retention period, the Project Sponsor shall:

- Certify to the Member and the Bank that:
  - (i) The tenant rents and incomes are in compliance with the rent and income targeting commitments made in the Application and Schedule;
  - (ii) There is ongoing financial viability of the project to include whether the project is current on its property taxes and loan payments, as well as its vacancy rate;
  - (iii) The project is in compliance with commitments made to other funding sources; and
  - (iv) The project is habitable;
- Maintain documentation regarding tenant rents and incomes and project habitability available for review by the Member or the Bank, to support such certifications.

**12.6 Member Retention Agreements Involving AHP Direct Subsidies for Rental** – The Member shall ensure that the rental project financed by the proceeds of a direct AHP subsidy is subject to a deed restriction or other legally enforceable retention agreement or mechanism requiring that:

- The project's rental units, or applicable portion thereof, must remain occupied by and affordable for households with incomes at or below the levels committed to be served in the Application for the duration of the retention period;
- The Bank, whose mailing address is 8250 Woodfield Crossing Boulevard, Indianapolis Indiana 46240, Attention: Community Investment Division, is to be given immediate written notice of any sale or refinancing of this property occurring prior to the end of the retention period;
- In the case of a sale or refinancing of the project prior to the end of the retention period, an amount equal to the full amount of the direct subsidy shall be repaid to the Bank, unless the project continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism incorporating the income-eligibility and affordability restrictions committed to in the Application for the duration of the retention period, or, in the Bank's discretion, the households are relocated, due to eminent domain, or the expansion of housing or services, to another property that is made subject to the same deed restrictions or legally enforceable retention agreements or mechanisms;
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- In the case of a foreclosure, the obligation to repay the direct Subsidy to the Member shall terminate upon final settlement or disposition once such action is completed;

12.7 **Lending of Direct Subsidies** – If the Member or Project Sponsor lends a direct subsidy to the project, any repayments of principal and payments of interest received by the Member or the Project Sponsor during the retention period shall be promptly paid to the Bank.

13. **Reporting Material Changes** – The Member agrees to promptly report, in writing, to the Bank:

- Any material change to the project, including, but not limited to, significant property damage affecting habitability; and
- Any material change in the financial structure or feasibility of the project, including, but not limited to, any new sources of funds, failure to receive other project-related funds and tax credit allocations, if any, or any other material changes in the project's scope and terms. The Project Sponsor agrees to provide Member timely information to ensure that Member meets this reporting obligation.

The Bank retains the right to reevaluate the need for the subsidy in light of any such material changes to the project, financial structure, or feasibility of the project, and may make such modifications thereto, including, but not limited to, the withdrawal of or change in the amount of the subsidy, as the Bank deems appropriate in its sole discretion.

14. **Project Sponsor Representative** – The Project Sponsor represents and warrants to the Bank and the Member, as of the effective date hereof, on each funding date of the subsidy, and as of the dates that the Project Sponsor provides monitoring information and certifications to the Member and the Bank as set forth in this Agreement, and the AHP regulations that it has not engaged in, and is not engaging in, covered misconduct as defined in FHFA's Suspended Counterparty Program regulation ([12 CFR part 1227](#)), and the following:

- **Existence** – The Project Sponsor is a sponsor as such term is defined in Section 1291.1 of the AHP regulations and is in good standing in the state of its organization. The Project Sponsor is duly qualified to do business in each state in which the ownership of its respective property or the nature of its respective business makes such qualification necessary and where the failure to so qualify would reasonably be expected to have a materially adverse effect on the business and operations of the Project Sponsor. The Project Sponsor has all powers and all material governmental licenses, authorizations, consents, and approvals required to carry on its business as now conducted, except for such matters, the failure of which to so maintain, would not reasonably be expected to have a material adverse effect on the operations or financial condition of the Project Sponsor.
- **Power and Authority** – The execution, delivery, and performance by the Project Sponsor of this Agreement and the related documents to which the Project Sponsor is a party is within the corporate or other powers of the Project Sponsor, has been duly authorized by all necessary action, does not contravene or constitute a default under any provision of applicable law or regulation or of any judgment, injunction, order, or decree binding on the Project Sponsor or its property.
- **Enforceability** – This Agreement and related documents to which the Project Sponsor is a party have been or will be duly executed and delivered and are, or upon execution will be the valid and legally binding obligation of the Project Sponsor, enforceable against the Project Sponsor in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, or other laws or equitable principles relating to or limiting creditors' rights generally or the availability of equitable remedies.
- **No Breach** – The consummation of the transactions contemplated hereby and the execution, delivery and performance of this Agreement and other related documents by the Project Sponsor

will not violate or constitute or result in a material breach of or a default under any contract, mortgage, deed of trust, lease, loan or security agreement, corporate charter, articles, or bylaws, as applicable, or any other instrument to which the Project Sponsor is a party or by which it may be bound or affected.

- Statements – The information given by the Project Sponsor in the Application, as summarized in the Schedule, and other documents provided to the Bank, or in any oral statement made, in connection with the Application and the project, are complete and accurate in all material respects.
- Eligibility Standards: Use of Funds – The project meets the applicable minimum eligibility standards set forth in Section 1291.23 of the AHP regulations. The subsidy will be used only as set forth in the Application (or any subsequent approved modification), and consistent with the requirements of the AHP regulations and the Bank's AHP Plan.

15. **Reporting of Fraud, Crimes, and Misconduct** – The Bank is committed to protecting its revenue, property, reputation, and other assets. The Bank has an Anti-Fraud Policy (a copy of which is on the Bank's public website) in place to support this commitment and to enhance its compliance efforts. This Policy addresses not only instances of possible fraud, crimes, and other misconduct within the Bank, but also fraud, crimes, and misconduct detected in our dealings with our Members, AHP sponsors, and vendors. Federal regulations place an affirmative duty on the Bank to report suspected fraud, crimes, and other misconduct if detected.

Member and Project Sponsor agree to report any instances of fraud, crimes, or other misconduct involving the Bank, whether it occurs inside or outside of the Bank. Such reports should be made according to the Bank's then-current fraud reporting system, as disclosed on the Bank's website, or by emailing [compliance@fhlbi.com](mailto:compliance@fhlbi.com).

16. **Suspended Counterparty Program** – The FHFA prohibits the Bank from engaging, directly or indirectly, in certain transactions with individuals or entities on the FHFA's list of suspended counterparties, which is available on FHFA's website. Accordingly, the Member nor the Project Sponsor shall employ, contract for, or otherwise use the services of any person or entity on the FHFA's list of suspended counterparties (a suspended party) such that the suspended party would directly or indirectly participate in any contractual relationship in the mortgage, securities, or other lending product business with the Bank.
17. **Assignment** – Neither the Member nor the Project Sponsor may (voluntarily or involuntarily or by operation of law or otherwise) assign or transfer any of its rights or obligations hereunder without the express prior written consent of the Bank. The Project Sponsor agrees that the Member may assign and transfer any of its rights under this Agreement to the Bank at any time without the Project Sponsor's consent.
18. **Membership Termination** – The Member shall use its best efforts to transfer its obligations under the Application and this Agreement to another Bank Member in the event of its loss of Membership in the Bank prior to the Bank's final disbursement of the subsidy. The Member shall promptly notify the Bank if the Member becomes obligated pursuant to this paragraph to use its best efforts to transfer the subsidy. Member or its legal successors shall be responsible for ongoing monitoring and reporting after final funding or if the obligations under the Application or this Agreement are not transferred. If the Member is acquired by or consolidated with a non-member, the non-member shall agree to assume all the Member's obligations, if not transferred to another Member, until such obligations are repaid or liquidated.



19. **Modifications; Amendment; Waivers** – No modification, amendment, or waiver of any provision of this Agreement or consent to any departure therefrom shall be effective unless executed by the parties to this Agreement, except that the Member may assign its rights to enforce certain provisions of this Agreement to the Bank, at the Bank’s request. Modifications involving an increase in AHP subsidy shall be approved or denied by the Bank’s Board of Directors. Any forbearance, failure, or delay by a party hereto, in exercising any right, power, or remedy hereunder or under law or regulation shall not be deemed to be a waiver thereof and any single or partial exercise by a party of any right, power, or remedy shall not preclude the further exercise thereof. Every right, power, and remedy of a party shall continue in full force and effect until specifically waived by the party, in writing.
20. **Jurisdiction; Legal Fees**
- A. In any action or proceeding brought by the Bank, the Member, or the Project Sponsor, in order to enforce any right or remedy under this Agreement, the parties hereby consent to, and agree that they will submit to, the jurisdiction of the United States District Court, Southern District of Indiana, Indianapolis Division.
- B. The Member, the Project Sponsor, and the Bank agree that in any action or proceeding brought by any party seeking to obtain any legal or equitable relief against another party under or arising out of this Agreement or any transaction contemplated hereby, the losing party, after any and all appeals, will pay all attorneys’ fees and other costs incurred by the other party (or parties) in connection therewith.
21. **Environmental Indemnity** – The Member and the Project Sponsor jointly and severally agree to indemnify and hold the Bank harmless from and against all liabilities, claims, actions, whether foreseeable or unforeseeable, consequential damages, costs and expenses (including, but not limited to, sums paid in settlement of claims and all reasonable consultant, expert and legal fees and expenses of the Bank’s counsel), or loss directly or indirectly arising out of or resulting from any Hazardous Substance (as such term is defined below) being present at any time, whether before, during or after construction or rehabilitation, in or around any part of the project, or in the soil, groundwater, or soil vapor on or under the project, including, but not limited to, those incurred in connection with any investigation of site conditions or any clean-up, remedial, removal, or restoration work, or any resulting damages or injuries to the person or property of any third parties or to any natural resources. For the purposes of this paragraph, the term “Hazardous Substance” means any substance which is or becomes designated as “hazardous” or “toxic” under any federal, state, or local law. This indemnity shall survive the expiration or termination of this Agreement.
22. **Applicable Law; Severability** – This Agreement shall be governed by the statutory and common law of the United States and to the extent federal law incorporates or defers to state law, the law of the State of Indiana (excluding, however, the conflict of laws rules of such State). If any portion of this Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Agreement that can be given effect without the conflicting provisions, and to this end, the provisions of this Agreement are declared to be severable.
23. **Successors and Assigns** – This Agreement shall be automatically binding upon and inure to the benefit of the successors, and permitted assigns of the Member, the Project Sponsor, and the Bank, as authorized under paragraph 17 of this Agreement.
24. **Notices** – All notices and other communications shall be mailed, sent by facsimile transmission (with confirmation copy), sent by electronic means, or served personally on a party at the address indicated

below, or at such other address as shall be designated by a party by future written notice to the other parties. Notice sent by facsimile transmission shall be effective on the date transmitted; notice sent by personal service shall be effective on the date of delivery; and notice sent by U.S. mail shall be effective three (3) days after such communication is deposited in the mail with first class postage prepaid, addressed as described in this paragraph 24.

Notices to the Member and Project Sponsor shall be forwarded to the addresses set forth in the Schedule unless a change of address is forwarded to the Bank. Notices to the Bank shall be sent to:

FHLBank Indianapolis  
8250 Woodfield Crossing Boulevard  
Indianapolis, Indiana 46240  
Attention: Community Investment Department  
Fax: 317-465-0376  
Email: [housing@fhlbi.com](mailto:housing@fhlbi.com)

**With a copy to:**

FHLBank Indianapolis  
8250 Woodfield Crossing Boulevard  
Indianapolis, Indiana,  
46240  
Attention: General  
Counsel  
Email: [legalnotices@fhlbi.com](mailto:legalnotices@fhlbi.com)

25. **Counterparts** – This Agreement may be executed by the parties hereto on any number of separate original, facsimile, or electronic counterparts, provided that the Project Number is contained on all signature pages, and all said counterparts taken together shall be deemed to constitute one and the same Agreement.
26. **Headings** – Paragraph headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.
27. **Entire Agreement** – The Member agrees that this Agreement is subject to the terms and conditions of the Advances, Pledge, and Security Agreement entered into between the Bank and the Member, the Bank's collateral policies, and Credit Policy Manual as amended from time to time, and the regulations and directives of the FHFA. Except as referenced in the previous sentence, this Agreement embodies the entire agreement and understanding between the parties hereto relating to the subject matter hereof and supersedes all prior agreements between the parties hereto that relate to such subject matter, including, but not limited to, all AHP agreements that may have been previously entered into by the Bank and the Member. In the event of any conflict between the Application and the Schedule, the Schedule shall control. The Member or the Project Sponsor, or both, may have entered into other agreements to which the Bank is not a party concerning the project, and such other agreements are not subject to this Agreement.
28. **Effective Date** – Approval of this Agreement shall be effective only upon written notice from the Bank to the Member.

29. **No Cause of Action Created in Third Parties** – Nothing in this Agreement shall create a cause of action against the Bank, the Project Sponsor, or the Member for any individual or entity not a party to this Agreement.