
Section 1: 8-K (8-K)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **October 11, 2018**

GERMAN AMERICAN BANCORP, INC.

(Exact name of registrant as specified in its charter)

Indiana

(State or other jurisdiction of incorporation)

001-15877

(Commission File Number)

35-1547518

(IRS Employer Identification No.)

**711 Main Street
Box 810**

Jasper, Indiana

(Address of principal executive offices)

47546

(Zip Code)

Registrant's telephone number, including area code: **(812) 482-1314**

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 under the Securities Act (17 CFR 230.405) or Rule 12b-2 under the Exchange Act (17 CFR 240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

Item 1.01. Entry into a Material Definitive Agreement.

German American Bancorp, Inc. (the “Company”) entered into a Loan Agreement with U.S. Bank National Association (the “Lender”), dated as of October 11, 2018, which provides the Company with a term loan in the principal amount of \$25,000,000 (the “Term Loan”), and with a revolving credit loan in the principal amount of up to \$15,000,000 (the “Revolving Credit Loan” and, collectively with the Term Loan, the “Loans”).

The proceeds from the Loans will be used by the Company (a) to fund a portion of the cash payment required to be paid by the Company in connection with the acquisition of the outstanding capital stock of First Security, Inc., a Kentucky corporation (“First Security”), as discussed further in Item 8.01 below, and (b) for general corporate needs, operating expenditures and capital injections incurred in the ordinary course of business.

The Term Loan, as evidenced by a term loan promissory note (the “Term Note”), bears interest at an annual rate of 5.24%. The Revolving Credit Loan, as evidenced by a revolving credit promissory note (the “Revolving Credit Note”), bears interest at an annual rate equal to 1.75% plus the greater of (a) zero percent (0.00%) or (b) the one month LIBOR rate in effect two New York banking days prior to the beginning of each calendar month, adjusted for any reserve requirement and any subsequent costs arising from a change in government regulation, as reset each month.

The Company will pay quarterly payments of accrued interest on the Loans beginning on December 31, 2018. The balance of all outstanding principal and accrued interest under the Term Note will become due and payable on September 30, 2021. The balance of all outstanding principal and accrued interest under the Revolving Credit Note will become due and payable on September 30, 2019. As of the date hereof, there have been no borrowings under the Revolving Credit Note.

The Loan Agreement contains customary affirmative and negative covenants and events of default. Affirmative covenants include the maintenance of certain minimum capital ratios by the Company and its wholly-owned financial institution subsidiary, German American Bank (the “Bank”), a minimum total risk-based capital ratio to be maintained by the Bank, a maximum ratio of nonperforming assets to tangible capital plus allowance for loan losses to be maintained by the Bank, a minimum ratio of allowance for loan losses to nonperforming loans to be maintained by the Bank, and a minimum fixed charge coverage ratio to be maintained by the Company. Negative covenants include restrictions on additional indebtedness, and a covenant not to merge, acquire or consolidate with another entity without the Lender’s consent. Events of default include payment defaults, uncured breaches of certain provisions of the Loan Agreement, representations, warranties or other statements made by the Company proving to be false or materially misleading at the time such statements were made, insolvency and certain other events.

The Company also entered into a negative pledge agreement in favor of the Lender (the “Negative Pledge Agreement”), which prohibits the Company from selling, transferring, assigning, pledging, entering into a negative pledge agreement with respect to, or otherwise encumbering or disposing of, any interest in the capital stock or other ownership interests owned by the Company in its subsidiaries, including but not limited to, the Bank, so long as any indebtedness is outstanding under the Loan Agreement.

The foregoing descriptions of the Loan Agreement, the Negative Pledge Agreement, the Term Note and the Revolving Credit Note, are qualified in their entirety by reference to the full and complete terms of the Loan Agreement, the Negative Pledge Agreement, the Term Note and the Revolving Credit Note, as applicable, which are attached hereto as Exhibit 4.1, Exhibit 4.2, Exhibit 4.3 and Exhibit 4.4, respectively, and incorporated herein by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information required to be reported under this Item 2.03 is incorporated by reference to Item 1.01 above.

Item 7.01. Regulation FD Disclosure.

On October 15, 2018, the Company issued a press release announcing the closing of the Merger described below. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information furnished pursuant to this Item 7.01 and the accompanying Exhibit 99.1 shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, and is not to be incorporated by reference into any filing of the Company.

Item 8.01. Other Events.

Pursuant to the Agreement and Plan of Reorganization, dated May 22, 2018 (the “Merger Agreement”), among the Company, the Bank, First Security and First Security Bank, Inc., First Security merged with and into the Company (the “Merger”) effective as of 12:01 a.m. (Eastern) on October 15, 2018.

As of the effective time of the Merger, each share of outstanding First Security, Inc. common stock, without par value, was converted into the right to receive, without interest, a cash payment of \$12.00 per share and a 0.7982 share of German American Bancorp, Inc. common stock, without par value (plus cash-in-lieu of any fractional share created by the exchange rate).

Immediately following the Merger, First Security Bank, Inc., a Kentucky bank and a wholly-owned subsidiary of First Security, merged with and

into the Bank, with the Bank surviving the merger and continuing its corporate existence.

The foregoing description of the Merger Agreement does not purport to be complete and is qualified in its entirety by reference to the Merger Agreement, which is attached hereto as Exhibit 2.1 and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
2.1	<u>Agreement and Plan of Reorganization by and among German American Bancorp, Inc., German American Bank, First Security, Inc. and First Security Bank, Inc. (incorporated by reference to Exhibit 2.1 to the Registrant’s Current Report on Form 8-K filed on May 22, 2018)</u>
4.1	<u>Loan Agreement, dated as of October 11, 2018, by and between German American Bancorp, Inc. and U.S. Bank National Association</u>

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<u>Exhibit No.</u>	<u>Description</u>
4.2	<u>Negative Pledge Agreement, dated October 11, 2018, by German American Bancorp, Inc. and in favor of U.S. Bank National Association</u>
4.3	<u>Term Note, in the principal sum of \$25,000,000, issued by German American Bancorp, Inc. on October 11, 2018, to U.S. Bank National Association</u>
4.4	<u>Revolving Credit Note, in the principal sum of \$15,000,000, issued by German American Bancorp, Inc. on October 11, 2018, to U.S. Bank National Association</u>
99.1	<u>Press release issued by German American Bancorp, Inc., dated October 15, 2018</u>

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GERMAN AMERICAN BANCORP, INC.

Date: October 15, 2018

By: /s/ Mark A. Schroeder
Mark A. Schroeder, Chairman and Chief Executive Officer

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Section 2: EX-4.1 (EX-4.1)

Exhibit 4.1

Execution version

LOAN AGREEMENT

between

U.S. BANK NATIONAL ASSOCIATION

and

GERMAN AMERICAN BANCORP, INC.

Dated as of October 11, 2018

EXHIBITS:

- A Form of \$25,000,000 Term Note
- B Form of \$15,000,000 Revolving Credit Note
- C Form of Quarterly Compliance Certificate

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LOAN AGREEMENT

This LOAN AGREEMENT (this “**Agreement**”) is dated as of October 11, 2018, and is made by and between GERMAN AMERICAN BANCORP, INC., an Indiana corporation (“**Borrower**”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association (“**Lender**”).

RECITALS:

A. Borrower is a bank holding company that owns 100% of the issued and outstanding capital stock of German American Bank, an Indiana financial institution (“**Subsidiary Bank**”), with its principal banking offices in Jasper, Indiana. The issued and outstanding shares of common stock of Subsidiary Bank are referred to as the “**Subsidiary Bank Shares**”.

B. Borrower has requested that Lender provide it with a term loan (the “**Term Loan**”) in the principal amount of \$25,000,000 (the “**Term Loan Amount**”), and with a Revolving Credit Loan (the “**Revolving Credit Loan**”, which with the Term Loan is sometimes collectively referred to herein as the “**Loans**”) in the principal amount of up to \$15,000,000 (the “**Revolving Credit Loan Amount**”, which with the Term Loan Amount is sometimes collectively referred to herein as the “**Total Loan Amount**”).

C. The proceeds from the Loans shall be used by Borrower to: (a) fund a portion of the cash payment required to be paid by Borrower to acquire the outstanding capital stock of First Security Bank, Inc., a Kentucky corporation (“**First Security Bank, Inc.**”), and (b) for general corporate needs, operating expenditures and capital injections incurred in the ordinary course of business.

D. Lender is willing to make the Loans to Borrower in accordance with the terms, subject to the conditions, and in reliance on the recitals, representations, warranties, covenants and agreements set forth herein and in the other Transaction Documents (as defined below).

THEREFORE, in consideration of the mutual covenants, conditions and agreements herein contained, the parties hereto hereby agree as follows:

AGREEMENT:

1. DEFINITIONS.

1.1 Defined Terms The following capitalized terms generally used in this Agreement and in the other Transaction Documents have the meanings defined or referenced below. Certain other capitalized terms used only in specific sections of this Agreement may be defined in such sections.

“**Affiliate(s)**” means, with respect to any Person, such Person’s immediate family members, partners, members or parent and subsidiary corporations or other business entities, and any other Person directly or indirectly Controlling, Controlled by, or under common Control with, said Person, and their respective Affiliates, members, managers, partners, shareholders, directors, officers, employees, agents and representatives.

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“**Allowance for Loan Losses**” has the meaning ascribed to such term in Section 7.4.

“**Anti-Corruption Laws**” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or its Subsidiaries from time to time concerning or relating to bribery or corruption.

“**Assignee Lender**” has the meaning ascribed to such term in Section 9.2.

“**Attributable Indebtedness**” means, on any date, (a) in respect of any Capitalized Lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease

Obligation, the capitalized amount of the remaining lease or similar payments under the relevant lease or other applicable agreement or instrument that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease or other agreement or instrument were accounted for as a Capitalized Lease.

“**Bankruptcy Code Provisions**” has the meaning ascribed to such term in Section 8.1.1.17.

“**Base Rate**” means that rate of interest (expressed as a percent per annum) equal to Lender’s “prime” rate (which is not necessarily the lowest or most favorable rate of interest charged by Lender on commercial loans at any time) in effect from time to time. Any change in the rate of interest hereunder due to a change in the “prime” rate shall become effective on the date each change in the “prime” rate is publicly announced by Lender.

“**Base Rate Tranche**” means a Borrowing Tranche under the Revolving Credit Loan as to which the Base Rate is applicable pursuant to Section 2.5.2.

“**Borrower**” has the meaning ascribed to such term in the preamble hereto and shall include any successor to German American Bancorp, Inc. or such other Person that shall assume the obligations of Borrower under the Transaction Documents in accordance with the express terms of such Transaction Documents.

“**Borrower 2017 Financial Statements**” has the meaning ascribed to such term in Section 4.4.1.

“**Borrower 2017 Financial Statements Date**” has the meaning ascribed to such term in Section 4.4.1.

“**Borrower Financial Statements**” has the meaning ascribed to such term in Section 4.4.1

“**Borrower’s Accountant**” means Crowe LLP or such other nationally recognized firm of certified public accountants selected by Borrower as shall from time to time audit Borrower’s financial statements.

“**Borrower’s Liabilities**” means Borrower’s obligations under this Agreement and any other Transaction Documents.

“**Borrowing Date**” means the date any Borrowing Tranche is disbursed or renewed.

“**Borrowing Tranche**” means a disbursement of proceeds under the any Loan pursuant to this Agreement and, where applicable, the renewal or conversion of any such disbursement or portion thereof pursuant to this Agreement.

“**Business Day**” means (a) for all purposes other than as covered by clause (b) hereof, a day of the week (but not a Saturday, Sunday or a legal holiday under the laws of the State of Ohio or any other day on which banking institutions located in Ohio are authorized or required by law or other governmental action to close) on which the Cincinnati, Ohio offices of Lender are open to the public for carrying on substantially all of its business functions and (b) with respect to determinations in connection with, and payments of principal and interest on any LIBO Rate Tranche, any day that is a Business Day described in clause (a) and that is also a day for trading by and between banks in U.S. dollar-denominated deposits in the London Inter-Bank Eurodollar Market. Unless specifically referenced in this Agreement as a Business Day, all references to “days” shall be to calendar days.

“**Capitalized Leases**” means all leases that have been or should be, in accordance with GAAP, recorded as capitalized leases.

“**CFPB**” means the Consumer Financial Protection Bureau.

“**Change in Law**” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation, treaty or related official guidance from or issued by any governmental or similar authority, (b) any change in any law, rule, Regulation or treaty or in the administration, interpretation, implementation or application thereof by any governmental or similar authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any governmental or similar authority; provided, however, that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“**First Security Bank, Inc.**” means the meaning ascribed to such term in the recitals hereto.

“**Closing**” means the meaning ascribed to such term in Section 2.3.

“**Closing Date**” means the date of this Agreement.

“**Code**” means the Internal Revenue Code of 1986, as amended or recodified.

“**Condition or Release**” means any presence, use, storage, transportation, discharge, disposal, release or threatened release of any Hazardous Materials.

“**Control**” means the possession, directly or indirectly, of the power to direct, cause, or significantly influence the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“**Default Rate**” has the meaning ascribed to such term in [Section 2.4.1](#).

“**Disclosure Schedule**” means, in aggregate, the disclosures contemplated herein as included in the Disclosure Schedule, which has been delivered in connection with the execution of this Agreement.

“**Employee Benefit Plan**” means an “employee benefit plan” within the meaning of Section 3(3) of ERISA.

“**Equity Interest**” means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended or recodified.

“**ERISA Affiliate**” means any person (as defined in Section 3(9) of ERISA) which together with Borrower would be a member of the same “controlled group” within the meaning of Sections 414(b), (c), (m) and (o) of the Code.

“**Event of Default**” and “**Default**” have the meaning ascribed to such terms in [Section 8.1.1](#).

“**FDIC**” means the Federal Deposit Insurance Corporation.

“**FDI Act**” means the Federal Deposit Insurance Act, as amended or recodified.

“**Fixed Charge Coverage Ratio**” has the meaning ascribed to such term in [Section 7.5](#).

“**FRB**” means the Board of Governors of the Federal Reserve System and shall include any other Governmental Agency that serves as the primary federal regulator of Borrower from time to time when the Loan is outstanding.

“**GAAP**” means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the

accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

“**Governmental Agency(ies)**” means, individually or collectively, any federal, state, county or local governmental department, commission, board, regulatory authority or agency including the FRB, the FDIC, the CFPB, the Indiana Department of Financial Institutions and any other primary regulator of Borrower and/or Subsidiary Bank (as applicable).

“**Guarantee**” means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness payable or performable by another Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the first Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness of the payment or performance of such Indebtedness, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part) or (b) any Lien on any assets of such Person securing any Indebtedness of any other Person, whether or not such Indebtedness is assumed by the first Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary Indebtedness, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term “Guarantee” as a verb has a corresponding meaning.

“**Hazardous Materials**” means oil, flammable explosives, asbestos, urea formaldehyde insulation, polychlorinated biphenyls, radiologically enhanced or contaminated materials, hazardous wastes, toxic or contaminated substances or similar materials, including any substances which are “hazardous substances,” “hazardous wastes,” “hazardous materials” or “toxic substances” under Hazardous Materials

Laws and/or other applicable environmental laws, ordinances or regulations.

“**Hazardous Materials Claims**” has the meaning ascribed to such term in Section 4.7.7.

“**Hazardous Materials Laws**” mean any laws, regulations, permits, licenses or requirements pertaining to the protection, preservation, conservation or regulation of the environment which relates to real property, including: the Clean Air Act, as amended, 42 U.S.C. Section 7401 et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. Section 1251 et seq.; the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. Section 6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (including the Superfund Amendments and Reauthorization Act of 1986), 42 U.S.C. Section 9601 et seq.; the Toxic Substances Control Act, as amended, 15 U.S.C. Section 2601 et seq.; the Occupational Safety and Health Act, as amended, 29 U.S.C. Section 651, the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. Section 11001 et

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seq.; the Mine Safety and Health Act of 1977, as amended, 30 U.S.C. Section 801 et seq.; the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq.; and all comparable state and local laws and comparable laws of other jurisdictions or orders and regulations.

“**Indebtedness**” means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers’ acceptances, bank guaranties, surety bonds and similar instruments as the debtor thereunder (other than any letters of credit (including standby and commercial), bankers’ acceptances, bank guaranties, surety bonds and similar instruments issued or undertaken in good faith in the ordinary course of business consistent with past practice among Subsidiary Bank and its customers);

(c) net obligations of such Person under any Swap Contract (other than any Swap Contract entered into in good faith in the ordinary course of business consistent with past practice among Subsidiary Bank and its customers);

(d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business and not past due for more than ninety (90) days);

(e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) all Attributable Indebtedness in respect of Capitalized Leases and Synthetic Lease Obligations of such Person;

(g) all affirmative obligations (as opposed to options) of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interest in such Person or any other Person or any warrant, right or option to acquire such Equity Interest, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends; and

(h) all Guarantees of such Person in respect of any of the foregoing,

provided, however, Indebtedness shall not include:

(1) deposits or other indebtedness incurred in good faith and in the ordinary course of Borrower’s or the applicable Subsidiary’s business consistent with past practice (including indebtedness to the FRB, federal funds purchased, securities sold under agreements to repurchase, advances from any Federal Home Loan Bank and secured deposits of municipalities, as the case

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may be) and in accordance with safe and sound banking practices and applicable laws and regulation;

(2) other obligations of Subsidiary Bank and its customers under any Swap Contract entered into in good faith and in the ordinary course of business consistent with past practice;

(3) the indebtedness of Subsidiary Bank that constitutes securities sold under agreements to repurchase, so long as such indebtedness is incurred into in good faith and in the ordinary course of business of Subsidiary Bank consistent with past practice;

(4) any loans granted to, or Lease obligations (capitalized or otherwise) now existing for the purchase or lease of any property or assets, including but not limited to such Lease obligations for expansion of the existing facilities of any Subsidiary of Borrower, that are entered into in good faith and in the ordinary course of business consistent practice; provided however any such loans and Lease obligations may only be secured by the specific property and/or assets being purchased or leased; and

(5) purchase money obligations incurred in the ordinary course of business consistent with past practice, which obligations (A) shall not, in the aggregate, exceed \$10,000,000.00 and (B) may include liens, encumbrances or similar interests in the property that is acquired in connection with such obligations.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract (other than any Swap Contract entered into in good faith in the ordinary course of business consistent with past practice among Subsidiary Bank and its customers) on any date shall be deemed to be the Swap Termination Value thereof as of such date.

“**Instructions**” means disbursement authorization instructions given by Borrower to Lender specifying the manner in which proceeds of the Loan, if any, should be disbursed at Closing.

“**Leases**” means all leases, licenses or other documents providing for the use or occupancy of any portion of any Property, including all amendments, extensions, renewals, supplements, modifications, sublets and assignments thereof and all separate letters or separate agreements relating thereto.

“**Lender**” has the meaning ascribed to such term in the preamble hereto.

“**LIBO Rate**” means that rate of interest equal to the one month LIBOR rate quoted by Lender from Reuters Screen LIBOR01 Page or any successor thereto, which shall be the one month LIBOR rate in effect two New York Banking Days prior to the beginning of each calendar month, adjusted for any reserve requirement and any subsequent costs arising from a change in government regulation, such rate rounded up to the nearest one-sixteenth percent and such rate to be reset monthly on each Reprice Date. The term “**New York Banking Day**” as used in this definition means any day (other than a Saturday or Sunday) on which commercial lenders are open

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for business in New York, New York. The term “**Reprice Date**” means the first day of each month. If a Borrowing Tranche occurs other than the first day of a month, the initial one month LIBOR rate shall be that one month LIBOR rate in effect two New York Banking Days prior to the such Borrowing Tranche, which rate, plus the percentage described below in the definition of “**LIBO Rate Tranche**”, shall be in effect for the remaining days of the month of the disbursement of the Borrowing Tranche; such one month LIBOR rate to be reset at the beginning of each succeeding month. Lender’s internal records of applicable interest rates shall be determinative in the absence of manifest error.

“**LIBO Rate Tranche**” means a Borrowing Tranche under the Revolving Credit Loan as to which the LIBO Rate is applicable. All Borrowing Tranches under the Revolving Credit Loan shall bear interest as LIBO Rate Tranches except as is provided in Section 2.5.2. Each LIBO Rate Tranche shall bear interest per annum immediately following a disbursement (including the date of disbursement) under the Revolving Credit Loan at a rate equal to 1.75% (175 basis points) **plus** the greater of (a) zero percent (0.00%) or (b) the LIBO Rate.

“**LIBOR Period**” means, with respect to any LIBO Rate Tranche, the applicable interest period commencing on the Borrowing Date with respect to such LIBO Rate Tranche.

“**Loans**” means the Term Loan, the Revolving Credit Loans and all other loans made by Lender to Borrower that are subject to the terms and conditions of this Loan Agreement.

“**Material Adverse Effect**” means a material adverse change in, or a material adverse effect on, the financial condition, business or operations of Borrower and its Subsidiaries, taken as a whole.

“**Negative Pledge Agreement**” means that certain Negative Pledge Agreement between Lender and Borrower of even date herewith, as amended or modified from time to time.

“**Nonperforming Assets**” has the meaning ascribed to such term in Section 7.3.

“**Nonperforming Loans**” has the meaning ascribed to such term in Section 7.4.

“**Note**” shall mean the Term Note, as amended, modified (or restated) and any substitutions thereof.

“**OFAC**” means the U.S. Department of the Treasury’s Office of Foreign Assets Control, and any successor thereto.

“**Permitted Lien**” means:

- (a) liens for taxes not yet due or that are being actively contested in good faith by appropriate proceedings and for which adequate reserves shall have been established in accordance with GAAP;
- (b) statutory liens incidental to the conduct of Borrower’s or the applicable Subsidiary’s business or the ownership of their properties and assets that (i) were not incurred in connection with the borrowing of money or the obtaining of advances or credit, and (ii) do not in

the aggregate materially detract from the value of its property or assets or materially impair the use thereof in the operation of its business;

- (c) liens on property or assets of a Subsidiary to secure obligations of such Subsidiary to Borrower incurred in the ordinary course of business and in compliance with applicable laws;
- (d) liens on property or assets of Subsidiary Bank to secure obligations incurred pursuant to clauses (1) and (2), of the proviso to the definition of “Indebtedness”;
- (e) liens granted to secure any deposit liabilities with any Governmental Agency;
- (f) deposits to secure the performance of leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;
- (g) judgment and attachment liens not giving rise to an Event of Default, including Liens created by or existing from any litigation or legal proceeding that are currently being contested in good faith by appropriate proceedings and with respect to which adequate reserves are being maintained in accordance with GAAP;
- (h) any lien existing on the Closing Date that is set forth in Section 4.5.1 of the Disclosure Schedule, and replacements, extensions, renewals, refundings or refinancings thereof;
- (i) easements or other minor defects or irregularities in title of real property not interfering in any material respect with the use of such property in the business of Borrower or any Subsidiary;
- (j) purchase money liens on fixed assets securing loans and Capitalized Lease Obligations, provided that such lien is limited to the purchase price and only attaches to the property being acquired;
- (k) cash pledges or cash deposits by Borrower in the ordinary course of its business in connection with workers’ compensation, unemployment insurance and other social security legislation;
- (l) Liens on real property rights or interests created by leases of real property entered into by Borrower in the ordinary course of business and any interest or title of a lessor under a real property lease in any real property rights or interests being leased to Borrower;
- (m) Liens (i) of a collection bank arising under Section 4-210 of the UCC on items in the ordinary course of collection, or (ii) in favor of a banking institution arising as a matter of law encumbering deposits (including the right of setoff) and which are within the general parameters customary in the banking industry;
- (n) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods to Borrower entered into by Borrower in the ordinary course of business; provided, that such Liens only cover the goods (other than any proceeds thereof to which such Person has a priority right thereto under applicable law) subject to such arrangements;

- (o) bankers’ Liens and Liens that are not contractual rights of setoff: (i) relating to the establishment of depository relations with banks, and not given in connection with the issuance of Indebtedness, or (ii) relating to purchase orders and other agreements entered into with customers or suppliers of Borrower in the ordinary course of business;
- (p) the inchoate right arising by operation of law under Article 2 of the UCC in favor of a reclaiming seller of goods or buyer of goods;
- (q) pledges or deposits of cash and cash equivalents securing deductibles, self-insurance, co-payment, co-insurance, retentions and similar obligations to providers of insurance in the ordinary course of Borrower’s business;
- (r) inchoate statutory Liens of landlords securing obligations to pay any real property lease payments that are not yet due and payable or in default; and
- (s) Liens on any unearned premiums due under any insurance policies.

“**Person**” means an individual, a corporation (whether or not for profit), a partnership, a limited liability company, a joint venture, an association, a trust, an unincorporated organization, a government or any department or agency thereof (including a Governmental Agency) or any other entity or organization.

“**Property**” means any real property owned or leased by Borrower or any Subsidiary but shall not include real property that was acquired by Subsidiary Bank (including any Subsidiary of Subsidiary Bank) as a result of its collection efforts relating to bona fide loans made to unrelated borrowers of the Subsidiary Bank.

“**Regulation**” means, for purposes of Section 2.5, any federal, state or international law, governmental or quasi-governmental rule,

regulation, policy, guideline or directive (including but not limited to the Dodd-Frank Wall Street Reform and Consumer Protection Act and enactments, issuances or similar pronouncements by Lender for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices or any similar authority and any successor thereto) that applies to Lender.

“**Revolving Credit Loan Maturity Date**” means September 30, 2019.

“**Revolving Credit Note**” means a promissory note in the form attached as Exhibit B hereto in the principal amount of the Revolving Credit Loan, as such may be amended, restated, supplemented or modified from time to time, and each note delivered in substitution or exchange for such note.

“**RICO Related Law**” means the Racketeer Influenced and Corrupt Organizations Act of 1970 or any other federal, state or local law for which forfeiture of assets is a potential penalty.

“**Sanctions**” means sanctions administered or enforced from time to time by the U.S. government, including those administered by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty’s Treasury or other relevant sanctions authority.

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“**Subsidiary**” means Subsidiary Bank, and any other corporation or other entity of which any Controlling Equity Interest is directly or indirectly owned by Borrower now or in the future.

“**Subsidiary Bank**” has the meaning ascribed to such term in the recitals hereto and shall include any successor to German American Bank

“**Subsidiary Bank Shares**” has the meaning ascribed to such term in the recitals hereto.

“**Swap Contract**” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, that are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

“**Swap Termination Value**” means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include Lender or any Affiliate of Lender).

“**Synthetic Lease Obligation**” means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease or (b) an agreement for the use or possession of property (including sale and leaseback transactions), in each case, creating obligations that do not appear on the balance sheet of such Person but which, upon the application of any Bankruptcy Code Provisions to such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

“**Tangible Capital**” has the meaning ascribed to such term in Section 7.3.

“**Term Loan Maturity Date**” means September 30, 2021.

“**Term Note**” means a promissory note in the form attached as Exhibit A hereto in the principal amount of the Term Loan, as such may be amended, restated, supplemented or modified from time to time, and each note delivered in substitution or exchange for such note.

“**Total Loan Amount**” shall have the meaning ascribed to such term in the recitals.

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“**Total Risk-Based Capital Ratio**” has the meaning ascribed to such term in Section 7.2.

“**Transaction Documents**” means this Agreement, the Notes, the Negative Pledge Agreement and those other documents and instruments (including all agreements, instruments, certificates and documents executed by and/or on behalf of Borrower in connection with this Agreement and the Notes) entered into or delivered in connection with or relating to the Loans. Transaction Documents shall also include any Swap Contract between Borrower and Lender relating to the Loans.

“UCC” shall mean the Uniform Commercial Code as enacted in the State of Ohio, as amended or recodified.

“**Unmatured Event of Default**” means an event or circumstance that with the passage of time, the giving of notice or both could become a Default.

1.2 Certain UCC and Accounting Terms; Interpretations Except as otherwise defined in this Agreement or the other Transaction Documents, all words, terms and/or phrases used herein and therein shall be defined by the applicable definition therefor (if any) in the UCC. Notwithstanding the foregoing, any accounting terms used in this Agreement that are not specifically defined herein shall have the meaning customarily given to them in accordance with GAAP. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, it shall be done in accordance with GAAP except where such principles are inconsistent with the specific provisions of this Agreement. The foregoing definitions are equally applicable to both the singular and plural forms of the terms defined. The words “hereof”, “herein” and “hereunder” and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The word “including” when used in this Agreement without the phrase “without limitation,” shall mean “including, without limitation.” All references to time of day herein are references to Cincinnati, Ohio time unless otherwise specifically provided. Any reference contained herein to attorneys’ fees and expenses shall be deemed to be reasonable fees and expenses of Lender’s outside counsel and of any other third-party experts or consultants reasonably engaged by Lender’s outside counsel on Lender’s behalf. All references to a Transaction Document shall be deemed to be to such document as amended, modified or restated from time to time. With respect to any reference in this Agreement to any defined term, (a) if such defined term refers to a Person, then it shall also mean all heirs, legal representatives and permitted successors and assigns of such Person, and (b) if such defined term refers to a document, instrument or agreement, then it shall also include any replacement, extension or other modification thereof.

1.3 Exhibits and Schedules Incorporated All Exhibits and Schedules attached hereto or referenced herein, are hereby incorporated into this Agreement.

2. **CREDIT FACILITIES.**

2.1 **The Revolving Credit Loan.**

2.1.1 The Revolving Credit Loan. On the date hereof, Lender agrees to extend the Revolving Credit Loan to Borrower in accordance with the terms of, and subject to the

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conditions set forth in, this Agreement, the Revolving Credit Note and the other Transaction Documents. All Borrowings under the Revolving Credit Loan will, unless the Default Rate is applicable, bear interest as a LIBO Rate Tranche. For avoidance of doubt, the Revolving Credit Loan is a revolving credit facility and Borrower may repay and re-borrow principal amounts under the Revolving Credit Loan. The unpaid principal balance plus all accrued but unpaid interest on the Revolving Credit Loan shall be due and payable on the Revolving Credit Loan Maturity Date, or such earlier date on which such amount shall become due and payable on account of acceleration by Lender in accordance with the terms of the Revolving Credit Note and this Agreement.

2.1.2 The Revolving Credit Note. The Revolving Credit Loan shall be evidenced by the Revolving Credit Note, the terms of which are incorporated herein by reference.

2.1.3 Payments; Revolving Credit Loan Maturity Date; Late Charge. Interest is payable beginning December 31, 2018, and on the same day of each third month thereafter (except that if a given month does not have such a date, the last day of such month), plus a final interest payment on the Revolving Credit Loan Maturity Date. Principal is payable in full on the Revolving Credit Loan Maturity Date. Borrower acknowledges and agrees that Lender has not made any commitments, either express or implied, to extend the terms of the Revolving Credit Loan past the Revolving Credit Loan Maturity Date, unless Borrower and Lender hereafter specifically otherwise agree in writing. If Borrower fails to make any payment of principal, interest or other amount coming due pursuant to the provisions of this Agreement or the Note within five (5) calendar days of the date due and payable, Borrower also shall pay to Lender a late charge equal to five percent (5%) of the amount of such payment (the “Late Charge”). The foregoing charge is imposed for the purpose of defraying Lender’s expenses incident to the handling of delinquent payments.

2.1.4 Unused Facility Fee. In addition to all other fees and expenses required to be paid by Borrower to Lender, Borrower shall pay to Lender an unused facility fee (the “Unused Facility Fee”). The Unused Facility Fee shall be calculated on the last day of each fiscal quarter and shall be due and payable on the fifth day after the end of each fiscal quarter. The Unused Facility Fee shall be equal to twenty-five basis points (25 bps) (0.25%) per annum, calculated quarterly by multiplying 0.0625% by an amount equal to (a) \$15,000,000 less (b) the average daily aggregate unpaid balance under the Revolving Credit Note during the fiscal quarter immediately preceding the Unused Facility Fee due date. Such fee shall be fully earned when paid and shall not be refunded for any reason. In the event the Revolving Credit Loan Maturity Date is not on the last day of a fiscal quarter, the Unused Facility Fee due for the last fiscal quarter shall be due and payable on the fifth day after the Revolving Credit Loan Maturity Date and shall be equal to twenty-five basis points (25 bps) (0.25%) per annum, calculated by multiplying 0.0625% by an amount equal to (a) \$15,000,000 less (b) the average daily aggregate unpaid balance under the Revolving Credit Note during the period commencing on the first day of such fiscal quarter and ending on the Revolving Credit Loan Maturity Date.

2.1.5 Resting Period. Borrower covenants that, during a period commencing upon the date a Borrowing is first made on the Revolving Credit Loan and ending on the Revolving Credit Loan Maturity Date, the outstanding principal balance of the Revolving Credit Loan shall be reduced to, and maintained at, zero dollars for a period of at least thirty (30) consecutive days.

2.2 The Term Loan.

2.2.1 The Term Loan. Upon the execution of this Agreement and the satisfaction of all terms and conditions contained herein, Lender agrees to extend the Term Loan to Borrower in accordance with the terms of, and subject to the conditions set forth in, this Agreement, the Term Note and the other Transaction Documents. The unpaid principal balance of the Term Loan will, unless the Default Rate is applicable, bear interest at an annual rate of five and twenty-four one hundredths percent (5.24%). The unpaid principal balance plus all accrued but unpaid interest on the Term Loan shall be due and payable on the Term Loan Maturity Date, or such earlier date on which such amount shall become due and payable on account of acceleration by Lender in accordance with the terms of the Term Note and this Agreement.

2.2.2 The Term Note. The Term Loan shall be evidenced by the Term Note, the terms of which are incorporated herein by reference.

2.2.3 Payments, Prepayments and Term Loan Maturity Date. Interest is payable beginning December 31, 2018, and on the same day of each third month thereafter (except that if a given month does not have such a date, the last day of such month), plus a final interest payment on the Term Loan Maturity Date. Principal is payable on the Term Loan Maturity Date. Borrower acknowledges and agrees that Lender has not made any commitments, either express or implied, to extend the terms of the Term Loan past the Term Loan Maturity Date, unless Borrower and Lender hereafter specifically otherwise agree in writing. If Borrower fails to make any payment of principal, interest or other amount coming due pursuant to the provisions of this Agreement or the Note within five (5) calendar days of the date due and payable, Borrower also shall pay to Lender a late charge equal to five percent (5%) of the amount of such payment (the "Late Charge"). The foregoing charge is imposed for the purpose of defraying Lender's expenses incident to the handling of delinquent payments. Subject to the immediately following sentence, Borrower may, upon at least one Business Day's notice to Lender, prepay, without penalty or premium, all or a portion of the principal amount outstanding under the Term Note in a minimum aggregate amount of \$100,000 or any larger integral multiple of \$100,000 by paying the principal amount to be prepaid, together with unpaid accrued interest thereon to the date of prepayment. So long as no Event of Default or Unmatured Event of Default has occurred and is continuing and Borrower has no unsatisfied obligations under the Transaction Documents, prepayments shall be applied to the scheduled principal installment payable in respect of the Term Loan in the inverse order of maturity. Amounts that are prepaid under the Term Note may not be reborrowed.

2.3 The Closing. The establishment of the credit facility shall occur at the closing (the "Closing") which will occur at the offices of Dressman Benzinger LaVelle psc, counsel to Lender, at 221 East Fourth Street, Suite 2500, Cincinnati, Ohio 45202 at 9:30 a.m. (Cincinnati, Ohio time) on the Closing Date, or at such other place, date, time or manner (including remotely via the electronic or other exchange of documents and signature pages) as the parties hereto may agree, and may include the disbursement of the proceeds of the Loans in accordance with the Instructions, if any, received at least one Business Day prior to Closing.

2.4 Interest Rate Matters. Borrower agrees that matters concerning the election, payment, application, accrual and computation of interest and interest rates shall be in accordance with Lender's practices set forth in this Agreement and in the other Transaction Documents.

2.4.1 Default Interest. Notwithstanding the rates of interest and the payment dates specified in this Agreement, effective immediately upon the occurrence and during the continuance of any Event of Default, the principal balance of the Loans then outstanding and, to the extent permitted by applicable law, any interest payments not paid within five (5) days after the same becomes due shall bear interest payable upon demand at a rate that is three percent (3%) per annum in excess of the rate of interest otherwise payable under the Term Note (the "Default Rate"). In addition, all other amounts due to Lender (whether directly or for reimbursement) under this Agreement or any of the other Transaction Documents if not paid within five (5) days after written notice from Lender that the same has become due, shall thereafter bear interest at the Default Rate. Finally, any amount due on the Term Loan Maturity Date that is not then paid shall also bear interest thereafter at the applicable Default Rate.

2.4.2 Computation of Interest. Interest shall be computed on the basis of the actual number of days elapsed in the period during which interest accrues and a year of three hundred sixty (360) days. In computing interest, the date of funding shall be included and the date of payment (with respect to the amount timely paid on such date) shall be excluded; provided, however, that if any funding is repaid on the same day on which it is made, one day's interest shall be paid thereon. The parties hereto intend to conform strictly to applicable usury laws as in effect from time to time during the term of the Loans. Accordingly, if the transaction contemplated hereby would be usurious under applicable law (including the laws of the United States of America, or of any other jurisdiction whose laws may be mandatorily applicable), then, in that event, notwithstanding anything to the contrary in this Agreement or the Notes, Borrower and Lender agree that the aggregate of all consideration that constitutes interest under applicable law that is contracted for, charged or received under or in connection with this Agreement shall under no circumstances exceed the maximum amount of interest allowed by applicable law, and any excess shall be credited to Borrower by Lender (or if such consideration shall have been paid in full, such excess refunded to Borrower by Lender).

2.5 Certain Provisions Regarding Taxes, Yield Protection and Illegality.

2.5.1 Changes; Legal Restrictions. In the event the adoption of or any change in any law, treaty, rule, Regulation, guideline or the interpretation or application thereof by a Governmental Agency (whether or not having the force of law and whether or not the failure to comply therewith would be unlawful) either (a) subjects Lender to any tax (other than income taxes or franchise taxes not specifically based on loan transactions), duty or other charge of any kind with respect to any LIBO Rate Tranche or changes the basis of taxation (other than with

respect to income taxes or franchise taxes not specifically based on loan transactions) of payments to Lender of principal, fees, interest or any other amount payable in connection with a LIBO Rate Tranche, or (b) imposes on Lender any other condition materially more burdensome in nature, extent or consequence than those in existence as of the date of this Agreement, and the result of any of the foregoing is to increase the cost to Lender of making, renewing or maintaining any LIBO Rate Tranches or to reduce any amount receivable thereunder; then, in any such case, Borrower shall promptly pay to Lender, as applicable, upon demand, such amount or amounts as may be necessary to compensate Lender for any such additional cost incurred or reduced amounts received.

2.5.2 LIBO Rate Lending Unlawful. If Lender shall reasonably determine (which determination shall, upon notice thereof to Borrower, be conclusive and binding in the absence of readily demonstrable error) that the adoption of or any change in any law, treaty, rule, Regulation, guideline or in the interpretation or application thereof by any Governmental Agency makes it unlawful for Lender to make or maintain any LIBO Rate Tranche, (a) the obligation of Lender to make or continue any LIBO Rate Tranche shall, upon such determination, forthwith be suspended until Lender shall notify Borrower that the circumstances causing such suspension no longer exist, and (b) if required by such law, interpretation or application, all LIBO Rate Tranches shall automatically convert into Base Rate Tranches.

2.5.3 Funding Losses. In the event Lender shall incur any loss or expense (including any loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by Lender to make or maintain any LIBO Rate Tranche) as a result of any continuance, conversion, repayment or prepayment of the principal amount of, or failure to make or termination of, any LIBO Rate Tranche on a date other than the scheduled last day of the LIBOR Period applicable thereto, then, upon written notice of such from Lender to Borrower, Borrower shall reimburse Lender for such loss or expense within three (3) Business Days after receipt of such notice. Such written notice (which shall include calculations in reasonable detail) shall be conclusive and binding in the absence of readily demonstrable error.

2.5.4 Increased Costs; Reserves on LIBO Rate Tranches.

2.5.4.1 Increased Costs Generally. If any Change in Law shall: (a) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, Lender (except any reserve requirement contemplated by [Section 2.5.4.5](#)); (b) subject Lender to any tax of any kind whatsoever with respect to this Agreement or any LIBO Rate Tranche made by it, or change the basis of taxation of payments to Lender in respect thereof; or (c) impose on Lender or the London Inter-Bank Eurodollar Market any other condition, cost or expense affecting this Agreement or LIBO Rate Tranches made by Lender and the result of any of the foregoing shall be to increase the cost to Lender of making or maintaining any of the Loans based on the LIBO Rate (or of maintaining its obligation to make any such Loan), or to reduce the amount of any sum received or receivable by Lender hereunder (whether of principal, interest or any other amount) then, upon request of Lender, Borrower will pay to Lender such additional amount or amounts as will compensate Lender for such additional costs incurred or reduction suffered.

2.5.4.2 Capital Requirements. If Lender determines that any Change in Law affecting Lender or the lending office of Lender where the Loans are deemed to be maintained or Lender's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on Lender's capital or on the capital of Lender's holding company, if any, as a consequence of this Agreement or the Loans made by Lender, to a level below that which Lender or Lender's holding company could have achieved but for such Change in Law (taking into consideration Lender's policies and the policies of Lender's holding company with respect to capital adequacy), then from time to time Borrower will pay to Lender such additional amount or amounts as will compensate Lender or Lender's holding company for any such reduction suffered.

2.5.4.3 Certificates for Reimbursement. A certificate of Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in [Section 2.5.1](#), [Section 2.5.4.1](#) or [Section 2.5.4.2](#) and delivered to Borrower shall be conclusive absent manifest error. Borrower shall pay Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

2.5.4.4 Delay in Requests. Failure or delay on the part of Lender to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of Lender's right to demand such compensation, provided, however, Borrower shall not be required to compensate Lender pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that Lender notifies Borrower of the Change in Law giving rise to such increased costs or reductions and of Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

2.5.4.5 Reserves on LIBO Rate Tranches. Borrower shall pay to Lender, as long as Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including LIBO funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each LIBO Rate Tranche equal to the actual costs of such reserves allocated to such Loan by Lender (as determined by Lender in good faith, which determination shall be conclusive), which shall be due and payable (without duplication, including as contemplated in the definition of LIBO Rate) on each date on which interest is payable on such Loan, provided however, Borrower shall have received at least ten (10) days' prior notice of such additional interest from Lender. If Lender fails to give notice ten (10) days prior to the relevant Interest Payment Date, such additional interest shall be due and payable ten (10) days from receipt of such notice.

2.5.4.6 Compensation for Losses. Upon demand of Lender from time to time, Borrower shall promptly compensate Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of: (i) any continuation, conversion, payment or

prepayment of any LIBO Rate Tranche on a day other than the last day of the interest period for such LIBO Rate Tranche (whether voluntary, mandatory, automatic, by reason of acceleration or otherwise); (ii) any failure by Borrower to prepay, borrow, continue or convert any LIBO Rate Tranche on the date or in the amount notified by Borrower; or (iii) any assignment of a LIBO Rate Tranche on a day other than the last day of the interest period therefor as a result of a request by Borrower; including any loss of anticipated profits and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. Borrower shall also pay any customary administrative fees charged by Lender in connection with the foregoing. For purposes of calculating amounts payable by Borrower to Lender under this Section 2.5.4.6, Lender shall be deemed to have funded each LIBO Rate Tranche made by it at the LIBO Rate for such Tranche by a matching deposit or other borrowing in the London Inter-Bank Eurodollar Market for a comparable amount and for a comparable period, whether or not such LIBO Rate Tranche was in fact so funded.

2.5.4.7 Survival. All of Borrower's obligations under this Section 2.5 shall survive termination of the Agreement, and repayment of the Loans hereunder.

Notwithstanding anything contained herein to the contrary, Borrower and Lender agree that Borrower shall only be assessed any of the amounts or charges described in this Section 2.5.4 to the extent the same are imposed by Lender on similarly-situated borrowers of Lender.

2.5.5 Notice of Changes or Increased Costs Relating to LIBO Rate Tranches. Lender agrees that, as promptly as reasonably practicable after it becomes aware of the occurrence of an event or the existence of a condition that would cause it to be affected by any of the events or conditions described in this Section 2.5, it will notify Borrower of such event and the possible effects thereof, provided that the failure to provide such notice shall not affect Lender's rights to reimbursement as provided for herein.

2.6 Additional Payment Terms Borrower agrees that matters concerning prepayments, payments and application of payments shall be in accordance with Lender's practices set forth in this Agreement and in the other Transaction Documents.

2.6.1 Manner and Time of Payment. All payments of principal, interest and fees hereunder payable to Lender shall be made, without condition or reservation of right and free of set-off, deduction or counterclaim, in U.S. dollars and by wire transfer (pursuant to Lender's written wire transfer instructions) of immediately available funds delivered to Lender not later than 12:00 noon (Cincinnati, Ohio time) on the date due. Funds received by Lender after that time and date shall be deemed to have been paid on the next succeeding Business Day.

2.6.2 Payments on Non-Business Days. Whenever any payment to be made by Borrower hereunder shall be stated to be due on a day which is not a Business Day, payments shall be made on the next succeeding Business Day and such extension of time shall be included in the computation of the payment of interest hereunder.

2.6.3 Application of Payments. All regularly scheduled payments on Borrower's Liabilities (but not including optional or mandatory prepayments) received by Lender from or on behalf of Borrower shall be applied by in the following order: (i) interest, (ii) principal, and then (iii) fees and other late charges due to Lender. Any optional or mandatory prepayments and any payments received by Lender after the occurrence and during the continuance of an Event of Default shall be applied in whatever order, combination and amount as Lender may decide in its sole and absolute discretion.

3. CLOSING/DISBURSEMENT.

3.1 Initial and Subsequent Disbursements Following the Closing and the delivery of all items required by this Section 3, at such time as all of the terms and conditions in Section 3.3 of this Agreement have been satisfied by Borrower (as determined by Lender in its sole but reasonable discretion) and all of the Transaction Documents have been executed (if execution is required) and delivered to Lender together with any other related documents in form and substance reasonably satisfactory to Lender, Lender shall disburse to Borrower: (i) the Term Loan in an amount equal to the Term Loan Amount, plus (ii) the amount of any Borrowing on the Revolving Credit Loan requested by Borrower, not to exceed the Revolving Credit Loan Amount. Borrower's

right to receive, and Lender's obligation to make, any Borrowing on the Revolving Credit Loan after the Closing shall be subject to Section 3.3 of this Agreement. In the event Borrower fails to satisfy any disbursement conditions, Borrower nevertheless shall pay all costs and expenses incurred by Lender in connection with the transactions contemplated herein promptly upon receive of an invoice therefore from Lender.

3.2 Closing Deliveries

In conjunction with and as additional (but independent) supporting evidence for certain of the covenants, representations and warranties made by Borrower herein, at the Closing and as a condition precedent to any disbursement to be made pursuant to this Agreement, Borrower shall deliver or cause to be delivered to Lender each of the following, each of which shall be in form and substance satisfactory to Lender, in its sole and absolute discretion:

3.2.1 Searches. Such UCC, tax lien and judgment searches regarding Borrower and Subsidiary Bank pertaining to the jurisdictions in which Borrower is organized and headquartered.

3.2.2 Opinion. An opinion of counsel of Borrower in a form reasonably satisfactory to Lender, dated as of the Closing Date.

3.2.3 Transaction Documents. The Transaction Documents, including but not limited to this Agreement, the Notes and the Negative Pledge Agreement.

3.2.4 Authority Documents.

3.2.4.1. Copies certified by the appropriate secretary of state or Governmental Agency of (i) the charter of Borrower, and (ii) the articles of incorporation of Subsidiary Bank.

3.2.4.2. Certificates for (i) Borrower issued by the Secretary of State of the State of Indiana and (ii) Subsidiary Bank issued by the Secretary of State of the State of Indiana, evidencing the existence and/or good standing of Borrower and Subsidiary Bank, as applicable.

3.2.4.3. Copies certified by the Secretary or an Assistant Secretary of Borrower and the Subsidiary Bank, as applicable, of the Bylaws of Borrower and Subsidiary Bank.

3.2.4.4. Copies certified by the Secretary or an Assistant Secretary of Borrower of resolutions of the board of directors of Borrower authorizing the execution, delivery and performance of this Agreement, the Notes and the other Transaction Documents.

3.2.4.5. An incumbency certificate of the Secretary or an Assistant Secretary of Borrower certifying the names of the officer or officers of Borrower (a) authorized to sign this Agreement, the Notes and the other documents provided for in this Agreement, and (b) to make the draw on the Term Loan, together with a sample of the true signature of each such officer (Lender may conclusively rely on such certificate until formally advised by a like certificate of any changes therein).

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3.2.5 Regulatory Consents. Copies certified by the Secretary or an Assistant Secretary of Borrower and Subsidiary Bank of all documents evidencing all necessary consents, approvals and determinations of any Governmental Agency with respect to this Agreement and the other Transaction Documents and the borrowings contemplated hereby to the extent such consents, approval and determinations are required to be received on or prior to Borrower being permitted to request the draw on the Term Loan.

3.2.6 Instructions. The Instructions, if any.

3.2.7 Fees and Costs of Lender. Payment of all reasonable costs and expenses incurred by Lender to date in connection with the transactions contemplated herein, including Lender's reasonable attorneys' fees (not to exceed \$20,000) and expenses and other reasonable fees and expenses paid or payable to any other parties.

3.2.8 Other Requirements. Such other additional information regarding Borrower, Subsidiary Bank and their respective assets, liabilities (including any liabilities arising from, or relating to, legal proceedings) and contracts as Lender may reasonably require in its sole discretion.

3.2.9 Other Documents. Such other certificates, affidavits, schedules, resolutions, opinions, notes and/or other documents that are provided for hereunder or as Lender may reasonably request.

3.3 Conditions to Making a Borrowing under the Revolving Credit Loan Notwithstanding anything to the contrary contained herein, the continued performance, observance and compliance of and with all of the covenants, conditions and agreements of Borrower contained herein, including but not limited to the satisfaction of Section 3.1 of this Agreement (whether or not non-performance constitutes an Event of Default) and in the other Transaction Documents shall be further conditions precedent to Borrowings under the Revolving Credit Loan except to the extent waived in writing by Lender. In addition, Lender shall not be required to honor Borrower's request for a Borrowing on the Revolving Credit Loan at any time that any of the following is true:

3.3.1 Default. There exists an Event of Default or Unmatured Event of Default.

3.3.2 Representations and Warranties. Any representation or warranty of Borrower contained herein or any information set forth in the recitals hereto, shall not be true on and as of the date of the requested draw, with the same effect as though such representations and warranties had been made, or such information had been presented, on and as of such date, except to the extent that such representations and warranties specifically refer to an earlier date.

3.3.3 Approvals. All necessary or appropriate actions and proceedings have not been taken in connection with, or relating to, the transactions contemplated hereby and all documents incident thereto have not been completed and tendered for delivery, in substance and form reasonably satisfactory to Lender, including if appropriate in the opinion of Lender, Lender's failure to have received evidence of all necessary approvals from Governmental Agencies.

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3.3.4 Other Documents. Lender has not received in substance and form reasonably satisfactory to Lender, all instruments, certificates, affidavits, schedules, resolutions, opinions, notes, and/or other documents that are provided for hereunder.

3.3.5 Legislation or Proceedings. Any legislation has been passed or any suit or other proceeding has been instituted the effect of which is to prohibit, enjoin (or to declare unlawful or improper) or otherwise materially and adversely affect, in Lender's sole and absolute judgment, Borrower's performance of its obligations hereunder, or any litigation or governmental proceeding has been instituted or threatened against Borrower or any Subsidiary or any of their officers or shareholders that could reasonably be expected to be determined adversely and, if so determined, have a Material Adverse Effect.

Lender's refusal to honor Borrower's request for a Borrowing on the Revolving Credit Loan on account of the provisions of this Section 3.2 shall not alter or diminish any of Borrower's other obligations hereunder or otherwise prevent any breach or default of Borrower hereunder from becoming an Event of Default. The request for a Borrowing submitted by Borrower hereunder shall constitute an affirmation that Borrower has performed, observed and complied with its covenants, conditions and agreements contained herein in all material respects.

4. GENERAL REPRESENTATIONS AND WARRANTIES Borrower hereby covenants, represents and warrants to Lender as follows:

4.1 Organization and Authority.

4.1.1 Organization Matters. Borrower (a) is a corporation duly organized and validly existing under the laws of the State of Indiana; (b) is duly qualified as a foreign corporation and in good standing in all jurisdictions in which it is doing business except where the failure to so qualify would not have a Material Adverse Effect; (c) has all requisite power and authority, corporate or otherwise, to own, operate and lease its properties and to carry on its business as now being conducted, and to enter into this Agreement and the other Transaction Documents to which it is a party; and (d) is registered as a bank holding company under the Bank Holding Company Act of 1956, as amended. Each of Subsidiary Bank and the other Subsidiaries is duly organized, validly existing and chartered under the laws of the jurisdiction of its organization, and has all requisite power and authority, corporate or otherwise, to own, operate and lease its properties and to carry on its business as now being conducted, except, in the case of a Subsidiary other than Subsidiary Bank, where the failure of such Subsidiary to have the requisite power and authority, corporate or otherwise, to own, operate and lease its properties and to carry on its business as now being conducted would not have a Material Adverse Effect. The deposit accounts of Subsidiary Bank are insured by the FDIC to the fullest extent permitted by applicable law. Borrower and Subsidiary Bank have made payment of all applicable franchise and similar taxes in the State of Indiana, and in all of the other respective jurisdictions in which they are incorporated, chartered or qualified, prior to delinquency, except for any such taxes (i) where the failure to pay such taxes would not have a Material Adverse Effect, (ii) the validity of which is being contested in good faith and (iii) for which proper reserves have been set aside on the books of Borrower or Subsidiary Bank, as the case may be.

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4.1.2 Capital Stock of the Subsidiary Bank. Section 4.1.2 of the Disclosure Schedule correctly sets forth (a) the state or states in which Subsidiary Bank owns, leases, operates, maintains, controls or otherwise has an interest in any bank or branch offices, loan production offices, deposit production offices, remote service units for the production of deposits or loans, or any ATMs, and the state or states in which Subsidiary Bank owns or leases any Property used in its operations, and (b) a list of each class of stock of Subsidiary Bank as well as the owners of record and beneficial owners thereof, including the number of shares held by each, and, except as otherwise stated in Section 4.1.2 of the Disclosure Schedule, there is no plan, agreement or understanding providing for, or contemplating, the issuance of any additional shares of capital stock of Subsidiary Bank. All of the Subsidiary Bank Shares have been duly authorized, legally and validly issued, are fully paid and are nonassessable, except as provided in 12 U.S.C. § 55, and the Subsidiary Bank Shares are owned by Borrower free and clear of all pledges, liens, security interests, charges or encumbrances, and following the Closing Date, Borrower will own the Subsidiary Bank Shares free and clear of all pledges, liens, security interests, charges or encumbrances. None of the Subsidiary Bank Shares have been issued in violation of any shareholder's preemptive rights. Except as otherwise stated in Section 4.1.2 of the Disclosure Schedule, there are no outstanding options, rights, warrants or other agreements or instruments obligating Borrower to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of the capital stock of Subsidiary Bank.

4.2 No Impediment to Transactions.

4.2.1 Transaction is Legal and Authorized. The borrowing of the principal amount of the Loans, the execution of this Agreement and the other Transaction Documents and compliance by Borrower or any Subsidiary, as applicable, with all of the provisions of this Agreement and of the other Transaction Documents are within the corporate and other powers of Borrower or such Subsidiary, as applicable. This Agreement and the other Transaction Documents to which Borrower or such Subsidiary, as applicable, is a party have been duly authorized, executed and delivered by Borrower or such Subsidiary, as applicable, and are the legal, valid and binding obligations of Borrower or such Subsidiary, as applicable, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, or other laws relating to or limiting creditors' rights or equitable principles generally.

4.2.2 No Defaults or Restrictions. Neither the execution and delivery of the Transaction Documents nor compliance with their terms and conditions will (a) violate, conflict with or result in a material breach of, or constitute a material default under: (i) the amended articles of incorporation or code of regulations of Borrower or the articles of association or bylaws of Subsidiary Bank; (ii) any of the terms, obligations, covenants, conditions or provisions of any corporate restriction or of any indenture, mortgage, deed of trust, pledge, bank loan or credit agreement, or any other material agreement or instrument to which Borrower is now a party or by which Borrower or any of its properties may be bound or affected; (iii) any judgment, order, writ, injunction, decree or demand of any court, arbitrator, grand jury, or Governmental Agency applicable to Borrower; or (iv) any statute, rule or regulation applicable to Borrower, or (b) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any property or asset of Borrower or Subsidiary Bank except in the case of (a)(ii), (a)(iii), (a)(iv) and (b), such violations, conflicts, breaches, defaults, liens, charges or encumbrances as would not have

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a Material Adverse Effect. Neither Borrower nor Subsidiary Bank is in material default in the performance, observance or fulfillment of any of the terms, obligations, covenants, conditions or provisions contained in any material indenture or other agreement creating, evidencing or securing Indebtedness of any kind or pursuant to which any such Indebtedness is issued, or other agreement or instrument to which Borrower or Subsidiary Bank is a party or by which Borrower or Subsidiary Bank or their respective properties may be bound or affected.

4.2.3 Governmental Consent. No governmental orders, permissions, consents, approvals or authorizations are required to be obtained by Borrower or Subsidiary Bank and no registrations or declarations are required to be filed by Borrower or Subsidiary Bank in connection with, or contemplation of, the execution and delivery of, and performance under, this Agreement and the other Transaction Documents that have not already been obtained or completed.

4.3 Purposes of the Loans.

4.3.1 Use of Proceeds. Borrower shall use the proceeds of the Loans solely for the purposes set forth in Recital C. Borrower will not use any part of the proceeds of the Loans (a) directly or indirectly to purchase or carry any margin security or reduce or retire any indebtedness originally incurred to purchase any such margin security within the meaning of Regulation U of the FRB, or (b) so as to involve Borrower or Lender in a violation of Regulation U of the FRB. Borrower agrees to execute, or cause to be executed, all instruments necessary to comply with all of the requirements of Regulation U of the FRB.

4.3.2 Usury. None of the amounts to be received by Lender as interest under the Notes pursuant to the terms of the Notes and the other Transaction Documents is usurious or illegal under any applicable law.

4.4 Financial Condition.

4.4.1 Borrower Financial Statements. Borrower has delivered to Lender copies of the consolidated financial statements of Borrower (which financial statements shall include the financial statement accounts and information of Subsidiary Bank) as of and for the year ended December 31, 2017 (the "**Borrower 2017 Financial Statement Date**"), audited by Borrower's Accountant (the "**Borrower 2017 Financial Statements**"), which along with the interim financial statements dated as of June 30, 2018 (the "**Borrower 2018 Interim Financial Statements**") and any other financial statements of Borrower provided by it to Lender from time to time are collectively referred to as the "**Borrower's Financial Statements**"). Borrower's Financial Statements are true and correct in material respects, have been prepared in accordance with the respective books of account and records of Borrower and its Subsidiaries, have been prepared in accordance with GAAP applied on a basis consistent with prior periods, and fairly and accurately present, in all material respects, the financial condition of Borrower and its Subsidiaries and their assets and liabilities and the results of their operations as of such date and for the covered period. Borrower Financial Statements contain and reflect provisions for taxes, reserves and other liabilities of Borrower in accordance with GAAP and applicable banking regulations, rules, and guidelines, respectively. Neither Borrower nor Subsidiary Bank has any material debt, liability or obligation of any nature (whether accrued, contingent, absolute or otherwise) required to be provided for or disclosed under GAAP that is not provided for or disclosed in Borrower Financial Statements.

4.4.2 Absence of Default. No event has occurred that either of itself or with the lapse of time or the giving of notice or both, would give any creditor of Borrower the right to accelerate the maturity of any indebtedness of Borrower for borrowed money in an amount equal to or greater than \$250,000. Borrower is not in default under any other lease, agreement or instrument, or any law, rule, regulation, order, writ, injunction, decree, determination or award, except for such defaults as would not have a Material Adverse Effect.

4.4.3 Loans. To Borrower's knowledge, each loan having an outstanding balance of more than \$1,000,000 and reflected as an asset of Subsidiary Bank in Borrower Financial Statements is the legal, valid and binding obligation of the obligor named therein, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, or other laws relating to or limiting creditors' rights or equitable principles generally. As of the date hereof and the date of any quarterly compliance certificate delivered under Section 6.3, to Borrower's knowledge, (a) no obligor has filed a lawsuit against Subsidiary Bank to avoid the enforceability of the terms of any loan having an unpaid balance (principal and accrued interest) in excess of \$5,000,000, and (b) no loan having an unpaid balance (principal and accrued interest) in excess of \$5,000,000 is subject to any valid defense, offset or counterclaim.

4.4.4 Allowance for Loan and Lease Losses. The allowance for loan and lease losses shown in Borrower Financial Statements is adequate, in the reasonable judgment of Borrower, to provide for losses, net of recoveries relating to loans previously charged off, on loans and leases outstanding as of the date of such statements or reports.

4.4.5 Solvency. After giving effect to the consummation of the transactions contemplated by this Agreement, Borrower has capital sufficient to carry on its business and transactions and all businesses and transactions in which it is about to engage and is solvent and able to pay its debts as they mature. No transfer of property is being made and no Indebtedness is being incurred in connection with the transactions contemplated by this Agreement with the intent to hinder, delay or defraud either present or future creditors of Borrower or any Subsidiary.

4.5 Title to Properties.

4.5.1 Owned Property. Borrower and the Subsidiaries have, respectively, good and marketable fee title to all the Property reflected in Borrower Financial Statements, and good and marketable title to all other property and assets reflected in Borrower Financial Statements, except for (a) real property and other assets acquired and/or being acquired from debtors in full or partial satisfaction of obligations

owed to Subsidiary Bank, (b) property or other assets leased by Borrower or any Subsidiary, and (c) property and assets sold or otherwise disposed of for their then fair market value subsequent to the date of Borrower Financial Statements. Except for property and other assets acquired and/or being acquired from debtors in full or partial satisfaction of obligations owed to Subsidiary Bank and property or other assets leased by Borrower or any Subsidiary, all property and assets of any kind (real or personal, tangible or intangible) of Borrower and any Subsidiary are free from any liens, encumbrances or defects in title, except for (a) Permitted Liens and (b) such defects in title as would not be reasonably expected to have a Material Adverse Effect. Except as identified in Section 4.5.1 of the Disclosure Schedule or as may be filed in connection with any Permitted Lien, no financing statement under the UCC that names Borrower

or Subsidiary Bank as debtor has been filed and neither Borrower nor Subsidiary Bank has signed any financing statement or any pledge agreement authorizing any secured party thereunder to file any such financing statement.

4.5.2 Leased Property. For Property leased by Borrower or any Subsidiary and necessary in the ordinary course of the business of Borrower and its Subsidiaries, Borrower and each such Subsidiary enjoy peaceful and undisturbed possession under all of such Leases under which they are operating, all of which permit the customary operations of Borrower and any Subsidiary, as applicable. None of such Leases is in material default that could have a Material Adverse Effect.

4.6 No Material Adverse Change Since the date of the Borrower's 2018 Interim Financial Statements, no material adverse change has occurred to either the Borrower's or any Subsidiary's business or financial condition or performance, nor has there been any material adverse change in or to any matters which Lender analyzed in conjunction with its credit decision to make the Loans, including without limitation, no change in the structure of the transaction initially presented to and agreed to be Lender..

4.7 Legal Matters.

4.7.1 Compliance with Law. Borrower and the Subsidiaries have complied with all applicable statutes, rules, regulations, orders and restrictions of any domestic or foreign government, or any instrumentality or agency thereof, having jurisdiction over the conduct of their respective businesses or the ownership of their respective properties, except where any such failure to comply could not reasonably be expected to have a Material Adverse Effect.

4.7.2 Taxes. Borrower and each Subsidiary have filed, or obtained an extension with respect to the filing of, all United States income tax returns and all material state and municipal tax returns that are required to be filed, and have paid, or made adequate provision for the payment of, all material taxes that have become due pursuant to said returns or pursuant to any assessment received by Borrower or any Subsidiary, prior to delinquency, except such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided. To the knowledge of Borrower there is not pending any audit, assessment or other proposed action or inquiry of the Internal Revenue Service with respect to any material United States income tax liability of Borrower or any Subsidiary. To Borrower's knowledge, Borrower and each Subsidiary have withheld amounts from their respective employees, shareholders or holders of public deposit accounts and have complied in all material respects with the tax withholding provisions of applicable federal, state and local laws and each has filed all federal, state and material local returns and reports for all years for which any such return or report would be due with respect to employee income tax withholding, social security, unemployment taxes, income and other taxes and all payments or deposits with respect to such taxes have been made in all material respects within the time period required by law.

4.7.3 Regulatory Enforcement Actions. Except as set forth in Section 4.7.3 of the Disclosure Schedule, as of the Closing Date none of Borrower, any Subsidiary or any of their respective officers or directors is operating under any restrictions, agreements, memoranda, commitments (other than restrictions of general application) or any other actions of the type

described in Section 8.1.1.11 imposed by any Governmental Agency, nor are any such restrictions threatened or agreements, memoranda or commitments being sought by any Governmental Agency.

4.7.4 Pending Litigation. Except as otherwise disclosed in Section 4.7.4 of the Disclosure Schedule and in Borrower's most recent annual report filed on Form 10-K and quarterly report on Form 10-Q, there are no actions, suits, proceedings or written agreements pending, or, to Borrower's knowledge, threatened in writing, against Borrower or any Subsidiary at law or in equity or before or by any federal, state, municipal, or other governmental department, commission, board, or other administrative agency, domestic or foreign, that, either separately or in the aggregate, could reasonably be expected to be determined adversely and, if so determined, to have a Material Adverse Effect; and none of Borrower or any Subsidiary is in default with respect to any order, writ, injunction, or decree of, or any written agreement with, any court, commission, board or agency, domestic or foreign, if and to the extent that, either separately or in the aggregate, such default(s) could reasonably be expected to have a Material Adverse Effect.

4.7.5 RICO. There are no suits, actions or proceedings pending or, to Borrower's knowledge, threatened against Borrower or any Subsidiary, or any of the principals thereof, under a RICO Related Law.

4.7.6 ERISA. All Employee Benefit Plans (as defined in Section 3(3) of ERISA) established or maintained by Borrower or any ERISA Affiliate or to which Borrower or any ERISA Affiliate contributes are in material compliance with applicable requirements of ERISA, and are in material compliance with applicable requirements (including qualification and non-discrimination requirements) of the Code for obtaining the tax benefits the Code permits with respect to such plans. Each Employee Benefit Plan which is a group health plan (within the meaning of

Section 5000(b)(1) of the Code) complies with and has been maintained and operated in material compliance with each of the requirements of Section 4980B of the Code. Neither Borrower nor any ERISA Affiliate has failed to make on a timely basis any required contributions or to pay on a timely basis any amounts with respect to any Employee Benefit Plan or ERISA or any other applicable law. No “reportable event” or non-exempt “prohibited transaction,” as defined in ERISA, has occurred and is continuing as to any Employee Benefit Plan and no excise taxes have been incurred or security is required with respect to any Employee Benefit Plan. Except as disclosed in Borrower 2017 Financial Statements or as set forth in Section 4.7.6 of the Disclosure Schedule, no Employee Benefit Plan has, or as of the Closing Date will have, any amount of unfunded benefit liabilities (as defined in Section 4001(a)(18) of ERISA) for which Borrower or any ERISA Affiliate could be liable to any Person under Title IV of ERISA if any such plan were terminated. All Employee Benefit Plans are funded in accordance with Section 412 of the Code (if applicable). There would be no obligations under Title IV of ERISA relating to any Employee Benefit Plan that is a multiemployer plan if any such plan were terminated or if Borrower or any ERISA Affiliate withdrew from any such plan. Except as set forth in Section 4.7.6 of the Disclosure Schedule, and except as required by Section 4980B of the Code or applicable state insurance laws, neither Borrower nor any ERISA Affiliate has promised any employee medical coverage after termination of employment, or promised medical coverage to any former employee or other individual not employed by Borrower or any ERISA Affiliate, and neither Borrower nor any ERISA Affiliate maintains or contributes to any plan or arrangement providing medical benefits to employees after their termination of employment or any other individual not employed by Borrower or any ERISA Affiliate.

4.7.7 Environmental. Except as set forth in Section 4.7.7 of the Disclosure Schedule, no Property is or, to Borrower’s knowledge, has been a site for the use, generation, manufacture, storage, treatment, release, threatened release, discharge, disposal or transportation of any Hazardous Materials other than those used, stored and released by Borrower within an office in the ordinary course of business, and neither Borrower nor any Subsidiary has engaged in any such activities each outside of those performed in the ordinary course of business within an office. Each Property, and Borrower and each Subsidiary, are in compliance with all Hazardous Materials Laws. Except as set forth in Section 4.7.7 of the Disclosure Schedule, there are no claims or actions (“**Hazardous Materials Claims**”) pending or, to Borrower’s knowledge, threatened, nor have there been any such claims or actions in the past, against Borrower or any Subsidiary or any Property by any Governmental Agency or by any other Person relating to any Hazardous Materials or pursuant to any Hazardous Materials Law.

4.8 Borrower Status.

4.8.1 Non-Foreign Status. Borrower is not a nonresident alien for purposes of U.S. income taxation and is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as said terms are defined in the Code or regulations promulgated thereunder).

4.8.2 Investment Company Act. Borrower is not an “investment company” or a company “controlled” by an “investment company,” within the meaning of the Investment Company Act of 1940, as amended.

4.8.3 No Burdensome Agreements. None of Borrower or any Subsidiary is a party to any agreement, instrument or undertaking or subject to any other restriction (a) that could reasonably be expected to have a Material Adverse Effect, or (b) under or pursuant to which Borrower or any Subsidiary is or will be required to place (or under which any other Person may place) a lien (other than Permitted Liens) upon any of its properties securing Indebtedness either upon demand or upon the happening of a condition, with or without such demand.

4.9 No Misstatement. The information, exhibits, reports, schedules or documents furnished by Borrower to Lender in connection with the negotiation, execution or performance of this Agreement and the funding of the Loans, do not contain any untrue statement of a material fact, or omit (when taken as a whole) to state a material fact or any fact necessary to make the statements contained therein not misleading in light of the circumstances under which such statements were made when made or furnished to Lender.

4.10 Representations and Warranties Generally. The representations and warranties set forth in this Agreement or in any other Transaction Document will be true and correct (a) on the date of this Agreement, (b) as otherwise provided herein, and (c) as otherwise provided in the quarterly compliance certificates delivered pursuant to Section 6.3 with the same force and effect as if made on each such date except to the extent such representations and warranties relate to an earlier date. All representations, warranties, covenants and agreements made in this Agreement or in any certificate or other document delivered to Lender by or on behalf of Borrower pursuant to or in connection with this Agreement shall be deemed to have been relied upon by Lender notwithstanding Lender’s review of any documents or materials delivered by Borrower to Lender pursuant to the terms hereof and notwithstanding any investigation heretofore or hereafter made

by Lender or on its behalf (and Borrower hereby acknowledges such reliance by Lender in making the Loans and all disbursements thereunder) and, furthermore, shall survive the making of any or all of the disbursements of proceeds under the Loans and continue in full force and effect as long as there remains unperformed any obligations of Borrower to Lender hereunder or under any of the other Transaction Documents.

4.11 Anti-Corruption Laws; Sanctions; Anti-Terrorism Laws. Borrower, its Subsidiaries and their respective officers and employees and to the knowledge of Borrower, its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. Borrower has implemented and maintains in effect for itself and its Subsidiaries policies and procedures to ensure compliance by Borrower, its Subsidiaries, and their respective officers, employees, directors, and agents with Anti-Corruption Laws and applicable Sanctions. None of the Borrower, any of its Subsidiaries or any directors, officer, employee, agent, or affiliate of the Borrower or any of its Subsidiaries is an individual or entity that is, or is 50% or more owned (individually or in the aggregate, directly or indirectly) or controlled by individuals or entities (including any agency, political subdivision or instrumentality of any government) that are (i) the target of any Sanctions or (ii) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions (currently Crimea, Cuba, Iran, North Korea and Syria)

(each, a “Sanctioned Person”).

5. **GENERAL COVENANTS, CONDITIONS AND AGREEMENTS** Borrower hereby further covenants and agrees with Lender that so long as any amount disbursed or advanced under one or more of the Loans or any obligation of Borrower to Lender in connection therewith is outstanding:

5.1 **Compliance with Transaction Documents.** Borrower shall comply with, observe and timely perform each and every one of the covenants, agreements and obligations under each and every one of the Transaction Documents.

5.2 **Material Transactions.**

5.2.1 **Merger, Consolidation, Loans, and Acquisitions.** Neither Borrower nor any Subsidiary shall, without Lender’s prior written consent which shall not be unreasonably withheld or delayed, (a) acquire any other entity; (b) consolidate with or merge into any other entity, or permit any other entity to consolidate with or merge into it; (c) make or grant any loan or advance to any officer or shareholder of Borrower and/or any of the Affiliates except in the ordinary course of business with full compliance of all applicable laws and regulations; or (d) pledge, encumber or lien any of its assets (other than to Lender); provided however, notwithstanding the foregoing and provided that no Event of Default has occurred and is continuing: (i) Subsidiary Bank shall be permitted to acquire investment, trust and insurance businesses, (ii) Borrower shall be permitted to acquire the outstanding capital stock of First Security Bank, Inc., (iii) Borrower shall be permitted to make acquisitions in addition to First Security Bank, Inc. and its addition of certain MainSource Bank branches in May of 2018 provided that the total amount of bank assets acquired in any such acquisitions during any twelve month period shall not exceed thirty percent (30%) of the Borrower’s consolidated assets and provided that Borrower will be, and shall remain, in compliance with all provisions of this Agreement (including but not limited to the financial covenants set forth in Section 7 below) immediately after and after giving effect to such acquisition), and (iv)

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Subsidiary Bank shall be permitted to pledge loans (and the collateral therefor) to Federal Home Loan banks in the ordinary course of business. Borrower shall furnish to Lender at least ten (10) days prior to any acquisition permitted in this Section 5.2.1, a pro-forma compliance certificate as of and after giving effect to such acquisition.

5.2.2 **Reserved**

5.2.3 **Incurring Debt; Liens.** Without the prior written consent of Lender, which consent shall not be unreasonably withheld or delayed, Borrower shall not itself, nor shall it cause, permit or allow any Subsidiary to (a) create, assume, incur, have outstanding, or in any manner become liable in respect of any Indebtedness other than (i) Indebtedness of Borrower to Lender; (ii) (A) Indebtedness owed by Borrower or any “affiliate” of Borrower (as defined in Regulation W of the FRB and Sections 23A and 23B of the Federal Reserve Act) to the Subsidiary Bank not in violation of Regulation W of the FRB (as amended, supplemented or otherwise modified); (B) Indebtedness owed by any Subsidiary to Borrower and (C) Indebtedness owed by any Subsidiary to any Subsidiary; (iii) Indebtedness of any Person acquired by Borrower that is subordinated to the Indebtedness under this Agreement as long as Borrower is in compliance both before and after giving effect to such acquisition with the covenants contained in Article 7 of this Agreement and no Event of Default exists or would result from such acquisition; (iv) Indebtedness incurred under Swap Contracts entered into by Borrower or any Subsidiary in the ordinary course of business to hedge or mitigate risks to which Borrower or any Subsidiary is exposed in the conduct of its business or the management of its liabilities; and (v) with respect to obligations of the type specifically excluded from the definition of “Indebtedness” in this Agreement, or (b) create, assume, incur, suffer or permit to exist any mortgage, pledge, deed of trust, encumbrance (including the lien or retained security title of a conditional vendor), security interest, assignment, lien or charge of any kind or character upon or with respect to any of their real or personal property, including any capital stock owned by Borrower whether owned at the date hereof or hereafter acquired other than Permitted Liens.

5.2.4 **Asset Sales.** Borrower shall not itself, nor shall it cause, permit or allow any Subsidiary to sell, lease or otherwise transfer all or substantially all of its assets to any Person except (a) that Subsidiary Bank may sell assets in good faith in the ordinary course of its business, (b) Borrower and its Subsidiaries may sell, assign, lease, transfer or otherwise dispose of property or assets to Borrower or to another Subsidiary, (c) Borrower and its Subsidiaries may sell, assign, lease, transfer or otherwise dispose of property or assets that are obsolete or no longer useful in Borrower’s or such Subsidiary’s business, (d) Borrower and each Subsidiary may sell, assign or transfer loans held for sale in the ordinary course of its business, and (e) Borrower and each Subsidiary may sell, assign, lease or transfer assets received upon or in lieu of foreclosure and upon assets no longer subject to leases for the financing of personal property.

5.2.5 **Subsidiary Capital Stock Matters.** Except in connection with (a) the exercise or vesting of awards granted under Borrower’s equity-based compensation plans, and (b) the purchase by Borrower or any of its Affiliates of common shares of Borrower in the open market as necessary to fund Borrower’s dividend reinvestment and stock purchase plan and Borrower’s equity-based compensation plans, Borrower shall not nor shall it permit or allow any Subsidiary to, redeem, repurchase, acquire or make a liquidating payment (other than to Borrower or to Subsidiary

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Bank or any Subsidiary of Subsidiary Bank) with respect to any of its capital stock or other outstanding securities or otherwise change its capital structure.

5.2.6 **Making Loans.** Borrower shall not, nor shall it cause, permit or allow any Subsidiary to, make any loans or advances, whether secured or unsecured, to any Person, other than loans or advances made by Subsidiary Bank in the ordinary course of business and in

accordance in all material respects with safe and sound banking practices in accordance with applicable laws and regulations.

5.2.7 Other Matters. Borrower shall notify Lender of any of the following at least ten (10) days prior to the effectiveness thereof, or, in the case of matters described in clause (c) below for which ten (10) days' pre-effectiveness notice is not given to Borrower, as soon as practicable: (a) any change in the name of Borrower or Subsidiary Bank; (b) any change in the headquarters or principal place of business of Borrower or any Subsidiary; (c) any change in the persons elected as Chairman, President and Chief Executive Officer of Borrower; (d) any litigation, suit or administrative proceeding has been initiated which may materially and adversely affect the operations, financial condition or business of Borrower or any of its Subsidiaries; (e) any default has occurred under any note, loan agreement, mortgage or other material agreement to which Borrower or any of its Subsidiaries is a party which could reasonably be expected to have a Material Adverse Effect; (f) the issuance, execution or adoption of any formal or informal (whether voluntary or involuntary) regulatory action of the type described in Section 8.1.1.10 with respect to Borrower or Subsidiary Bank at the request of any Governmental Agency; and (g) any material change in the capital structure of Borrower.

5.3 Subsidiary Bank Shares.

5.3.1 Encumbrance. Borrower shall not itself, nor shall it cause, permit or allow any Subsidiary to directly or indirectly create, assume, incur, suffer or permit to exist any pledge, encumbrance, security interest, assignment, lien or charge of any kind or character on the Subsidiary Bank Shares. Borrower shall not itself, nor shall it cause, permit or allow any Subsidiary to sell, transfer, issue, reissue, exchange or grant any option with respect to any Subsidiary Bank Shares other than sales, transfers, issuances, reissuances, exchanges or grants to Borrower or any Subsidiary.

5.3.2 Dilution. Borrower shall not itself, nor shall it cause, permit or allow any Subsidiary to cause or allow the percentage of Subsidiary Bank Shares owned directly or indirectly by Borrower to diminish as a percentage of the outstanding capital stock of Subsidiary Bank.

5.4 Business Operations.

5.4.1 Compliance with Transaction Documents. Borrower shall not breach or fail to perform or observe in any material respect any of the terms and conditions of the Notes or any other Transaction Document. For purposes of this Agreement, any failure by Borrower to pay any amounts under the Agreement, the Notes or any other Transaction Document when due (taking into account any applicable cure period) shall be deemed to be material.

5.4.2 Affiliate Transactions. Other than transactions between or among Borrower and its Subsidiaries, Borrower shall not itself, nor shall it cause, permit or allow any

Subsidiary to enter into any transaction including the purchase, sale or exchange of property or the rendering of any service, with any Affiliate except in the ordinary course of business and in accordance with applicable laws and regulations, and pursuant to the reasonable requirements of Borrower's or such Affiliate's business and upon fair and reasonable terms consistent with applicable laws and regulations and no less favorable to Borrower or such Affiliate than would be obtained in a comparable arm's length transaction with a Person not an Affiliate.

5.4.3 Insurance. At its sole cost and expense, Borrower will maintain, and will cause each Subsidiary to maintain, bonds and insurance to such extent, covering such risks and with such deductibles and self-insurance as are usual and customary for owners of similar businesses and properties in the same general area in which Borrower or a Subsidiary operates, including insurance for fire and other risks insured against by extended coverage, public liability insurance, workers' compensation insurance. All such bonds and policies of insurance shall be in a form, in an amount and with issuers/insurers recognized as adequate by prudent business persons.

5.5 Compliance with Laws.

5.5.1 Generally. Borrower shall comply and cause each Subsidiary to comply in all material respects with all applicable statutes, rules, regulations, orders and restrictions in respect of the conduct of their respective businesses and the ownership of their respective properties, except in such instances in which the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

5.5.2 Regulated Activities. Borrower shall not itself, nor shall it cause, permit or allow any Subsidiary to (a) engage in any business or activity not permitted by all applicable laws and regulations, including the FDI Act and any regulations promulgated thereunder, or (b) make any loan or advance secured by the capital stock of another bank or depository institution, or, in connection therewith, acquire the capital stock, assets or obligations of or any interest in another bank or depository institution, in each case other than in the ordinary course of business and in accordance with applicable laws and regulations, except as is expressly and specifically permitted under this Agreement.

5.5.3 Taxes. Borrower shall promptly pay and discharge all taxes, assessments and other governmental charges imposed upon Borrower or any Subsidiary or upon the income, profits, or property of Borrower or any Subsidiary and all claims for labor, material or supplies that, if unpaid, might by law become a lien or charge upon any material property of Borrower or any Subsidiary; provided, however, that none of Borrower or any Subsidiary shall be required to pay any such tax, assessment, charge or claim, so long as the validity thereof shall be contested in good faith by appropriate proceedings, and adequate reserves therefor shall be maintained on the books of Borrower and such Subsidiary.

5.5.4 ERISA. As soon as possible, and in any event within ten Business Days, after: (a) Borrower or any ERISA Affiliate knows that with respect to any Employee Benefit Plan, a "prohibited transaction," a "reportable event," or any other event or condition which

could subject Borrower or any ERISA Affiliate to liability under ERISA or the Code; or (b) the institution of steps by Borrower or any ERISA Affiliate to withdraw from, or the institution of any steps by any party to terminate, any Employee Benefit Plan; has or may have occurred, Borrower shall deliver

to Lender a certificate of a responsible officer setting forth the details of such matter, the action that Borrower proposes to take with respect thereto, and, when known, any action taken or threatened by the Internal Revenue Service, the U.S. Department of Labor, or the Pension Benefit Guaranty Corporation. For purposes of this covenant, Borrower shall be deemed to have knowledge of all facts known by the fiduciaries of any Employee Benefit Plan of Borrower or any ERISA Affiliate.

5.5.5 Environmental Matters. Borrower shall: (a) exercise, and cause each Subsidiary to exercise, due diligence in order to comply with all Hazardous Materials Laws; (b) promptly advise Lender in writing and in reasonable detail of (i) any Condition or Release required to be reported to any Governmental Agency under any applicable Hazardous Materials Laws with respect to any Property, (ii) any and all non-privileged written communications with respect to Hazardous Materials Claims or any Condition or Release required to be reported to any Governmental Agency with respect to any Property, (iii) any remedial action taken by Borrower or any other Person in response to (A) any Hazardous Material on, under or about any Property, the existence of which is reasonably likely to give rise to a Hazardous Materials Claim, or (B) any Hazardous Materials Claim that could reasonably be expected to have a Material Adverse Effect, (iv) Borrower's discovery of any occurrence or condition on any real property adjoining or in the vicinity of any Property that could cause such Property or any part thereof to be subject to any materially adverse restrictions on the ownership, occupancy, transferability or use thereof under any Hazardous Materials Law, and (v) with respect to any Property any request for information from any Governmental Agency indicating that such Governmental Agency has initiated an investigation as to whether Borrower or any Subsidiary may be potentially responsible for a Condition or Release or threatened Condition or Release of Hazardous Materials; (c) at its own expense, provide copies of such documents as Lender may reasonably request in relation to any matters disclosed pursuant to this [Section 5.5.5](#); (d) promptly take any and all necessary remedial action in connection with any Condition or Release or threatened Condition or Release on, under or from any Property in order to comply with all applicable Hazardous Materials Laws. In the event Borrower or any Subsidiary undertakes any remedial action with respect to such Hazardous Material on, under or about any Property, Borrower or such Subsidiary shall conduct and complete such remedial action in compliance with all applicable Hazardous Materials Laws and in accordance with the policies, orders and directives of all Governmental Agencies. Borrower shall permit Lender, from time to time and in its sole and absolute discretion, to retain, at Borrower's expense, an independent professional consultant to review any report relating to Hazardous Materials prepared by or for Borrower or any Subsidiary, and at reasonable times and subject to reasonable conditions to conduct its own investigation of any Property, and if reasonably requested by Lender, Borrower agrees to use commercially reasonable efforts to obtain permission for Lender's professional consultant to conduct its own investigation of any Property and shall cause each Subsidiary to do the same. If reasonably requested by Lender, Borrower shall grant to Lender, its agents, employees, consultants, and contractors the right to enter into or on to, at reasonable times, any Property to perform such tests on such Property as are reasonably necessary to conduct such investigation. Borrower shall promptly notify Lender of (1) any acquisition of stock, assets, or property by Borrower or any Subsidiary that reasonably would be expected to expose Borrower or any Subsidiary to, or result in, a Hazardous Materials Claim that would have a Material Adverse Effect or that would be expected to have a Material Adverse Effect on any governmental authorization, license, permit or approval then held by Borrower or any Subsidiary, and (2) any proposed action outside the normal course of business to be taken by Borrower or any Subsidiary to commence industrial or other operations that could subject Borrower or any Subsidiary to

additional laws, rules or regulations, including, laws, rules and regulations requiring additional environmental permits or licenses.

5.5.6 Environmental Indemnity. To the extent permitted under applicable laws or regulations, Borrower hereby agrees to defend, indemnify and hold harmless Lender, its directors, officers, employees, agents, successors and assigns (including any participants in any Loan) from and against any and all losses, damages, liabilities, claims, actions, judgments, court costs and legal or other expenses (including reasonable attorneys' fees and expenses) which Lender may incur as a direct or indirect consequence of (a) any Hazardous Materials Claim or any other violation of a Hazardous Materials Law, or (b) the use, generation, manufacture, storage, disposal, threatened disposal, transportation or presence of Hazardous Materials in, on, under or about the Property or otherwise by Borrower or any Subsidiary. Borrower's duty and obligations to defend, indemnify and hold harmless Lender shall survive the cancellation of the Notes and any other Transaction Documents.

5.5.7 Corporate Existence. Except in connection with a consolidation or merger in compliance with [Section 5.2.1](#), Borrower shall do or cause to be done all things necessary to maintain, preserve and renew its corporate existence and that of Subsidiary Bank and its and their rights and franchises, and comply in all material respects with all related laws applicable to Borrower or Subsidiary Bank.

5.5.8 USA Patriot Act Matters. Borrower shall not, nor shall it cause, permit or allow, any Subsidiary (a) to be or become subject at any time to any law, regulation, or list of any Government Agency (including the U.S. Office of Foreign Asset Control list) that prohibits or limits Lender from making any advance or extension of credit to Borrower or from otherwise conducting business with Borrower, or (b) to fail to provide documentary or other evidence of Borrower's identity as may be reasonably requested by Lender at any time to enable Lender to verify Borrower's identity or to comply with any applicable law or regulation, including Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318 (the "Act" or the "Patriot Act"). Lender hereby notifies Borrower and each other Loan Party that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies such loan party, which information includes the name and address of such loan party and other information that will allow Lender to identify such loan party in accordance with the Act.

5.6 Lender Expenses. Borrower will (a) pay all reasonable costs and expenses of Lender incident to the transactions contemplated by this Agreement including all costs and expenses incurred in connection with the preparation, negotiation and execution of the Transaction

Documents, or in connection with any modification, amendment, alteration, or the enforcement of this Agreement, the Notes or the other Transaction Documents, including Lender's out-of-pocket expenses and the reasonable charges and disbursements to counsel retained by Lender, and (b) pay, on demand, and save Lender and all other holders of the Notes harmless against any and all liability with respect to, amounts payable as a result of (i) any taxes (other than taxes on net income) that may be determined to be payable in connection with the execution and delivery of this Agreement, the Notes or the other Transaction Documents, or any modification, amendment or alteration of the terms or provisions of this Agreement, the Notes or the other Transaction Documents, if and to the extent Borrower is liable for such taxes pursuant to the other provisions of this Agreement, (ii) any interest or penalties resulting from nonpayment or delay in payment of

such expenses, charges, disbursements, liabilities or taxes, and (iii) any income taxes in respect of any reimbursement by Borrower for any of such violations, taxes, interests or penalties paid by Lender. The obligations of Borrower under this Section 5.6 shall survive the repayment in full of the Notes. Any of the foregoing amounts incurred by Lender and not paid by Borrower within ten (10) days after demand by Lender shall bear interest from the date incurred at the rate of interest in then effect for a LIBO Rate Tranche plus 3% per annum and shall be deemed part of Borrower's Liabilities hereunder.

5.7 Ownership of Subsidiaries. Borrower shall own, directly or indirectly, one hundred percent (100%) of the outstanding capital stock and ownership interest (as applicable) of its Subsidiaries and shall not own less than one hundred percent (100%) of the outstanding capital stock or ownership interest of any Subsidiary without first obtaining the prior written consent of Lender. Furthermore, Borrower will not create, incur or permit to exist any pledge, encumbrance or lien against the capital stock or ownership interest of its Subsidiaries.

5.8 Dividends by Subsidiary Bank. Borrower shall cause the Subsidiary Bank to not issue dividends above its reported earnings for the current year plus its earnings for the two immediately preceding years, less dividends paid to Borrower over the same time period.

5.9 Deposit Accounts. Subsidiary Bank shall maintain its existing deposit account at Lender until all of Borrower's Liabilities have been fully and finally satisfied.

5.10 Transfer of Criticized, Classified or Non-Performing Assets. Borrower shall not accept the transfer of any criticized, classified or non-performing asset from the Subsidiary Bank, nor shall Borrower permit or allow the Subsidiary Bank to transfer any criticized, classified or non-performing asset to Borrower or any Subsidiary of Borrower; provided however, the foregoing shall not prohibit the Subsidiary Bank from transferring criticized, classified and non-performing assets to any one or more wholly owned Subsidiaries of the Subsidiary Bank if and only to the extent such transferred assets shall continue to be included in the calculations contemplated by Section 7.3 and Section 7.4 of this Agreement, as the case may be.

5.11 Intentionally omitted.

5.12 Dividends by Borrower. Borrower shall not declare or pay any dividends to its shareholders if an Event of Default is then occurring or the payment thereof would cause the occurrence of an Event of Default.

5.13 Change in Capital Structure. Borrower shall not make, permit or cause a material change in Borrower's capital structure without the prior written approval of Lender.

5.14 Inspection Rights. Borrower shall permit and cause the Subsidiaries to permit Lender, through Lender's employees, attorneys, accountants or other agents, to inspect any of the properties, non-privileged corporate books and financial books and records of Borrower and any Subsidiary at such times as Lender reasonably may request upon reasonable advance notice to Borrower, subject to Borrower's or such Subsidiary's confidentiality and privacy obligations under applicable laws and regulations. Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates (it being agreed that the Persons to whom such disclosure is made shall be informed of the confidential nature of

such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction Lender or its Affiliates, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) in connection with the exercise of any remedies hereunder or under any other Transaction Document or any action or proceeding relating to this Agreement or any other Transaction Document or the enforcement of rights hereunder or thereunder, (e) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or participant in, or any prospective assignee of or participant in, any of its rights and obligations under this Agreement, (f) with the consent of Borrower or (g) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to Lender or its Affiliates on a nonconfidential basis from a source other than Borrower. For purposes of this Section, "Information" means all information received from Borrower or any Subsidiary relating to Borrower or any Subsidiary or any of their respective businesses, other than any such information that is available to Lender on a nonconfidential basis prior to disclosure by Borrower or any Subsidiary. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as a reasonable person would accord to such person's own confidential information and as may otherwise be required under applicable laws and regulations.

Lender acknowledges that (a) the Information may include material non-public information concerning Borrower or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material

non-public information in accordance with applicable law, including United States federal and state securities laws and privacy laws.

6. **REPORTING.** For so long as any of the Loans or any obligation of Borrower to Lender in connection therewith is outstanding, Borrower shall furnish and deliver or cause to be furnished and delivered to Lender:

6.1 **Annual.** As soon as available, but in any event not more than seventy five (75) days after the close of each fiscal year of Borrower, or within such further time as Lender may permit, Form 10-K filed with the SEC.

6.2 **Quarterly.** As soon as available, but in any event not more than forty five (45) days after the close of each of the first three (3) quarterly periods of each fiscal year of Borrower, or within such further time as Lender may permit, Form 10-Q filed with the SEC.

6.3 **Compliance Certificate.** Borrower shall furnish Lender, within forty five (45) days after the close of each of the first three (3) quarterly periods of each fiscal year of Borrower and within sixty (60) days after the close of each fiscal year of Borrower, a completed compliance certificate in the form attached as Exhibit C hereto. Such compliance certificate shall be signed by any one of the Chief Executive Officer, President, Chief Financial Officer or Treasurer of Borrower and shall also contain, in a form and with such specificity as is reasonably satisfactory to Lender, such additional information as Lender shall have reasonably requested by Borrower prior to the submission thereof.

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6.4 **Copies of Other Reports and Correspondence.** To the extent permitted by law, promptly after same are available, or, in the case of clause (c) below, promptly following Lender's reasonable request therefor, copies of each of the following: (a) each annual report, proxy or financial statement or other report or communication sent by Borrower or any Subsidiary to the shareholders of Borrower; (b) all annual, regular, periodic and special reports and registration statements that Borrower or Subsidiary Bank may file or be required to file with any federal or state banking regulatory agency or any other Governmental Agency or with any securities exchange; and (c) non-privileged written reports presented to the board of directors of Borrower or Subsidiary Bank (including reports relating to delinquent, classified or assets requiring special attention or monitoring) as Lender may reasonably request from time to time; (d) promptly upon receipt thereof, one copy of each written audit report submitted to Borrower by Borrower's Accountant.

6.5 **Proceedings.** Promptly after receiving knowledge thereof, but in no event later than the thirtieth (30th) day following receipt, notice in writing of all charges, assessments, actions, suits and proceedings (as well as notice of the outcome of any such charges, assessments, actions, suits and proceedings) that are initiated by, or brought before, any court or Governmental Agency, in connection with Borrower or any Subsidiary; provided, however, Borrower shall not be obligated to provide such notice in connection with any of the foregoing that could not reasonably be expected to be determined adversely and, if so determined, to have a Material Adverse Effect.

6.6 **Event of Default; Material Adverse Change.** Promptly after the occurrence thereof, notice of any other matter that has resulted in, or could reasonably be expected to result in, a Default, an Unmatured Event of Default, an Event of Default or that could reasonably be expected to have a Material Adverse Effect.

6.7 **Issuance of Subsidiary Bank Capital Instruments.** An amended Section 4.1.2 of the Disclosure Schedule in the event that Subsidiary Bank issues any capital stock or any other instrument that qualifies as capital for regulatory purposes.

6.8 **Other Information Requested by Lender.** Such other information concerning the business, operations, financial condition and regulatory status of Borrower or any Subsidiary as Lender may from time to time reasonably request in compliance with applicable laws and regulations, including but not limited to, information and documentation reasonably requested by Lender for purposes of compliance with applicable "know your customer" requirements under the PATRIOT Act or other applicable anti-money laundering laws.

6.9 **Electronic Delivery of Reporting Materials.** Borrower shall be deemed to be in compliance with its delivery obligations under this Section 6 (with the exception of Section 6.3) with respect to any documents or information that is publicly filed or delivered electronically and if so filed or delivered electronically, shall be deemed to have been delivered for purposes of this Agreement on the date (i) on which Borrower posts such documents, or provides a link thereto on Borrower's website on the Internet; or (ii) on which such documents are posted on Borrower's behalf on an Internet or intranet website, if any, to which Lender has access (whether a commercial, third-party website or whether sponsored by Lender).

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7. **FINANCIAL COVENANTS** For so long as any of the Loans or any obligation of Borrower to Lender in connection therewith is outstanding, Borrower (and/or Subsidiary Bank as the case may be) shall be in compliance with the following financial covenants (which shall be calculated using information submitted to the Federal Reserve Board on the Subsidiary Bank's call reports and forms FR Y-9LP and FR Y-9C):

7.1 **Capitalization.** Borrower (on a consolidated basis) shall at all times maintain, and shall cause Subsidiary Bank at all times to maintain, such capital as may be necessary to cause (a) Borrower to qualify as "well capitalized" and (b) the Subsidiary Bank to qualify as "well capitalized," each in accordance with the rules, regulations and applicable guidance of its respective primary federal regulator, as in effect from time to time and consistent with the financial information and reports filed with the appropriate Governmental Agency as contemplated in Section 6 hereof.

7.2 **Total Risk-Based Capital Ratio.** Subsidiary Bank shall maintain, and Borrower shall cause Subsidiary Bank to maintain, a "Total

Risk-Based Capital Ratio” (Total Capital divided by Total Risk-Based Assets) equal to or in excess of: (a) eleven and one-quarter percent (11.25%), measured as of the last day of the fiscal quarters of the Subsidiary Bank ending September 30, 2018, December 31, 2018, March 31, 2019 and June 30, 2019; and (b) eleven and one-half percent (11.50%), measured as of the last day of the fiscal quarter of the Subsidiary Bank ending September 30, 2019 and as of the last day of each fiscal quarter thereafter).

7.3 Nonperforming Assets to Tangible Capital Ratio. Subsidiary Bank shall maintain, and Borrower shall cause the Subsidiary Bank to maintain, a ratio of the Nonperforming Assets to Tangible Capital (Subsidiary Bank’s Nonperforming Assets divided by the Subsidiary Bank’s Tangible Capital) of not more than fifteen percent (15%), measured as of the last day of each fiscal quarter of the Subsidiary Bank commencing with the fiscal quarter ending September 30, 2018. For purposes of this Agreement, “**Nonperforming Assets**” shall mean the sum of the Subsidiary Bank’s: (a) all other real estate owned, plus (b) Non-Performing Loans but excluding any troubled debt restructurings (so long as any such troubled debt restructurings continue to accrue interest); “**Tangible Capital**” shall mean the total amount of the Subsidiary Bank’s: (i) total common equity, plus (ii) capital qualified subordinated debt, plus, (iii) total reserve for loan losses, minus (iv) total intangible assets.

7.4 Allowance for Loan Losses to Nonperforming Loans. Subsidiary Bank shall maintain, and Borrower shall cause the Subsidiary Bank to maintain, a ratio of the Allowances for Loan Losses to Nonperforming Loans (Allowance for Loan Losses divided by Nonperforming Loans) of: (a) not less than seventy percent (70%), measured as of the last day of the fiscal quarters of the Subsidiary Bank ending September 30, 2018, December 31, 2018, March 31, 2019 and June 30, 2019; and (b) not less than eighty percent (80%), measured as of the last day of the fiscal quarter of the Subsidiary Bank ending September 30, 2019 and as of the last day of each fiscal quarter thereafter. For purposes of this Agreement, “**Nonperforming Loans**” shall mean the sum of all non-accrual loans and loans on which any payment is ninety (90) or more days past due but which continue to accrue interest, but excluding any troubled debt restructurings (so long as any such troubled debt restructurings continue to accrue interest), and “**Allowance for Loan Losses**” shall mean the amount of such balance sheet account of Subsidiary Bank which, in all cases, shall

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be derived from the quarterly reports filed with the applicable primary federal regulator and shall be consistent with the financial information and reports contemplated in Section 6 hereof.

7.5 Minimum Fixed Charge Coverage Ratio. Borrower shall maintain a Fixed Charge Coverage Ratio in an amount that equals or exceeds 1.25 to 1.00, commencing with the quarter ending September 30, 2018 and for each quarter thereafter. The items used in this ratio shall be determined on a trailing twelve (12) month basis. For purposes of this Section, “**Fixed Charge Coverage Ratio**” shall mean with respect to the applicable period, the ratio of Borrower’s (i) the sum of net income plus non-cash charges or expenses (including depreciation and amortization) plus interest expense (but excluding interest expense of Borrower’s subsidiaries) plus one-time losses associated with the acquisition or disposition of assets minus dividends paid to its shareholders minus non-cash income minus one-time gains associated with the acquisition or disposition of assets, to (ii) the sum of interest expense (but excluding interest expense of Borrower’s subsidiaries) plus one-fifth (1/5) of the Total Loan Amount plus the amount of regularly scheduled principal payments due during the tested period on any indebtedness of Borrower due to any party or entity other than Lender (which, in all cases, shall be derived from the quarterly reports filed with the applicable primary federal regulator and shall be consistent with the financial information and reports contemplated in Section 6 hereof).

8. BORROWER’S DEFAULT.

8.1 Borrower’s Defaults and Lender’s Remedies.

8.1.1 Events of Default. Regardless of whether Borrower has given the required notice under Section 6.6, the occurrence of one or more of the following will constitute a “**Default**” and each of the events described below shall be an “**Event of Default**” under this Agreement:

8.1.1.1. Borrower fails to pay (a) any principal on any Note when due, (b) any interest on any Note when the same becomes due, or (c) any other fees, charges, costs or expenses under this Agreement or any other Transaction Document within five (5) days after the same becomes due (or, if no due date is provided therefor, five (5) days after payment is requested); or

8.1.1.2. Failure of Borrower or any Subsidiary to cure any breach of Sections 6.1, 6.2, 6.3, and 6.7 of this Agreement within thirty (30) days after its receipt of a notice from Lender.

8.1.1.3. Failure of Borrower or any Subsidiary to perform or observe in all material respects any agreement, undertaking, instrument, term, provision, obligation, condition, or covenant (other than any such failure that results in an Event of Default as expressly provided in any other clause of this Section 8.1.1) required to be performed or observed by Borrower or any Subsidiary hereunder or under any other Transaction Document; or

8.1.1.4. Any financial information, statement, certificate, representation or warranty given to Lender by or concerning Borrower in connection with entering into this Agreement or any other Transaction Documents, or required to be furnished under the terms hereof or thereof, proves untrue or misleading in any material respect (as determined by Lender in the exercise of its reasonable judgment) as of the time when given; or

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8.1.1.5. Borrower defaults, or otherwise fails to satisfy all of its obligations (except if each such default or failure to satisfy any such obligation has been waived by the holder of such Indebtedness in writing), under the terms of any loan agreement, promissory note, lease, conditional sale contract or other agreement, document or instrument evidencing, governing or securing any Indebtedness (other than the Loans) in excess of \$1,000,000 owing by Borrower to any third party, in each case beyond any period of cure, notice or grace provided for in the instrument or instruments evidencing such Indebtedness and after giving effect to any forbearance arrangements relating thereto; or

8.1.1.6. Any “Event of Default” or “Default” as defined under any of the Transaction Documents (other than this Agreement) occurs and is continuing, in each case beyond any period of grace provided for therein; or

8.1.1.7. The wind-down or dissolution of Borrower; or

8.1.1.8. The execution by Borrower in favor of any Person, other than Lender, of any financing agreements or similar arrangements of any kind whatsoever relating to or otherwise creating an interest in all or any part of the Subsidiary Bank Shares; or

8.1.1.9. Subsidiary Bank fails to pay dividends to Borrower without the prior approval of the Subsidiary Bank’s primary Federal government regulator; or

8.1.1.10. Any order or decree is entered by any court of competent jurisdiction directly or indirectly enjoining or prohibiting Borrower from performing any of its obligations under this Agreement or any of the other Transaction Documents, and such order or decree is not vacated, and the proceedings out of which such order or decree arose are not dismissed, within sixty (60) days after the granting of such decree or order; or

8.1.1.11. The FRB, the Indiana Department of Financial Institutions, the FDIC or any other Governmental Agency charged with the regulation of depository institutions: (a) issues to Borrower or Subsidiary Bank, or initiates any action, suit or proceeding to obtain against, impose on or require from Borrower or Subsidiary Bank, a memorandum of understanding (other than a compliance-related memorandum of understanding that would not impose material restrictions as the business of Borrower or Subsidiary Bank and would not, in the reasonable determination of Borrower, require disclosure under the federal securities laws), a cease and desist order or similar regulatory order, the assessment of civil monetary penalties (other than *de minimis* civil monetary penalties imposed in connection with technical violations of laws or regulations that do not exceed, in the aggregate, \$100,000), articles of agreement, a capital restoration plan, any restrictions or limitations that prevent or as a practical matter impair the payment of dividends other than a deficit in dividend capacity (as that term is defined in [Section 5.9](#)) or the payments of any debt by Borrower or Subsidiary Bank, restrictions or limitations that make the payment of the dividends by Borrower or Subsidiary Bank subject to prior regulatory notice or approval, a notice or finding under Section 8(a) of the FDI Act, or any similar enforcement action, measure or proceeding; or (b) proposes or issues to any executive officer or director of Borrower or Subsidiary Bank, or initiates any action, suit or proceeding to obtain against, impose on or require from any such officer or director, a cease and desist order or similar regulatory order, a removal order or suspension order, or the assessment of civil monetary penalties

(other than *de minimis* civil monetary penalties imposed in connection with technical violations of laws or regulations that do not exceed, in the aggregate, \$100,000); or

8.1.1.12. The filing of formal charges by any Governmental Agency, including the issuance of an indictment, under a RICO Related Law against Borrower or Subsidiary Bank; or

8.1.1.13. Uninsured final judgment or judgments for the payment of money in an amount in excess of \$1,000,000 is or are outstanding against Borrower or against any of its property or assets, and any one of such judgments has remained unpaid, unvacated, unbonded or unstayed by appeal or otherwise for a period of sixty (60) days from the date of its entry; or

8.1.1.14. Subsidiary Bank is notified that it is considered an institution in “troubled condition” within the meaning of 12 U.S.C. Section 1831i and the regulations promulgated thereunder, or if a conservator or receiver is appointed for Subsidiary Bank; or

8.1.1.15. Borrower or Subsidiary Bank becomes insolvent or is unable to pay its debts as they mature; or makes an assignment for the benefit of creditors or admits in writing its inability to pay its debts as they mature; or suspends transaction of its usual business; or if a trustee, conservator or receiver of any substantial part of the assets of Borrower or Subsidiary Bank is applied for or appointed, or

8.1.1.16. Any proceedings involving Borrower or Subsidiary Bank are commenced by or against Borrower or Subsidiary Bank under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law or statute of the federal government or any state government, and, in the case of an involuntary proceeding, either (a) such proceeding is not dismissed within sixty (60) days after the commencement thereof, or (b) an order shall be entered approving the petition in such proceeding; or

8.1.1.17. Borrower applies for, consents to or acquiesces in the appointment of a trustee, receiver, conservator or liquidator for itself under Chapter 7 or Chapter 11 of the Bankruptcy Code (the “**Bankruptcy Code Provisions**”), or in the absence of such application, consent or acquiescence, a trustee, conservator, receiver or liquidator is appointed for Borrower under the Bankruptcy Code Provisions, or any bankruptcy, reorganization, debt arrangement or other proceeding or any dissolution, liquidation, or conservatorship proceeding is instituted by or against Borrower under the Bankruptcy Code Provisions, or if Borrower is enjoined, restrained or in any way prevented from conducting all or any material part of its business under the Bankruptcy Code Provisions; or Subsidiary Bank applies for, consents

to or acquiesces in the appointment of a receiver for itself, or in the absence of such application, consent or acquiescence, a receiver is appointed for Subsidiary Bank; or

8.1.1.18. The capital stock of Subsidiary Bank is attached, seized, subjected to a writ of distress warrant, or is levied upon or becomes subject to any lien, claim, security interest or other encumbrance of any kind, or comes within the possession of any receiver, trustee, custodian or assignee for the benefit of creditors.

8.1.2 Lender's Remedies. Upon the occurrence of any Event of Default, Lender shall have the right, if such Event of Default shall then be continuing, in addition to all the remedies

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conferred upon Lender by law or equity or the terms of any Transaction Document, to do any or all of the following, concurrently or successively, without notice to Borrower; provided, however, upon the occurrence of an Event of Default identified in any of Section 8.1.1.15 through Section 8.1.1.17 inclusive, the unpaid principal amount under the Loans, all interest and all other amounts outstanding under this Agreement or any other Transaction Document shall automatically become due and payable without further act of Lender:

8.1.2.1. Declare the Notes to be, and they shall thereupon become, immediately due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, anything contained herein or in the Notes to the contrary notwithstanding; or

8.1.2.2. Terminate Lender's obligations under this Agreement to extend credit of any kind or to make any disbursement, whereupon the commitment and obligation of Lender to extend credit or to make disbursements hereunder shall terminate.

8.2 Protective Advances. If an Event of Default occurs, Lender may (but shall in no event be required to) cure any such Event of Default and any amounts expended by Lender in so doing, as determined by Lender in its sole and absolute discretion, shall (a) be deemed advanced by Lender under an obligation to do so regardless of the identity of the person or persons to whom such funds are furnished, (b) constitute additional advances hereunder, the payment of which is additional indebtedness evidenced by the Notes, and (c) become due and owing, at Lender's demand, with interest accruing from the date of disbursement thereof until fully paid at the Default Rate.

8.3 Other Remedies. Nothing in this Article 8 is intended to restrict Lender's rights under any of the other Transaction Documents, other related documents, or at law or in equity, and Lender may exercise such rights and remedies as and when they are available.

8.4 No Lender Liability. To the extent permitted by law, Lender shall have no liability for any loss, damage, injury, cost or expense resulting from any action or omission by it, or any of its representatives, which was taken, omitted or made in good faith.

8.5 Preservation of Rights. No delay or omission of Lender to exercise any right under the Transaction Documents shall impair such right or be construed to be a waiver of any Event of Default or an acquiescence therein, and the making of a credit extension notwithstanding the existence of an Event of Default or the inability of Borrower to satisfy the conditions precedent to such credit extension shall not constitute any waiver or acquiescence. Any single or partial exercise of any such right shall not preclude other or further exercise thereof or the exercise of any other right, and no waiver, amendment or other variation of the terms, conditions or provisions of the Transaction Documents whatsoever shall be valid unless in writing signed by Lender required pursuant to Section 9.15, and then only to the extent in such writing specifically set forth. All remedies contained in the Transaction Documents or by law afforded shall be cumulative and all shall be available to Lender until (a) each and all obligations of Borrower owing to Lender have been irrevocably paid and performed in full and (b) Lender no longer has any commitment to provide any financial accommodations to Borrower or any other Loan Party under any Loan Document.

8.6 Lender's Fees and Expenses. In case of any Event of Default hereunder, Borrower

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shall pay Lender's fees and expenses including reasonable attorneys' fees and expenses, in connection with the enforcement of this Agreement or any of the other Transaction Documents or other related documents.

9. MISCELLANEOUS.

9.1 Release; Indemnification. To the maximum extent permitted under applicable laws and regulations, Borrower hereby releases Lender from any and all causes of action, claims or rights which Borrower may now or hereafter have for, or which may arise from, any loss or damage caused by or resulting from (a) any failure of Lender to protect, enforce or collect in whole or in part any of the Loans, (b) any other act or omission to act on the part of Lender, its officers, agents or employees, except in each instance for those caused by Lender's willful misconduct or gross negligence. Borrower shall indemnify, defend and hold Lender and its Affiliates (including their respective officers, directors, agents and employees) harmless from and against any and all losses, liabilities, obligations, penalties, claims, fines, demands, litigation, defenses, costs, judgments, suits, proceedings, actual damages, disbursements or expenses of any kind or nature whatsoever (including attorneys' fees and expenses) that may at any time be either directly or indirectly imposed upon, incurred by or asserted or awarded against Lender or any of Lender's Affiliates in connection with, arising from or relating to Borrower's breach of any covenant, obligation, agreement, representation or warranty set forth in this Agreement or any other Transaction Document, or arising from or relating to any willful misconduct by Borrower, except to the extent Borrower establishes that the loss, liability, obligations, penalty, claim, fine, demand, litigation, defense, cost, judgment, suit, proceeding, damage, disbursement or expense arose solely by reason of Lender's or any of Lender's Affiliates' willful misconduct or gross negligence.

9.2 Assignment and Participation. Lender may pledge or otherwise hypothecate all or any portion of this Agreement or grant participations herein (provided Lender acts as agent for any participants, except as provided below) or in any of its rights and obligations hereunder. Lender may also assign all or any part of the Loans and Lender's obligations in connection therewith to one or more commercial banks or other financial institutions or investors (each an "Assignee Lender"). Upon delivery to Borrower of an executed copy of the Assignee Lender's assignment and acceptance (a) each such Assignee Lender shall be deemed to be a party hereto and, to the extent that rights and obligations hereunder have been assigned and delegated to such Assignee Lender, such Assignee Lender shall have the rights and obligations of Lender hereunder and under the other Transaction Documents and other related documents (b) Lender, to the extent that rights and obligations hereunder have been assigned and delegated by it, shall be released from its obligations hereunder and under the other Transaction Documents (including the obligation to fund the Assignee Lender's share of one or more of the assigned or delegated Loans) and other related documents. Within five (5) Business Days after receipt of a copy of the executed assignment and acceptance document, Borrower shall execute and deliver to Lender a new promissory note or notes, as applicable (for delivery to the relevant Assignee Lender), substantially in the form of Exhibit A hereto, as applicable, but substituting Assignee Lender's name and evidencing such Assignee Lender's assigned portion of the Loan or Loans and a replacement promissory note or notes, as applicable, in the principal amount of the Loan or Loans retained by Lender (such promissory note or notes to be in exchange for, but not in payment of, the promissory

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note or notes, as applicable, then held by Lender). The replacement promissory note or notes, as applicable, shall be dated the date of the predecessor promissory note. Lender shall mark the predecessor promissory note or notes, as applicable, "exchanged" and deliver it or them, as applicable, to Borrower. Accrued interest on that part of the predecessor promissory note evidenced by the new promissory note held by the Assignee Lender, and accrued fees, shall be paid as provided in the assignment agreement between Lender and to the Assignee Lender. Accrued interest on that part of the predecessor promissory note evidenced by the replacement promissory note held by Lender shall be paid to Lender. Accrued interest and accrued fees shall be so apportioned between the promissory notes and paid at the same time or times provided in the predecessor promissory note and in this Agreement. Borrower authorizes Lender to disclose to any prospective Assignee Lender any financial or other information pertaining to Borrower or the Loans so long as such Assignee Lender has agreed to be bound by the confidentiality provisions of this Agreement and such disclosure is made in material compliance with all applicable laws and regulations. Anything in this Agreement to the contrary notwithstanding, and without the need to comply with any of the formal or procedural requirements of this Agreement, including this Section 9.2, Lender may at any time and from time to time pledge and assign all or any portion of its rights under all or any of the Transaction Documents and other related documents to a Federal Reserve Bank; provided that no such pledge or assignment shall release Lender from its obligations thereunder. The parties to this Agreement acknowledge that this Section 9.2 does not prohibit assignments creating security interests, including, without limitation, any pledge or assignment by Lender of all or any portion of its rights under this Agreement and any Note to a Federal Reserve Bank

9.3 Prohibition on Assignment. Borrower shall not assign or attempt to assign its rights under this Agreement, either voluntarily or, except to the extent permitted by the terms of Section 5.2.1 of this Agreement, by operation of law.

9.4 Time of the Essence. Time is of the essence with respect to this Agreement.

9.5 No Waiver. No waiver of any term, provision, condition, covenant or agreement herein contained shall be effective unless set forth in a writing signed by Lender, and any such waiver shall be effective only to the extent set forth in such writing. No failure to exercise or delay in exercising, by Lender or any holder of any Note, of any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other right or remedy provided by law. The rights and remedies provided in this Agreement are cumulative and not exclusive of any right or remedy provided by law or equity. No notice or demand on Borrower in any case shall, in itself, entitle Borrower to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of Lender to any other or further action in any circumstances without notice or demand. No consent or waiver, expressed or implied, by Lender to or of any breach or default by Borrower in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of the same or any other obligations of Borrower hereunder. Failure on the part of Lender to complain of any acts or failure to act or to declare a Default or an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Lender of its rights hereunder or impair any rights, powers or remedies on account of any breach or default by Borrower.

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9.6 Severability. Any provision of this Agreement that is unenforceable or invalid or contrary to law, or the inclusion of which would adversely affect the validity, legality or enforcement of this Agreement, shall be of no effect and, in such case, all the remaining terms and provisions of this Agreement shall subsist and be fully effective according to the tenor of this Agreement the same as though any such invalid portion had never been included herein. Notwithstanding any of the foregoing to the contrary, if any provisions of this Agreement or the application thereof are held invalid or unenforceable only as to particular persons or situations, the remainder of this Agreement, and the application of such provision to persons or situations other than those to which it shall have been held invalid or unenforceable, shall not be affected thereby, but shall continue valid and enforceable to the fullest extent permitted by law.

9.7 Usury; Revival of Liabilities. All agreements between Borrower and Lender (including this Agreement and any other Transaction Documents) are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to Lender exceed the amount collectible at the highest lawful rate of interest permissible under the laws of the State of Ohio. If, from any circumstances whatsoever, fulfillment of any provision hereof or of any other Transaction Documents, at the time performance of such provision shall be due, shall involve exceeding the limit of validity prescribed by law that a court of competent jurisdiction may deem applicable hereto, then, *ipso facto*, the obligation

to be fulfilled shall be reduced to the amount collectible at the highest lawful rate of interest permissible under the laws of the State of Ohio, and if for any reason whatsoever, Lender shall ever receive as interest an amount that would be deemed unlawful, such interest shall be applied to the payment of the last maturing installment or installments of the Indebtedness to Lender (whether or not then due and payable) and not to the payment of interest. To the extent that Lender received any payment on account of Borrower's Liabilities and any such payment(s) and/or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, subordinated and/or required to be repaid to a trustee, receiver or any other Person under any bankruptcy act, state or federal law, common law or equitable cause, then to the extent of such payment(s) or proceeds received, Borrower's Liabilities or part thereof intended to be satisfied shall be revived and continue in full force and effect, as if such payment(s) and/or proceeds had not been received by Lender and applied on account of Borrower's Liabilities; provided, however, if Lender successfully contests any such invalidation, declaration, set aside, subordination or other order to pay any such payment and/or proceeds to any third party, the revived Borrower's Liabilities shall be deemed satisfied.

9.8 Notices and Electronic Communications. Any notice which either party hereto may be required or may desire to give hereunder shall be deemed to have been given if in writing and if delivered personally, or if mailed, postage prepaid, by United States registered or certified mail, return receipt requested, or if delivered by a responsible overnight courier, addressed:

if to Borrower:

German American Bancorp, Inc.
711 Main Street

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Box 180
Jasper, Indiana 47546
Attn: Bradley M. Rust
Telephone No.:
Fax No.:
E-Mail Address: brad.rust@germanamerican.com

if to Lender:

U.S. Bank National Association
5065 Wooster Road
Mail Location: CN-OH-L2CB
Cincinnati, Ohio 45226
Attn: Mr. Brad Clark
Telephone No.: (937) 873-7823
Fax No.: (513) 277-5364
E-Mail Address: brad.clark@usbank.com

With a copy to (which shall not constitute notice):

Dressman Benzinger LaVelle psc
221 East Fourth Street
Suite 2500
Cincinnati, Ohio 45202
Attn: R. Jeffrey Schlosser, Esq.
Telephone No.: (513) 357-5286
Fax No.: (513) 241-4551
E-Mail Address: jschlosser@dbllaw.com

or to such other address or addresses as the party to be given notice may have furnished in writing to the party seeking or desiring to give notice, as a place for the giving of notice, provided that no change in address shall be effective until seven (7) days after being given to the other party in the manner provided for above. Any notice given in accordance with the foregoing shall be deemed given when delivered personally or, if mailed, five (5) Business Days after it shall have been deposited in the United States mails as aforesaid or, if sent by overnight courier, the Business Day following the date of delivery to such courier. Notices and other communications to Lender hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by Lender. Either Lender or Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications. Unless Lender otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have

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been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

9.9 [Intentionally omitted.]

9.10 No Joint Venture. Nothing contained herein or in any document executed pursuant hereto and no action or inaction whatsoever on the part of Lender, shall be deemed to make Lender a partner or joint venturer with Borrower.

9.11 Brokerage Commissions. Lender and Borrower each represent and warrant to the other that they have not dealt with any brokers or finders to whom a brokerage commission or finders fee is due in connection with the Loans. Each of Lender and Borrower hereby indemnifies and holds harmless the other from all loss, cost and expenses (including reasonable attorneys' fees and expenses) arising out of a breach of its representation and warranty set forth in this Section 9.11. The provisions of this Section 9.11 shall survive the Closing and the termination of this Agreement.

9.12 Publicity. Other than disclosures required by applicable law, neither party shall publicize the Loans without the prior written consent of the other, which consent shall not be unreasonably withheld, conditioned or delayed.

9.13 Documentation. All documents and other matters required by any of the provisions of this Agreement to be submitted or furnished to Lender shall be in form reasonably satisfactory to Lender.

9.14 Additional Assurances; Right of Set-off. Borrower agrees that, at any time or from time to time, upon the written request of Lender, it will execute all such further documents and do all such other acts and things as Lender may reasonably request to effectuate the transaction herein contemplated. If any Event of Default shall have occurred and be continuing, Lender is hereby authorized at any time and from time to time to set-off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and any and all other indebtedness at any time owing by Lender to or for the credit or the account of Borrower against any and all of Borrower's Liabilities or obligations to Lender pursuant to the Transaction Documents irrespective of whether or not Lender shall have made any demand hereunder or thereunder. Lender agrees promptly to notify Borrower after any such set-off and application made by Lender; provided, however, that the failure to give such notice shall not affect the validity of such set-off and application. The rights of Lender under this Section 9.14 are in addition to any other rights and remedies (including other rights of set-off) that Lender may have. Nothing contained in this Agreement or any other Transaction Document shall impair the right of Lender to exercise any right of set-off or counterclaim it may have against Borrower and to apply the amount subject to such exercise to the payment of indebtedness of Borrower unrelated to this Agreement or the other Transaction Documents.

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9.15 Entire Agreement. This Agreement and the Disclosure Schedule and Exhibits hereto constitute the entire agreement between the parties hereto with respect to the subject matter hereof and may not be modified or amended in any manner other than by supplemental written agreement executed by the parties hereto. Neither party, in entering into this Agreement, has relied upon any representation, warranty, covenant, condition or other term that is not set forth in this Agreement.

9.16 Choice of Law, Jurisdiction and Venue

9.16.1 GOVERNING LAW. THIS AGREEMENT AND ALL TRANSACTION DOCUMENTS (OTHER THAN THOSE CONTAINING A CONTRARY EXPRESS CHOICE OF LAW PROVISION) SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF OHIO WITHOUT REGARD TO ITS CONFLICT OF LAW PRINCIPLES BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

9.16.2 SUBMISSION TO JURISDICTION. EACH OF BORROWER AND LENDER IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF OHIO LOCATED IN HAMILTON COUNTY, OHIO AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF OHIO, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH OHIO STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER TRANSACTION DOCUMENT SHALL AFFECT ANY RIGHT ANY PARTY HERETO MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT AGAINST THE OTHER PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

9.16.3 WAIVER OF VENUE. EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT IN ANY COURT REFERRED TO IN SECTION 9.16.2. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

9.16.4 SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN

SECTION 9.8. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

9.17 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Transaction Document), Borrower acknowledges and agrees that: (a) (i) the arranging and other services regarding this Agreement provided by Lender are arm's-length commercial transactions between Borrower and its Affiliates, on the one hand, Lender on the other hand, (ii) Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate and (iii) Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Transaction Documents; (b) (i) Lender is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for Borrower or any of its Affiliates, or any other Person and (ii) Lender does not have any obligation to Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Transaction Documents; and (c) Lender and its respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of Borrower and its Affiliates, and Lender has no obligation to disclose any of such interests to Borrower or its Affiliates. To the fullest extent permitted by law, Borrower hereby waives and releases any claims that it may have against Lender with respect to (i) any breach or alleged breach of fiduciary duty in connection with any aspect of any transaction contemplated hereby, and (ii) any breach or alleged breach of agency in connection with any aspect of any transaction contemplated hereby.

9.18 No Third Party Beneficiary. This Agreement is made for the sole benefit of Borrower and Lender, and no other person shall be deemed to have any privity of contract hereunder nor any right to rely hereon to any extent or for any purpose whatsoever, nor shall any other person have any right of action of any kind hereon or be deemed to be a third party beneficiary hereunder.

9.19 Legal Tender of United States. All payments hereunder shall be made in coin or currency which at the time of payment is legal tender in the United States of America for public and private debts.

9.20 Captions; Counterparts. Captions contained in this Agreement in no way define, limit or extend the scope or intent of their respective provisions. This Agreement may be executed by facsimile and in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

9.21 Knowledge; Discretion. All references herein to a party's knowledge shall be deemed to mean the knowledge of such party based on commercially reasonable inquiry. All references herein to Borrower's knowledge shall be deemed to refer to the knowledge of Borrower and each Subsidiary. Unless specified to the contrary herein, all references herein to an exercise

of discretion or judgment by Lender, to the making of a determination or designation by Lender, to the application of Lender's discretion or opinion, to the granting or withholding of Lender's consent or approval, to the consideration of whether a matter or thing is satisfactory or acceptable to Lender, or otherwise involving the decision making of Lender, shall be deemed to mean that Lender shall decide unilaterally using its sole and absolute discretion or judgment.

9.22 Electronic Execution of Assignments; Electronic Records. The words "execution," "signed," "signature," and words of like import in any assignment and assumption agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, or any other state laws based on the Uniform Electronic Transactions Act. Lender is authorized to create electronic images and to destroy paper originals of any imaged documents and any such images maintained by Lender as a part of its normal business processes shall be given the same legal effect as the paper originals. Lender is authorized, when appropriate, to convert any instrument into a "transferable record" under the Uniform Electronic Transactions Act ("UETA"), with the image of such instrument in Lender's possession constituting an "authoritative copy" under UETA.

9.23 ENTIRE AGREEMENT. THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

9.24 WAIVER OF CONSEQUENTIAL DAMAGES, ETC. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, NEITHER PARTY SHALL ASSERT, AND EACH PARTY HEREBY WAIVES, ANY CLAIM AGAINST THE OTHER PARTY, ON ANY THEORY OF LIABILITY, FOR SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES (AS OPPOSED TO DIRECT OR ACTUAL DAMAGES) ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF, THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT OR ANY AGREEMENT OR INSTRUMENT CONTEMPLATED HEREBY OR THEREBY, THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, ANY LOAN OR THE USE OF THE PROCEEDS THEREOF. NO PARTY HERETO SHALL BE LIABLE FOR ANY DAMAGES ARISING FROM THE USE BY UNINTENDED RECIPIENTS OF ANY INFORMATION OR OTHER MATERIALS DISTRIBUTED TO SUCH UNINTENDED RECIPIENTS BY SUCH PARTY THROUGH TELECOMMUNICATIONS, ELECTRONIC OR OTHER INFORMATION TRANSMISSION SYSTEMS IN CONNECTION WITH THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED

HEREBY OR THEREBY OTHER THAN FOR DIRECT OR ACTUAL DAMAGES RESULTING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH PARTY AS DETERMINED BY A FINAL AND NONAPPEALABLE JUDGMENT OF A COURT OF COMPETENT JURISDICTION.

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9.25 WAIVER OF RIGHT TO JURY TRIAL. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY, UNCONDITIONALLY AND IRREVOCABLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) ANY RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION ARISING IN ANY WAY IN CONNECTION WITH THIS AGREEMENT, THE NOTES OR ANY OF THE OTHER TRANSACTION DOCUMENTS, OR ANY OTHER STATEMENTS OR ACTIONS OF BORROWER OR LENDER. BORROWER ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS DISCUSSED THIS WAIVER WITH SUCH LEGAL COUNSEL. BORROWER FURTHER ACKNOWLEDGES THAT (a) IT HAS READ AND UNDERSTANDS THE MEANING AND RAMIFICATIONS OF THIS WAIVER, (b) THIS WAIVER HAS BEEN REVIEWED BY BORROWER AND BORROWER'S COUNSEL AND IS A MATERIAL INDUCEMENT FOR LENDER TO ENTER INTO THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS, (c) THIS WAIVER SHALL BE EFFECTIVE AS TO EACH OF SUCH TRANSACTION DOCUMENTS AS IF FULLY INCORPORATED THEREIN AND (d) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER.

[Remainder of Page Intentionally Left Blank]

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IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed by their duly authorized representatives as of the date first above written.

GERMAN AMERICAN BANCORP, INC.

By: /s/ Bradley M. Rust
Name: Bradley M. Rust
Title: Executive Vice President and Chief Financial Officer

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Brad Clark
Name: Brad Clark
Title: Vice President

EXHIBIT A

FORM OF TERM NOTE

Execution version

TERM NOTE

\$25,000,000.00

Cincinnati, Ohio
October 11, 2018

GERMAN AMERICAN BANCORP, INC., an Indiana corporation (herein called "Borrower"), for value received, hereby promises to pay to the order of **U.S. BANK NATIONAL ASSOCIATION** ("Lender"), with an address of 5065 Wooster Rd., Mail Location CN-OH-L2CB, Cincinnati, OH 45226 or its assigns or successors, on the dates set forth below, the principal sum of **Twenty Five Million and 00/100 Dollars (\$25,000,000.00)** or such lesser amount as may be drawn hereon, and to pay interest from the date hereof (computed on the basis of a 360-day year but applied to the actual number of days elapsed in the subject interest period) on the unpaid balance thereof at the rate set forth below. This Note is the Term Note referenced in that certain Loan Agreement of even date herewith by and between the Lender and the Borrower ("Loan Agreement"). All capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Loan Agreement.

Interest shall accrue on all sums as advanced and outstanding from time to time under this Note as set forth in the Loan Agreement. Such interest shall be due and payable as set forth in the Loan Agreement.

The outstanding principal balance of this Note, together with all accrued and unpaid interest, shall be due and payable in accordance with the terms and conditions of the Loan Agreement. Additional principal payments shall be made in accordance with the provisions of the Loan Agreement.

This Note is issued pursuant to the terms of the Loan Agreement. If an Event of Default shall occur and be continuing, the principal of this Note together with all accrued interest thereon may, at the option of the holder hereof, immediately become due and payable on demand; provided, however, that if any document related to this Note provides for automatic acceleration of payment of sums owing hereunder, all sums owing hereunder shall be automatically due and payable in accordance with the terms of that document.

Unless otherwise provided in the Loan Agreement, all payments on account of the indebtedness evidenced by this Note shall be first applied to the payment of costs and expenses of Lender which are due and payable, then to past-due interest on the unpaid principal balance and the remainder to principal.

This Note may be prepaid only upon those terms and conditions set forth in the Loan Agreement.

From and after the Term Loan Maturity Date, or such earlier date as all sums owing on this Note become due and payable by acceleration or otherwise, or after the occurrence of an Event of Default as provided in the Loan Agreement, interest shall be computed on all amounts then due and payable under this Note at the Default Rate as provided in the Loan Agreement.

If any attorney is engaged by Lender to enforce or defend any provision of this Note or any of the other Transaction Documents, or as a consequence of any Default or Event of Default, with or without the filing of any legal action or proceeding, then Borrower shall pay to Lender immediately upon demand all attorneys' fees and expenses, together with interest thereon from the date of such demand until paid at the rate of interest applicable to the principal balance owing hereunder as if such unpaid attorneys' fees and expenses had been added to the principal.

No previous waiver and no failure or delay by Lender or Borrower in acting with respect to the terms of this Note or any of the other Transaction Documents shall constitute a waiver of any breach, default or failure of condition under this Note, the Loan Agreement or any of the other Transaction Documents. A waiver of any term of this Note or any of the other Transaction Documents or of any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver. In the event of any inconsistencies between the terms of this Note, the terms of the Loan Agreement and the terms of any other document related to the Loan evidenced by this Note, the terms of the Loan Agreement shall prevail.

Except as otherwise provided in the Loan Agreement, Borrower expressly waives presentment, demand, notice of dishonor, notice of default or delinquency, notice of acceleration, notice of protest and nonpayment, notice of costs, expenses or losses and interest thereon, notice of late charges, and diligence in taking any action to collect any sums owing under this Note or in proceeding against any of the rights or interests in or to properties securing payment of this Note. In addition, Borrower expressly agrees that this Note and any payment coming due hereunder may be extended from time to time without in any way affecting the liability of Borrower hereunder.

Time is of the essence with respect to every provision hereof. This Note shall be construed and enforced in accordance with the laws of the State of Ohio, except to the extent that federal laws preempt the laws of the State of Ohio, and all persons and entities in any manner obligated under this Note consent to the jurisdiction of any Federal or State court having situs in Hamilton County, Ohio and having proper venue, and also consent to service of process by any means authorized by Ohio or Federal law. Any reference contained herein to attorneys' fees and expenses shall be deemed to be to reasonable fees and expenses and to include all reasonable fees and expenses of third-party attorneys and the reasonable fees and expenses of any other experts or consultants.

All agreements between Borrower and Lender (including this Note and the Loan Agreement, and any other documents securing all or any part of the indebtedness evidenced hereby, if any) are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to Lender exceed the amount collectible at the highest lawful rate of interest permissible under applicable law. If, from any circumstances whatsoever, fulfillment of any provision hereof,

the Loan Agreement or any other documents securing all or any part of the indebtedness evidenced hereby at the time performance of such provisions shall be due, shall involve exceeding the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then, *ipso facto*, the obligation to be fulfilled shall be reduced to the highest lawful rate of interest permissible under such applicable laws, and if, for any reason whatsoever, Lender shall ever receive as interest an amount that would be deemed unlawful under such applicable law, such interest shall be automatically applied to the payment of the principal of this Note (whether or not then due and payable) and not to the payment of interest or refunded to Borrower if such principal has been paid in full.

Any notice which either party hereto may be required or may desire to give hereunder shall be governed by the notice provisions of the Loan Agreement.

Nothing contained in this Note or in the Loan Agreement regarding late charges or the Default Rate will be construed in any way to extend the due date of any payment or waive any payment default, and each such right is in addition to, and not in lieu of, the other and any other rights and remedies of Lender hereunder, under any of the Transaction Documents or under applicable law (including, without limitation, the right to interest, reasonable attorneys' fees and other expenses).

Borrower and all others who may become liable for all or part of the principal balance hereof or for any obligations of Borrower to Lender

or the holder hereof (a) jointly and severally, forever waive presentment, protest and demand, notice of protest, demand and dishonor and non-payment of this Note, and all other notices in connection with the delivery, acceptance, performance, default or enforcement of the payment of this Note, (b) agree that the time of payment of the debt or any part thereof may be extended from time to time without modifying or releasing the liability of Borrower or any other such parties, the right of recourse against Borrower and such parties being hereby reserved by Lender; and (c) agree that time is of the essence. Borrower agrees to pay all costs of collection when incurred, whether suit be brought or not, including reasonable attorneys' fees and costs of suit and preparation therefor, and to perform and comply with each of the covenants, conditions, provisions and agreements of the Borrower contained in this Note. It is expressly agreed by Borrower that no extensions of time for payment of this Note, nor the failure on the part of Lender to exercise any of its rights hereunder, shall operate to release, discharge, modify, change or affect the original liability under this Note, either in whole or in part.

EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY, UNCONDITIONALLY AND IRREVOCABLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) ANY RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION ARISING IN ANY WAY IN CONNECTION WITH THIS NOTE OR ANY OF THE OTHER TRANSACTION DOCUMENTS, OR ANY OTHER STATEMENTS OR ACTIONS OF BORROWER OR LENDER. BORROWER ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS NOTE AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS DISCUSSED THIS WAIVER WITH SUCH LEGAL COUNSEL. BORROWER FURTHER ACKNOWLEDGES THAT (a) IT HAS READ AND UNDERSTANDS THE MEANING AND RAMIFICATIONS OF THIS WAIVER, (b) THIS WAIVER HAS BEEN REVIEWED BY BORROWER AND BORROWER'S COUNSEL AND

IS A MATERIAL INDUCEMENT FOR LENDER TO ENTER INTO THE TRANSACTION DOCUMENTS, (c) THIS WAIVER SHALL BE EFFECTIVE AS TO EACH OF THE TRANSACTION DOCUMENTS AS IF FULLY INCORPORATED THEREIN AND (d) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER.

IN WITNESS WHEREOF, the undersigned has executed this Note or caused this Note to be executed by its duly authorized representative as of the date first above written.

BORROWER:

GERMAN AMERICAN BANCORP, INC.,
an Indiana corporation

By: [Form: do not sign]

Name: Bradley M. Rust

Title: Executive Vice President and Chief Financial Officer

EXHIBIT B

FORM OF REVOLVING CREDIT NOTE

Execution version

REVOLVING CREDIT NOTE

\$15,000,000.00

Cincinnati, Ohio
October 11, 2018

GERMAN AMERICAN BANCORP, INC., an Indiana corporation (herein called "Borrower"), for value received, hereby promises to pay to the order of **U.S. BANK NATIONAL ASSOCIATION** ("Lender"), with an address of 5065 Wooster Rd., Mail Location CN-OH-L2CB, Cincinnati, OH 45226 or its assigns or successors, on the dates set forth below, the principal sum of up to **Fifteen Million and 00/100 Dollars (\$15,000,000.00)** or such lesser amount as may be drawn hereon, and to pay interest from the date hereof (computed on the basis of a 360-day year but applied to the actual number of days elapsed in the subject interest period) on the unpaid balance thereof at the rate set forth below. This Note is the Revolving Credit Note referenced in that certain Loan Agreement of even date herewith by and between the Lender and the Borrower ("Loan Agreement"). All capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Loan Agreement.

Under this Note, the Borrower may borrow, repay, and re-borrow up to Fifteen Million Dollars (\$15,000,000.00) (the "Available Amount"). Should the total amount outstanding under this Note at any time exceed the Amount Available, the Borrower shall immediately, without notification from the Lender being required, reduce the amount outstanding to an amount that is less than or equal to the Amount Available, and the failure to do so shall constitute an Event of Default.

Interest shall accrue on all sums as advanced and outstanding from time to time under this Note as set forth in the Loan Agreement. Such interest shall be due and payable as set forth in the Loan Agreement.

The outstanding principal balance of this Note, together with all accrued and unpaid interest, shall be due and payable in accordance with the terms and conditions of the Loan Agreement. Additional principal payments shall be made in accordance with the provisions of the Loan Agreement.

This Note is issued pursuant to the terms of the Loan Agreement. If an Event of Default shall occur and be continuing, the principal of this Note together with all accrued interest thereon may, at the option of the holder hereof, immediately become due and payable on demand; provided, however, that if any document related to this Note provides for automatic acceleration of payment of sums owing hereunder, all sums owing hereunder shall be automatically due and payable in accordance with the terms of that document.

Unless otherwise provided in the Loan Agreement, all payments on account of the indebtedness evidenced by this Note shall be first applied to the payment of costs and expenses of Lender which are due and payable, then to past-due interest on the unpaid principal balance and the remainder to principal.

This Note may be prepaid only upon those terms and conditions set forth in the Loan Agreement.

From and after the Revolving Loan Maturity Date, or such earlier date as all sums owing on this Note become due and payable by acceleration or otherwise, or after the occurrence of an Event of Default as provided in the Loan Agreement, interest shall be computed on all amounts then due and payable under this Note at the Default Rate as provided in the Loan Agreement.

If any attorney is engaged by Lender to enforce or defend any provision of this Note or any of the other Transaction Documents, or as a consequence of any Default or Event of Default, with or without the filing of any legal action or proceeding, then Borrower shall pay to Lender immediately upon demand all attorneys' fees and expenses, together with interest thereon from the date of such demand until paid at the rate of interest applicable to the principal balance owing hereunder as if such unpaid attorneys' fees and expenses had been added to the principal.

No previous waiver and no failure or delay by Lender or Borrower in acting with respect to the terms of this Note or any of the other Transaction Documents shall constitute a waiver of any breach, default or failure of condition under this Note, the Loan Agreement or any of the other Transaction Documents. A waiver of any term of this Note or any of the other Transaction Documents or of any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver. In the event of any inconsistencies between the terms of this Note, the terms of the Loan Agreement and the terms of any other document related to the Loan evidenced by this Note, the terms of the Loan Agreement shall prevail.

Except as otherwise provided in the Loan Agreement, Borrower expressly waives presentment, demand, notice of dishonor, notice of default or delinquency, notice of acceleration, notice of protest and nonpayment, notice of costs, expenses or losses and interest thereon, notice of late charges, and diligence in taking any action to collect any sums owing under this Note or in proceeding against any of the rights or interests in or to properties securing payment of this Note. In addition, Borrower expressly agrees that this Note and any payment coming due hereunder may be extended from time to time without in any way affecting the liability of Borrower hereunder.

Time is of the essence with respect to every provision hereof. This Note shall be construed and enforced in accordance with the laws of the State of Ohio, except to the extent that federal laws preempt the laws of the State of Ohio, and all persons and entities in any manner obligated under this Note consent to the jurisdiction of any Federal or State court having situs in Hamilton County, Ohio and having proper venue, and also consent to service of process by any means authorized by Ohio or Federal law. Any reference contained herein to attorneys' fees and expenses shall be deemed to be to reasonable fees and expenses and to include all reasonable fees and expenses of third-party attorneys and the reasonable fees and expenses of any other experts or consultants.

All agreements between Borrower and Lender (including this Note and the Loan Agreement, and any other documents securing all or any part of the indebtedness evidenced hereby, if any) are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to Lender exceed the amount collectible at the highest lawful rate of interest permissible under applicable law. If, from any circumstances whatsoever, fulfillment of any provision hereof, the Loan Agreement or any other documents securing all or any part of the indebtedness evidenced hereby at the time performance of such provisions shall be due, shall involve exceeding the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then, *ipso facto*, the obligation to be fulfilled shall be reduced to the highest lawful rate of interest permissible under such applicable laws, and if, for any reason whatsoever, Lender shall ever receive as interest an amount that would be deemed unlawful under such applicable law, such interest shall be automatically applied to the payment of the principal of this Note (whether or not then due and payable) and not to the payment of interest or refunded to Borrower if such principal has been paid in full.

Any notice which either party hereto may be required or may desire to give hereunder shall be governed by the notice provisions of the Loan Agreement.

Nothing contained in this Note or in the Loan Agreement regarding late charges or the Default Rate will be construed in any way to extend the due date of any payment or waive any payment default, and each such right is in addition to, and not in lieu of, the other and any other rights and remedies of Lender hereunder, under any of the Transaction Documents or under applicable law (including, without limitation, the right to interest, reasonable attorneys' fees and other expenses).

Borrower and all others who may become liable for all or part of the principal balance hereof or for any obligations of Borrower to Lender or the holder hereof (a) jointly and severally, forever waive presentment, protest and demand, notice of protest, demand and dishonor and non-

payment of this Note, and all other notices in connection with the delivery, acceptance, performance, default or enforcement of the payment of this Note, (b) agree that the time of payment of the debt or any part thereof may be extended from time to time without modifying or releasing the liability of Borrower or any other such parties, the right of recourse against Borrower and such parties being hereby reserved by Lender; and (c) agree that time is of the essence. Borrower agrees to pay all costs of collection when incurred, whether suit be brought or not, including reasonable attorneys' fees and costs of suit and preparation therefor, and to perform and comply with each of the covenants, conditions, provisions and agreements of the Borrower contained in this Note. It is expressly agreed by Borrower that no extensions of time for payment of this Note, nor the failure on the part of Lender to exercise any of its rights hereunder, shall operate to release, discharge, modify, change or affect the original liability under this Note, either in whole or in part.

EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY, UNCONDITIONALLY AND IRREVOCABLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) ANY RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION ARISING IN ANY WAY IN CONNECTION WITH THIS NOTE OR ANY OF THE OTHER TRANSACTION DOCUMENTS, OR ANY OTHER STATEMENTS OR ACTIONS OF BORROWER OR LENDER. BORROWER ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS NOTE AND IN THE MAKING OF

THIS WAIVER BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS DISCUSSED THIS WAIVER WITH SUCH LEGAL COUNSEL. BORROWER FURTHER ACKNOWLEDGES THAT (a) IT HAS READ AND UNDERSTANDS THE MEANING AND RAMIFICATIONS OF THIS WAIVER, (b) THIS WAIVER HAS BEEN REVIEWED BY BORROWER AND BORROWER'S COUNSEL AND IS A MATERIAL INDUCEMENT FOR LENDER TO ENTER INTO THE TRANSACTION DOCUMENTS, (c) THIS WAIVER SHALL BE EFFECTIVE AS TO EACH OF THE TRANSACTION DOCUMENTS AS IF FULLY INCORPORATED THEREIN AND (d) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER.

IN WITNESS WHEREOF, the undersigned has executed this Note or caused this Note to be executed by its duly authorized representative as of the date first above written.

BORROWER:

GERMAN AMERICAN BANCORP, INC.,
an Indiana corporation

By: **[Form: do not sign]**

Name: Bradley M. Rust

Title: Executive Vice President and Chief Financial Officer

EXHIBIT C

FORM OF COMPLIANCE CERTIFICATE

FORM OF COMPLIANCE CERTIFICATE

To: U.S. Bank National Association

This Compliance Certificate is furnished pursuant to the Loan Agreement dated as of October 11, 2018 (as amended, modified, renewed or extended from time to time, the "**Agreement**") between German American Bancorp, Inc. ("**Borrower**") and U.S. Bank National Association ("**Lender**"). Unless otherwise defined herein, capitalized terms used in this Compliance Certificate have the meanings ascribed thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly elected _____ of the Borrower;
2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Borrower and its Subsidiaries during the accounting period covered by the attached financial statements;
3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or event that constitutes a Default or Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth below; and
4. Schedule I attached hereto sets forth financial data and computations evidencing the Borrower's compliance with certain covenants of the Agreement, all of which data and computations are true, complete and correct.

5. Schedule II attached hereto sets forth the various reports and deliveries that are required at this time under the Loan Agreement and the other Loan Documents and the status of compliance. The consolidated financial statements delivered with this Certificate in accordance with Section 6.1 and/or Section 6.2 of the Loan Agreement fairly present, in all material respects, in accordance with GAAP, the consolidated financial position and the results of operations of the Borrower and its Subsidiaries as of the dates of and for the periods covered by such financial statements (subject, in the case of interim financial statements, to normal year-end adjustments).

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action the Borrower has taken, is taking, or proposes to take with respect to each such condition or event:

The foregoing certifications, together with the computations set forth in Schedule I and Schedule II hereto and the financial statements delivered with this Certificate in support hereof, are made and delivered this _____ day of _____, 20__.

GERMAN AMERICAN BANCORP, INC.

By: _____
Name _____
Title: _____

SCHEDULE I TO COMPLIANCE CERTIFICATE

Compliance as of _____, 20__ with
Provisions of Section 7 of
the Agreement

Section 7.1

Borrower (on a consolidated basis) and Subsidiary Bank
[are] / [are not] "well capitalized".

Section 7.2

Percentage of Total Risk-Based Capital Ratio of Subsidiary Bank

Total Capital	\$	
Total Risk Based Assets	\$	
Percentage of Total Capital to Total Risk Based Assets		%
	%	

Section 7.3

Percentage of Non-Performing Assets to Tangible Capital

<u>Non Performing Assets</u>			
Other Real Estate	\$		
Plus Loans 90 + Days Past Due	\$		
Plus Non-Accrual Loans	\$		
Total Nonperforming Assets		\$	
<u>Tangible Capital</u>			
Sub Bank's total common equity	\$		
Plus Capital Qualified Sub debt	\$		
Plus Total Reserve for Loan Losses	\$		
Less Total Intangible Assets	< \$	>	
Total Tangible Capital		\$	

Percentage of Non-Performing Assets to Tangible Capital %

Section 7.4

Percentage of Allowance for Loan Losses to Non-Performing Loans of Subsidiary Bank

Allowances for Loan Losses \$
Nonperforming Loans \$

Percentage of Allowance for Loan Losses to Non-Performing Loans %

Section 7.5

FCC Coverage Ratio of Borrower

A:

Net Income of Borrower, plus	\$	
Plus Noncash Charges of the Borrower	\$	
Plus Interest Expense of the Borrower	\$	
Less Interest Expense of the Borrower's Subs	<\$	>
Plus One time Losses associated with purchase or sale of assets	\$	
Less Dividends paid to shareholders	<\$	>
Less Non Cash Income	<\$	>
Less One time Gains associated with purchase or sale of assets	\$	
Total of A		\$

To the sum of

B:

Interest Expense of Borrower	\$	
Less Interest Expense of the Borrower's Subs	<\$	>
Plus 1/5 th of the Total Loan Amount	\$	
Plus Regularly Scheduled Principal Payments	\$	
Total of B		\$

Ratio of A to B: to

**SCHEDULE I TO COMPLIANCE CERTIFICATE
(continued)**

Attached are the financial data and computations evidencing the Borrower's compliance with the covenants set forth in Section 7 of the Agreement, all of which data and computations are true, complete and correct.

[attached]

SCHEDULE II TO COMPLIANCE CERTIFICATE

Report and Deliveries Currently Due

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Section 3: EX-4.2 (EX-4.2)

Exhibit 4.2

Execution version

NEGATIVE PLEDGE AGREEMENT

GERMAN AMERICAN BANCORP, INC., an Indiana corporation (“Borrower”), for valuable consideration, receipt of which hereby is acknowledged, hereby agrees (this “Agreement”) with U. S. BANK, NATIONAL ASSOCIATION, a national banking association (“Lender”), as follows:

1. **Pledge.** In order to induce Lender to extend the Obligations, as that term is defined below, and extend credit to Borrower, Borrower hereby agrees that so long as any of the Obligations remain outstanding Borrower will not (except as expressly permitted below), sell, transfer, assign, mortgage, encumber, pledge, enter into a negative pledge agreement with respect to or otherwise dispose of any interest in the following:
 - 1.1 All capital stock or other ownership interests owned by the Borrower in its Subsidiaries, including but not limited to, German American Bank, an Indiana financial institution.

The property described more fully above in Clause 1.1 will be collectively referred to as the “Assets.” This Agreement secures all loans, advances, debts, liabilities, obligations, covenants and duties owing to Lender from Borrower of any kind or nature, present or future, whether or not evidenced by any note, guaranty or other instrument, arising under: (i) this Agreement, (ii) that certain Loan Agreement of even date herewith by and between the Lender and the Borrower (the “Loan Agreement”), and including each and every advance or disbursement under the Notes (as such term is defined in the Loan Agreement), and (iii) under any other agreement, instrument or document executed in connection with the Loan Agreement and, as to all of the foregoing, including any amendments, modifications, or superceding documents to each of the foregoing; and all charges, expenses, fees, including but not limited to reasonable attorneys’ fees, and any other sums chargeable to Borrower thereunder (the “Obligations”).
 2. **Nature of Pledge, Waivers.** This is an absolute, unconditional and continuing Agreement and will remain in full force and effect until the Obligations have been fully paid to Lender. This Agreement will extend to and cover renewals of the Obligations and any number of extensions of time for payment thereof and will not be affected by any surrender, exchange, acceptance, or release by Lender of any pledge or any security held by it for any of the Obligations. Notice of acceptance of this Agreement, notice of extensions of credit to Borrower from time to time, notice of default, diligence, presentment, protest, demand for payment, notice of demand or protest, and any defense based upon a failure of Lender to comply with the notice requirements of the applicable version of Uniform Commercial Code are hereby waived.
 3. **Permitted Transfers.** Notwithstanding the limitation on transfer or disposal of the Assets set forth, above, Borrower may, collectively or individually, transfer, sell or otherwise dispose of the Assets if Lender approves such disposition in writing.
-
4. **Representations.** Borrower warrants and represents that: (a) Borrower has not made any prior sale, pledge, encumbrance, assignment or other disposition of any of the Assets to any person and the same is free from all encumbrances and rights of setoff of any kind; (b) except as herein provided, Borrower will not hereafter without the prior written consent of Lender, sell, pledge, encumber, assign or otherwise dispose of any of the Assets or permit any right of setoff, lien or security interest to exist thereon except to Lender; and (c) Borrower will defend, at Borrower’s expense, the Assets against all claims and demands of all persons at any time claiming the same or any interest therein.
 5. **Default.** The breach of any representation of Borrower herein or the failure of Borrower to perform any of Borrower’s covenants or agreements contained herein will constitute an Event of Default as such term is defined in any of the documents evidencing any of the Obligations, or a default if such term is not defined therein.
 6. **Representations and Warranties to Survive.** All representations, warranties, covenants and agreements made by Borrower herein or in any document delivered pursuant to the terms of this Agreement will survive the execution and delivery of this Agreement without limitation as to time and amount.
 7. **Notices.** All notices, demands, requests, consents or approvals required hereunder shall be given in accordance with the terms of the Loan Agreement.
 8. **Miscellaneous.**
 - 8.1 This Agreement will be binding upon and inure to the benefit of Borrower and Lender and their respective successors and permitted assigns; provided however, that Borrower may not assign this Agreement in whole or in part without the prior written consent of Lender and Lender at any time may assign this Agreement in whole or in part. All references herein to the “Borrower” and “Lender” will be deemed to apply to Borrower and Lender and their respective successors and permitted assigns.
 - 8.2 This Agreement (including the documents and instruments referred to herein or therein) constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof. All the terms of this Agreement will be binding upon the respective successors and permitted assigns of the parties hereto and will inure to the benefit of and be enforceable by the parties hereto, and their respective successors and permitted assigns. This Agreement may be amended or modified in whole or in part at any time only by an agreement in writing executed in the same manner as this Agreement after authorization to do so by the parties hereto.

8.3 In case anyone or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and

enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby.

8.4 **Acknowledgement by Borrower.** BORROWER ACKNOWLEDGES THAT BORROWER HAS READ AND UNDERSTANDS THE FOREGOING NEGATIVE PLEDGE. IN PARTICULAR, BORROWER UNDERSTANDS THAT THIS NEGATIVE PLEDGE AND/OR SUCH OTHER DOCUMENTS AS LENDER DEEMS NECESSARY TO EFFECTUATE THE PURPOSES OF THIS NEGATIVE PLEDGE MAY BE RECORDED, AT LENDER'S OPTION, AND THAT THIS NEGATIVE PLEDGE WILL MAKE BORROWER'S TITLE TO THE ASSETS UNMARKETABLE, SO THAT NO ONE WILL LIKELY PURCHASE OR ACQUIRE ANY PART OF THE ASSETS OR LOAN MONEY AND ACCEPT A SECURITY INTEREST AS SECURITY ON ANY PART OF THE ASSETS.

8.5 **Governing Law and Jurisdiction; No Jury Trial.** *This Agreement will be interpreted and the rights and liabilities of the parties hereto determined in accordance with the laws of the State of Ohio, without regard to conflicts of law principles, and Borrower hereby irrevocably agrees to the jurisdiction of any state or federal court located within Hamilton County, Ohio and consents that all service of process be made by certified mail directed to Borrower at Borrower's address set forth herein for notices and service so made will be deemed to be completed five (5) business days after the same has been deposited in U.S. Mails, postage prepaid; provided that nothing contained herein will prevent Lender from bringing any action or exercising any rights against any security or against Borrower individually, or against any property of Borrower, within any other state or nation. Borrower waives any objection based on forum non conveniens and any objection to venue or any action instituted hereunder. Borrower and Lender each waive any right to trial by jury in any action or proceeding relating to this Agreement, any documents evidencing any of the Obligations, or any transaction contemplated in any of such documents.*

Signed at Cincinnati, Ohio on October 11, 2018.

GERMAN AMERICAN BANCORP, INC.

By: /s/ Bradley M. Rust

Name: Bradley M. Rust

Title: Executive Vice President and Chief Financial Officer

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Section 4: EX-4.3 (EX-4.3)

Exhibit 4.3

Execution version

TERM NOTE

\$25,000,000.00

Cincinnati, Ohio
October 11, 2018

GERMAN AMERICAN BANCORP, INC., an Indiana corporation (herein called "Borrower"), for value received, hereby promises to pay to the order of **U.S. BANK NATIONAL ASSOCIATION** ("Lender"), with an address of 5065 Wooster Rd., Mail Location CN-OH-L2CB, Cincinnati, OH 45226 or its assigns or successors, on the dates set forth below, the principal sum of **Twenty Five Million and 00/100 Dollars (\$25,000,000.00)** or such lesser amount as may be drawn hereon, and to pay interest from the date hereof (computed on the basis of a 360-day year but applied to the actual number of days elapsed in the subject interest period) on the unpaid balance thereof at the rate set forth below. This Note is the Term Note referenced in that certain Loan Agreement of even date herewith by and between the Lender and the Borrower ("Loan Agreement"). All capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Loan Agreement.

Interest shall accrue on all sums as advanced and outstanding from time to time under this Note as set forth in the Loan Agreement. Such interest shall be due and payable as set forth in the Loan Agreement.

The outstanding principal balance of this Note, together with all accrued and unpaid interest, shall be due and payable in accordance with the terms and conditions of the Loan Agreement. Additional principal payments shall be made in accordance with the provisions of the Loan Agreement.

This Note is issued pursuant to the terms of the Loan Agreement. If an Event of Default shall occur and be continuing, the principal of this Note together with all accrued interest thereon may, at the option of the holder hereof, immediately become due and payable on demand;

provided, however, that if any document related to this Note provides for automatic acceleration of payment of sums owing hereunder, all sums owing hereunder shall be automatically due and payable in accordance with the terms of that document.

Unless otherwise provided in the Loan Agreement, all payments on account of the indebtedness evidenced by this Note shall be first applied to the payment of costs and expenses of Lender which are due and payable, then to past-due interest on the unpaid principal balance and the remainder to principal.

This Note may be prepaid only upon those terms and conditions set forth in the Loan Agreement.

From and after the Term Loan Maturity Date, or such earlier date as all sums owing on this Note become due and payable by acceleration or otherwise, or after the occurrence of an Event of

Default as provided in the Loan Agreement, interest shall be computed on all amounts then due and payable under this Note at the Default Rate as provided in the Loan Agreement.

If any attorney is engaged by Lender to enforce or defend any provision of this Note or any of the other Transaction Documents, or as a consequence of any Default or Event of Default, with or without the filing of any legal action or proceeding, then Borrower shall pay to Lender immediately upon demand all attorneys' fees and expenses, together with interest thereon from the date of such demand until paid at the rate of interest applicable to the principal balance owing hereunder as if such unpaid attorneys' fees and expenses had been added to the principal.

No previous waiver and no failure or delay by Lender or Borrower in acting with respect to the terms of this Note or any of the other Transaction Documents shall constitute a waiver of any breach, default or failure of condition under this Note, the Loan Agreement or any of the other Transaction Documents. A waiver of any term of this Note or any of the other Transaction Documents or of any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver. In the event of any inconsistencies between the terms of this Note, the terms of the Loan Agreement and the terms of any other document related to the Loan evidenced by this Note, the terms of the Loan Agreement shall prevail.

Except as otherwise provided in the Loan Agreement, Borrower expressly waives presentment, demand, notice of dishonor, notice of default or delinquency, notice of acceleration, notice of protest and nonpayment, notice of costs, expenses or losses and interest thereon, notice of late charges, and diligence in taking any action to collect any sums owing under this Note or in proceeding against any of the rights or interests in or to properties securing payment of this Note. In addition, Borrower expressly agrees that this Note and any payment coming due hereunder may be extended from time to time without in any way affecting the liability of Borrower hereunder.

Time is of the essence with respect to every provision hereof. This Note shall be construed and enforced in accordance with the laws of the State of Ohio, except to the extent that federal laws preempt the laws of the State of Ohio, and all persons and entities in any manner obligated under this Note consent to the jurisdiction of any Federal or State court having situs in Hamilton County, Ohio and having proper venue, and also consent to service of process by any means authorized by Ohio or Federal law. Any reference contained herein to attorneys' fees and expenses shall be deemed to be to reasonable fees and expenses and to include all reasonable fees and expenses of third-party attorneys and the reasonable fees and expenses of any other experts or consultants.

All agreements between Borrower and Lender (including this Note and the Loan Agreement, and any other documents securing all or any part of the indebtedness evidenced hereby, if any) are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to Lender exceed the amount collectible at the highest lawful rate of interest permissible under applicable law. If, from any circumstances whatsoever, fulfillment of any provision hereof, the Loan Agreement or any other documents securing all or any part of the indebtedness evidenced hereby at the time performance of such provisions shall be due, shall involve exceeding the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then, *ipso facto*, the obligation to be fulfilled shall be reduced to the highest lawful rate of interest permissible under such applicable laws, and if, for any reason whatsoever, Lender shall ever

receive as interest an amount that would be deemed unlawful under such applicable law, such interest shall be automatically applied to the payment of the principal of this Note (whether or not then due and payable) and not to the payment of interest or refunded to Borrower if such principal has been paid in full.

Any notice which either party hereto may be required or may desire to give hereunder shall be governed by the notice provisions of the Loan Agreement.

Nothing contained in this Note or in the Loan Agreement regarding late charges or the Default Rate will be construed in any way to extend the due date of any payment or waive any payment default, and each such right is in addition to, and not in lieu of, the other and any other rights and remedies of Lender hereunder, under any of the Transaction Documents or under applicable law (including, without limitation, the right to interest, reasonable attorneys' fees and other expenses).

Borrower and all others who may become liable for all or part of the principal balance hereof or for any obligations of Borrower to Lender or the holder hereof (a) jointly and severally, forever waive presentment, protest and demand, notice of protest, demand and dishonor and non-payment of this Note, and all other notices in connection with the delivery, acceptance, performance, default or enforcement of the payment of this Note, (b) agree that the time of payment of the debt or any part thereof may be extended from time to time without modifying or releasing the liability of Borrower or any other such parties, the right of recourse against Borrower and such parties being hereby reserved by Lender; and

(c) agree that time is of the essence. Borrower agrees to pay all costs of collection when incurred, whether suit be brought or not, including reasonable attorneys' fees and costs of suit and preparation therefor, and to perform and comply with each of the covenants, conditions, provisions and agreements of the Borrower contained in this Note. It is expressly agreed by Borrower that no extensions of time for payment of this Note, nor the failure on the part of Lender to exercise any of its rights hereunder, shall operate to release, discharge, modify, change or affect the original liability under this Note, either in whole or in part.

EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY, UNCONDITIONALLY AND IRREVOCABLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) ANY RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION ARISING IN ANY WAY IN CONNECTION WITH THIS NOTE OR ANY OF THE OTHER TRANSACTION DOCUMENTS, OR ANY OTHER STATEMENTS OR ACTIONS OF BORROWER OR LENDER. BORROWER ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS NOTE AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS DISCUSSED THIS WAIVER WITH SUCH LEGAL COUNSEL. BORROWER FURTHER ACKNOWLEDGES THAT (a) IT HAS READ AND UNDERSTANDS THE MEANING AND RAMIFICATIONS OF THIS WAIVER, (b) THIS WAIVER HAS BEEN REVIEWED BY BORROWER AND BORROWER'S COUNSEL AND IS A MATERIAL INDUCEMENT FOR LENDER TO ENTER INTO THE TRANSACTION DOCUMENTS, (c) THIS WAIVER SHALL BE EFFECTIVE AS TO EACH OF THE TRANSACTION DOCUMENTS AS IF FULLY INCORPORATED THEREIN AND (d) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER

PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER.

IN WITNESS WHEREOF, the undersigned has executed this Note or caused this Note to be executed by its duly authorized representative as of the date first above written.

BORROWER:

GERMAN AMERICAN BANCORP, INC.,
an Indiana corporation

By: /s/ Bradley M. Rust

Name: Bradley M. Rust

Title: Executive Vice President and Chief Financial Officer

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Section 5: EX-4.4 (EX-4.4)

Exhibit 4.4

Execution version

REVOLVING CREDIT NOTE

\$15,000,000.00

Cincinnati, Ohio
October 11, 2018

GERMAN AMERICAN BANCORP, INC., an Indiana corporation (herein called "Borrower"), for value received, hereby promises to pay to the order of **U.S. BANK NATIONAL ASSOCIATION** ("Lender"), with an address of 5065 Wooster Rd., Mail Location CN-OH-L2CB, Cincinnati, OH 45226 or its assigns or successors, on the dates set forth below, the principal sum of up to **Fifteen Million and 00/100 Dollars (\$15,000,000.00)** or such lesser amount as may be drawn hereon, and to pay interest from the date hereof (computed on the basis of a 360-day year but applied to the actual number of days elapsed in the subject interest period) on the unpaid balance thereof at the rate set forth below. This Note is the Revolving Credit Note referenced in that certain Loan Agreement of even date herewith by and between the Lender and the Borrower ("Loan Agreement"). All capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Loan Agreement.

Under this Note, the Borrower may borrow, repay, and re-borrow up to Fifteen Million Dollars (\$15,000,000.00) (the "Available Amount"). Should the total amount outstanding under this Note at any time exceed the Amount Available, the Borrower shall immediately, without notification from the Lender being required, reduce the amount outstanding to an amount that is less than or equal to the Amount Available, and the failure to do so shall constitute an Event of Default.

Interest shall accrue on all sums as advanced and outstanding from time to time under this Note as set forth in the Loan Agreement. Such interest shall be due and payable as set forth in the Loan Agreement.

The outstanding principal balance of this Note, together with all accrued and unpaid interest, shall be due and payable in accordance with

the terms and conditions of the Loan Agreement. Additional principal payments shall be made in accordance with the provisions of the Loan Agreement.

This Note is issued pursuant to the terms of the Loan Agreement. If an Event of Default shall occur and be continuing, the principal of this Note together with all accrued interest thereon may, at the option of the holder hereof, immediately become due and payable on demand; provided, however, that if any document related to this Note provides for automatic acceleration of payment of sums owing hereunder, all sums owing hereunder shall be automatically due and payable in accordance with the terms of that document.

Unless otherwise provided in the Loan Agreement, all payments on account of the indebtedness evidenced by this Note shall be first applied to the payment of costs and expenses of

Lender which are due and payable, then to past-due interest on the unpaid principal balance and the remainder to principal.

This Note may be prepaid only upon those terms and conditions set forth in the Loan Agreement.

From and after the Revolving Loan Maturity Date, or such earlier date as all sums owing on this Note become due and payable by acceleration or otherwise, or after the occurrence of an Event of Default as provided in the Loan Agreement, interest shall be computed on all amounts then due and payable under this Note at the Default Rate as provided in the Loan Agreement.

If any attorney is engaged by Lender to enforce or defend any provision of this Note or any of the other Transaction Documents, or as a consequence of any Default or Event of Default, with or without the filing of any legal action or proceeding, then Borrower shall pay to Lender immediately upon demand all attorneys' fees and expenses, together with interest thereon from the date of such demand until paid at the rate of interest applicable to the principal balance owing hereunder as if such unpaid attorneys' fees and expenses had been added to the principal.

No previous waiver and no failure or delay by Lender or Borrower in acting with respect to the terms of this Note or any of the other Transaction Documents shall constitute a waiver of any breach, default or failure of condition under this Note, the Loan Agreement or any of the other Transaction Documents. A waiver of any term of this Note or any of the other Transaction Documents or of any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver. In the event of any inconsistencies between the terms of this Note, the terms of the Loan Agreement and the terms of any other document related to the Loan evidenced by this Note, the terms of the Loan Agreement shall prevail.

Except as otherwise provided in the Loan Agreement, Borrower expressly waives presentment, demand, notice of dishonor, notice of default or delinquency, notice of acceleration, notice of protest and nonpayment, notice of costs, expenses or losses and interest thereon, notice of late charges, and diligence in taking any action to collect any sums owing under this Note or in proceeding against any of the rights or interests in or to properties securing payment of this Note. In addition, Borrower expressly agrees that this Note and any payment coming due hereunder may be extended from time to time without in any way affecting the liability of Borrower hereunder.

Time is of the essence with respect to every provision hereof. This Note shall be construed and enforced in accordance with the laws of the State of Ohio, except to the extent that federal laws preempt the laws of the State of Ohio, and all persons and entities in any manner obligated under this Note consent to the jurisdiction of any Federal or State court having situs in Hamilton County, Ohio and having proper venue, and also consent to service of process by any means authorized by Ohio or Federal law. Any reference contained herein to attorneys' fees and expenses shall be deemed to be to reasonable fees and expenses and to include all reasonable fees and expenses of third-party attorneys and the reasonable fees and expenses of any other experts or consultants.

All agreements between Borrower and Lender (including this Note and the Loan Agreement, and any other documents securing all or any part of the indebtedness evidenced

hereby, if any) are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to Lender exceed the amount collectible at the highest lawful rate of interest permissible under applicable law. If, from any circumstances whatsoever, fulfillment of any provision hereof, the Loan Agreement or any other documents securing all or any part of the indebtedness evidenced hereby at the time performance of such provisions shall be due, shall involve exceeding the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then, *ipso facto*, the obligation to be fulfilled shall be reduced to the highest lawful rate of interest permissible under such applicable laws, and if, for any reason whatsoever, Lender shall ever receive as interest an amount that would be deemed unlawful under such applicable law, such interest shall be automatically applied to the payment of the principal of this Note (whether or not then due and payable) and not to the payment of interest or refunded to Borrower if such principal has been paid in full.

Any notice which either party hereto may be required or may desire to give hereunder shall be governed by the notice provisions of the Loan Agreement.

Nothing contained in this Note or in the Loan Agreement regarding late charges or the Default Rate will be construed in any way to extend the due date of any payment or waive any payment default, and each such right is in addition to, and not in lieu of, the other and any other rights and remedies of Lender hereunder, under any of the Transaction Documents or under applicable law (including, without limitation, the right to interest, reasonable attorneys' fees and other expenses).

Borrower and all others who may become liable for all or part of the principal balance hereof or for any obligations of Borrower to Lender

or the holder hereof (a) jointly and severally, forever waive presentment, protest and demand, notice of protest, demand and dishonor and non-payment of this Note, and all other notices in connection with the delivery, acceptance, performance, default or enforcement of the payment of this Note, (b) agree that the time of payment of the debt or any part thereof may be extended from time to time without modifying or releasing the liability of Borrower or any other such parties, the right of recourse against Borrower and such parties being hereby reserved by Lender; and (c) agree that time is of the essence. Borrower agrees to pay all costs of collection when incurred, whether suit be brought or not, including reasonable attorneys' fees and costs of suit and preparation therefor, and to perform and comply with each of the covenants, conditions, provisions and agreements of the Borrower contained in this Note. It is expressly agreed by Borrower that no extensions of time for payment of this Note, nor the failure on the part of Lender to exercise any of its rights hereunder, shall operate to release, discharge, modify, change or affect the original liability under this Note, either in whole or in part.

EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY, UNCONDITIONALLY AND IRREVOCABLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) ANY RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION ARISING IN ANY WAY IN CONNECTION WITH THIS NOTE OR ANY OF THE OTHER TRANSACTION DOCUMENTS, OR ANY OTHER STATEMENTS OR ACTIONS OF BORROWER OR LENDER. BORROWER ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS NOTE AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS DISCUSSED THIS WAIVER WITH SUCH LEGAL COUNSEL.

BORROWER FURTHER ACKNOWLEDGES THAT (a) IT HAS READ AND UNDERSTANDS THE MEANING AND RAMIFICATIONS OF THIS WAIVER, (b) THIS WAIVER HAS BEEN REVIEWED BY BORROWER AND BORROWER'S COUNSEL AND IS A MATERIAL INDUCEMENT FOR LENDER TO ENTER INTO THE TRANSACTION DOCUMENTS, (c) THIS WAIVER SHALL BE EFFECTIVE AS TO EACH OF THE TRANSACTION DOCUMENTS AS IF FULLY INCORPORATED THEREIN AND (d) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER.

IN WITNESS WHEREOF, the undersigned has executed this Note or caused this Note to be executed by its duly authorized representative as of the date first above written.

BORROWER:

GERMAN AMERICAN BANCORP, INC.,
an Indiana corporation

By: /s/ Bradley M. Rust

Name: Bradley M. Rust

Title: Executive Vice President and Chief Financial Officer

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Section 6: EX-99.1 (EX-99.1)

Exhibit 99.1

NEWS RELEASE

For additional information, contact:

Mark A Schroeder, *Chairman & Chief Executive Officer of German American Bancorp, Inc.*

Bradley M Rust, *Executive Vice President/CFO of German American Bancorp, Inc.*

(812) 482-1314

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OCTOBER 15, 2018

GERMAN AMERICAN TO COMPLETE ACQUISITION OF FIRST SECURITY, INC. AND FIRST SECURITY BANK, INC.

JASPER, Indiana, October 15, 2018 German American Bancorp, Inc. (NASDAQ:GABC) announced today that it has completed its previously announced acquisition of First Security, Inc., the parent company of First Security Bank, Inc. of Owensboro, Kentucky, effective as of October 15, 2018.

Immediately following the merger of First Security, Inc. into German American Bancorp, Inc., First Security Bank, Inc. merged with and into German American's banking subsidiary, German American Bank.

First Security's common shareholders of record on October 15, 2018 will be entitled to receive 0.7982 shares of German American common stock and a cash payment of \$12.00 for each of their former shares of First Security common stock, subject to their surrender of the old First Security

shares to the exchange agent designated by German American. Instructions and forms to accomplish that surrender and exchange process are being mailed by the exchange agent to each of First Security's shareholders of record as of October 15, 2018.

Mark A. Schroeder, Chairman and CEO of German American, stated, "We are pleased the merger received the overwhelming approval of the First Security shareholders and are delighted to welcome First Security's customers, employees and shareholders to German American. This merger with First Security represents a strategic opportunity for German American to expand our community-focused, customer-centric business model into the vibrant Kentucky metropolitan markets of Owensboro, Bowling Green, and Lexington. First Security has built a solid community banking franchise in these three distinct Kentucky markets in which German American can provide our extensive offerings of banking, insurance, and investment products and services to First Security's current and prospective clients.

The combination of our two organizations provides an important entrance for German American into three of the largest Kentucky metropolitan market areas, and enhances German American's existing presence in the Evansville, Indiana metropolitan market area, which is the third largest metropolitan market in Indiana and where we currently hold a significant and growing market share. We're extremely excited about the multiple future organic growth opportunities this merger will afford our Company."

Schroeder continued, "We expect that this strategic transaction will be accretive to German American's earnings per share during the 12 months following completion of the transaction, and will have a quick tangible book value earn back. Following completion of the merger, German American's pro forma capital ratios will continue to significantly exceed regulatory well-capitalized levels, enabling us to continue to take advantage of future organic and acquisition growth opportunities in Kentucky and throughout our existing Southern Indiana market area."

NEWS RELEASE

For additional information, contact:

Mark A Schroeder, *Chairman & Chief Executive Officer of German American Bancorp, Inc.*

Bradley M Rust, *Executive Vice President/CFO of German American Bancorp, Inc.*

(812) 482-1314

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Michael F. Beckwith, President & CEO of First Security, will continue to lead German American's operations in their new Kentucky market area in the newly established role of Kentucky Divisional President. Additionally, Lee A. Mitchell, First Security's Board Chairman, will be joining the Board of German American Bancorp, Inc. shortly following the merger. Commenting on the merger, Mr. Beckwith stated, "This partnership with German American will enable us to deepen and broaden the financial services we provide in all of our markets, and will provide great opportunity for both our customers and employees. Strategically and culturally, we are well aligned with German American, and through this partnership, German American is gaining a meaningful presence in Kentucky.

From a shareholder perspective, German American is one the nation's best-performing community banking organizations, and their NASDAQ listed stock provides our shareholders with enhanced liquidity and trading volume. German American's reputation, financial strength and capabilities will provide tremendous value to our customers, employees, communities and shareholders."

Sandler O'Neill & Partners, L.P. served as financial advisor on the transaction to German American and Bingham Greenebaum Doll LLP served as legal counsel.

Raymond James & Associates, Inc. served as financial advisor on the transaction to First Security, Inc. and Frost Brown Todd LLC served as legal advisor.

About German American

German American Bancorp, Inc., is a NASDAQ-traded (symbol: GABC) bank holding company based in Jasper, Indiana. Following the merger and planned merger integration, German American, through its banking subsidiary German American Bank, will operate 65 banking offices in 20 southern Indiana counties and in five counties in Kentucky. The Company also owns an investment brokerage subsidiary (German American Investment Services, Inc.) and a full line property and casualty insurance agency (German American Insurance, Inc.). On a proforma basis, as of June 30, 2018, the combined German American/First Security operations would have reported total assets of approximately \$3.9 billion, total loans of approximately \$2.7 billion, and total deposits of approximately \$3.0 billion.

NEWS RELEASE

For additional information, contact:

Mark A Schroeder, *Chairman & Chief Executive Officer of German American Bancorp, Inc.*

Bradley M Rust, *Executive Vice President/CFO of German American Bancorp, Inc.*

(812) 482-1314

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This press release contains forward-looking statements made pursuant to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements can often, but not always, be identified by the use of words like “believe”, “continue”, “pattern”, “estimate”, “project”, “intend”, “anticipate”, “expect” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “might”, “can”, “may”, or similar expressions. These forward-looking statements include, but are not limited to, statements relating to the expected timing and benefits of the merger (the “Merger”) between German American Bancorp, Inc. (“German American”) and First Security, Inc. (“First Security”), including future financial and operating results, cost savings, enhanced revenues, and accretion/dilution to reported earnings that may be realized from the Merger, as well as other statements of expectations regarding the Merger, and other statements of German American’s goals, intentions and expectations; statements regarding German American’s business plan and growth strategies; statements regarding the asset quality of German American’s loan and investment portfolios; and estimates of German American’s risks and future costs and benefits, whether with respect to the Merger or otherwise.

These forward-looking statements are subject to significant risks, assumptions and uncertainties that may cause results to differ materially from those set forth in forward-looking statements, including, among other things: the risk that the businesses of German American and First Security will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; expected revenue synergies and cost savings from the Merger may not be fully realized or realized within the expected time frame; revenues following the Merger may be lower than expected; customer and employee relationships and business operations may be disrupted by the Merger; the costs and effects of litigation and the possible unexpected or adverse outcomes of such litigation; possible changes in economic and business conditions; the existence or exacerbation of general geopolitical instability and uncertainty; the ability of German American to complete integration and attract new customers; possible changes in monetary and fiscal policies, and laws and regulations; the effects of easing restrictions on participants in the financial services industry; the cost and other effects of legal and administrative cases; possible changes in the creditworthiness of customers and the possible impairment of collectability of loans; fluctuations in market rates of interest; competitive factors in the banking industry; changes in the banking legislation or regulatory requirements of federal and state agencies applicable to bank holding companies and banks like German American’s affiliate bank; continued availability of earnings and excess capital sufficient for the lawful and prudent declaration of dividends; changes in market, economic, operational, liquidity, credit and interest rate risks associated with German American’s business; and other risks and factors identified in German American’s filings with the Securities and Exchange Commission. German American does not undertake any obligation to update any forward-looking statement, whether written or oral, relating to the matters discussed in this press release. In addition, German American’s and First Security’s past results of operations do not necessarily indicate their anticipated combined future results.

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