

LOAN AGREEMENT, MORTGAGE AND SECURITY AGREEMENT

Dated as of March 1, 2011

By and Between

THE CITY OF BLOOMINGTON, INDIANA

and

BLOOMINGTON DYSLEXIA CENTER, LLC

**CITY OF BLOOMINGTON, INDIANA
ECONOMIC DEVELOPMENT REVENUE BONDS, SERIES 2011
(BLOOMINGTON DYSLEXIA CENTER, LLC PROJECT)**

Monroe County, Indiana has assigned its rights hereunder to _____,
_____, Indiana, as Trustee, pursuant to a Trust Indenture and Mortgage dated as of
March 1, 2011.

TABLE OF CONTENTS

(This Table of Contents is not a part of the Loan Agreement, Mortgage and Security Agreement and is only for convenience of reference.)

	<u>PAGE</u>
GRANTING CLAUSE	2
ARTICLE I DEFINITIONS	2
ARTICLE II THE LOAN, NOTE, AND MORTGAGE	4
Section 2.01. <u>The Loan</u>	4
Section 2.02. <u>The Note</u>	5
Section 2.03. <u>The Mortgage</u>	5
Section 2.04. <u>The Lease</u>	5
ARTICLE III LOAN TERM REPRESENTATIONS	5
Section 3.01. <u>Commencement of Loan Term</u>	5
Section 3.02. <u>Termination of Loan Term</u>	5
Section 3.03. <u>Representations by the Borrower</u>	5
Section 3.04. <u>Representations of the City</u>	7
Section 3.05. <u>Submissions Prior to Advances</u>	8
ARTICLE IV LOAN PAYMENTS	8
Section 4.01. <u>Loan Payments</u>	8
Section 4.02. <u>Payment of Additional Payments</u>	8
Section 4.03. <u>Absolute and Unconditional Payment</u>	8
ARTICLE V OPTION TO PREPAY LOAN PAYMENTS	9
Section 5.01. <u>Prepayment Period</u>	9
Section 5.02. <u>Prepayment Amount</u>	9
ARTICLE VI	9
ARTICLE VII TAXES, INSURANCE AND DAMAGE OR DESTRUCTION	9
Section 7.01. <u>Taxes</u>	9
Section 7.02. <u>Risks Insured Against and Coverage</u>	10
Section 7.03. <u>Insurance Proceeds</u>	10
Section 7.04. <u>Repair or Replacement of Mortgaged Property</u>	11
ARTICLE VIII WARRANTIES AND COVENANTS OF BORROWER	11
Section 8.01. <u>Assignment and Pledge of City's Rights: Obligations of Borrower</u> <u>Unconditional</u>	11
Section 8.02. <u>Right of Access to the Project</u>	12
Section 8.03. <u>Maintenance of Existence</u>	12
Section 8.04. <u>Qualification in State</u>	12
Section 8.05. <u>Covenant as to Non-Impairment of Tax-Exempt Status</u>	12
Section 8.06. <u>Indemnity Expenses</u>	13
Section 8.07. <u>Compliance with Laws</u>	15
Section 8.08. <u>No Recourse</u>	15
Section 8.09. <u>Indenture Provisions</u>	15
Section 8.10. <u>Recording and Maintenance of Liens</u>	16

ARTICLE IX	DISCLAIMER OF WARRANTIES; VENDOR'S WARRANTIES	16
Section 9.01.	<u>Disclaimer of Warranties</u>	16
Section 9.02.	<u>Warranties</u>	16
ARTICLE X	ASSIGNMENT AND LEASING	17
Section 10.01.	<u>Assignment by City</u>	17
Section 10.02.	<u>Transfer, Assignment and Leasing by Borrower</u>	17
ARTICLE XI	EVENTS OF DEFAULT AND REMEDIES	18
Section 11.01.	<u>Events of Default Defined</u>	18
Section 11.02.	<u>Notice of Default</u>	19
Section 11.03.	<u>Remedies on Default</u>	19
Section 11.04.	<u>Attorneys' Fees and Other Expenses</u>	19
Section 11.05.	<u>Application of Moneys</u>	20
Section 11.06.	<u>No Remedy Exclusive; Waiver; Notice</u>	20
ARTICLE XII	RETURN OF EXCESS FUNDS	20
ARTICLE XIII	MISCELLANEOUS	20
Section 13.01.	<u>Notices</u>	20
Section 13.02.	<u>Binding Effect</u>	21
Section 13.03.	<u>Severability</u>	21
Section 13.04.	<u>Amendments, Changes, and Modifications</u>	21
Section 13.05.	<u>Execution in Counterparts</u>	21
Section 13.06.	<u>Applicable Law</u>	21
Section 13.07.	<u>Benefit of Bondholder; Compliance with Indenture</u>	21
Section 13.08.	<u>Consents and Approvals</u>	22
Section 13.09.	<u>Immunity of Officers, Employees and Members of County and Borrower</u> .	22
Section 13.10.	<u>Captions</u>	22
Section 13.11.	<u>Pecuniary Liability of City</u>	22
Section 13.12.	<u>Payments Due on Holidays</u>	22
Section 13.13.	<u>Right of Others to Perform Borrower's Covenants</u>	22
EXHIBIT A	DESCRIPTION OF PROJECT	A-1
EXHIBIT B	MORTGAGED PROPERTY	B-1
EXHIBIT C	PROMISSORY NOTE	C-1

LOAN AGREEMENT, MORTGAGE AND SECURITY AGREEMENT

This Loan Agreement, Mortgage and Security Agreement, dated as of March 1, 2011 (the "Loan Agreement"), and entered into by and between the City of Bloomington, Indiana, a political subdivision of the State of Indiana (the "City") and Bloomington Dyslexia Center, LLC (the "Borrower").

WITNESSETH:

WHEREAS, the City is a political subdivision of the State of Indiana; and

WHEREAS, the City is authorized under IC 36-7-12 (the "Act") to make direct loans to users and developers for the cost of acquisition, construction or installation of economic development facilities; and

WHEREAS, the City is authorized under the Act to issue its bonds to provide funds for such loans; and

WHEREAS, the City has by ordinance authorized the issuance of its Economic Development Revenue Bonds, Series 2011 (Bloomington Dyslexia Center, LLC Project) (the "Bonds"), in the aggregate principal amount not in excess of \$1,500,000; and

WHEREAS, the City has determined that the health and general welfare of The City of Bloomington, Indiana, will be served by the City's issuance of the Bonds in order to loan a portion of the proceeds thereof to the Borrower, to be evidenced by the Note (herein defined) issued to the City by the Borrower, pursuant to this Loan Agreement as a means of accomplishing the foregoing; and

WHEREAS, pursuant to the authority granted under the Act and other applicable provisions of law, the City has agreed to lend to the Borrower the amount necessary to enable the Borrower to finance the cost of the Project (herein defined) and the Borrower desires to borrow such amount from the City subject to the terms and conditions of and for the purposes set forth in this Loan Agreement; and

WHEREAS, to secure the Loan (herein defined) the Borrower has pursuant to this Loan Agreement granted the City a mortgage on the Real Estate (herein defined) and the Project (herein defined) (collectively, the "Mortgaged Property), subject only to Permitted Encumbrances (herein defined), if any, and has assigned to the City its rights as Lessor under the Lease (herein defined).

NOW, THEREFORE, for and in consideration of the premises hereinafter contained, the parties hereby agree as follows:

GRANTING CLAUSE

In consideration of the premises, the Loan of the proceeds of the Bonds to be made by the City, the acceptance of the Note by the City, and other good and valuable consideration, the receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of and interest payable on the Note and the performance of all of the covenants of the Borrower contained herein, the Borrower has executed and delivered this Loan Agreement and by these presents does pledge, mortgage, convey and assign to the City, its successors and assigns forever, all right, title and interest of the Borrower in and to the Lease and the Mortgaged Property.

To have and to hold all and singular the foregoing property, whether now owned or hereafter acquired, unto the City, its successors and assigns, forever; provided, however, that this Loan Agreement is executed upon the express condition that if the Borrower shall pay or cause to be paid all indebtedness secured hereby and shall keep, perform and observe all and singular the covenants and promises expressed in the Note, and this Loan Agreement to be kept, performed and observed by the Borrower, then this Loan Agreement and the rights hereby granted shall cease, determine and be void; otherwise, this Loan Agreement shall remain in full force and effect.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS

Unless the context or use indicates another meaning or intent, the following words and terms as used in this Loan Agreement shall have the following meanings, and any other words and terms which are defined in the Indenture, shall have the meanings as therein defined:

"Act" means Indiana Code 36-7-12, as amended.

"Additional Payments" means those payments required to be made by the Borrower pursuant to Section 4.02 hereof.

"Additional Obligations" means any form of indebtedness incurred, assumed or created by the Borrower other than in its regular operations and related activities which are not required to be capitalized under generally accepted accounting principals.

"Advance" means a disbursement of Bond proceeds to or on behalf of the Borrower by the Trustee as provided in the Indenture.

"Authorized Officer" means the person performing the functions of the chief executive officer or chief financial officer of the Borrower or any person properly authorized by the governing body of the Borrower.

"Bonds" means the City of Bloomington, Indiana, Economic Development Revenue Bonds, Series 2011 (Bloomington Dyslexia Center, LLC Project).

"Borrower" means Bloomington Dyslexia Center, LLC, and its successors and assigns.

"Business Day" means any day other than a Saturday, Sunday, or legal holiday on which banking institutions in either Indiana or New York, New York, are authorized or requested by law to close or on which the New York Stock Exchange is authorized or required by law to close.

"Certificate of Borrower" means a written request by an Authorized Officer of the Borrower.

"City" means City of Bloomington, Indiana, a political subdivision of the State of Indiana, and its successors and assigns.

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"Counsel" means an attorney duly admitted to practice law before the highest court of any state, and without limitation, may include legal counsel for either the County or the Borrower.

"Event of Default" shall have the meaning ascribed to such term in Section XI of this Loan Agreement.

"Indenture" means the Trust Indenture and Mortgage dated as of March 1, 2011, between the City and the Trustee, including any amendments and supplements thereto.

"Lease" means the Lease Agreement dated _____, _____ between the Borrower and the Lessee, as the same may be amended from time to time.

"Lessee" means The DePaul Reading and Learning Association, Inc., an Indiana not-for-profit corporation, its successors or assigns.

"Loan" means the loan made to the Borrower pursuant to this Loan Agreement evidenced by the Note in the Loan Amount.

"Loan Amount" means an amount not to exceed \$1,500,000.

"Loan Payments" means the payments of principal of and interest on the Loan payable by the Borrower pursuant to the provisions of this Loan Agreement and the Note.

"Mortgaged Property" means the Real Estate described in Exhibit B and the Project.

"Note" means the Promissory Note in substantially the form attached to this Loan Agreement as Exhibit C, made by the Borrower and payable to the City and providing for Loan Payments, and any promissory note issued in substitution or exchange therefor.

"Payment Date" means [____] days prior to [_____] commencing _____, _____.

"Permitted Encumbrances" means those encumbrances described in Exhibit D hereto.

"Person" means an individual, a corporation, partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"Project" means the property the cost of which is financed by the Loan hereunder and which is described in Exhibit A hereto and made a part of hereof.

"Real Estate" means the real property described in the attached Exhibit B.

"State" means the State of Indiana.

"Tax Compliance Certificate" means the Tax Compliance Certificate dated as of the Issue Date of the Bonds executed by the Borrower in connection with the issuance of the Bonds.

"Trustee" means _____, _____, Indiana, as trustee under the Indenture or any successor thereto under the Indenture.

(End of Article I)

ARTICLE II

THE LOAN, NOTE, AND MORTGAGE

Section 2.01. The Loan. The City hereby agrees to lend to the Borrower and the Borrower agrees to borrow the Loan Amount subject to the terms and conditions contained in this Loan Agreement and in the Indenture, such amount to be used by the Borrower for the purposes of paying or reimbursing the cost of acquiring the Mortgaged Property, the costs of constructing the Project and the costs of issuing the Bonds. The Loan Amount shall be funded by making Advances to the Borrower from time to time, upon the submission to the Trustee of a Certificate of Borrower. Neither the City nor the Trustee in any way warrants or represents that amounts on deposit in the Construction Account will be sufficient to fund, in whole or in part, any Advance requested by the Borrower.

Section 2.02. The Note. The Borrower's obligation hereunder to repay amounts advanced pursuant to Section 2.01, together with interest thereon, shall be evidenced by the Note.

Section 2.03. The Mortgage. The Borrower mortgages, pledges, warrants and conveys to the City all its right, title and interest in and to the Mortgaged Property as security for the Loan.

Section 2.04. The Lease. The Borrower assigns to the City all its rights, title, and interest as Lessor under the Lease as security for the Loan.

(End of Article II)

ARTICLE III

LOAN TERM REPRESENTATIONS

Section 3.01. Commencement of Loan Term. The Borrower's obligations under this Loan Agreement and the Note shall commence on the date of each document respectively.

Section 3.02. Termination of Loan Term. The Borrower's obligations under this Loan Agreement and the Note shall terminate after payment in full of all amounts due under this Loan Agreement and the Note and pursuant to the Indenture and the Bonds. All amounts not theretofore paid shall be due and payable on the final day of the term of this Loan Agreement; provided, however, that the covenants and obligations expressed herein shall survive the termination of the Loan Agreement and the payment in full of the Note.

Section 3.03. Representations by the Borrower. As an inducement to the City to issue the Bonds and to make the Loan to the Borrower, the Borrower makes the following representations, warranties and covenants:

(a) The Borrower is a limited liability company duly organized, existing and in good standing under the laws of the State of Indiana and is authorized to conduct business in the State and every other state in which the nature of its business requires such authorization. The Borrower's sole member is The DePaul Reading and Learning Association, Inc., an Indiana not-for-profit corporation qualified under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

(b) There are no actions, suits, proceedings, inquiries or investigations pending, or to the knowledge of the Borrower threatened, against or affecting the Borrower in any court or before any governmental authority or arbitration board or tribunal which, if determined adversely to the Borrower, would materially and adversely affect the transactions contemplated by this Loan Agreement, the Note, or the Indenture or which, in any way, would adversely affect the enforceability or validity of the Bonds, the Indenture, the Note, or this Loan Agreement or the ability of the Borrower to perform its obligations under this Agreement.

(c) The execution, delivery and performance of this Loan Agreement and the Note and the compliance by the Borrower with all of the provisions hereof and thereof are within its powers, have been duly authorized, and are not in contravention of law or of the terms of the Borrower's Articles of Organization, or any unwaived provision of any mortgage, deed, instrument or undertaking to which the Borrower is a party or by which it or its property is bound.

(d) This Loan Agreement and the Note are valid, binding and enforceable in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally and general principles of equity.

(e) The Borrower is not in default in any material respect under any order, writ, judgment, injunction, decree, determination or award or any indenture, agreement, lease or instrument. The Borrower is not in default under any law, rule or regulation wherein such default could materially adversely affect the Borrower or the ability of the Borrower to perform its obligations under this Loan Agreement.

(f) The Project conforms in all material respects with all applicable zoning, planning, building, environmental and other regulations of the governmental authorities having jurisdiction of the Project and all licenses and approvals the Borrower requires to operate its facilities have been obtained by appropriate state and federal agencies and departments or, if not obtained on the date of this Loan Agreement, are expected to be obtained in the normal course of business at or prior to the time such authorizations, consents or approvals are required to be obtained.

(g) The Borrower intends to cause the Project to operate at all times during the term of this Loan Agreement so as to qualify as an "economic development facility" as defined in the Act.

(h) To the best of the knowledge of the Borrower, no authorizations, consents or approvals of governmental bodies or agencies are required in connection with the execution and delivery by the Borrower of this Loan Agreement or in connection with the carrying out by the Borrower of its obligations under this Loan Agreement which have not been obtained or, if not obtained on the date of this Loan Agreement, are expected to be obtained in the normal course of business at or prior to the time such authorizations, consents or approvals are required to be obtained.

(i) The Borrower will comply with the provisions of Sections 145 and 148 of the Code, and the Treasury Regulations thereunder. The Borrower covenants, for the benefit of itself, the City and the owners from time to time of the Bonds, that it will not cause or permit any proceeds of the Bonds to be invested in a manner contrary to the provisions of Section 148 of the Code and that it will assure compliance with such provisions on behalf of the City (including, without limitation, performing required calculations, the keeping of proper records and the timely payment to the Department of the Treasury of the United States, in the name of the City, all of

the amounts required to be so paid by Section 148 of the Code) and the Borrower shall follow the rebate instructions set forth in the Tax Compliance Certificate.

(j) No event has occurred and no condition exists with respect to the Borrower that would constitute an "Event of Default" under this Loan Agreement or that, with the lapse of time or the giving of notice or both, would become an "Event of Default" under this Loan Agreement.

Section 3.04. Representations of the City. The City makes the following representations and warranties:

(a) The City is a political subdivision duly organized and validly existing under the laws of the State and is authorized by the Act and the Ordinance dated December 1, 2010, authorizing the issuance of the Bonds, as amended (the "Ordinance") to enter into the transactions contemplated by this Loan Agreement and to carry out its obligations hereunder, and by proper action of its governing body has been duly authorized to execute and deliver the Loan Agreement, the Indenture and the Bonds, and the Loan Agreement, the Indenture and the Bonds have been duly executed and delivered by the City and are valid and binding obligations of the City enforceable in accordance with their terms, except as enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization, or other laws affecting the enforcement of creditors' rights generally and general principles of equity.

(b) All of the proceedings approving this Loan Agreement, the Ordinance and the Indenture were conducted by the City at meetings which fully complied with the Act.

(c) The Bonds are to be issued under and secured by the Indenture, pursuant to which certain of the City's interests in this Loan Agreement, and the revenues and receipts to be derived by the City pursuant to this Loan Agreement and the City's interest in the Mortgaged Property, will be pledged, mortgaged and assigned to the Trustee as security for payment of the principal, premium, if any, and interest on the Bonds. The City covenants that it has not and will not pledge or assign its interest in the Loan Agreement, or the revenues and receipts derived pursuant to the Loan Agreement, excepting its right to indemnification, as provided in Section 8.06 hereof, and its right to fees and expenses, as provided in Section 4.02 hereof, other than to the Trustee under the Indenture to secure the Bonds.

(d) Neither the execution and delivery of this Loan Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Loan Agreement conflicts with or results in a breach of the terms, conditions or provisions of any material restricting agreement or instrument to which the City is a party, or by which it or any of its property is bound, or constitutes a default under any of the foregoing.

(e) No officer, employee or member of the City is directly or indirectly a party to or in any manner whatsoever interested in this Loan Agreement, the Bonds or the proceedings related thereunder.

Section 3.05. Submissions Prior to Advances. Upon receipt of a Certificate of Borrower, and so long as no Event of Default shall have occurred and be continuing, the City shall forward such request to the Trustee to disburse the amounts, if any, then held under the Indenture: (i) to the seller or builder of all or a portion of the cost of acquisition of the Real Estate, construction and installation of the Project, including the cost of construction and renovation necessary for such installation, to be financed by the Advance, (ii) to appropriate parties for payment of costs associated with issuing the Bonds, (iii) to parties that have rendered services in connection with the Project, as long as such rendered services shall constitute a cost of the Project. and/or (iv) to the Borrower as reimbursement for the payment of expenditures described in (i) through (iii) above.

(End of Article III)

ARTICLE IV

LOAN PAYMENTS

Section 4.01. Loan Payments. The Borrower shall make all Loan Payments directly to the Trustee in lawful money of the United States of America. The Loan shall be repaid in installments, consisting of principal and interest in the amounts listed in the Note. If, on any Loan Payment Date, funds in the Revenue Account created pursuant to the Indenture are available for payment of the corresponding payment on the Bonds, the amount of such Loan Payment shall be reduced by an amount equal to the funds so available. Interest on any past-due Loan Payment shall accrue at the same rate as interest on the Note. The Loan Payments shall be due on each Payment Date unless the due date on the Loan Payments is accelerated pursuant to Article XII hereof. Interest on the Loan shall be calculated on the basis of a 360-day year consisting of twelve thirty day months.

Section 4.02. Payment of Additional Payments. In addition to the payments described in Section 4.01, the Borrower agrees to pay to the Trustee on or prior to the next Loan Payment Date on demand of the City or Trustee and all reasonable fees and expenses (including attorneys' fees) of the Trustee and the City (the "Additional Payments") associated with the administration of the agreement.

Section 4.03. Absolute and Unconditional Payment. The obligation of the Borrower to make payment of Loan Payments, Additional Payments, and any other amounts required by this Article IV or any other Sections hereof and to perform and observe the other covenants and agreements contained herein shall be absolute and unconditional in all events except as otherwise expressly provided in this Loan Agreement. Notwithstanding any dispute between the Borrower and the City, the Trustee, any bondholder or any other Person, the Borrower shall make all Loan Payments and Additional Payments pending final resolution of such dispute, and the Borrower shall not assert any right of setoff or counterclaim against its obligation to make such payments. The Borrower's obligation to make payment of Loan Payments and Additional Payments shall not be abated through accident, unforeseen circumstances or for any other reason. The Borrower shall bear all risk of damage or destruction in whole or in part to the Project or any part thereof,

including without limitation any loss, complete or partial, or interruption in the use, occupancy or operation of the Project, or any manner or thing which for any reason interferes with, prevents or renders burdensome the use or occupancy of the Project or the compliance by the Borrower with any of the terms of this Loan Agreement.

(End of Article IV)

ARTICLE V

OPTION TO PREPAY LOAN PAYMENTS

Section 5.01. Prepayment Period. The Borrower shall have the option to prepay the Loan in amounts and at the times, and with the prepayment premiums, as provided for optional redemption of the Bonds in Section of 3.01(A) of the Indenture. The Borrower shall give at least 30 days written notice to the City and the Trustee, of its option to prepay the Loan.

Section 5.02. Prepayment Amount. If the Loan is to be prepaid in whole, the prepayment amount shall be (i) outstanding principal amount of the Outstanding Bonds, (ii) interest accrued on the Outstanding Bonds through the date on which the prepayment is to occur (iii) any premium due on the Bonds as a result of the prepayment and (iv) all costs and expenses (including attorneys' fees) incurred by the City and the Trustee relating to the prepayment of the Loan and the Bonds.

(End of Article V)

ARTICLE VI

TITLE TO MORTGAGED PROPERTY

Title to the Mortgaged Property will be in the Borrower subject to Permitted Encumbrances. The Borrower shall not convey the Mortgaged Property to any other Persons without the City's written consent. The Borrower shall not grant any security interest in the Project other than Permitted Encumbrances without prior written approval of the City.

(End of Article VI)

ARTICLE VII

TAXES, INSURANCE AND DAMAGE OR DESTRUCTION

Section 7.01. Taxes. The Borrower shall pay, or cause to be paid, all taxes and assessments, or any payments in lieu thereof, which may lawfully be levied against the properties pledged pursuant to the granting clauses hereof as the same become due and payable.

Section 7.02. Risks Insured Against and Coverage. The Borrower shall procure or cause other persons to procure insurance, including a general liability policy in an amount of at least [three million dollars], and a policy of rent or rental value insurance for a period of one year on the Mortgaged Property, its construction, maintenance and use of the types, amounts and with companies as are usual and customary to manufacturing facilities in the State, but in no event shall property and casualty insurance policies covering the Mortgaged Property be in an amount less than 100% of the replacement cost thereof.

In case the Borrower shall at any time refuse, neglect or fail to obtain and furnish such insurance policies or to effect insurance as required in this Loan Agreement, the Trustee may, in its discretion but shall not be required to, procure such insurance, and all money paid by the Trustee for such insurance, together with interest thereon at the rate equal to the interest on the Bonds plus 3%, shall be repaid by the Borrower upon demand, and shall constitute an additional indebtedness of the Borrower secured by the lien of this Loan Agreement. The Trustee, however, shall not be obligated to effect such insurance unless fully indemnified against the expense thereof and furnished with means therefor.

Section 7.03. Insurance Proceeds. Upon the occurrence of any loss or damage covered by any such policy from one or more of the causes insured against, the Borrower shall make due proof of loss containing a power of attorney in favor of the Trustee to endorse all drafts drawn for the payment thereof to the order of the Trustee, and to sign receipts therefor, and shall do all things necessary or desirable to cause the insuring companies to make payment in full directly to the Trustee.

The insurance policies required by this Article shall be for the benefit, as their interests shall appear, of the Trustee and the Borrower. Such policies shall clearly indicate that any proceeds under the policies relative to the Mortgaged Property shall be payable to the Trustee, and the Trustee is hereby authorized to demand, collect and receipt for and recover any and all insurance money which may become due and payable under any of said policies of insurance and to prosecute all necessary actions in the courts to recover any such insurance money. The Trustee may, however, accept any settlement or adjustment which the officers of the Borrower may deem it advisable to make with the insurance companies.

Upon the occurrence of any loss or damage covered by any such policy from one or more of the causes insured against, which damage or loss is sufficient, at the time of such loss or damage, to render the Project inoperable for a period of time such that a Loan Payment cannot be made, including from a draw on the Letter of Credit, the proceeds of such insurance received by the Trustee shall be immediately applied to the repayment in full of the Note.

Except as provided in the preceding paragraph, the proceeds of such insurance received by the Trustee shall be applied to the repair, replacement or reconstruction of the damaged or destroyed property. Such proceeds shall be held and disbursed by the Trustee upon showings satisfactory to the Trustee that repair, replacement and reconstruction have been made or are being made.

Section 7.04. Repair or Replacement of Mortgaged Property. (a) In the event the Borrower shall not commence to repair or replace the Mortgaged Property so damaged or destroyed within 90 days after any such loss or damage, or if the Borrower, having commenced such work of repair or replacement, shall abandon or fail diligently to prosecute the same, the Trustee or its agent may, in its discretion, make or complete such repairs or replacements, and if it shall elect so to do, may enter upon said Mortgaged Property to any extent necessary for the accomplishment of such purposes, but nothing herein contained shall obligate the Trustee or its agent to make or complete any such repairs or replacements unless it shall have been requested to do so by the holders of not less than 25% in aggregate principal amount of all the Outstanding Bonds, and shall have been indemnified to its satisfaction against all loss, damage and expense which it might thereby incur and it shall be so obligated only if sufficient insurance proceeds are available for such purpose.

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

(End of Article VII)

ARTICLE VIII

WARRANTIES AND COVENANTS OF BORROWER

Section 8.01. Assignment and Pledge of City's Rights: Obligations of Borrower Unconditional. As security for the payment of the Bonds, the City will assign and pledge to the Trustee all right, title and interest of the City in and to this Agreement and the Promissory Note, including the right to receive payments hereunder and thereunder (except the right to indemnification as provided in Section 8.06 hereof, and the right to fees and expenses as provided in Section 4.02 hereof), and hereby directs the Borrower to make such payments directly to the Trustee. The Borrower consents to such assignment and pledge and agrees that it will make payments directly to the Trustee without defense or set-off by reason of any dispute between the Borrower and the County or the Trustee, and hereby further agrees that its obligation to make payments hereunder and to perform its other agreements contained herein are absolute and unconditional. Until the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment of the Bonds made in accordance with the Indenture, the Borrower (a) will not suspend or discontinue any Loan Payments, (b) will perform all its other agreements in this Loan Agreement and (c) will not terminate this Loan Agreement for any cause including any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in the laws of the United States or of the State or any political subdivision of either or any failure of the

County to perform any of its agreements, whether express or implied, or any duty, liability or obligation arising from or connected with this Loan Agreement.

If the Borrower fails to make or cause to be made any of the payments required to be made under this Agreement, the unpaid amount shall continue to be an obligation of the Borrower until such amount is fully paid. The Borrower agrees to pay the same with interest thereon from the date when due until paid at the rate borne by the Bonds plus 3%.

Section 8.02. Right of Access to the Project. Subject to the reasonable security and safety requirements of the Borrower, the Borrower agrees that the County and the Trustee, and their respective duly authorized agents, shall have the right at all reasonable times upon reasonable notice to enter upon the Project to examine and inspect the same, and shall have the right at all reasonable times to inspect all books and records of the Borrower relating to the Project and make copies thereof.

Section 8.03. Maintenance of Existence. The Borrower agrees that throughout the term of this Agreement it shall maintain its existence and shall not dispose of all or substantially all of its assets. In the event the Borrower shall consolidate with or merge into another entity or permit one or more entities to consolidate with or merge into it, any surviving, resulting or transferee entity shall be qualified to do business in the State and shall assume in writing or by operation of law all of the obligations of the Borrower under this Loan Agreement.

Section 8.04. Qualification in State. Subject to the provisions of Section 8.03 hereof, the Borrower agrees that throughout the term of this Loan Agreement, it will be qualified to do business in the State, and will continue to be treated as a qualified 501(c)(3) organization pursuant to the Code.

Section 8.05. Covenant as to Non-Impairment of Tax-Exempt Status. The Borrower covenants that, notwithstanding any provision of this Loan Agreement or the rights of the Borrower hereunder, it will not take, or permit to be taken on its behalf, any action that would impair the exclusion of interest on the Bonds from gross income for federal income tax purposes and that it will take such reasonable action for itself and on behalf of the City as may be necessary to continue such exclusion, including, without limitation, the preparation and filing of any statements required to be filed by it in order to maintain such exclusion.

The Borrower will not cause or permit any proceeds of the Bonds to be invested in a manner contrary to the provisions of Section 148 of the Code and will assure compliance with such requirements on behalf of the City. The Borrower shall calculate and timely pay to the United States of America, for the account of the City, all amounts required to be so paid in accordance with Section 148 of the Code and shall maintain, on behalf of the City, all records required to be maintained pursuant to Section 148(f) of the Code.

In addition to the foregoing covenants and the covenants contained in section 3.03 hereof, the Borrower further covenants that (i) it will requisition, apply and spend the moneys in the Construction Account created under the Indenture in a manner so that as of any date at least 95%

of the total amount theretofore requisitioned from the Construction Account (other than amounts requisitioned for costs associated with the issuance of the Bonds) will be applied to finance costs for the acquisition, construction, rehabilitation or improvement of land and other property which is of a character subject to an allowance for depreciation under Section 167 of the Code; (ii) it will not permit moneys in the Revenue Account or the Construction Account to be invested in such a manner as to cause the Bonds to be "arbitrage bonds" under Section 148(a) of the Code; (iii) it will promptly notify the Trustee if, at any time, the Borrower proposes to take any action, or any action is to be taken by or on behalf of any Principal User of the Project or any Related Person, the effect of which could be to cause interest on the Bonds to become includable in the gross income of owners thereof for federal income tax purposes by reason of noncompliance with any provisions of Section 145 or Section 501 of the Code, (iv) it will not use more than two percent (2.0%) of the proceeds of the Bonds to pay costs associated with the issuance of the Bonds.

The Borrower acknowledges that a failure to abide by the foregoing covenants and the covenants contained in Section 3.03 hereof and in the Tax Compliance Certificate may result in a Determination of Taxability. In the event of a Determination of Taxability for any reason, the sole and exclusive remedy of the holders of the Bonds and the Trustee on their behalf shall be the early redemption of the Bonds, or the payment of the Taxable Rate, as described in Section 3.01(B) of the Indenture.

Section 8.06. Indemnity Expenses.

(a) The City and its members, officers, agents and employees and the State of Indiana (hereinafter the "Indemnified Persons") shall not be liable to the Borrower for any reason. The Borrower shall indemnify and hold the City and the Indemnified Persons harmless from any loss, expense (including reasonable counsel fees), or liability of any nature due to any and all suits, actions, legal or administrative proceedings, or claims arising or resulting from, or in any way connected with: (i) the financing, installation, operation, use or maintenance of the Project (ii) any act, failure to act or material or intentional misrepresentation by any Person in connection with the issuance, sale, delivery or remarketing of the Bonds, (iii) any act, failure to act or misrepresentation by the City in connection with this Loan Agreement or any other document involving the City in this matter, or (iv) the selection and appointment of firms providing services related to the Bond transaction. If any suit, action or proceeding is brought against the City or any Indemnified Person, that suit, action or proceeding shall be defended by Counsel to the City or the Borrower, as the City shall determine. If the defense is by Counsel to the City, the Borrower shall indemnify the City and Indemnified Persons for the reasonable cost of that defense including reasonable Counsel fees. If the City determines that the Borrower shall defend the City or any Indemnified Person, the Borrower shall immediately assume the defense at its own cost. The Borrower shall not be liable for any settlement of any proceeding made without its consent (which consent shall not be unreasonably withheld).

(b) The Borrower shall not be obligated to indemnify the City or any Indemnified Person under subsection (a), if a court with competent jurisdiction finds that the liability in question was caused by the willful misconduct or sole gross negligence of the City or the involved

Indemnified Person(s), unless the Court determines that, despite the adjudication of liability but in view of all circumstances of the case, the City or the Indemnified Person(s) is (are) fairly and reasonably entitled to indemnity for the expenses which the Court considers proper.

(c) The Borrower shall also indemnify the City for all reasonable costs and expenses, including reasonable Counsel fees, incurred in: (i) enforcing any obligation of the Borrower under this Agreement or any related agreement, (ii) taking any action requested by the Borrower, (iii) taking any action required by this Loan Agreement or any related agreement or (iv) taking any action considered necessary by the City and which is authorized by this Agreement or any related agreement.

(d) The Borrower also agrees to pay and to indemnify and hold harmless the Trustee, any person who "controls" the Trustee within the meaning of Section 15 of the Securities Act of 1933, as amended, and any member, officer, agent, director, official and employee of the Trustee (collectively called the "Indemnified Parties") from and against any and all claims, damages, demands, expenses, liabilities and losses of every kind, character and nature asserted by or on behalf of any person in connection with (i) the issuance, offering, sale, delivery, or remarketing of the Bonds, the Indenture and this Loan Agreement and the obligations imposed on the Trustee hereby and thereby; or the design, installation, operation, use, occupancy, maintenance, or ownership of the Project; (ii) any written statements or representations made or given by the Borrower or any of its officers or employees to the Indemnified Parties, with respect to the Borrower, the Project, or the Bonds, including, but not limited to, statements or representations of facts, financial information, or business affairs; (iii) damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Project; and (iv) any loss or damage incurred by the Trustee as a result of violation by the Borrower of the provisions of Section 3.03 hereof, or arising out of, resulting from, or in any way connected with, the condition, use, possession, conduct, management, planning, design, acquisition, installation, renovation or sale of the Project or any part thereof, to the extent not caused or occasioned by the gross negligence or willful misconduct of such Indemnified Party. The Borrower also covenants and agrees, at its expense, to pay, and to indemnify the Indemnified Parties from and against, all costs, reasonable attorney fees, expenses and liabilities incurred in any action or proceeding brought by reason of any such claim or demand. In the event that any action or proceeding is brought against the Indemnified Parties by reason of any such claim or demand, that action or proceeding shall be defended by counsel to the Indemnified Parties or the Borrower, as the Indemnified Parties shall determine. If the defense is by counsel to the Indemnified Parties, the Borrower shall indemnify the Indemnified Parties for the reasonable cost of the defense including reasonable counsel fees. If the Indemnified Parties determine that the Borrower shall defend the Indemnified Parties, the Borrower shall immediately assume the defense at its own cost. If such separate counsel is employed, the Borrower may join in any such suit for the protection of its own interests. The Borrower shall not be liable for any settlement of any such action effected without its consent; but if settled with the consent of the Borrower or if there be a final, unappealable judgment for the plaintiff in any such action, the Borrower agrees to indemnify and hold harmless the Indemnified Parties.

(e) The indemnification provisions herein contained shall not be exclusive or in limitation of, but shall be in addition to, the rights to indemnification of the Indemnified Persons or the Indemnified Parties under any other agreement or law by which the Borrower is bound or subject to.

(f) The obligations of the Borrower under this Section 8.06 shall survive any assignment or termination of this Agreement.

Section 8.07 Compliance with Laws. The Borrower shall, throughout the term of this Loan Agreement and at no expense to the City, promptly comply or cause compliance with all laws, ordinances, orders, rules, regulations and requirements of duly constituted public authorities which may be applicable to the Project or to the repair and alteration thereof, or to the use or manner of use of the Project.

Section 8.08. No Recourse. The obligations of the County under this Agreement are special, limited obligations of the City, payable solely out of the Revenues and as otherwise provided under this Agreement and the Indenture. The obligations of the City hereunder shall not be deemed to constitute an indebtedness or an obligation of the City, the State, or any political subdivision thereof within the purview of any constitutional limitation or provision, or a charge against the credit or general taxing powers, if any, of any of them. Neither the City, nor any member, director, officer, employee or agent of the City, nor any person executing the Bonds shall be liable personally for the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds. No recourse shall be had for the payment of the principal of, redemption premium if any, and interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in the Bonds, the Indenture, or this Loan Agreement (or any other agreement entered into by the County with respect thereto) against any past, present or future member, officer, agent or employee of the City, or any incorporator, member, officer, employee, director or trustee or any successor thereof, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporator, member, officer, employee, director, agent or trustee as such is hereby expressly waived and released as a condition of and consideration for the execution of the Indenture and this Loan Agreement (and any other agreement entered into by the City with respect thereto) and the issuance of the Bonds.

Section 8.09 Indenture Provisions. The Indenture provisions concerning the Bonds and the other matters therein are an integral part of the terms and conditions of the Loan made by the City to the Borrower pursuant to this Loan Agreement and the execution of this Loan Agreement shall constitute conclusive evidence of approval of the Indenture by the Borrower to the extent it relates to the Borrower. Additionally, the Borrower agrees that, whenever the Indenture by its terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Indenture, and the Borrower hereby agrees to carry out and perform all of its obligations under the Indenture as fully as if the Borrower were a party to the Indenture.

Section 8.10. Recording and Maintenance of Liens.

(a) The Borrower will, at its own expense, take all necessary action to maintain and preserve any liens and security interest of the Loan Agreement or the Indenture so long as any principal of, premium, if any, or interest on the Bonds remains unpaid.

(b) The Borrower will promptly, but not later than six months prior to the date any financing statement or continuation statements must be filed to perfect or maintain the security interest granted to the Trustee pursuant to the Indenture, prepare the required financing or continuation statements and forward completed originals to the Trustee accompanied by the name and address of the appropriate state and county offices where such financing statements or continuation statements are to be duly filed and recorded as required by the provisions of the Uniform Commercial Code or other similar law as enacted by the State.

(c) The City shall have no responsibility for the preparation, filing or recording of any instrument, document or financing statement or for the maintenance of any security interest intended to be perfected hereby. The City will execute such instruments as may be necessary in connection with such filing or recording.

ARTICLE IX

**DISCLAIMER OF WARRANTIES;
VENDOR'S WARRANTIES**

Section 9.01. Disclaimer of Warranties. NEITHER THE CITY NOR THE TRUSTEE MAKES ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE PROJECT OR ANY PORTION THEREOF OR ANY OTHER WARRANTY WITH RESPECT THERETO. In no event shall the City or the Trustee be liable for any incidental, indirect, special or consequential damage in connection with or arising out of the existence, furnishing, functioning or the Borrower's use of the Project or any item or products or services provided for in this Loan Agreement.

Section 9.02. Warranties. The Borrower's sole remedy for the breach of any warranty, right of indemnification or representation relating to the Project or any part thereof shall be against the vendors, manufacturers, installers or construction contractors of the Project and not against the City, the Trustee, or any Bondholder, nor shall such matter have any effect whatsoever on the rights and obligations of the Borrower or the City with respect to this Loan Agreement. The Borrower expressly acknowledges that neither the City, nor the Trustee has made, any representation or warranties whatsoever as to the existence or availability of any such warranties of such vendors, manufacturers, installers and construction contractors.

(End of Article IX)

ARTICLE X

ASSIGNMENT AND LEASING

Section 10.01. Assignment by City. This Loan Agreement, the Note and the right to receive payments of the Borrower made hereunder and thereunder may be assigned and reassigned in whole or in part to one or more assignees or subassignees by the City at any time subsequent to its execution without the necessity of obtaining the consent of the Borrower. The Borrower expressly acknowledges that this Loan Agreement and the Note, and the right to receive payments of the Borrower made hereunder and thereunder (with the exception of the City's rights to indemnification, fees and expenses) have been assigned to the Trustee as security for the Bonds under the Indenture and that the Trustee shall be entitled to act hereunder and thereunder in the place and stead of the City whether or not the Bonds are in default.

Section 10.02. Transfer, Assignment and Leasing by Borrower. The Borrower may lease any portion of the Project provided that the Borrower delivers to the City and the Trustee in connection with any such leasing an opinion of Bond Counsel that subsequent to the execution of the lease, interest on the Bonds will remain wholly excludable from gross income of the Bondholders for federal income tax purposes. No leasing shall relieve the Borrower from primary liability for any of its obligations hereunder, and in the event of any such leasing the Borrower shall continue to remain primarily liable for the payment of Loan Payments and for performance and observance of the other agreements herein on its part to be performed and observed.

This Loan Agreement may be assigned, in whole or in part, and the Project may be sold, transferred or conveyed as a whole or in part, by the Borrower without the necessity of obtaining the consent of the City or the Trustee, subject, however, to the following conditions:

(a) No assignment, sale, transfer or conveyance shall relieve the Borrower from primary liability for any of its obligations hereunder, and if any such assignment occurs, the Borrower shall continue to remain primarily liable to make the payments required to be made by the Borrower hereunder and for performance and observance of the other agreements on its part herein provided to be performed and observed by it;

(b) The assignee or purchaser shall assume the obligations of the Borrower hereunder to the extent of the interest assigned, sold, transferred or conveyed;

(c) The Borrower shall within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the City and the Trustee a true and complete copy of each such assignment or sale agreement, as the case may be, together with (A) any instrument of assumption, and (B) an opinion of Bond Counsel that such assignment or sale agreement will not adversely affect the exclusion of interest on the Bonds from gross income of the Bondholders for federal income tax purposes; and

(d) The assignee, transferee or purchaser shall continue to use the Project for purposes permitted under the Act for the term of this Agreement.

(End of Article X)

ARTICLE XI

EVENTS OF DEFAULT AND REMEDIES

Section 11.01. Events of Default Defined. The following shall be "Events of Default" under this Loan Agreement and the terms "Event of Default" and "Default" shall mean (except where the context clearly indicates otherwise), whenever they are used in this Loan Agreement, any one or more of the following events:

(a) Failure by the Borrower to timely pay any Loan Payment or Additional Payment so long as the Bonds are Outstanding on the Payment Date or failure by the Borrower to timely pay any Additional Payment and other payment required to be paid hereunder or under the Note;

(b) Failure by the Borrower to observe and perform any covenant, condition or agreement on its part or be observed or performed under this Loan Agreement, for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Borrower by the City or the Trustee unless the Trustee shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice can be wholly cured within a period of time not materially detrimental to the rights of the Trustee, but cannot be cured within the applicable 60-day period, the Trustee will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Borrower within the applicable period and diligently pursued until the failure is corrected;

(c) Any warranty, representation or other statement by the Borrower or by an officer or agent of the Borrower contained in the Loan Agreement or the Note or in any instrument furnished in compliance with or in reference to this Loan Agreement or the Note is false or misleading in any material respect;

(d) A petition is filed against the Borrower under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within 30 days of such filing;

(e) The Borrower files a petition in voluntary bankruptcy or seeks relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under any such law;

(f) The Borrower admits insolvency or bankruptcy or its inability to pay its debts as they become due or is generally not paying its debts as such debts become due, or becomes insolvent

or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including without limitation a receiver, liquidator or trustee) of the Borrower or any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than 60 days;

(g) The City or its assigns shall fail to have a valid and enforceable first perfected security interest in the Mortgaged Property, subject only to Permitted Encumbrances;

(h) Default under any agreement to which the Borrower is a party evidencing, securing or otherwise respecting any indebtedness in excess of \$50,000 if, and as a result thereof, such indebtedness may be declared immediately due and payable or other remedies may be exercised with respect thereto.

(i) The occurrence of any event of default under the Indenture (as defined in Article VII of the Indenture);

(j) Any material provision of this Loan Agreement or the Note shall at any time for any reason cease to be valid and binding on the Borrower, or shall be declared to be null and void, or the validity or enforceability of any such provision shall be contested in any administrative or judicial proceeding by the Borrower or any governmental agency or authority (other than the City), or if the Borrower shall deny the validity or enforceability of any such provision or any further liability or obligation under this Loan Agreement or the Note.

Section 11.02. Notice of Default. The Borrower agrees to give the Trustee and the City prompt written notice of any petition, assignment, appointment or possession referred to herein is filed by or against the Borrower or of the occurrence of any other event or condition which constitutes a Default or an Event of Default, or with passage of time or the giving of notice or both would constitute an Event of Default, immediately upon becoming aware of the existence thereof.

Section 11.03. Remedies on Default. Whenever any Event of Default referred to in Section 11.01 hereof shall have happened and be continuing, the County or the Trustee may in addition to any other remedies herein or by law provided:

(a) Declare all Loan Payments, and all other amounts due hereunder or under the Note, to be immediately due and payable, and upon notice to the Borrower the same shall become immediately due and payable by the Borrower without further notice or demand.

(b) Take whatever other action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or under the Note or to enforce any other of its or their rights hereunder or under the Note.

Section 11.04. Attorneys' Fees and Other Expenses. The Borrower shall on demand pay to the City or the Trustee the reasonable fees and expenses of attorneys and other reasonable expenses incurred by any of them in the collection of Loan Payments or any other sums due or

the enforcement of performance of any other obligations of the Borrower upon an Event of Default. The provisions of this Section 11.04 shall survive the termination of this Loan Agreement and the payment in full of the Note.

Section 11.05. Application of Moneys. Any moneys collected by the City or the Trustee pursuant hereto shall be applied (a) first, to any reasonable attorneys' fees or other expenses owed by the Borrower to the City or the Trustee pursuant to Section 12.04 hereof pro rata based on the amount of such expenses owed, (b) second, to pay any interest due on the Note, (c) third, to pay principal due on the Note, and (d) fourth, to pay interest and principal on the Note and other amounts payable hereunder but which are not due, as they become due (in the same order, as to amounts which come due simultaneously, as in (a) through (d) in this Section 11.05).

Section 11.06. No Remedy Exclusive; Waiver; Notice. No remedy herein conferred upon or reserved to the City or the Trustee is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right, remedy or power accruing upon any default shall impair any such right, remedy or power or shall be construed to be a waiver thereof, but any such right, remedy or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City or the Trustee to exercise any remedy reserved to it in this Article XI, it shall not be necessary to give any notice other than such notice as may be required in this Article XI.

(End of Article XI)

ARTICLE XII

RETURN OF EXCESS FUNDS

Any amounts remaining after (a) full payment of the Bonds or provision for payment thereof so that no Bonds are deemed Outstanding under the Indenture, (b) all fees, charges and expenses listed in Section 6.05 of the Indenture have been paid and (c) all Rebate Amounts have been paid, shall, after being held for 120 days after such full payment be rebated by the Trustee to the Borrower.

(End of Article XII)

ARTICLE XIII

MISCELLANEOUS

Section 13.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the parties at the following addresses:

The City: City of Bloomington, Indiana
Suite 110, City Hall
401 North Morton Street
Bloomington, Indiana 47404
Attention: County Clerk

The Borrower: Bloomington Dyslexia Center, LLC
1503 W. Arlington Rd.
Bloomington, Indiana 47404

The Trustee: _____

Any of the above parties may, by notice in writing given to the others, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 13.02. Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the City and the Borrower and their respective successors and assigns.

Section 13.03. Severability. In the event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.04. Amendments, Changes, and Modifications. This Loan Agreement and the Note may be amended by the City and the Borrower as provided in Section 11.11 of the Indenture; provided, however, that no such amendment shall be effective unless it shall have been consented to in writing by the Trustee.

Section 13.05. Execution in Counterparts. This Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.06. Applicable Law. This Loan Agreement shall be governed by and construed in accordance with the law of the State.

Section 13.07. Benefit of Bondholder; Compliance with Indenture. This Loan Agreement is executed in part to induce the purchase by others of the Bonds. Accordingly, all covenants, agreements and representations on the part of the Borrower and the City, as set forth in this Loan Agreement, are hereby declared to be for the benefit of the holders from time to time of the Bonds. The Borrower covenants and agrees to do all things within its power in order to comply with and to enable the City to comply with all requirements and to fulfill and to enable the City to fulfill covenants of the Indenture.

Section 13.08. Consents and Approvals. Whenever the written consent or approval of the City shall be required under the provisions of this Loan Agreement, such consent or approval may be given by the Mayor or such other additional person provided by law or by rules or regulations of the City.

Section 13.09. Immunity of Officers, Employees and Members of County and Borrower. No recourse shall be had for the payment of the principal of or interest on the Note or for any claim based thereon or upon any warranty, representation, obligation, covenant or agreement in this Loan Agreement or any other instruments or certificates connected to the Bonds against any past, present or future officer, member, employee, director or agent of the City or the Borrower, or, respectively, of any successor public or private corporation thereto, as such, either directly or through the City, the Borrower, or, respectively, any successor public or private corporation thereto under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, members, employees, directors or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Loan Agreement and the execution and issuance of the Note.

Section 13.10. Captions. The captions or headings in this Loan Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Loan Agreement.

Section 13.11. Pecuniary Liability of City. No provision, covenant or agreement contained in this Loan Agreement on behalf of the City, or any obligation herein imposed upon the City, or the breach thereof, shall constitute an indebtedness or liability of the State or any political subdivision of the State or any public corporation nor governmental agency existing under the laws thereof including the City. In making the agreements, provisions and covenants set forth in this Loan Agreement, the City has not obligated itself except with respect to the application of the Revenues and all other property as derived therefrom, as hereinabove provided.

Section 13.12. Payments Due on Holidays. If the date for making any payment or the last date for performance of any act or the exercise of any right, as provided in this Loan Agreement, shall be a legal holiday or a day on which banking institutions in the State are authorized by law to remain closed, such payments may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed with the same force and effect as if done on the nominal date provided in this Loan Agreement.

Section 13.13. Right of Others to Perform Borrower's Covenants. In the event the Borrower shall fail to make any payment or perform any act required to be performed hereunder, then and in each such case, the City or the Trustee may (but shall not be obligated to) remedy such default for the account of the Borrower and make advances for that purpose. No such performance or advance shall operate to release the Borrower from any such default and any

sums so advanced by the City or the Trustee shall bear interest from the date of the advance until repaid as provided herein.

(End of Article XIII)

IN WITNESS WHEREOF, the City of Bloomington, Indiana has caused this Loan Agreement, Mortgage and Security Agreement to be executed in its corporate name with its corporate seal hereunto affixed by its Mayor and attested by its City Clerk, and Bloomington Dyslexia Center, LLC has caused this Loan Agreement, Mortgage and Security Agreement to be executed in its corporate name by its duly Authorized Officer. All of the above occurred as of the date first above written.

CITY OF BLOOMINGTON, INDIANA

By: _____
Mark Kruzan, Mayor

[SEAL]

ATTEST:

By: _____
Regina Moore, City Clerk

Bloomington Dyslexia Center, LLC

By: _____
_____, Managing Member

ATTEST:

_____, Member

STATE OF INDIANA)
) SS:
COUNTY OF MONROE)

Before me, a Notary Public in and for said County and State, personally appeared Mark Kruzan and Regina Moore, by me known and by me known to be the Mayor and City Clerk, respectively, of the City of Bloomington, Indiana, who acknowledged the execution of the foregoing "Loan Agreement, Mortgage and Security Agreement" on behalf of the City of Bloomington, Indiana.

WITNESS my hand and Notarial Seal this ____ day of _____. 2011.

Notary Public

(Printed Signature)

My Commission Expires:

My County of Residence:

STATE OF INDIANA)
) SS:
COUNTY OF MONROE)

Before me, a Notary Public in and for said County and State, personally appeared Randy Lloyd, by me known to be the Managing Member and member and, respectively, of Bloomington Dyslexia Center, LLC, who acknowledged the execution of the foregoing "Loan Agreement, Mortgage and Security Agreement" on behalf of said corporation.

WITNESS my hand and Notarial Seal this _____ day of _____, 2011.

Notary Public

(Printed Signature)

My Commission Expires:

My County of Residence:

This instrument was prepared by Karl R. Sturbaum, Attorney at Law, 111 Monument Circle, Suite 2700, Indianapolis, Indiana 46204.

EXHIBIT A

DESCRIPTION OF PROJECT

The development of a school campus located on a 4.2 acre parcel at 1503 West Arlington Road and an adjacent 2.1 acre parcel at 1515 West Arlington Road for use as a school serving families with dyslexia and related learning differences. The project will facilitate the relocation of the Pinnacle School from its current location at 2427 E. 2nd Street.

EXHIBIT B
MORTGAGED PROPERTY
[real estate description]

EXHIBIT C

PROMISSORY NOTE

Bloomington Dyslexia Center LLC ("Borrower"), a limited liability company organized under the laws of the State of Indiana, for value received, promises to pay to the order of the City of Bloomington, Indiana (the "Issuer"), at the corporate trust offices of _____, _____, Indiana, as Trustee ("Trustee") under a Trust Indenture and Mortgage dated March 1, 2011 ("Indenture"), between the Issuer and the Trustee, the principal sum not in excess of One Million Five Hundred Thousand Dollars (\$1,500,000), together with interest on the unpaid principal amount hereof at the rate equal to _____ percent (___%). All such payments shall be payable in immediately available funds in _____, Indiana.

This Note is subject to optional prepayment as described in the Loan Agreement, Mortgage and Security Agreement, dated as of March 1, 2011 ("Loan Agreement"), between the Borrower and the Issuer, and the Indenture. Interest shall be computed on the basis of a 360-day year consisting of twelve thirty-day months on the unpaid balance for the immediately preceding calendar month. Payments of principal and interest shall be due and payable on _____, _____ and _____. _____, commencing _____, _____ and continuing until _____, _____ when the remaining unpaid balance shall be due and payable, except as the provisions with respect to prepayment may be applicable hereto. Interest shall be computed from the date funds are actually outstanding and shall be based on the outstanding principal balance from time to time.

Concurrently with the execution and delivery of this Note the Issuer has issued \$1,500,000 principal amount of its Economic Development Revenue Bonds, Series 2011 (Bloomington Dyslexia Center, LLC Project) (the "Bond") under the Indenture. The proceeds from sale of the Bond are to be lent to the Borrower to pay the costs of acquiring real estate and developing thereon a 6.3 acre school facility for families with dyslexia and related learning differences. The facility will be leased to The DePaul Reading and Learning Association, Inc. and will house the Pinnacle School. The Bond is secured and to be secured by this Note and the collateral thereon, except that so long as there is no Event of Default existing and continuing under the Loan Agreement, the Trustee shall use each payment by the Borrower under this Note to make a like payment of principal of and interest on the Bond. The terms of this Note are identical with the terms of the Bond as to principal payment amounts, interest rates and prepayment (or redemption) provisions.

All of the terms and provisions of the Loan Agreement shall be considered a part hereof and shall govern the obligations of the Borrower hereunder.

Whenever payment or provision therefor has been made in respect of the principal of (whether at maturity or upon redemption or acceleration) and interest on all or any portion of the Bond in accordance with the Indenture, this Note shall be deemed paid to the extent such payment or provision therefor has been made and is considered to be a payment of principal of or

interest on the Bond. If the Bond is thereby deemed paid in full, this Note shall be cancelled and returned to the Borrower. Subject to the foregoing or unless the Borrower is entitled to a credit under the Loan Agreement or the Indenture, all payments shall be in the full amount required under this Note.

All payments of principal and interest shall be made directly to the Trustee at its corporate trust offices in _____, Indiana, for the account of the Issuer in lawful money of the United States of America and shall be in funds current in _____, Indiana.

The obligations of the Borrower to make the payments required hereunder shall be absolute and unconditional without defense or setoff by reason of any default by the Issuer under the Loan Agreement or under any other agreement between the Borrower and the Issuer or for any other reason, including, without limitation, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the collateral, commercial frustration of purpose, any change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State of Indiana or any political subdivision of either, or any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Loan Agreement, it being the intention of the Borrower and the Issuer that the payments hereunder will be paid in full when due without any delay or diminution whatsoever.

IN WITNESS WHEREOF, Bloomington Dyslexia Center LLC has caused this Note to be duly executed, countersigned and delivered as of March __, 2011.

LLC BLOOMINGTON DYSLEXIA CENTER

By: _____

Attest:

By: _____