

LOAN AGREEMENT

Between

CITY OF GAHANNA, OHIO

and

THE COLUMBUS ACADEMY

RELATING TO

\$15,000,000

CITY OF GAHANNA, OHIO

ECONOMIC DEVELOPMENT REVENUE BONDS,

SERIES 2015

(THE COLUMBUS ACADEMY PROJECT)

DATED AS OF

July 1, 2015

THE INTEREST OF THE CITY OF GAHANNA, OHIO
IN THIS AGREEMENT EXCEPT FOR
CERTAIN RETAINED RIGHTS
HAS BEEN ASSIGNED TO PNC BANK, NATIONAL ASSOCIATION

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LOAN AGREEMENT

THIS LOAN AGREEMENT (as the same may be amended or supplemented, the "Agreement"), is made as of July 1, 2015, between the City of Gahanna, Ohio, an Ohio municipal corporation and political subdivision (the "Issuer"), and The Columbus Academy, an Ohio nonprofit corporation (the "Borrower"), under the following circumstances:

A. Pursuant to the provisions of Section 13 of Article VIII of the Constitution of the State of Ohio and Chapter 165 of the Ohio Revised Code, in order to create or preserve jobs and employment opportunities and improve the economic welfare of the citizens of the Issuer, and of the State of Ohio, the Issuer may issue economic development revenue bonds to provide funds to pay all or a portion of the costs of constructing, equipping and installing the Project, as defined herein.

B. Pursuant to Section 1724.03 of the Ohio Revised Code, the Gahanna Community Improvement Corporation (the "Agency"), a community improvement corporation organized and operating pursuant to the provisions of Chapter 1724 of the Ohio Revised Code, has been designated by the Issuer as its agent for the Issuer's industrial, commercial, distribution and research development; a plan has been prepared and submitted by the Agency to the Issuer for such development (such plan is hereinafter referred to as the "Plan"); and the Plan has been confirmed by the City Council of the Issuer (the "Issuing Authority").

C. The Agency has certified to the Issuing Authority that the construction, equipping and installation of the Project is in accordance with the Plan.

D. The Issuer has found and determined, and does hereby find and determine, that the acquisition, construction, equipping and installation of the property comprising the Project by the Borrower will create and preserve jobs and employment opportunities and improve the economic welfare of the citizens of the Issuer, and of the State of Ohio, will advance and promote industrial, commercial and economic development within the boundaries of the Issuer, and that the Issuer, by assisting with the financing of the acquisition, construction, equipping and installation of the property comprising the Project, will be acting in a manner consistent with and in furtherance of the provisions of Article VIII, Section 13 of the Constitution of the State of Ohio, the laws of the State of Ohio (particularly Chapter 165 of the Ohio Revised Code), and the Plan.

E. The Issuer has caused a written notice to be mailed by certified mail to the Director of Development of the State of Ohio in accordance with Section 165.03(D) of the Ohio Revised Code, and has caused all other notices required by law to have been sent.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto covenant, agree and bind themselves as follows (provided that any obligation of the Issuer created by or arising out of this Agreement shall not be a general debt on its part but shall be payable solely out of Pledged Receipts, as defined herein):

ARTICLE I
DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions. In addition to the words and terms defined in the recitals and elsewhere in this Agreement, the words and terms defined in this Article I shall, for all purposes of this Agreement, have the meanings herein specified, except as otherwise expressly provided or unless the context otherwise requires. Those words and terms not expressly defined herein and used herein with initial capitalization where rules of grammar or context do not otherwise require capitalization shall have the meanings set forth in the Bond Legislation, as defined herein.

"Act" means Section 13 of Article VIII of the Constitution of the State of Ohio and Chapter 165 of the Ohio Revised Code, as enacted and amended.

"Additional Payments" means the amounts required to be paid by the Borrower pursuant to the provisions of Section 4.1(b) hereof.

"Assignment of Loan Agreement" means the Assignment of Loan Agreement, dated July 13, 2015 from the Issuer to the Original Purchaser.

"Authorized Borrower Representative" means the person designated to act on behalf of the Borrower by written instrument furnished to the Issuer and the Holder, containing the specimen signature of such person or persons. Such instrument may designate an alternate or alternates.

"Bank Holding Period" means the Initial Bank Holding Period and thereafter the period designated by the Borrower pursuant to Section 3.1(h) hereof.

"Bank Placement Fixed Interest Rate" means the sum of (a) the Cost of Funds for the related Bank Holding Period and (b) the Credit Spread.

"Bank Placement Interest Rate" means (i) for the Initial Bank Holding Period, the Initial Bank Placement Interest Rate, and (ii) for each Bank Holding Period after the Initial Bank Holding Period, either the Bank Placement Variable Interest Rate or the Bank Placement Fixed Interest Rate.

"Bank Placement Variable Interest Rate" means a per annum rate of interest equal to the sum of (a) the product of 75.5% multiplied by Daily LIBOR (but only if the Borrower has not previously converted a Variable Bank Placement Interest Rate from Daily LIBOR to One-Month LIBOR) or One-Month LIBOR, plus (b) the Credit Spread. The Initial Bank Placement Interest Rate is a Bank Placement Variable Interest Rate.

"Base Rate" means the greatest of: (i) the Prime Rate, (ii) the Federal Funds Open Rate plus 0.5%, (iii) the Daily LIBOR Rate plus 1.00%; and (iv) 7%.

"Bond Counsel" means Peck, Shaffer & Williams, a division of Dinsmore & Shohl LLP, and any other nationally recognized bond counsel experienced in the field of municipal finance.

"Bond Legislation" means the ordinance passed by the Issuing Authority authorizing the issuance of the Bonds.

"Bond Purchase Agreement" means the Bond Purchase Agreement among the Issuer, the Borrower, the Servicing Agent and the Original Purchaser, and any permitted amendments or supplements thereto.

"Bond Purchase Date" means the Initial Bond Purchase Date and thereafter the last day of each Bank Holding Period that occurs after the Initial Bank Holding Period.

"Bond Service Charges" for any time period means the principal, including any redemption requirements, interest, and redemption premium, if any, required to be paid by the Issuer on the Bonds for such time period.

"Bonds" means the Bonds issued by the Issuer pursuant to the Bond Legislation and to be designated "Economic Development Revenue Bonds, Series 2015 (The Columbus Academy Project)" and includes any Bonds issued in exchange therefor pursuant to the Bond Legislation and the Bond Purchase Agreement.

"Borrower" means The Columbus Academy, an Ohio nonprofit corporation.

"Borrower Documents" means the Bond Purchase Agreement, this Agreement, the Note, the Tax Agreement, the Continuing Covenants Agreement, and the Pledge Agreement.

"Business Day" shall mean any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required to be closed for business in Columbus, Ohio.

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

"Continuing Covenants Agreement" means, initially, the Continuing Covenants Agreement dated as of July 1, 2015 between the Original Purchaser and the Borrower, as the same may from time to time be amended, and means any and all credit agreements, bondowner agreements, covenants agreements and other similar agreements between the Borrower and a Holder of the Bonds other than the Original Purchaser.

"Completion Certificate" has the meaning given to it in Section 3.5 hereof.

"Completion Date" means the date determined by the Borrower pursuant to Section 3.5 hereof by the delivery of a Completion Certificate, provided that the Completion Date shall be no later than July 1, 2018.

"Conversion Date" means January 1, 2017.

"Cost of Funds" means the cost of funds established by the Holder for obligations of an amount similar to the Bonds and based on the remaining amortization schedule of the

Bonds that is provided to the Borrower on or prior to the commencement of a new Bank Holding Period following the Initial Bank Holding Period.

"Credit Spread" means (i) with respect to the Initial Bank Holding Period, 114 basis points (1.14%), and (ii) with respect to a Bank Holding Period other than the Initial Bank Holding Period, the credit spread determined by the Holder pursuant to Section 3.1(h) hereof.

"Daily LIBOR Rate" shall mean, for any day, the rate per annum determined by the Holder by dividing (A) the Published Rate by (B) a number equal to 1.00 minus the percentage prescribed by the Federal Reserve for determining the maximum reserve requirements with respect to any eurocurrency fundings by banks on such day; provided, however, if the Daily LIBOR Rate determined as provided above would be less than zero, then such rate shall be deemed to be zero. The rate of interest will be adjusted automatically as of each Business Day based on changes in the Daily LIBOR Rate without notice to the Borrower.

"Determination of Taxability" means (i) the filing by the Borrower or any other person or entity of any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability has occurred, or (ii) receipt by any Holder of (a) a ruling or technical advice or notice of deficiency from the Internal Revenue Service in which the Borrower has had the opportunity to participate, or (b) an opinion of the firm of Peck, Shaffer & Williams, a division of Dinsmore & Shohl LLP or any other nationally recognized bond counsel to the effect that interest on the Bonds is includable in the gross income for Federal income tax purposes of any Holder, or (iii) the final adoption of legislation or regulations which has the effect of requiring interest on the Bonds to be included in the gross income for Federal income tax purposes of any Holder.

"Disbursed Bonds" means the aggregate sum of all disbursements made by depositing proceeds of the Bonds into the Project Fund, including those proceeds used to pay costs of issuance of the Bonds that are disbursed upon initial delivery of the Bonds.

"Eligible Investments" means (i) any time deposits, demand deposits, certificates of deposit, or bankers acceptances of the Original Purchaser or any affiliate of the Original Purchaser, (ii) shares of any money-market mutual fund managed by an affiliate of the Original Purchaser, or (iii) any other investments approved by the Original Purchaser.

"Event of Default" means any of the events described in Section 7.1 hereof.

"Event of Taxability" means the occurrence of circumstances which a Determination of Taxability shall have found to have occurred, or which shall constitute a Determination of Taxability, and which results in the interest payable on the Bonds becoming includable in the gross income for federal income tax purposes of any Holder, such occurrence of circumstances relating to a specific point in time.

"Excess Proceeds" means the sum of all moneys on deposit in the Project Fund on the date specified in Section 6.2(a) hereof.

"Federal Funds Open Rate" shall mean, for any day, the rate per annum (based on a year of 360 days and actual days elapsed) which is the daily federal funds open rate as quoted

by ICAP North America, Inc. (or any successor) as set forth on the Bloomberg Screen BTMM for that day opposite the caption "OPEN" (or on such other substitute Bloomberg Screen that displays such rate), or as set forth on such other recognized electronic source used for the purpose of displaying such rate as selected by the Holder (an "Alternate Source") or if such rate for such day does not appear on the Bloomberg Screen BTMM (or any substitute screen) or on any Alternate Source, or if there shall at any time, for any reason, no longer exist a Bloomberg Screen BTMM (or any substitute screen) or any Alternate Source, a comparable replacement rate determined by the Holder at such time (which determination shall be conclusive absent manifest error); provided however, that if such day is not a Business Day, the Federal Funds Open Rate for such day shall be the "open" rate on the immediately preceding Business Day. The rate of interest charged shall be adjusted as of each Business Day based on changes in the Federal Funds Open Rate without notice to the Borrower.

"Final Maturity Date" means December 31, 2036.

"Holder" means, initially, the Original Purchaser, and any subsequent registered owner of the Bonds.

"Initial Bank Holding Period" means the period from the issuance date of the Bonds until July 1, 2022, which is the Initial Bond Purchase Date.

"Initial Bank Placement Interest Rate" means the sum of (a) the product of 75.5% multiplied by the Daily LIBOR Rate, plus (b) the Credit Spread, and expressed in a formula as:

$$75.5\%(Daily\ LIBOR\ Rate) + Credit\ Spread$$

and if converted by the Borrower pursuant to Section 3.1(c) hereof, the Initial Bank Placement Interest Rate means the sum of (a) the product of 75.5% multiplied by One-Month LIBOR, plus (b) 1.14%, and expressed in a formula as:

$$75.5\%(One-Month\ LIBOR) + Credit\ Spread$$

"Initial Bond Purchase Date" means July 1, 2022.

"Interest Payment Date" means the first day of each month, commencing August 1, 2015.

"Issuer" means the City of Gahanna, Ohio.

"Issuer Documents" means the Bond Purchase Agreement, this Agreement, the Assignment of Loan Agreement and the Tax Agreement.

"Issuing Authority" means the City Council of the Issuer.

"One-Month LIBOR" shall mean, for each Reset Date, the interest rate per annum determined by the Holder by dividing (i) the rate which appears on the Bloomberg Page BBAM1 (or on such other substitute Bloomberg page that displays rates at which US dollar deposits are offered by leading banks in the London interbank deposit market), or the rate which is quoted by

another source selected by the Holder as an authorized information vendor for the purpose of displaying rates at which US dollar deposits are offered by leading banks in the London interbank deposit market (an "Alternate Source"), at approximately 11:00 a.m., London time, two (2) Business Days prior to such Reset Date, as the one (1) month London interbank offered rate for U.S. Dollars commencing on such Reset Date (or if there shall at any time, for any reason, no longer exist a Bloomberg Page BBAM1 (or any substitute page) or any Alternate Source, a comparable replacement rate determined by the Holder at such time (which determination shall be conclusive absent manifest error)), by (ii) a number equal to 1.00 minus the LIBOR Reserve Percentage; provided, however, if LIBOR, determined as provided above, would be less than zero, then LIBOR shall be deemed to be zero. LIBOR shall be adjusted on and as of (a) each Reset Date, and (b) the effective date of any change in the LIBOR Reserve Percentage. The Holder shall give prompt notice to the Borrower of LIBOR as determined or adjusted in accordance herewith, which determination shall be conclusive absent manifest error.

"LIBOR Reserve Percentage" shall mean the maximum effective percentage in effect on such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities").

"Loan" means the loan by the Issuer to the Borrower of the proceeds received from the sale of the Bonds.

"Loan Payments" means the amounts required to be paid by the Borrower in repayment of the Loan pursuant to the provisions of the Note and of Section 4.1(a) hereof.

"Note" means the promissory note in the form attached as **Exhibit B** to this Agreement.

"Notice of Conversion" means the written notice from the Borrower to the Holder of the Borrower's election to convert the basis upon which the Bank Placement Variable Interest Rate on the Bonds is calculated from Daily LIBOR to One-Month LIBOR, all pursuant to Section 3.1(c) hereof.

"Original Purchaser" means PNC Bank, National Association, a national banking association duly organized and existing pursuant to the laws of the United States of America.

"Payment in Full of the Bond" means the first date when all principal of and premiums (if any) and interest on the Bonds shall have been paid in full.

"Person" means a corporation, an association, a partnership, an organization, a business, an individual, a government or political subdivision thereof or a governmental agency.

"Pledge Agreement" means, initially, the Pledge Agreement dated as of July 1, 2015 from the Borrower to the Original Purchaser, as the same may from time to time be amended, and means any and all security agreements, pledge agreements, control agreements, mortgages, and other like agreement of security from the Borrower to a Holder of the Bonds other than the Original Purchaser.

"Pledged Receipts" means (a) any and all payments of Loan Payments, (b) all other moneys received by the Issuer or the Holder for the account of the Issuer, in respect of this Agreement or the Project, except certain expense, reimbursement and indemnity payments which are, pursuant to the provisions of this Agreement, to be made by the Borrower directly to the Issuer; (c) unexpected proceeds derived from the sale of the Bonds, and (d) the income and profit from the investment of any moneys while held in the Project Fund; provided, however, there shall be excluded from Pledged Receipts any moneys paid into any rebate fund pursuant to the Tax Agreement.

"Prime Rate" means the annual rate of interest publicly announced by the Original Purchaser as its "prime rate" from time to time at its designated office in Columbus, Ohio, such prime rate changing automatically on the effective date of each announced change in such prime rate; provided that in no event shall the Prime Rate exceed the rate permitted by law.

"Project" means the acquisition, construction, renovation, installation and equipping of certain capital expenditures, including, but not limited to additions to and renovations of certain buildings of the Borrower, furniture, fixtures and equipment, and all necessary appurtenances thereto located on the real property located at 4300 Cherry Bottom Road, Gahanna, Ohio.

"Project Fund" means the Project Fund created in the Bond Legislation.

"Published Rate" shall mean the rate of interest published each Business Day in The Wall Street Journal "Money Rates" listing under the caption "London Interbank Offered Rates" for a one month period (or, if no such rate is published therein for any reason, then the Published Rate shall be the eurodollar rate for a one month period as published in another publication determined by the Holder).

"Reset Date" shall mean subject to the proviso below, the first day of each month, commencing with the month following the receipt of the Notice of Conversion, provided that: (a) if any such day is not a Business Day, then the first succeeding day that is a Business Day shall instead apply, unless that day falls in the next succeeding calendar month, in which case the next preceding day that is a Business Day shall instead apply, and (b) if any such day is a day of a calendar month for which there is no numerically corresponding day in certain other months (each, a "Non-Conforming Month"), then any Reset Date that falls within a Non-Conforming Month shall be the last day of such Non-Conforming Month.

"Servicing Agent" means PNC Bank, National Association, a national banking association, or its successor.

"Special Interest Rate" means the annual rate of interest equal to the "Default Rate" set forth in the Continuing Covenants Agreement and if no "Default Rate" is specified therein, the sum of 3% plus the Base Rate; provided that in no event shall the Special Interest Rate exceed the rate permitted by law.

"Tax Agreement" means the Tax Exemption Certificate and Agreement dated the initial delivery date of the Bonds among the Issuer, the Borrower, Servicing Agent and the Original Purchaser.

"Taxable Rate of Interest" means the annual rate of interest equal to the rate necessary to provide an after-tax yield to the Holder equivalent to the yield to the Holder prior to an Event of Taxability; provided that in no event shall the Taxable Rate of Interest exceed the maximum rate permitted by law.

Section 1.2. Rules of Construction.

(a) Unless the context clearly indicates to the contrary, the words "herein", "hereby", "hereunder", "hereof", "hereinbefore", "hereinafter" and other equivalent words refer to this Agreement and not solely to the particular portion thereof in which any such word is used. Words importing the singular number shall include the plural number and vice versa, and any pronoun used herein shall be deemed to cover all genders. All accounting and financial terms used herein and not otherwise defined, shall be determined in accordance with generally accepted accounting principles.

(b) Any reference herein to the Issuer or the Issuing Authority or any officer, official or employee of the Issuer shall include those which succeed to their respective functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing such functions. Any reference herein to any other person or entity shall include their or its respective successors and assigns. Any reference herein to a section or provision of the Code or the Constitution of the State of Ohio or to a section, provision or chapter of the Ohio Revised Code shall include such section or provision or chapter as from time to time amended, modified, revised, supplemented or superseded; provided that no such change shall be deemed applicable by reason of this provision if such change would in any way constitute an impairment of the rights of the Issuer, a Holder or the Borrower under this Agreement.

ARTICLE II
REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties by the Issuer. The Issuer represents and warrants that:

(a) It is a duly organized and validly existing municipal corporation and political subdivision under the laws of the State of Ohio.

(b) Neither the execution and delivery of the Issuer Documents or the Bonds nor performance by the Issuer of any of its obligations hereunder or thereunder will constitute a default under any provision of law or regulation, or any writ, order or decree of any court or governmental agency, or any indenture, agreement or other undertaking to which the Issuer is a party or by which it is bound.

(c) It has duly accomplished all conditions necessary to be accomplished by it prior to issuance and delivery of the Bonds and execution and delivery of the Issuer Documents.

(d) It has been duly authorized to execute and deliver the Issuer Documents and to execute, issue and deliver the Bonds.

(e) The Issuer Documents and the Bonds, when issued and paid for, will have been duly executed and delivered by the Issuer.

(f) It will, or will cause Bond Counsel, to duly file Internal Revenue Service Form 8038, which shall contain the information required to be filed pursuant to the Code.

(g) It will do all things necessary, to the extent possible, to maintain the exclusion from gross income for Federal income tax purposes of the interest on the Bonds.

Section 2.2. Representations, Warranties and Covenants by the Borrower. The Borrower represents warrants and covenants that:

(a) It is a nonprofit corporation duly organized, validly existing and in good standing under the laws of the State of Ohio.

(b) It has the power and authority to execute and deliver the Borrower Documents and perform all of its obligations hereunder and thereunder, including without limitation the acquisition, construction, installation and equipping of the Project, and no approval or other action by any governmental authority or agency or other person is required in connection therewith except such as have been obtained as of the date of execution and delivery hereof or that will be obtained in connection with the construction of the Project.

(c) The Project of the Borrower is located within the territorial boundaries of the Issuer.

(d) The Borrower is not subject to any contractual or other limitation or provision of any nature whatsoever which in any way limits, restricts or prevents the Borrower from executing and delivering the Note or entering into the other Borrower Documents, or performing any of its obligations hereunder or thereunder; and the execution and delivery of the Borrower Documents, the consummation of the transactions contemplated hereby and thereby, and the fulfillment of or compliance with the terms and conditions of the Borrower Documents will not conflict with or result in a breach of the terms, conditions or provisions of the Borrower's Articles of Incorporation or Amended and Restated Code of Regulations, or of any restriction, agreement or instrument to which the Borrower is a party or by which the Borrower is bound, or of any law or regulation, or of any writ, order or decree of any court or governmental agency, or constitute a default under any of the foregoing, or result in the creation or imposition of any lien, charge or encumbrance upon any of the properties or assets of the Borrower pursuant to the terms of any of the foregoing.

(e) The Borrower Documents have been duly executed and delivered by the Borrower and constitute legal, valid and binding obligations of the Borrower in accordance with their respective terms.

(f) The acquisition, construction, installation and equipping of the Project will comply with all applicable zoning, planning, building, environmental and other regulations of the governmental authorities having jurisdiction of the Project, and all necessary permits, licenses, consents and permissions necessary for the Project have been or will be obtained.

(g) The acquisition, construction, installation and equipping of the Project as well as its intended use and operation are in conformance with the purposes and provisions of the Act.

(h) The description of the Project as set forth in **Exhibit A** hereto accurately describes the facilities and the equipment being financed with the proceeds of the Bonds.

(i) There is no pending, or to Borrower's knowledge threatened, actions or proceedings before any court or administrative agency prohibiting or restricting the issuance of the Bonds by the Issuer.

(j) The Borrower has good and marketable title to its assets, subject only to the existing liens, mortgages, pledges, encumbrances, charges or other restrictions of record previously disclosed by the Borrower to the Original Purchaser in writing. Excepted herefrom are liens for taxes not yet due and payable.

(k) The obligations of the Borrower under the Borrower Documents are not subordinated in any manner to any other obligation of the Borrower.

(l) The Borrower represents that, as of the date of this Agreement: (i) it is an organization described in Section 501(c)(3) of the Code, or corresponding provisions of prior law and is in receipt of a letter to that effect from the Internal Revenue Service; (ii) such letter or other notification has not been modified, limited or revoked; (iii) it is in compliance with all terms, conditions and limitations, if any, contained in such letter or other notification; (iv) the facts and circumstances which form the basis of such letter or other notification as represented to the Internal Revenue Service continue to exist; and (v) it is exempt from Federal income taxes under Section 501(a) of the Code and is not a "private foundation" as defined in Section 509(a) of the Code. The Borrower agrees that it shall not perform any act nor enter into any agreement which shall adversely affect such Federal income tax status of the Borrower or the Federal income tax status of the interest on the Bonds and shall conduct its operations and the Project in the manner which will conform to the standards necessary to qualify the Borrower as a charitable organization within the meaning of Section 501(c)(3) of the Code or any successor provisions of Federal income tax law.

(n) The Borrower represents that the Project will create and preserve jobs and employment opportunities within the boundaries of the State and the Issuer, thereby improving the economic welfare of the State and the Issuer.

ARTICLE III

ISSUANCE OF BONDS; CERTAIN TERMS OF THE BONDS; COMPLETION OF THE PROJECT; PAYMENT OF COSTS

Section 3.1. Issuance of Bonds for the Project; Certain Terms of the Bonds.

(a) In order to provide funds to make the Loan for purposes of assisting the Borrower in financing the acquisition, construction, installation and equipping of the Project, the Issuer will, concurrently with the delivery of this Agreement, issue and deliver the Bonds to the Original Purchaser. The Bonds will be initially issued as one registered bond in the form

attached to the Bond Purchase Agreement as **Exhibit A** thereto. Pursuant to the provisions of the Bond Legislation and the Bond Purchase Agreement, the proceeds from the sale of the Bonds will be deposited and transmitted as set forth in the Bond Purchase Agreement, and shall be disbursed as hereinafter provided. Pursuant to Section 4.1(a) hereof, the Borrower shall make Loan Payments sufficient to pay Bond Service Charges on the Bonds.

(b) The principal of the Bonds shall be payable on the first day of each January, April, July and October, commencing January 1, 2017 as more particularly provided in the Note. Interest from the date of issuance of the Bonds on the outstanding principal amount of the Disbursed Bonds shall be payable on each Interest Payment Date, commencing August 1, 2015. Interest on the outstanding principal balance of the Disbursed Bonds shall initially be payable at the Initial Bank Placement Interest Rate.

(c) On the Conversion Date, which is an Interest Payment Date, and on each Interest Payment Date thereafter, the Borrower shall have the option to convert the basis upon which the Bank Placement Variable Interest Rate on the Bonds is calculated from Daily LIBOR to One-Month LIBOR. To make that conversion, the Borrower shall provide the Notice of Conversion to the Holder at least fifteen (15) calendar days prior to such date. Following the receipt of the Notice of Conversion, such Interest Payment Date shall also be a Reset Date, and thereafter, the Bonds shall bear interest at the Bank Placement Variable Interest Rate calculated using One-Month LIBOR.

(d) The Bonds, once fully disbursed, shall be in the minimum denominations of \$100,000 or integral multiples of \$1.00 in excess thereof.

(e) Interest on the Bonds shall be calculated on an actual/360 day basis and the actual days elapsed. Each installment shall be applied first to interest due and the balance to prepayment of principal. All principal and interest shall be paid in full on or before the Final Maturity Date. In any case where the Final Maturity Date, or other date of payment of interest on, of principal, or the date fixed for redemption of the Bonds will not be a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing interest in connection with such payment. Each disbursement shall be no less than \$25,000 except for the final disbursement, which may be for a lesser amount, but in no case shall the Disbursed Bonds exceed \$15,000,000. No disbursement to the Project Fund shall be made after December 31, 2016. Requisitions from the Project Fund may be requested by the Borrower until the Completion Date.

(f) Notwithstanding the foregoing, if at any time a Determination of Taxability shall occur, the interest rate on the Bonds shall become the Taxable Rate of Interest, retroactive to the date of the Event of Taxability. In such event the Issuer shall pay to the Holder, on demand and as additional interest, but solely from Pledged Receipts, an amount equal to the sum of (a) the difference between (i) the aggregate amount of interest on the Bonds which would have been payable to such Holder if the interest rate thereon, commencing on the date of the Event of Taxability had been the Taxable Rate of Interest, and (ii) the aggregate amount of interest on the Bonds actually paid on or prior to the Determination of Taxability; and (b) any amount which the Holder is actually obligated to pay as interest on unpaid taxes, penalties or other assessments which are due by reason of the Determination of Taxability. All interest

payable on the Bonds after the Determination of Taxability shall be at the Taxable Rate of Interest. In addition, the Borrower shall pay all sums due under Section 6.4 of this Agreement by reason of a Determination of Taxability after the payment or prepayment in full of the Loan and Payment in Full of the Bonds.

(g) Notwithstanding the foregoing, if there is a change in the Code, the regulations promulgated thereunder or in the interpretation thereof by any court, administrative authority or other governmental authority (other than a Determination of Taxability) which takes effect after the date of issuance of the Bonds, and which reduces the effective yield on the Bonds to the Holder, including, but not limited to, changes in the Corporate Tax Rate (as defined below), the interest rate on the Bonds shall change accordingly to compensate the Holder for such change in the effective yield on the Bonds. In the event of a decrease in the Corporate Tax Rate enacted or effective after the date of issuance of the Bonds, the interest rate on the Bonds shall be increased to the Adjusted Tax Exempt Rate (as hereinafter defined), effective as of the Interest Payment Date following the change in the Corporate Tax Rate. In this subsection, (i) "Adjusted Tax Exempt Rate" shall mean the product of (A) the then applicable Bank Placement Interest Rate times (B) a fraction (expressed as a decimal) the numerator of which is the number 1 minus the Corporate Tax Rate in effect following the change in such rate referred to in the preceding sentence and the denominator of which is the number 1 minus the Corporate Tax Rate in effect on the date of the original issuance of the Bonds, and (ii) "Corporate Tax Rate" shall mean the highest marginal statutory rate of federal income tax imposed on corporations and applicable to the Holder; provided, however, that the rate of interest on the Bonds shall never exceed the rate permitted by law.

(h) On each Bond Purchase Date, the Bonds shall be subject to tender by the Holder to the Borrower, and shall be subject to mandatory purchase by the Borrower, at 100% of the principal amount thereof plus accrued interest to the Bond Purchase Date. The purchase price of the Bonds shall be payable in lawful money of the United States of America, and shall be paid in full on the Bond Purchase Date. Not more than two hundred seventy (270) days and not less than one hundred eighty (180) days prior to the expiration of any Bank Holding Period, the Borrower shall notify the Holder and the Issuer of its desire for the Bonds to continue to be held by the Holder for a subsequent Bank Holding Period and its selection of (A) the duration for the new Bank Holding Period, which shall be for a duration of one (1) or more years from the end of the then current Bank Holding Period but in no event beyond the Final Maturity Date, such new Bank Holding Period to commence on the day after the expiration of the then current Bank Holding Period, and (B) whether the Bonds shall accrue interest at a Bank Placement Variable Interest Rate or a Bank Placement Fixed Interest Rate during the new Bank Holding Period. If the Holder fails to give notice to the Borrower and the Issuer of the extension of its commitment for the new Bank Holding Period at the new Bank Placement Interest Rate on or before the date which is one hundred eighty (180) days before the expiration of the then current Bank Holding Period, it shall be deemed that the Holder shall have elected not to extend its commitment, and the Bonds shall be subject to mandatory tender and purchase on the Bond Purchase Date. If the Holder, affirmatively and in writing, elects to hold the Bonds, the Holder shall notify the Borrower and the Issuer of the new Bank Placement Interest Rate. In addition, the Holder shall provide the Borrower and the Issuer with a certificate signed by an authorized signatory of the Holder stating that (A) the signatory is familiar with the subject matter of the certificate and is authorized to sign the same for and on behalf of the Holder and (B) that the

Bank Placement Interest Rate is the lowest rate of interest which, in the judgment of the Holder, would cause such Bonds to have a market value as of the date of determination equal to the principal amount thereof, taking into account prevailing market conditions. In addition, the Borrower shall deliver to the Holder and the Issuer a favorable opinion of Bond Counsel that the commencement of such new Bank Holding Period and new Bank Placement Interest Rate will not, in and of itself, result in the inclusion of interest on the Bonds in gross income for federal income tax purposes.

(i) The Bonds shall be callable for redemption in whole upon the occurrence of any of the circumstances which operate to require prepayment of the Loan by the Borrower in accordance with the provisions of Section 6.2(b) of this Agreement. The Bonds shall also be callable for redemption in part upon prepayment of the Loan in part as provided in Section 6.2(a) of this Agreement. The Bonds shall also be callable for redemption in whole or in part on an Interest Payment Date, in the event of exercise by the Borrower of its option to prepay the Loan in full or in part as provided in Section 6.1 of this Agreement.

(j) The obligation of the Issuer to make the payment of principal and interest on the principal amount of the Bonds which remains outstanding after any partial redemption shall not be affected by such partial redemption, such partial redemption operating instead to pay and redeem the principal of the Bonds at dates earlier than originally scheduled.

(k) Notice from the Borrower to the Holder that the Loan is to be prepaid in whole or in part pursuant to this Agreement shall also constitute the call by the Issuer of a portion or all, as the case may be, of the principal amount of the Bonds then outstanding, and no separate notice from the Issuer to the Holder shall be required. In addition, acceleration of all payments of the Loan pursuant to Section 7.2(a) of this Agreement shall constitute an acceleration of the principal amount of the Bonds then outstanding, and no notice of such acceleration from the Holder to the Issuer shall be required.

(l) All Bond Service Charges shall be payable in lawful money of the United States of America at the principal office of the Holder, by check or draft.

(m) If the Bonds or any portion thereof are duly called for redemption as herein provided, and if on the redemption date moneys for the payment of the applicable redemption price shall have been provided to the Holder so as to be available for the payment thereof, then from and after such redemption date the Bonds or such portion thereof shall cease to bear interest, subject to the provisions of Section 6.4 of this Agreement.

Section 3.2. Acquisition, Installation and Equipping of the Project. The Borrower shall promptly complete the acquisition, construction, installation and equipping of the Project substantially in accordance with the Project description set forth in **Exhibit A** hereto, and with the plans and specifications (if any) therefor now on file with the Issuer and the Original Purchaser, subject to such changes therein as do not cause the Project or the purpose thereof to be in nonconformance with the purposes and provisions of the Act. Such completion shall be accomplished as promptly as practicable, but if such acquisition, installation and equipping are not completed, there shall be no resulting liability on the part of the Issuer and no diminution or

postponement of the payments of Loan Payments required to be made by the Borrower hereunder.

Section 3.3. Creation of Project Fund, Deposit of Bond Proceeds, and Disbursement of Project Fund. The Issuer has in the Bond Legislation created the Project Fund. The Issuer and the Borrower agree that the amount of Disbursed Bonds shall not exceed \$15,000,000 in principal amount, and the par amount of the Bonds shall equal the amount of Disbursed Bonds that are disbursed as of December 31, 2016. In the Bond Legislation the Issuer has authorized and directed the Servicing Agent, once disbursement of the proceeds of the Bonds are made to the Project Fund, to further disburse those moneys from the Project Fund in accordance with this Agreement and no more frequently than twice every 30 days, which shall be for payment of, or reimbursement of the Borrower for payment of the costs and expenses that follow below but only to the extent a fully completed and executed Requisition in the form of **Exhibit C** attached hereto (with Borrower making the representations, warranties and covenants provided in that **Exhibit C**) is provided to the Servicing Agent (as defined in the Bond Purchase Agreement):

(a) costs incurred directly in connection with acquisition, construction, installation, renovation and equipping of the Project, including, but not limited to, the costs of land, labor, services, materials, equipment, technology, architectural, engineering, legal and supervisory services, insurance premiums, taxes, assessments and other charges during the period of construction;

(b) expenses incurred in connection with the authorization, sale, issuance and delivery of the Bonds and the preparation and delivery of all agreements, instruments and documents related thereto, including, but not limited to, all financial, legal, administrative, accounting, printing and engraving fees, expenses and charges and all recording, filing, title examination or insurance, surety bond and any other fees, expenses or charges relating to the Project or the Bonds; provided that no more than two percent (2%) of the Sale Proceeds (defined in the Tax Agreement) of the Bonds will be expended for Costs of Issuance (defined in the Tax Agreement).

All Excess Proceeds remaining after the Completion Date shall be used to prepay the Loan pursuant to Section 6.2(a) hereof on the next succeeding Interest Payment Date; provided that amounts approved by the Authorized Borrower Representative shall be retained in the Project Fund for payment of costs specified in subsections (a) and (b) of this Section which are not then due and payable, and any balance of such retained funds after full payment of all such costs shall be applied as hereinabove set forth in this paragraph; and provided further, that no moneys shall remain in the Project Fund after the third anniversary of the issuance of the Bonds if the Loan is required to be prepaid in accordance with the provisions of Section 6.2(a) hereof.

Section 3.4. Protection of Issuer with Respect to Project Fund Disbursements. The Borrower shall be solely responsible for the accuracy and completeness of all requisitions furnished pursuant to the provisions of Section 3.3 hereof, and the Borrower shall indemnify and save the Issuer, its officials, employees and agents harmless from and against any and all claims, damages, expenses, costs and liabilities arising out of any disbursement from the Project Fund made in violation of any provision of this Agreement or the Bond Purchase Agreement.

Section 3.5. Establishment of Completion Date. The Completion Date shall be evidenced to the Holder by a certificate substantially in the form attached as **Exhibit D** (the "Completion Certificate") signed by the Authorized Borrower Representative stating that, except for amounts retained by the Holder for costs of the Project not then due and payable, (i) the acquisition, construction, installation and equipping of the Project has been completed and all labor, services, materials, supplies and equipment used in such acquisition, construction, installation and equipping have been paid for, (ii) all other facilities necessary in connection with the Project have been acquired and all costs and expenses incurred in connection therewith have been paid, and (iii) the Project and all other facilities in connection therewith have been acquired, constructed, installed or equipped to its satisfaction. The Completion Certificate shall also state the amount of moneys, if any, in the Project Fund which are to be used to prepay the Loan Payments in accordance with Sections 3.3 and 6.2(a) of this Agreement and the prepayment price as determined pursuant to Section 6.2(a) hereof. Notwithstanding the foregoing, such certificate by the Authorized Borrower Representative shall state that it is given without prejudice to any rights against third parties that exist on the date of such certificate or which may subsequently come into being.

Section 3.6. Borrower Required to Pay Project Costs in Event Project Fund Insufficient. If the moneys in the Project Fund available for payment of the costs of the Project are insufficient to pay such costs in full, the Borrower shall complete the Project and pay all that portion of the costs of the Project as are in excess of the moneys available therefor in the Project Fund. The Issuer makes no warranty, either express or implied, that the moneys paid into the Project Fund which are available for payment of the costs of the Project will be sufficient to pay all such costs. If the Borrower pays any portion of the cost of the Project pursuant to the provisions of this Section, it shall not be entitled to any reimbursement therefor from the Issuer, nor shall it be entitled to any diminution or postponement of the payments required to be made by it hereunder.

Section 3.7. Investment of Project Fund. Any moneys held as part of the Project Fund shall, at the oral or written request of the Authorized Borrower Representative, be invested or reinvested by the Servicing Agent in Eligible Investments. The Borrower shall restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, so that the Bonds will not constitute arbitrage bonds under Section 103(b)(2) of the Code. Any oral request for the investment of moneys shall be confirmed in writing within three business days by the Authorized Borrower Representative.

ARTICLE IV PROVISIONS FOR PAYMENT

Section 4.1. Loan Repayment; Delivery of Note.

(a) Upon the terms and conditions of this Agreement, the Issuer will make the Loan to the Borrower. In consideration of and in repayment of the Loan, the Borrower shall make, as Loan Payments, payments sufficient in time and amount to pay when due all Bond Service Charges, all as more particularly provided in the Note. The Note shall be executed and delivered by the Borrower concurrently with the execution and delivery of this Agreement.

Upon payment in full of the Bond Service Charges on the Bonds, whether at maturity or by redemption or otherwise, or upon provision for the payment thereof having been made, (i) the Note issued concurrently with those corresponding Bonds, of the same maturity, bearing the same interest rate and in an amount equal to the aggregate principal amount of the Bonds so surrendered and canceled or for the payment of which provision has been made, shall be deemed fully paid, the obligations of the Borrower thereunder shall be terminated, and the Note shall be surrendered by the Original Purchaser to the Borrower, and shall be canceled by the Original Purchaser, or (ii) in the event there is only one Note, an appropriate notation shall be endorsed thereon evidencing the date and amount of the principal payment or prepayment equal to the Bonds so paid, or with respect to which provision for payment has been made, and that Note shall be surrendered by the Original Purchaser to the Borrower for cancellation if all Bonds shall have been paid (or provision made therefor) and canceled as aforesaid. Unless the Borrower is entitled to a credit under express terms of this Agreement or the Note, all payments on the Note shall be in the full amount required thereunder.

(b) The Borrower shall, pursuant to the Bond Purchase Agreement, pay to the Issuer, as Additional Payments hereunder, any and all costs and expenses incurred or to be paid by the Issuer in connection with the issuance and delivery of the Bonds or otherwise related to actions taken by the Issuer under this Agreement.

The Borrower shall pay to the Original Purchaser its reasonable fees, charges and expenses, including counsel fees and expenses.

Section 4.2. Payments Assigned. The Issuer will, pursuant to the Assignment of Loan Agreement, assign this Agreement to the Original Purchaser, and the Borrower hereby assents to such assignments. The Borrower further agrees that all payments of Loan Payments shall be made directly to the Original Purchaser for the account of the Issuer, and that all payments required to be made under Section 4.1(b) hereof shall be made directly to the Issuer and the Servicing Agent or either of them, as appropriate.

Section 4.3. Obligations Unconditional. The obligations of the Borrower to make the payments of Loan Payments required to be made under the this Agreement and the Note, and to perform and observe the other agreements on its part contained herein and in the Borrower Documents, shall be absolute and unconditional and shall not be subject to diminution by set-off, counterclaim, abatement or otherwise. Until Payment in Full of the Bonds, the Borrower (A) will not suspend or discontinue any payments required to be made hereunder except to the extent the same have been prepaid, (B) will perform and observe all its other agreements contained herein and in the other Bond Documents, and (C) except as provided in Sections 6.1, 6.2 and 6.3 hereof, will not attempt to terminate this Agreement or its obligations under the other Borrower Documents for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, sale, loss, destruction or condemnation of or damage to the Project, any change in the tax or other laws of the United States of America or of the State of Ohio 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 in connection with this Agreement. Nothing contained in this Section shall be construed to release the Issuer from the performance of any of the agreements on its part contained herein; and in the event the Issuer should fail to perform any

such agreement on its part, the Borrower may institute such action against the Issuer as the Borrower may deem necessary to compel such performance, provided that no such action shall affect the agreement on the part of the Borrower contained in the preceding sentence. Nothing in this Section shall be construed to limit the ability of the Borrower to prosecute or defend any action or proceeding or take any other action involving third persons which the Borrower deems necessary in order to secure or protect its rights under this Agreement, and in any such events the Issuer shall cooperate fully with the Borrower.

ARTICLE V PARTICULAR COVENANTS

Section 5.1. Expenses of Issuer, Servicing Agent and Holder; Indemnification. Whether or not the transactions and events contemplated by the Borrower Documents shall be consummated, the Borrower covenants that it shall (a) pay, and hold the Issuer, the Servicing Agent, the Holder and the officers, employees and agents of any of them harmless from and against any and all liability for the payment of, all taxes, charges, reasonable attorneys and other legal fees and out-of-pocket expenses arising in connection with such contemplated transactions and events, and (b) protect, indemnify and hold harmless the Issuer, the Servicing Agent, the Holder, and the officers, employees and agents of any of them from and against any and all claims, demands and causes of action of any nature whatsoever in connection with such contemplated transactions and events, and all reasonable fees and expenses incident to the defense thereof, including (without implied limitation) all claims or liability resulting from any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the acquisition, construction, installation and equipping of the Project or the use thereof. Nothing contained herein shall require the Borrower to indemnify the Holder or the officers, employees and agents for any claim or liability resulting from the fault or negligence of such party or for any claim or liability which the Borrower was not given the opportunity to contest.

The provisions of this Section 5.1 with respect to indemnification shall survive the release, discharge and satisfaction of this Agreement.

Section 5.2. Assignment by Issuer Except for the assignment of this Agreement and the Pledged Receipts to the Original Purchaser pursuant to the Bond Purchase Agreement, the Issuer shall not attempt to further assign, transfer or convey its interest in this Agreement or create any pledge or lien of any form or nature with respect to the Pledged Receipts.

Section 5.3. Redemption of Bonds. The Issuer, at the request of the Borrower, at any time, and if the Bonds are then redeemable in whole or in part, shall forthwith take all steps that may be necessary under the applicable redemption provisions of the Bond Legislation and this Agreement to effect redemption of all or any portion of the Bonds, as may be specified by the Borrower in such request, on the earliest redemption date on which such redemption may be made under such applicable provisions, being the date set for such redemption by the Borrower pursuant to Article VI hereof. So long as the Borrower is not in default hereunder or the Issuer is not obligated to redeem the Bonds pursuant to the terms hereof or of the Bond Purchase Agreement, and except for the amortization provisions provided for in the Bond Legislation, if

any, the Issuer shall not redeem any portion of the Bonds prior to its maturity unless requested in writing by the Borrower.

Section 5.4. Reference to Bonds Ineffective After Bonds Paid. Upon Payment in Full of the Bonds, all references in this Agreement to the Bonds shall be ineffective and neither the Issuer nor any Holder shall thereafter have any rights hereunder, and the Borrower shall not have any further obligation hereunder, except for (a) any obligation to the Issuer or any Holder that shall have theretofore vested and that shall then remain unsatisfied, (b) the obligations set forth in Section 6.4 hereof if a Determination of Taxability shall occur after Payment in Full of the Bonds and (c) the obligations set forth in Section 5.1.

Section 5.5. Concurrent Discharge of Loan Payments Obligation. In the event any portion of the Bonds shall be paid and discharged or deemed to be paid and discharged pursuant to any provisions of this Agreement or the Bond Legislation, an equivalent amount of the Loan Payments shall be deemed fully paid for purposes of this Agreement and to such extent the obligations of the Borrower thereunder terminated.

Section 5.6. Borrower's Performance. The Borrower shall, for the benefit of the Issuer and each Holder, do and perform all acts and things required or contemplated in the Borrower Documents or in the Bond Legislation to be done or performed by it, including, without limitation, the obligations of the Borrower with respect to insurance, taxes and other charges and maintenance, modification, repairs and restoration of the Project.

Section 5.7. Borrower Not to Adversely Affect Tax-Exempt Status of Interest on Bonds. Notwithstanding anything herein to the contrary, the Borrower, for the benefit of the Issuer and the Bondholders, hereby represents that it has not taken, or permitted to be taken on its behalf, and agrees that it shall not take or permit to be taken on its behalf, any action which would adversely affect the exclusion from gross income for Federal income tax purposes of the interest on the Bonds, and that it will make and take, or require to be made and taken, such acts and filings as may from time to time be required under the Code to maintain the exclusion from gross income for Federal income tax purposes of the interest on the Bonds.

Notwithstanding anything herein to the contrary, any failure by the Borrower to comply with any of its obligations under this Section which results in a Determination of Taxability shall not constitute or give rise to an Event of Default if the Borrower makes, when due, all payments required herein to be paid upon the occurrence of a Determination of Taxability.

Section 5.8. Opinion to be Provided. At such times as the Holder shall reasonably request, the Borrower shall, on behalf of the Issuer, cause to be delivered to the Holder an opinion of counsel, who may be counsel for the Borrower, addressed to the Issuer and the Holder and stating that based upon the law in effect on the date of such opinion no filing, registration or recording and no refiling, reregistration or rerecording of any financing statement, amendments thereto, continuation statements or instruments of a similar character relating to the pledges and assignments made by the Issuer or the Borrower to secure the Bonds, is required by law in order to fully preserve and protect the security of the Holder and the rights of the Holder under the Assignment of Loan Agreement and the Pledge Agreement, or if such filing, registration, recording, refiling, reregistration or rerecording is necessary, setting forth the requirements in

respect thereto. The Borrower, with such assistance and cooperation from the Issuer as the Borrower may reasonably request, shall take or cause to be taken all action necessary to satisfy any such requirements. Promptly after any filing, registration, recording, refiling, reregistration or rerecording of any such agreement or instrument, the Borrower on behalf of the Issuer will deliver to the Holder an opinion of counsel, who may be counsel for the Borrower, to the effect that such filing, registration, recording, refiling, reregistration or rerecording has been duly accomplished and setting forth the particulars thereof.

ARTICLE VI PREPAYMENT OF THE LOAN

Section 6.1. Options to Prepay Loan. The Borrower shall have, and is hereby granted, the option to prepay the Loan in full or in part on any Business Day prior to the Conversion Date and thereafter on any Interest Payment Date (the "Optional Redemption Dates"). To exercise the option granted in this paragraph, the Borrower shall, on or before the 15th day next preceding any appropriate Optional Redemption Date on the Bonds, give written notice to the Holder of its intention to prepay the Loan in full or in part on such Optional Redemption Date pursuant to this paragraph, and shall specify therein the principal amount of the Bonds to be redeemed with the moneys received upon such prepayment and the prepayment price as provided in this paragraph. The exercise of such option to prepay the Loan in full or in part shall also constitute an election by the Issuer to call for redemption, on the same date as the Loan prepayment date, an equivalent portion of the Bonds outstanding on such date. The prepayment price which shall be paid to the Holder for the account of the Issuer by the Borrower in the event of its exercise of the option granted in this paragraph shall be an amount of money equal to the principal amount of the Loan to be prepaid. Annually, on or before January 31, the Borrower shall provide confirmation to the Issuer of the total amount of the Bonds optionally redeemed by the Borrower pursuant to this Section 6.1 during the prior year. The Borrower shall provide such confirmation to the Issuer using the form of confirmation attached hereto as **Exhibit E**.

The obligation of the Borrower to make the scheduled payments of Loan Payments after any partial prepayment shall not be affected by such partial prepayment, such partial prepayment operating instead to pay the Loan Payments at dates earlier than originally scheduled in inverse order of payments.

The options granted to the Borrower in this Section may be exercised whether or not the Borrower is in default hereunder or under any other Borrower Document; provided that no such exercise shall relieve the Borrower from liability for any such default.

Section 6.2. Obligations to Prepay Loan.

(a) The Borrower shall be obligated to prepay the Loan in part on the Interest Payment Date immediately following the Completion Date with all Excess Proceeds, if any. The Borrower shall give notice of the prepayment date and prepayment price as provided in this subsection. The giving of such prepayment notice shall also constitute the giving of notice by the Issuer of its call for redemption on such Interest Payment Date of an equivalent portion of the Bonds outstanding on such Interest Payment Date.

The Borrower shall also be obligated to prepay the Loan in part on the next Interest Payment Date within 30 days after the acquisition, construction, installation and equipping of Project facilities to be purchased and constructed is complete with all Excess Proceeds. The Borrower shall give notice of the prepayment date and the prepayment price as provided in this subsection. The giving of such prepayment notice shall also constitute the giving of the notice by the Issuer of its call for redemption on such prepayment date of an equivalent portion of the Bonds outstanding on such date.

The Borrower shall give written notice to the Issuer and the Holder at least 15 days preceding the date the Loan is to be prepaid in accordance with the provisions of this subsection, which notice shall specify the prepayment date and the prepayment price. The prepayment price which shall be paid to the Holder from the Project Fund for the account of the Issuer shall be equal to the principal amount of the Loan to be prepaid, plus accrued interest on the prepayment amount being prepaid.

If the Borrower causes to be delivered to the Holder, on or before the date which the Borrower is required to give notice of prepayment under this subsection, an opinion of Bond Counsel to the effect that any or all of the prepayment requirements is or are not necessary to preserve the exclusion from gross income for Federal income tax purposes of the interest on the Bonds, then the Borrower shall not be obligated to prepay the Loan or cause the redemption of the Bonds in accordance with the provisions of this Section.

No prepayment of the Loan under this subsection relieves the Borrower from liability for any default hereunder or under any other Borrower Document.

(b) The Borrower shall be obligated to prepay the Loan in full if this Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed herein by reason of any changes in the Constitution of the State of Ohio or the Constitution of the United States of America, or by reason of legislative or administrative action (whether state or Federal) or any final decree, judgment or order of any court (whether state or Federal) entered after the contest thereof by the Issuer, the Holder or the Borrower in good faith. Within 10 days after the event giving rise to such obligation to prepay the Loan, the Borrower shall give written notice to the Issuer and to the Holder and shall specify therein the event giving rise to such prepayment obligation, the prepayment price as provided in this Section and the date of such prepayment, which date shall be an Interest Payment Date not less than 15 days nor more than 60 days from the date such notice is mailed. The giving of such prepayment notice shall also constitute the giving of notice by the Issuer of its call for redemption, on the same date as the Loan prepayment date, of the entire amount of the Bonds outstanding on such date.

If the Borrower fails to give any notice required to be given by it under this Section, the Holder may specify the Interest Payment Date for prepayment of the Loan and redemption of the Bonds, and the giving of any such notice shall also constitute the giving of notice by the Issuer of its call for redemption, on the same date as the Loan prepayment date, of the entire amount of the Bonds outstanding on such date.

The prepayment price which shall be paid to the Holder for the account of the Issuer by the Borrower under this Section shall be an amount of money equal to the principal amount of the Bonds outstanding, plus accrued interest thereon to the redemption date.

No prepayment of the Loan under this Section shall relieve the Borrower from liability for any default hereunder or under such other Borrower Document.

Section 6.3. Option of Holder to Accelerate Payment of Loan. The Holder shall have, and is hereby granted, the option to accelerate the payment of the Loan upon the occurrence of a Determination of Taxability. To exercise the option granted by this Section, the Holder shall give written notice to the Issuer and the Borrower which notice shall specify the prepayment price as provided in this Section and the date of such prepayment, which date shall be an Interest Payment Date not be less than 15 days nor more than 60 days after the date such notice is mailed. The exercise of such option to accelerate the Loan shall also constitute an election by the Issuer to call for redemption, on the same date as the prepayment date, of the entire principal amount of the Bonds outstanding on such date. The prepayment price which shall be paid to the Holder for the account of the Issuer by the Borrower in the event of the exercise of the option granted in this Section shall be 100% of the principal amount of the Bonds outstanding as of the date of redemption, plus interest accrued thereon to the redemption date.

No prepayment of the Loan under this Section shall relieve the Borrower from liability for any default hereunder or under any other Borrower Document.

Section 6.4. Determination of Taxability After Payment of Loan. Notwithstanding anything herein to the contrary, if after payment or prepayment of the Loan in full and Payment in Full of the Bonds a Determination of Taxability shall occur and such Determination of Taxability causes any interest paid on the Bonds to be includable in the gross income of any Holder under the Code, the Borrower shall, within 10 days after demand by such Holder, pay to such Holder an amount equal to the sum of (a) the difference between (i) the aggregate amount of interest on the Bonds which would have been payable to such Holder if the interest rate on the Bonds, commencing on the date of the Event of Taxability, had been the Taxable Rate of Interest, and (ii) the aggregate amount of interest on the Bonds actually paid to such Holder prior to the Determination of Taxability; and (b) any amount which the Holder is actually obligated to pay as interest on unpaid taxes, penalties or other assessments which are due by reason of the Determination of Taxability.

ARTICLE VII DEFAULTS AND REMEDIES

Section 7.1. Events of Default. Each of the following events is hereby declared an Event of Default:

(a) The Borrower's failure to make any payment required to be made hereunder or under the Note after the same becomes due and payable, including any failure to make any payment of principal of the Loan at the time required therein.

(b) The occurrence of an event of default under any of the Borrower Documents, or the acceleration of the Bonds by the Holder pursuant to the provisions of the Continuing Covenants Agreement.

(c) The Borrower's failure to observe and perform any of its other covenants, conditions or agreements contained herein other than those referred to in Paragraph (a) or (b) of this Section 7.1, and such failure shall continue for a period of 30 days.

(d) If any representation or warranty by the Borrower contained in a Borrower Document, or in any certificate or instrument delivered by the Borrower pursuant to the Borrower Documents, is false or misleading in any material respect.

(e) If the Borrower shall be adjudicated as bankrupt or insolvent, or shall consent to or apply for the appointment of a receiver, trustee or liquidator of itself any of its property, or shall admit in writing its inability to pay its debts generally as they become due, or shall make a general assignment for the benefit of creditors, or shall file a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization or arrangement in a proceeding under any bankruptcy law.

(f) Any foreclosure of, or ouster of the Borrower from possession of, the Project or any portion thereof, or, except as otherwise provided for or permitted herein or in the Continuing Covenants Agreement, any voluntary or involuntary transfer of possession or right of possession of the Project or any portion thereof, without the written consent of the Holder.

(g) The failure of the Borrower promptly to pay and discharge any judgment or levy of any attachment, execution or other process against the assets of the Borrower, and such judgment not be satisfied, or such levy or other process not be removed within sixty (60) days after the entry thereof, or at least five (5) days prior to the time of any proposed sale under any such judgment or levy.

Section 7.2. Remedies on Default. Whenever any Event of Default shall have occurred and be continuing, the Holder, as the assignee and pledgee of the Issuer, shall have the following rights and remedies:

(a) The Holder may declare all payments of Loan Payments to be immediately due and payable, whereupon the same shall become immediately due and payable. If the Holder elects to exercise the remedy afforded in this Section 7.2(a) and accelerates all payments of Loan Payments, the amount then due and payable by the Borrower resulting from such acceleration shall be the sum of (1) the aggregate principal amount of the Bonds then outstanding, (2) all unpaid interest on the Bonds accruing to the date of such acceleration, (3) any other amounts then due the Holder under the Borrower Documents, and (4) any amount then due the Issuer hereunder.

(b) The Holder may have access to and inspect, examine and make copies of, the financial books, records and accounts of the Borrower pertaining to the Project and the operation thereof.

(c) The Holder may exercise any remedy provided for in the Borrower Documents.

(d) The Holder may take whatever action at law or in equity may appear necessary or desirable to collect any sums then due and thereafter to become due hereunder or to enforce the observance or performance of any covenant, condition or agreement of the Borrower hereunder.

Any amounts collected pursuant to action taken by the Holder under this Section shall, except as otherwise provided in or permitted by the Continuing Covenants Agreement.

Subject to the provisions of Section 5.4 hereof, after Payment in Full of the Bonds and the payment of any costs occasioned by an Event of Default pursuant to the terms of the Borrower Documents, any excess moneys shall be returned to the Borrower as an overpayment of Loan Payments.

Whenever any Event of Default shall have occurred and be continuing which results from failure of the Borrower to pay to or perform for the Issuer any payment, covenant, agreement or warranty not assigned to the Holder, the Issuer may (but need not) proceed directly against the Borrower and may take any action at law or in equity which it may deem necessary or desirable to collect or enforce such payment or performance in default.

Section 7.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Holder is intended to be exclusive of any other remedy, and every remedy shall be cumulative and in addition to every other remedy herein or now or hereafter existing at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon an Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to enable the Issuer or the Holder to exercise any remedy reserved to it herein, it shall not be necessary to give any notice, other than such notice as may be expressly required herein.

Section 7.4. Attorneys' Fees and Expenses. Should an Event of Default occur and the Issuer or Holder or any of them employ attorneys or incur other expenses for the collection of sums due hereunder or in the enforcement of performance of any other obligation of the Borrower hereunder, the Borrower shall on demand therefor reimburse the reasonable fees of such attorneys and such other reasonable expenses so incurred.

Section 7.5. Waiver of Default. If the Holder shall waive any event of default under the Borrower Documents, and its consequences, or rescind any declaration of acceleration of payments of the principal of and interest on the Bonds, such waiver must be in writing and shall be effective only to the extent set forth in such writing, provided that such waiver shall also waive any corresponding Event of Default hereunder and its consequences, and such rescission of a declaration of acceleration of the principal of and interest on the Bonds shall also rescind any declaration of any corresponding acceleration of all payments of Loan Payments. In case of any such waiver or rescission, or in case any proceeding taken by the Issuer or Holder on account of any such Event of Default shall have been discontinued or abandoned or determined

adversely, then and in every such case the Issuer, the Borrower, and the Holder shall be restored to their former positions and rights hereunder, but no such waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

ARTICLE VIII INSURANCE

Section 8.1. Insurance. The Borrower covenants to provide and maintain at its own expense insurance against loss and/or damages to its educational facilities, including the Project and the operation and maintenance thereof under a policy or policies in form and amount covering such risks as are ordinarily insured against by similar educational facilities; provided, that the amount of property insurance (including builder's risk insurance) shall always be at least equal to the outstanding principal amount of the Bonds, including without limiting the generality of the foregoing, fire and uniform standard extended coverage endorsements, limited only as may be provided in the standard form of extended coverage endorsements at the time in use in the State of Ohio and naming the Original Purchase as loss payee and additional insured. Without limiting the generality of the foregoing, in addition thereto, the Borrower shall also maintain: comprehensive general liability insurance and motor vehicle insurance, in such amounts and with such deductible provisions as are customarily maintained by education institutions conducting operations similar to the Borrower; workers' compensation (or the election to self-insure as permitted by the State) and employer's liability coverage as required by the laws of the State; and fidelity bonds on all officers and employees of the Borrower who have access to or custody of any revenues, receipts or income or any funds of the Borrower in amounts customarily carried by like organizations.

Any insurance required to be carried hereunder may be included as part of any blanket or other policy or policies of insurance covering not only the Project but also other properties in which the insured as an insurable interest in the case of property, and, in the case of all policies, may include additional named insureds and may include deductibles or funded self insured retention levels as are appropriate. Required limits of coverage may be provided (i) by umbrella policies if such policies in the aggregate provide the same coverage required by this Section, or (ii) by funded self insurance programs of the Borrower, provided that the Holder receives a report of an independent insurance consultant retained by the Borrower to the effect that such self insurance is consistent with proper management and insurance practices in relation to education institutions conducting operations similar to the Borrower.

The Borrower covenants and agrees that each insurance policy carried by it pursuant to this Section will be written and issued by an insurer (or insurers) that is (or are) financially responsible and legally permitted to write that insurance in the State, (ii) will be in a form and will contain those provisions (including a loss payable clause, a waiver of subrogation clause, deductibles and a designation of additional insureds) that are considered generally to be standard for the type of insurance involved, and (iii) will prohibit cancellation or substantial modification by the insurer or the Borrower without at least 45 days prior written notice to the Borrower and the Holder.

All insurance policies shall name the Original Purchaser as an additional insured.

Section 8.2. Insurance Proceeds. If prior to Payment In Full of the Bonds (or prior to provisions for payment thereof having been made) the Project shall be damaged or partially or totally destroyed by whatever cause, there shall be no abatement or reduction in the Loan payable under this Agreement, and, to the extent that the claim for loss resulting from such damage or destruction is not greater than \$1,000,000, such insurance proceeds shall be paid to the Borrower and the Borrower (i) will promptly repair, rebuild or restore the property damaged or destroyed with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by it and as will not impair the character or significance of the Project, (ii) will apply for such purpose so much as may be necessary of any insurance proceeds resulting from claims for such losses not in excess of \$1,000,000 as well as any additional available moneys necessary therefor.

If prior to Payment in Full of the Bonds (or provision for payment thereof having been made), the Project shall be destroyed (in whole or in part) or damaged as aforesaid to such extent that the claim for loss resulting from such destruction or damage is in excess of \$1,000,000, the Borrower shall promptly give, or cause to be given, written notice thereof to the Issuer and the Holder and any insurance proceeds resulting from such destruction or damage shall be deposited into a separate segregated account held by the Servicing Agent. If such claim for such loss is in excess of \$1,000,000, the Borrower shall have the option of (1) continuing to pay the Loan and proceeding promptly to repair, rebuild or restore the property damaged or destroyed with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Borrower and as will not impair the character of the Project, and the Servicing Agent will, upon delivery to the Servicing Agent of a certificate signed by the Borrower, setting forth the costs theretofore incurred or paid, apply so much as may be necessary of the proceeds from time to time available of such insurance to payment of the costs of such repair, rebuilding or restoration, either on completion thereof or as the work progresses or (2) requesting the Issuer to cause Bonds to be redeemed as hereinafter provided.

In the event the Borrower does not elect to cause the Bonds to be redeemed and said proceeds and other moneys available therefor are not sufficient to pay in full the costs of such repair, rebuilding or restoration, the Borrower will nonetheless complete the work thereof and will pay the portion of the cost thereof in excess of the amount of said proceeds with other available moneys. In such event, the Borrower shall provide evidence reasonably satisfactory to the Servicing Agent that the Borrower has available to it sufficient moneys to complete such repair, rebuilding or restoration. The Borrower shall not, by reason of the payment of such excess costs, be entitled to any reimbursement from the Issuer or any diminution in or postponement of the Loan Payments payable under this Agreement. Any balance of such proceeds remaining after the payment of all costs of such repair, rebuilding or restoration shall be paid into the Project Fund. If Bonds have been fully paid or provision for the payment of the Bonds has been made, all proceeds will be paid to the Borrower.

In the event that the Borrower shall elect not to cause the Project to be repaired or rebuilt, the Borrower shall direct the Issuer to cause the entire insurance proceeds to be applied to the redemption of such Bonds as are then redeemable, and in such event the Issuer shall cause the Servicing Agent so to apply the same; but in such event, Loan Payments due hereunder shall not abate until the principal of and interest on all the Bonds shall have been paid or provision for the payment of the Bonds shall have been made.

Insurance proceeds may be applied to the redemption of Bonds pursuant to the immediately preceding paragraph only if (i) such proceeds shall be sufficient, together with other moneys on deposit with the Servicing Agent, to redeem all outstanding Bonds on the next Interest Payment Date or (ii) the Borrower shall furnish a certificate of an architect stating that (a) the portion of the Project damaged or condemned is not essential to the Borrower's use or occupancy of the Project or (b) the damaged Project has been restored to a condition substantially equivalent to its previous condition.

Section 8.3. Failure to Carry Insurance. In the event the Borrower shall at any time neglect or refuse to procure or maintain insurance as required in Section 8.1, either the Holder, the Servicing Agent or the Issuer may at its option (but shall not be required to) procure and maintain such insurance and the Borrower shall be obligated to reimburse promptly the Holder, the Servicing Agent or the Issuer, as the case may be, for all amounts expended in connection therewith, together with interest on all such amounts expended at the Special Interest Rate.

Section 8.4. Prompt Loss Adjustments. The Borrower shall adjust losses under insurance policies related to the Project in conformity with this Agreement, as promptly as practicable and with due regard to the interests of the Original Purchaser in such adjustments.

Section 8.5. The Borrower's Liability. No acceptance or approval of any insurance policy by the Original Purchaser shall relieve or release the Borrower from any liability, duty or obligation under the provisions of this Agreement.

Section 8.6. Varying Insurance Provisions in Continuing Covenants Agreement. To the extent of any insurance requirements set forth in a Continuing Covenants Agreement, those insurance requirements shall apply and shall replace the provisions of this Article VIII.

ARTICLE IX CONDEMNATION; PROCEEDS OF TITLE INSURANCE

Section 9.1. Notice of Taking; Cooperation of Parties. If any public authority or entity, in the exercise of its power of eminent domain, takes or damages the Project, or any part thereof, there shall be no abatement or reduction in the Loan Payments payable by the Borrower to the Holder. The Borrower shall take prompt and appropriate measures to protect and enforce its rights and interests and those of the Issuer and the Holder in connection with any condemnation proceeding, and the Borrower and the Issuer shall cooperate in the protection of their mutual rights and interest and those of the Holder. Prompt written notice of any taking or damaging of any part of the Project or of any official notice thereof or of the institution of any proceeding therefor by any public instrumentality, body, agency or officer shall be given to the Holder and to the other parties to this Agreement by the party first informed thereof.

Section 9.2. Disposition of Money Awarded in Eminent Domain Proceedings. In the event that title to or the temporary use of the Project or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, there shall be no abatement or reduction in the Loan Payments payable by the Borrower under this Agreement. The Issuer and the Borrower shall cause the net proceeds received by them and the Holder or any of them from any award

made in such eminent domain proceedings to be deposited into a separate segregated account held by the Servicing Agent and applied in one or more of the following ways as shall be directed in writing by the Borrower:

(a) the restoration of the remaining portion of the Project to substantially the same condition as it existed prior to the exercise of said power of eminent domain;

(b) the acquisition and construction, by the Borrower of other land or improvements suitable for the Borrower's operation of the Project (which land or improvements shall be deemed a part of the Project and available for use and occupancy by the Borrower without the payment of any Loan Payments other than herein provided, to the same extent as if such land or other improvements were specifically described herein and demised hereby); or

(c) redemption of the principal of any of the Bonds, together with accrued interest thereon to the date of redemption, which shall be an Interest Payment Date; provided, that no part of such condemnation award may be applied for such purposes unless in the event that less than all of the Bonds are to be redeemed, the Borrower shall furnish, or cause to be furnished to the Issuer and the Original Purchaser a certificate of an architect, independent engineer, consultant or other expert not objected to by the Original Purchaser, selected by the Borrower, stating (i) that the property forming a part of the Project that was taken by such condemnation is not essential to the Borrower's use or occupancy of the Project, or (ii) that the Project has been restored to a condition substantially equivalent to its condition prior to the taking by such condemnation proceedings, or (iii) that land or improvements have been acquired which are suitable for the Borrower's operation of the Project as contemplated by the foregoing subsection (b) of this Section.

Within 90 days from the date of entry of a final order in any eminent domain proceedings granting condemnation, the Borrower shall direct the Issuer and the Original Purchaser in writing as to which of the ways specified in this Section the Borrower elects to have the net proceeds of the condemnation award applied.

Any balance of the net proceeds of the award in such eminent domain proceedings shall be paid to the Original Purchaser as prepayment of the Loan. If the Bonds have been fully paid (or provision for payment thereof has been made in accordance with the provisions of this Agreement), all net proceeds will be paid to the Borrower. The Issuer shall cooperate fully with the Borrower in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Project or any part thereof and will, to the extent it may lawfully do so, permit the Borrower to litigate in any such proceedings in its own name or in the name and on behalf of the Issuer. In no event will the Borrower voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project or any part thereof, or authorize the other to do so, without the written consent of the Original Purchaser.

**ARTICLE X
MISCELLANEOUS**

Section 10.1. Term of Agreement. Subject to the provisions of Section 5.4 and Section 5.1 hereof, this Agreement shall terminate upon Payment in Full of the Bonds.

Section 10.2. Notices. Except as otherwise specifically provided herein, all notices, approvals, consents, requests and other communications hereunder shall be in writing and shall be deemed to have been given when delivered or mailed by first class registered or certified mail, postage prepaid, addressed (a) if to the Issuer, at City of Gahanna, Finance Department, 200 South Hamilton Road, Gahanna, OH, 43230, Attention: Finance Director, (b) if to the Borrower, at The Columbus Academy, 4300 Cherry Bottom Road, Gahanna, OH 43230, Attention: Chief Financial Officer., (c) if to the Holder, at PNC Bank, National Association, 155 East Broad Street, Columbus, Ohio 43215, Attention: Patricia A. Jackson, Senior Vice President, or (d) if to the Servicing Agent at PNC Bank, National Association, 155 East Broad Street, Columbus, Ohio 43215, Attention: Patricia A. Jackson, Senior Vice President. A duplicate copy of each notice, approval, consent, request or other communication given hereunder by either the Issuer or the Borrower to the other shall also be given to the Holder. The Issuer, the Borrower and the Holder may, by notice given hereunder, designate any further or different addresses to which subsequent notices, approvals, consents, requests or other communications shall be sent or persons to whose attention the same shall be directed, but no such communications shall thereby be required to be sent to more than two addresses.

Section 10.3. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Borrower and their respective successors and assigns, provided that any obligation of the Issuer arising hereunder shall not be a general debt of the Issuer, but shall be payable solely out of the Pledged Receipts.

Section 10.4. Severability. In the event any provision of this 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. If any provision herein shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

Section 10.5. Amendments, Changes and Modifications. Except as otherwise provided in the other Borrower Documents, subsequent to the issuance of the Bonds, this Agreement may not be amended, changed, modified, altered or terminated without the written consent of the Holder and the Issuer.

Section 10.6. Execution Counterparts. This 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 10.7. Net Basis. This Agreement shall be deemed and construed to be on a "net basis" and the Borrower shall pay absolutely net during the term of this Agreement the Loan Payments and Additional Payments free of any deductions and without abatement, deduction or setoff, other than herein expressly provided.

Section 10.8. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions of this Agreement.

Section 10.9. Governing Law. This Agreement shall be deemed to be a contract made under the laws of the State of Ohio and for all purposes shall be governed by and construed in accordance with the laws of the State of Ohio.

Section 10.10. Waiver by Jury Trial. THE ISSUER AND THE BORROWER EACH WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, OR RELATED TO, THE SUBJECT MATTER OF THIS AGREEMENT OR THE OTHER BORROWER DOCUMENTS AND ANY DOCUMENTS OR INSTRUMENTS EXECUTED IN CONNECTION THEREWITH. THIS WAIVER IS KNOWINGLY, INTENTIONALLY AND VOLUNTARILY MADE AND EACH ACKNOWLEDGES THAT NEITHER THE ORIGINAL PURCHASER, THE SERVICING AGENT NOR THE ISSUER HAS MADE ANY REPRESENTATIONS OF FACT TO INDUCE THIS WAIVER OF TRIAL BY JURY OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT. THE BORROWER FURTHER ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED (OR HAS HAD THE OPPORTUNITY TO BE 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 HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL. THE BORROWER FURTHER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THE MEANING OF THIS WAIVER PROVISIONS.

Section 10.11. Power to Confess Judgment. The Borrower hereby irrevocably authorizes any attorney-at-law, including an attorney employed by or retained and paid by the Holder, to appear in any court of record in or of the State of Ohio, or in any other state or territory of the United States, at any time after the indebtedness evidenced by the Bonds or the Note or otherwise pursuant to this Agreement becomes due, whether by acceleration or otherwise, to waive the issuing and service of process and to confess a judgment against the Borrower in favor of the Holder, and/or any assignee or holder hereof for the amount of principal and interest and expenses then appearing due from the Borrower under the Bonds or the Note or otherwise under

this Agreement, together with costs of suit and thereupon to release all errors and waive all right of appeal or stays of execution in any court of record. The Borrower hereby expressly (i) waives any conflict of interest of the attorney(s) retained by the Holder to confess judgment against the Borrower upon the Bonds or the Note or otherwise under this Agreement, and (ii) consents to the receipt by such attorney(s) of a reasonable legal fee from the Holder for legal services rendered for confessing judgment against the Borrower upon the Bonds or the Note or otherwise under this Agreement. A copy of the Bonds or the Note or this Agreement, certified by the Holder, may be filed in each such proceeding in place of filing the original as a warrant of attorney.

[Remainder of page intentionally left blank; signature page to follow]

IN WITNESS WHEREOF, the Issuer and the Borrower has executed this Agreement all as of the date first above written.

CITY OF GAHANNA, OHIO

The form of the foregoing Loan Agreement is hereby approved by the Director of Law

Director of Law

Mayor

Attest: _____
Title: Finance Director

WARNING-BY SIGNING THIS PAPER YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT TRIAL. IF YOU DO NOT PAY ON TIME A COURT JUDGMENT MAY BE TAKEN AGAINST YOU WITHOUT YOUR PRIOR KNOWLEDGE AND THE POWERS OF A COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE CREDITOR WHETHER FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE AGREEMENT, OR ANY OTHER CAUSE.

THE COLUMBUS ACADEMY

By: _____

Name: Victor M. Thorne

Title: Vice President

EXHIBIT A
THE PROJECT

The "Project" consists of the renovation of approximately 55,000 square feet of property and the construction of approximately 34,000 square feet of property on the Borrower's campus, and the acquisition and installation of related furniture, fixtures and equipment, resulting in a Fine Arts building, enhanced dining and library facilities, and new and renovated classrooms within the Lower School, Middle School and Upper School buildings at the address of 4300 Cherry Bottom Road, Gahanna, OH 43230.

EXHIBIT B
PROMISSORY NOTE

\$15,000,000

July 13, 2015

The Columbus Academy, an Ohio nonprofit corporation (the "Borrower"), for value received, promises to pay to PNC Bank, National Association, as Holder or its assigns (the "Holder") of the Bonds hereinafter referred to, the principal sum of

FIFTEEN MILLION DOLLARS
(\$15,000,000)

or so much thereof as has been advanced, and to pay (i) interest on the unpaid balance of such principal sum from and after the date of this Note at the interest rate or interest rates borne by the Bonds (defined herein) and (ii) interest on overdue principal, and to the extent permitted by law, on overdue interest, at the interest rate provided under the terms of the Bonds.

This Note has been executed and delivered by the Borrower pursuant to a certain Loan Agreement (the "Agreement"), dated as of July 1, 2015, between the City of Gahanna, Ohio (the "Issuer") and the Borrower. Terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement.

Under the Agreement, the Issuer has loaned the Borrower the proceeds received from the sale of up to \$15,000,000 aggregate principal amount of City of Gahanna, Ohio Economic Development Revenue Bonds, Series 2015 (The Columbus Academy Project), dated as of the date of their issuance (the "Bonds"), to be applied to assist in the financing of the Project. The Borrower has agreed to repay such loan by making Loan Payments at the times and in the amounts set forth in this Note.

To provide funds to pay the Bond Service Charges on the Bonds as and when due, the Borrower hereby agrees to and shall make Loan Payments as follows: (i) principal hereof shall be payable on the first day of each January, April, July and October, commencing January 1, 2017, in accordance with the schedule attached hereto as Schedule 1, and (ii) interest hereon shall be payable on the first day of each month, commencing August 1, 2015 (each such day being a "Loan Payment Date"). In addition, to provide funds to pay the Bond Service Charges on the Bonds as and when due at any other time, the Borrower hereby agrees to and shall make Loan Payments on any other date on which any Bond Service Charges on the Bonds shall be due and payable, whether at maturity, upon acceleration, call for redemption or otherwise.

If payment or provision for payment is made in respect of the Bond Service Charges on the Bonds from moneys other than Loan Payments, this Note shall be deemed paid to the extent such payments or provision for payment of Bond Service Charges has been made. Subject to the foregoing, all Loan Payments shall be in the full amount required hereunder.

All Loan Payments shall be payable in lawful money of the United States of America and shall be made to the Holder at its corporate office for the account of the Issuer.

Subject to the next to last paragraph hereof, the obligation of the Borrower to make the payments required hereunder shall be absolute and unconditional and the Borrower shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim which the Borrower may have or assert against the Issuer or any other person.

This Note is subject to optional, extraordinary optional and mandatory prepayment, in whole or in part, upon the same terms and conditions, on the same dates and at the same prepayment prices, as the Bonds are subject to optional, extraordinary optional and mandatory redemption. Any optional or extraordinary optional prepayment is also subject to satisfaction of any applicable notice, deposit or other requirements set forth in the Agreement.

Whenever an Event of Default under Agreement shall have occurred and, as a result thereof, the principal of and any premium on all Bonds then outstanding, and interest accrued thereon, shall have been declared to be immediately due and payable pursuant to the Agreement, the unpaid principal amount of and any premium and accrued interest on this Note also shall be due and payable on the date on which the principal of and premium and interest on the Bonds shall have been declared due and payable; provided that the annulment of a declaration of acceleration with respect to the Bonds shall also constitute an annulment of any corresponding declaration with respect to this Note.

The Borrower hereby irrevocably authorizes any attorney-at-law, including an attorney employed by or retained and paid by the Holder, to appear in any court of record in or of the State of Ohio, or in any other state or territory of the United States, at any time after the indebtedness evidenced by this Note becomes due, whether by acceleration or otherwise, to waive the issuing and service of process and to confess a judgment against the Borrower in favor of the Holder, and/or any assignee or holder hereof for the amount of principal and interest and expenses then appearing due from the Borrower under this Note, together with costs of suit and thereupon to release all errors and waive all right of appeal or stays of execution in any court of record. The Borrower hereby expressly (i) waives any conflict of interest of the attorney(s) retained by the Holder to confess judgment against the Borrower upon this Note, and (ii) consents to the receipt by such attorney(s) of a reasonable legal fee from the Holder for legal services rendered for confessing judgment against the Borrower upon this Note. A copy of this Note, certified by the Holder, may be filed in each such proceeding in place of filing the original as a warrant of attorney.

IN WITNESS WHEREOF, the Borrower has signed this Note as of the date first above written.

WARNING-BY SIGNING THIS PAPER YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT TRIAL. IF YOU DO NOT PAY ON TIME A COURT JUDGMENT MAY BE TAKEN AGAINST YOU WITHOUT YOUR PRIOR KNOWLEDGE AND THE POWERS OF A COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE CREDITOR WHETHER FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE AGREEMENT, OR ANY OTHER CAUSE.

THE COLUMBUS ACADEMY

By: _____

Name: Victor M. Thorne

Title: Vice President

SCHEDULE 1

Principal Payment Schedule

<u>Date</u>	<u>Principal Amount Due</u>
January 1, 2017	\$0
April 1, 2017	\$96,888
July 1, 2017	\$97,207
October 1, 2017	\$97,528
January 1, 2018	\$97,852
April 1, 2018	\$98,179
July 1, 2018	\$98,508
October 1, 2018	\$98,840
January 1, 2019	\$99,174
April 1, 2019	\$99,511
July 1, 2019	\$99,850
October 1, 2019	\$100,193
January 1, 2020	\$100,538
April 1, 2020	\$100,885
July 1, 2020	\$101,236
October 1, 2020	\$101,589
January 1, 2020	\$101,945
April 1, 2020	\$102,303
July 1, 2020	\$102,665
October 1, 2021	\$103,029
January 1, 2022	\$103,397
April 1, 2022	\$103,767
July 1, 2022*	**

*Initial Bond Purchase Date – All principal and interest on the Loan is due and payable on this Initial Bond Purchase Date unless by affirmative election of the Holder to retain the Bonds for an additional Bank Holding Period as provided in the Loan Agreement.

**Amount due on the Loan is subject to amount of Disbursed Bonds –see Schedule 1 (Schedule of Disbursed Bonds) attached to the Bonds.

If additional Bank Holding Period are selected by the Holder, the remaining payments of principal and interest on the Loan for the period from July 1, 2022 through December 1, 2036 shall correspond to the Bond Service Charges on the Bonds for the same period and shall be made in amounts which, assuming that principal is paid quarterly and interest is paid monthly over the remaining period to the maturity date of the Bonds and taking into account each new Bank Placement Interest Rate on the Bonds to be effective for each Bank Holding Period, would result in level annual debt service (except for the final payment on December 1, 2036).

EXHIBIT C

\$15,000,000 City of Gahanna, Ohio
Economic Development Revenue Bonds, Series 2015
(The Columbus Academy Project)

REQUISITION NO. _____

This Requisition is made pursuant to Section 3.3 of the Loan Agreement dated as of July 1, 2015 among the City of Gahanna, Ohio and The Columbus Academy, an Ohio nonprofit corporation (the "Borrower"), relating to the above-captioned bond issue. All terms used herein shall have the meanings assigned to them in such Loan Agreement.

To: PNC BANK, NATIONAL ASSOCIATION

Please pay, or authorize for payment, to the person(s) listed on the Disbursement Schedule attached hereto from the Project Fund the aggregate sum of \$_____.

In connection with this request, the undersigned hereby CERTIFIES:

(1) that an obligation in the stated amount has been incurred, is a proper charge against the Project Fund and has not been the basis of any previous withdrawal from the Project Fund;

(2) that the purpose and circumstances of such obligation are as follows:
_____;

(3) that the Borrower has no notice of any vendors', mechanics' or other liens or rights to liens which have not been disclosed to the Holder, nor of any such liens or rights to liens which should be satisfied or discharged before payment of such obligation is made;

(4) that insofar as such obligation was incurred for labor, services, materials or equipment in connection with the acquisition, installation or equipping of the Project, such labor and services were actually performed and such materials and equipment were actually used or installed, in connection with the acquisition, installation or equipping of the Project;

(5) that the loan is in balance as required by the Loan Agreement;

(6) that the Borrower is in full compliance with all of the provisions of the Borrower Documents;

(7) no Event of Default has occurred; and

(8) that the total amount of Disbursed Bonds, including this disbursement of \$_____, is \$_____.

IN WITNESS WHEREOF, this Requisition No. _____ is executed this ____ day of _____, 20__.

Authorized Borrower Representative

Approved by PNC Bank, National Association, as Original Purchaser

By: _____

Title: _____

DISBURSEMENT SCHEDULE

Payee

Purpose

Amount

EXHIBIT D

\$15,000,000 City of Gahanna, Ohio
Economic Development Revenue Bonds, Series 2015
(The Columbus Academy Project)

COMPLETION CERTIFICATE

This Completion Certificate is given pursuant to Section 3.5 of the Loan Agreement dated as of July 1, 2015 among the City of Gahanna, Ohio and The Columbus Academy, an Ohio nonprofit corporation (the "Borrower"), relating to the above-captioned bond issue. All terms used herein shall have the meanings assigned to them in such Loan Agreement.

In connection with this Completion Certificate, the undersigned hereby CERTIFIES:

1. Except for amounts retained by the Holder for costs of the Project not currently due and payable:

(i) the acquisition, construction, installation and equipping of the Project has been completed and all labor, services, materials, supplies and equipment used in such acquisition, construction, installation and equipping have been paid for;

(ii) all other facilities necessary in connection with the Project have been acquired and all costs and expenses incurred in connection therewith have been paid; and

(iii) the Project and all other facilities in connection therewith have been acquired, constructed, installed or equipped to my satisfaction.

2. There is currently \$_____, in the Project Fund which is to be used to prepay the Loan Payments in accordance with Sections 3.3 and 6.2(a) of the Loan Agreement, specifically \$_____, which equals the principal amount of the Loan to be prepaid, plus \$_____ in accrued interest on such prepayment amount being prepaid.

3. This Completion Certificate is given without prejudice to any rights against third parties that exist on the date of such certificate or which may subsequently come into being.

IN WITNESS WHEREOF, this Completion Certificate is executed this ___ day of _____, 20__.

Authorized Borrower Representative

EXHIBIT E

\$15,000,000 City of Gahanna, Ohio
Economic Development Revenue Bonds, Series 2015
(The Columbus Academy Project)

CONFIRMATION OF PREPAYMENT OF LOAN

Date: _____, 20__

To: CITY OF GAHANNA, OHIO

PNC BANK, NATIONAL ASSOCIATION

This Confirmation of Prepayment of Loan is given pursuant to Section 6.1 of the Loan Agreement dated as of July 1, 2015 among the City of Gahanna, Ohio and The Columbus Academy, an Ohio nonprofit corporation (the "Borrower"), relating to the above-captioned bond issue. All terms used herein shall have the meanings assigned to them in such Loan Agreement.

Total Amount of Optional Prepayments of Loan During Prior Calendar Year \$ _____

Outstanding Principal Balance as of January 1, 20__ \$ _____

IN WITNESS WHEREOF, this Confirmation of Prepayment of Loan is executed this ____ day of _____, 20__.

Authorized Borrower Representative