

ITEM 26



Travis County Commissioners Court Agenda Request

Meeting Date: November 13, 2012

Prepared By/Phone Number: Andrea Shields, Manager/854-9116

Elected/Appointed Official/Dept. Head: Leslie Browder, County Executive, Planning and Budget/854-9106

Commissioners Court Sponsor: Samuel T. Biscoe, President

AGENDA LANGUAGE:

Consider and take appropriate action on request to consider and approve findings and resolutions for adoption by the Commissioners Court of Travis County, Texas related to issuance of the City of Newark, Texas Cultural Education Facilities Finance Corporation revenue bonds for the benefit of Goodwill Industries of Central Texas and Goodwill Temporary Services, Inc.

BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS: See attached backup.

STAFF RECOMMENDATIONS: Staff recommends approval.

ISSUES AND OPPORTUNITIES: None.

FISCAL IMPACT AND SOURCE OF FUNDING: None.

REQUIRED AUTHORIZATIONS: Andrea Shields, Manager/854-9116; Leroy Nellis, Budget Manager/854-9066

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to Cheryl Aker in the County Judge's office, Cheryl.Aker@co.travis.tx.us by Tuesdays at 5:00 p.m. for the next week's meeting.

Andrea Shields

From: Andrea Shields
Sent: Thursday, November 01, 2012 3:15 PM
To: Sam Biscoe; Cliff Blount
Cc: Karen Thigpen
Subject: FW: Notice of Hearing (Project) - Goodwill
Attachments: Certificate of Public Hearing Officer - Goodwill.PDF.PDF; Resolution of Travis County - Goodwill.DOC.DOC; Approval of Highest Elected Official (Travis County) - Goodwill of Centr....doc; Loan Agreement - Goodwill of Central Texas (2).DOC.DOC

Judge Biscoe,

We received the below request from Hoang Vu with Andrews Kurth LLP. The bonds referenced in the attached material are being issued by an entity in Newark, Texas and because some of the facilities to be financed are located in Travis County, they have to obtain the approval of the highest elected official in Travis County. Under Federal Tax Law, you have the ability to sign the approval on your own; however, I know you typically prefer to have the full court approve these requests.

The TEFRA hearing for this issue was held October 22 at the offices of Andrews Kurth and it is indicated that no one appeared to give comments. Please note that this item is not being requested by the Travis County Corporations, nor are we involved in the bond issue. Andrews Kurth is merely requesting the approval I described above from the county.

Please let me know if you prefer to post this as an agenda item for court approval and what date you would prefer to take this up in court.

Please let me know if you have any questions or want to discuss further.

Thank you,
Andrea Shields

From: Vu, Hoang [mailto:HoangVu@andrewskurth.com]
Sent: Thursday, November 01, 2012 10:36 AM
To: Karen Thigpen
Cc: Herzog, Marilyn; Andrea Shields
Subject: RE: Notice of Hearing (Project) - Goodwill

Karen:

Attached please find the following:

1. Certificate of Hearing Officer certifying that the hearing was held in the County and no one appeared to give comments.
2. Approval Certificate of the County Judge
3. Resolution of the County if the Judge decides that he wants Court to approve instead of signing the Certificate.
4. Draft Loan Agreement for the tax-exempt loan. This is not being done as a publicly offered bond deal so there is no offering document or official statement. As described in the Resolution and Certificate, Goodwill is refinancing existing debt with Compass that was used to purchase land and construct Goodwill stores and is financing the construction of a new store in Pflugerville.

Please let me know if the County will charge a fee as I would need to get Goodwill to approve that before we move forward. Thanks.

Hoang Vu
Partner

Andrews Kurth LLP
600 Travis, Suite 4200
Houston, Texas 77002
713.220.3879 Phone
713.238.7129 Fax
713.220.3933 Assistant Phone - Voni Welch
hoangvu@andrewskurth.com
[vCard](#) | [Bio](#) | andrewskurth.com

From: Vu, Hoang [<mailto:HoangVu@andrewskurth.com>]
Sent: Monday, October 29, 2012 11:40 AM
To: Karen Thigpen
Cc: Herzog, Marilyn
Subject: Notice of Hearing (Project) - Goodwill

Karen:

Per our conversation, attached please find the Notice of Hearing that was published in the Austin paper for the hearing that we held on October 22. Please let me know the process for obtaining the County's TEFRA approval and whether the County charges any fee for that. Please let me know if you have any questions.

Hoang Vu
Partner

Andrews Kurth LLP
600 Travis, Suite 4200
Houston, Texas 77002
713.220.3879 Phone
713.238.7129 Fax
713.220.3933 Assistant Phone - Voni Welch
hoangvu@andrewskurth.com
[vCard](#) | [Bio](#) | andrewskurth.com

Confidentiality Notice: The information contained in this e-mail and any attachments to it may be legally privileged and include confidential information intended only for the recipient(s) identified above. If you are not one of those intended recipients, you are hereby notified that any dissemination, distribution or copying of this e-mail or its attachments is strictly prohibited. If you have received this e-mail in error, please notify the sender of that fact by return e-mail and permanently delete the e-mail and any attachments to it immediately. Please do not retain, copy or use this e-mail or its attachments for any purpose, nor disclose all or any part of its contents to any other person. Thank you

Treasury Circular 230 Disclosure: Any tax advice in this e-mail (including any attachment) is not intended or written to be used, and cannot be used, by any person, for the purpose of avoiding penalties that may be imposed on the person. If this e-mail is used or referred to in connection with the promoting or marketing of any transaction(s) or matter(s), it should be construed as written to support the promoting or marketing of the transaction(s) or matter(s), and the taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Confidentiality Notice: The information contained in this e-mail and any attachments to it may be legally privileged and include confidential information intended only for the recipient(s) identified above. If you are not one of those intended recipients, you are hereby notified that any dissemination, distribution or copying of this e-mail or its attachments is strictly prohibited. If you have received this e-mail in error, please notify the sender of that fact by return e-mail and permanently delete the e-mail and any attachments to it immediately. Please do

not retain, copy or use this e-mail or its attachments for any purpose, nor disclose all or any part of its contents to any other person. Thank you

Treasury Circular 230 Disclosure: Any tax advice in this e-mail (including any attachment) is not intended or written to be used, and cannot be used, by any person, for the purpose of avoiding penalties that may be imposed on the person. If this e-mail is used or referred to in connection with the promoting or marketing of any transaction(s) or matter(s), it should be construed as written to support the promoting or marketing of the transaction(s) or matter(s), and the taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

CERTIFICATE FOR RESOLUTION

**THE STATE OF TEXAS
COUNTY OF TRAVIS**

We, the undersigned officers of the Travis County, Texas (the "*County*"), hereby certify as follows:

1. The Commissioners Court of the County convened in a regular meeting on November __, 2012 (the "*Meeting*"), at the designated meeting place, and the roll was called of the duly constituted officers and members of said Commissioners Court, to wit:

Samuel T. Biscoe	County Judge
Ron Davis	Commissioner, Precinct 1
Sarah Eckhardt	Commissioner, Precinct 2
Karen Huber	Commissioner, Precinct 3
Margaret Gómez	Commissioner, Precinct 4

and all of said persons were present, except the following: _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written

**RESOLUTION APPROVING A FINANCING BY THE NEWARK
CULTURAL EDUCATION FACILITIES FINANCE CORPORATION FOR
THE BENEFIT OF GOODWILL INDUSTRIES OF CENTRAL TEXAS AND
GOODWILL TEMPORARY SERVICES, INC.**

(the "*Resolution*") was duly introduced for the consideration of said Commissioners Court. It was then duly moved and seconded that said Resolution be adopted and, after due discussion, said motion, carrying with it the adoption of said Resolution, prevailed and carried by the following vote:

AYES: All members of the Commissioners Court shown present above voted "Aye," except as provided below:

NAYS:

ABSTENTIONS:

2. That a true, full and correct copy of the aforesaid Resolution adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in said Commissioners Court's minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said Commissioners Court's

minutes of said Meeting pertaining to the adoption of said Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said Commissioners Court as indicated therein; that each of the officers and members of said Commissioners Court was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for adoption at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose, and that said Meeting was open to the public and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

3. That the County Judge of the County has approved and hereby approves the aforesaid Resolution; that the County Judge and the County Clerk of the County have duly signed said Resolution; and that the County Judge and the County Clerk hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Resolution for all purposes.

SIGNED AND SEALED November ____, 2012.

County Clerk

County Judge

(SEAL)

RESOLUTION APPROVING A FINANCING BY THE NEWARK CULTURAL EDUCATION FACILITIES FINANCE CORPORATION FOR THE BENEFIT OF GOODWILL INDUSTRIES OF CENTRAL TEXAS AND GOODWILL TEMPORARY SERVICES, INC.

**THE STATE OF TEXAS
COUNTY OF TRAVIS**

WHEREAS, the Newark Cultural Education Facilities Finance Corporation ("*Corporation*") created by the City of Newark, Texas has adopted a resolution authorizing the proposed loans (the "*Loans*") in the maximum principal amount of \$23,000,000 under a loan agreement among the Corporation, Compass Mortgage Corporation (the "*Bank*") and Goodwill Industries of Central Texas and Goodwill Temporary Services, Inc. (the "*Borrower*") as pursuant to Article 1528m, Vernon's Texas Civil Statutes, as amended (the "*Act*") for the purpose of financing the construction of a Goodwill Store located at 1609 FM 685, Pflugerville, Texas; refinancing the acquisition and/or construction of the following: (1) 8.539 acres of land and a Goodwill community center located at 1015 Norwood Park Blvd., Austin, Texas; (2) 2.84 acres of land and a Goodwill Store located at 9801 Brodie Lane, Austin, Texas; (3) 4.677 acres of land and a Goodwill Store located at 8965 Research Blvd., Austin, Texas; (4) 2.0 acres of land and a Goodwill Store located at 1801 S. Ranch Road 620, Lakeway, Texas; and (5) a building located at 6505 Burleson Road, Austin, Texas (collectively, the "*Project*"); refinancing other facilities located in Williamson County and paying certain expenses in connection with the issuance of the Loans;

WHEREAS, section 147(f) of the Internal Revenue Code of 1986, as amended (the "*Code*") requires that the issuance of any qualified 501(c)(3) obligations be approved by either the governing body of the County or the chief elected executive officer of the County after a public hearing following reasonable public notice;

WHEREAS, attached hereto as Exhibit A is a Notice of Public Hearing (the "*Public Notice*") which was published in a newspaper of general circulation in the County as required by section 147(f) of the Code which public hearing was conducted by the Corporation and no member of the public appeared at the hearing to express his or her views on the Project; and

THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS COURT OF TRAVIS COUNTY, TEXAS THAT:

Section 1. The County hereby specifically approves the Loans and the Project solely for the purpose of satisfying the requirements of section 147(f) of the Code and for no other purpose and is not to be construed as an undertaking by the County. The Loans shall not constitute a liability, an indebtedness or obligation of the County nor shall any of the assets of the County be pledged to the payment of the Loans.

Section 2. This Resolution shall become effective immediately upon its passage.

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Newark Cultural Education Facilities Finance Corporation (the "Corporation"), a nonprofit corporation created by the City of Newark, Texas pursuant to Article 1528m, Vernon's Texas Civil Statutes, will hold a public hearing on October 22, 2012, commencing at 10:00 a.m., in the Brazos Conference Room, located in the offices of Andrews Kurth LLP, 111 Congress Avenue, Suite 1700, Austin, Texas 78701, to provide an opportunity for all interested persons to be heard with respect to a proposed loan from Compass Mortgage Corporation (the "Bank") to the Corporation in the maximum amount of \$23,000,000 and a proposed loan from the Corporation to Goodwill Industries of Central Texas and Goodwill Temporary Services, Inc. (collectively, the "Borrower") in the same amount (collectively, the "Loans"); all pursuant to a Loan Agreement by and among the Corporation, the Bank and the Borrower.

The Loans are being made for the purpose of (A) financing the construction of a Goodwill Store located at 1609 FM 685, Pflugerville, Texas; (B) refinancing the acquisition and/or construction of the following: (1) 8.539 acres of land and a Goodwill community center located at 1015 Norwood Park Blvd., Austin, Texas; (2) 2.84 acres of land and a Goodwill Store located at 9801 Brodie Lane, Austin, Texas; (3) 4.677 acres of land and a Goodwill Store located at 8965 Research Blvd., Austin, Texas; (4) a Goodwill Store located at 75 Brushy Creek Road, Cedar Park, Texas; (5) 2.2159 acres of land and a Goodwill Store located at 560 Highway 79 West, Hutto, Texas; (6) 2.0 acres of land and a Goodwill Store located at 1801 S. Ranch Road 620, Lakeway, Texas; and (7) a building located at 6505 Burluson Road, Austin, Texas; and (C) paying certain expenses in connection with the issuance of the Loans (collectively, the "Project"). The Project is owned by the Borrower. The Loans are not payable out of taxes and are secured by and payable solely from funds provided by the Borrower.

All interested persons are invited to attend the hearing to express their views, both orally and in writing, with respect to the Loans and the Project. Any interested persons unable to attend the hearing may submit their views in writing to the President of the Board of Directors of the Corporation c/o Andrews Kurth LLP, Attn: Hoang Vu, 600 Travis Street, Suite 4200, Houston, Texas 77002, prior to the date scheduled for the hearing.

NEWARK CULTURAL EDUCATION FACILITIES FINANCE CORPORATION

**APPROVAL OF HIGHEST ELECTED OFFICIAL
OF TRAVIS COUNTY, TEXAS**

WHEREAS, Goodwill Industries of Central Texas and Goodwill Temporary Services, Inc. (the "*Borrower*"), in connection with a tax-exempt financing in the maximum principal amount of \$23,000,000, has requested the approval of the Financing (as described below) and the Project (as defined below) located in Travis County; and

WHEREAS, the Financing consists of a Loan Agreement among the Borrower, the Newark Cultural Education Facilities Finance Corporation (the "*Corporation*") and Compass Mortgage Corporation (the "*Bank*") through which the Bank will make a loan to the Corporation, which in turn will make a loan to the Borrower for the purpose of (A) financing the construction of a Goodwill Store located at 1609 FM 685, Pflugerville, Texas; (B) refinancing the acquisition and/or construction of the following: (1) 8.539 acres of land and a Goodwill community center located at 1015 Norwood Park Blvd., Austin, Texas; (2) 2.84 acres of land and a Goodwill Store located at 9801 Brodie Lane, Austin, Texas; (3) 4.677 acres of land and a Goodwill Store located at 8965 Research Blvd., Austin, Texas; (4) 2.0 acres of land and a Goodwill Store located at 1801 S. Ranch Road 620, Lakeway, Texas; and (5) a building located at 6505 Burlson Road, Austin, Texas; and (C) paying certain expenses in connection with the issuance of the Loans (collectively, the "*Project*"); and

WHEREAS, in accordance with certain provisions of the Internal Revenue Code of 1986, as amended (the "*Code*") as described below, notice of a public hearing was published in "*The Austin American Statesman*," on October 6, 2012, which notice provided that members of the public were invited to a hearing to be held on October 22, 2012, commencing at 10:00 a.m., in the Brazos Conference Room, located in the offices of Andrews Kurth LLP, 111 Congress Avenue, Suite 1700, Austin, Texas 78701, in connection with the Financing and the Project; and

WHEREAS, the public hearing was held by the hearing officer and no member of the public appeared; and

WHEREAS, it is necessary for the undersigned, as the highest elected official of Travis County, Texas (the "*County*"), to approve the Financing and the Project solely for the purpose of satisfying the requirements of section 147(f) of the Code;

NOW, THEREFORE, the undersigned highest elected official of the County, acting solely in his official capacity as County Judge, hereby approves the holding of the hearing in the County by the hearing officer and the Financing for the Borrower, and further approves the Project; provided that such approvals shall be solely for the purposes of section 147(f) of the Code, and neither the County nor the undersigned shall have any responsibility or liability for the Financing or the Project.

IN WITNESS WHEREOF, I have set my hand as of this November ___, 2012.

TRAVIS COUNTY, TEXAS

County Judge

CERTIFICATE OF PUBLIC HEARING

I, the undersigned, hereby certify in connection with a series of loan transactions to be entered into by the Newark Cultural Education Facilities Finance Corporation (the "*Corporation*"), Goodwill Industries of Central Texas and Goodwill Temporary Services, Inc. ("*Borrower*") and Compass Mortgage Corporation in the maximum principal amount of \$23,000,000 (the "*Loans*") for the benefit of Borrower, as follows:

1. I served as Hearing Officer for the Corporation for the purpose of conducting a public hearing on the Loans and the use of the proceeds thereof to provide (A) financing the construction of a Goodwill Store located at 1609 FM 685, Pflugerville, Texas; (B) refinancing the acquisition and/or construction of the following: (1) 8.539 acres of land and a Goodwill community center located at 1015 Norwood Park Blvd., Austin, Texas; (2) 2.84 acres of land and a Goodwill Store located at 9801 Brodie Lane, Austin, Texas; (3) 4.677 acres of land and a Goodwill Store located at 8965 Research Blvd., Austin, Texas; (4) a Goodwill Store located at 75 Brushy Creek Road, Cedar Park, Texas; (5) 2.2159 acres of land and a Goodwill Store located at 560 Highway 79 West, Hutto, Texas; (6) 2.0 acres of land and a Goodwill Store located at 1801 S. Ranch Road 620, Lakeway, Texas; and (7) a building located at 6505 Burleson Road, Austin, Texas; and (C) paying certain expenses in connection with the issuance of the Loans (collectively, the "Project").

2. Such hearing was conducted commencing at 10:00 a.m. on October 22, 2012, in the Brazos Conference Room, located in the offices of Andrews Kurth LLP, 111 Congress Avenue, Suite 1700, Austin, Texas 78701, which building and office was open to the public for purposes of the hearing.

3. At the time for the commencement of the hearing, comments, either orally or in writing, were publicly requested on the Project to be financed with proceeds of the Loan and on the making of the Loans.

4. At the hearing,

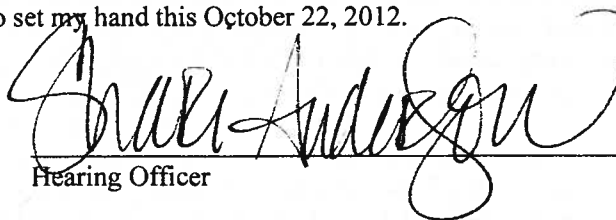
no persons presented comments orally or in writing.

the comments summarized in Exhibit B-1 were made orally by the persons listed therein.

the written comments attached hereto were presented.

5. No time limitations were imposed on any public comments.

IN WITNESS WHEREOF, I have hereunto set my hand this October 22, 2012.


Hearing Officer

LOAN AGREEMENT

among

NEWARK CULTURAL EDUCATION FACILITIES FINANCE CORPORATION,
GOODWILL INDUSTRIES OF CENTRAL TEXAS and GOODWILL TEMPORARY SERVICES, INC.

and

COMPASS MORTGAGE CORPORATION

Dated as of

December ____, 2012

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS AND RULES OF CONSTRUCTION.....	1
Section 1.01 Definitions	1
Section 1.02 Interpretative Matters	7
ARTICLE II THE ISSUER LOAN; REPAYMENT OF THE ISSUER LOAN.....	8
Section 2.01 Financing the Issuer Loan	8
Section 2.02 Conditions to Closing	8
Section 2.03 Issuer Loan	8
Section 2.04 Issuer Loan Payments	9
Section 2.05 Prepayment of Issuer Loan.....	9
Section 2.06 Limitation on Interest.....	9
Section 2.07 Payment of Issuer Loan; Limited Obligation	9
Section 2.08 Security; Agreement as Security Agreement.....	10
ARTICLE III THE BORROWER LOAN; REPAYMENT OF THE BORROWER LOAN	10
Section 3.01 Financing the Borrower Loan.....	10
Section 3.02 Conditions to Closing	11
Section 3.03 Borrower Loan	11
Section 3.04 Borrower Loan Payments	12
Section 3.05 Borrower Loan Payments Due on Business Days.....	12
Section 3.06 Prepayment of Borrower Loan.....	12
Section 3.07 Limitation on Interest.....	12
Section 3.08 Nature of Obligations of the Borrower	12
Section 3.09 Disbursement of Borrower Loan	13
ARTICLE IV REPRESENTATIONS	13
Section 4.01 Representations and Warranties of Bank.....	13
Section 4.02 Representations and Warranties of the Issuer	13
Section 4.03 Representations and Warranties of the Borrower	14
ARTICLE V REMEDIES SECTION.....	16
Section 5.01 Remedies Available	16
Section 5.02 Fees and Expenses	17
Section 5.03 Application of Money Collected	17
Section 5.04 Non-Exclusive Remedies.....	17
Section 5.05 Delays	17
Section 5.06 Limitation on Waivers.....	17
ARTICLE VI DISCHARGE.....	17
Section 6.01 Discharge by Payment.....	17
ARTICLE VII TAX PROVISIONS	18
Section 7.01 Definitions	18
Section 7.02 Tax Exempt Status of Borrower.....	19
Section 7.03 Tax Exempt Status of Issuer Loan.....	20
Section 7.04 Arbitrage Covenants	21
Section 7.05 Modification of Covenants	22
ARTICLE VIII COVENANTS OF THE BORROWER	22
Section 8.01 Indemnification of Issuer Indemnified Parties.....	22
Section 8.02 Indemnification of Bank Indemnified Parties	24
Section 8.03 Liquidations, Mergers, Consolidations.....	24
Section 8.04 Use of Project for Sectarian Purposes.....	24

TABLE OF CONTENTS
(continued)

	Page
Section 8.05	Litigation..... 24
Section 8.06	Preservation of Existence and Rights..... 24
Section 8.07	Payment and Performance..... 25
Section 8.08	Maintenance and Use..... 25
Section 8.09	Notice to Bank..... 25
Section 8.10	Costs and Expenses..... 25
Section 8.11	Further Assurances..... 25
Section 8.12	No Assignment..... 25
Section 8.13	Estoppel Certificate..... 25
Section 8.14	Financial Reporting..... 25
Section 8.15	Books and Records..... 26
Section 8.16	Inspection of the Project and the Property..... 26
Section 8.17	Insurance..... 26
Section 8.18	Affiliates..... 26
Section 8.19	Loans..... 26
Section 8.20	Fixed Charge Coverage Ratio..... 26
Section 8.21	Indebtedness to Tangible Net Worth..... 26
Section 8.22	Banking Relationship..... 26
Section 8.23	Sale of Assets..... 26
Section 8.24	Sale and Leaseback..... 27
Section 8.25	Prepayment..... 27
Section 8.26	Liens..... 27
Section 8.27	Indebtedness..... 27
Section 8.28	Transfer of Ownership..... 27
Section 8.29	Loans and Investments..... 27
Section 8.30	Transfer of Ownership..... Error! Bookmark not defined.
ARTICLE IX MISCELLANEOUS.....	27
Section 9.01	Term of Agreement..... 27
Section 9.02	Notices..... 27
Section 9.03	Survival of Representations and Warranties..... 28
Section 9.04	Non-Application of Chapter 346 of Texas Finance Code..... 28
Section 9.05	Arbitration..... 28
Section 9.06	Section 26.02 Notice..... 28
Section 9.07	Binding Effect; Assignment..... 29
Section 9.08	Amendments Require Consent of Bank..... 29
Section 9.09	Entire Agreement..... 29
Section 9.10	Severability..... 29
Section 9.11	Counterparts..... 29
Section 9.12	Applicable Law..... 29
Section 9.13	Patriot Act..... 29
EXHIBIT A-1	FORM OF BORROWER NOTE..... 1
EXHIBIT A-2	FORM OF ISSUER NOTE..... 1
EXHIBIT B	FORM OF COMPLIANCE CERTIFICATE..... 1

LOAN AGREEMENT

This LOAN AGREEMENT (this "Agreement") dated as of December ____, 2012 is among NEWARK CULTURAL EDUCATION FACILITIES FINANCE CORPORATION (the "*Issuer*"), a nonprofit corporation created under the Acts (hereinafter defined), GOODWILL INDUSTRIES OF CENTRAL TEXAS and GOODWILL TEMPORARY SERVICES, INC. (collectively, the "*Borrower*"), each a Texas non-profit corporation, and COMPASS MORTGAGE CORPORATION (the "*Bank*"), an Alabama corporation and its successors and assigns.

RECITALS

1. The Issuer has been created and organized pursuant to and in accordance with the provisions of Article 1528m, Vernon's Texas Civil Statutes, as amended, and the Texas Non-Profit Corporation Act, Article 1396 Texas Revised Civil Statutes, as amended (collectively, the "Acts"), for the purpose of acquiring, constructing, providing, improving, financing, and refinancing facilities for cultural, education or community benefit.

2. The Acts authorize the Issuer to make a contract, incur a liability, and borrow money at a rate of interest the Issuer determines to provide funds for the loans to be made under the Acts.

3. The Borrower has requested that the Issuer make a loan to the Borrower to be used to (i) finance and refinance the costs of the Project (hereinafter defined) and (ii) pay Costs of Issuance (hereinafter defined).

4. The Borrower has requested that the Bank make a loan to the Issuer, as authorized by the Acts, for the purpose of providing funds to the Issuer to use to make a loan to the Borrower to (i) finance and refinance the costs of the Project, and (ii) pay Costs of Issuance.

5. The Bank is willing to make such loan to the Issuer for the benefit of the Borrower, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration and the mutual benefits, covenants and agreements set forth below, the parties agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.01 *Definitions*. In addition to the words and terms defined elsewhere herein, the following capitalized words and terms are defined terms under this Agreement. When used herein, such words and terms shall have the meanings given to them by the language employed in this Article defining such words and terms, unless the context clearly indicates otherwise.

"*Affiliate*" of any Person means any other Person directly or indirectly controlling, controlled by, or under common control with, such Person.

"*Agreement*" means this Loan Agreement and any amendments thereto.

"*Authorized Representative*" means an officer or authorized representative of the Borrower, acting in such capacity.

"*Bank Indemnified Matters*" means any and all claims, demands, liabilities (including strict liability), losses, damages (including consequential damages), causes of action, judgments, penalties, fines, costs and expenses (including without limitation, reasonable fees and expenses of attorneys and other professional consultants and experts, and of the investigation and defense of any claim, whether or not such claim is ultimately defeated, and the settlement of any claim or judgment including all value paid or given in settlement) of every kind, known or unknown, foreseeable or unforeseeable, which may be

imposed upon, asserted against or incurred or paid by the Bank, any Participant Bank, or any other Bank Indemnified Parties at any time and from time to time, whenever imposed, asserted or incurred, because of, resulting from, in connection with, or arising out of any transaction, act, omission, event, or circumstance in any way connected with this Agreement or any other Loan Document, the Borrower's construction or operation of the Project or the Borrower Loan, including the Borrower's use of the Loan proceeds, any bodily injury or death or property damage occurring in or upon or in the vicinity of the Project through any cause whatsoever at any time on or before the Release Date, any act performed or omitted to be performed by Borrower or Issuer under this Agreement or any other Loan Document, or any failure by the Borrower to perform its obligations under any construction contract with respect to the Project.

"Bank Indemnified Parties" means the Bank, any Participant Bank, the directors, officers, partners, employees, or agents of the Bank or any Participant Banks, heirs, representatives, successors, and assigns of such Persons or any Person owned or controlled by, owning or controlling, or under common control or affiliated with the Bank or any Participant Bank, respectively.

"Bond Counsel" means Andrews Kurth LLP or any other firm of attorneys of nationally-recognized expertise with respect to the obligations of political subdivisions and acceptable to the Bank.

"Borrower Documents" means this Agreement, the Borrower Note and the Mortgage and all other documents executed by the Borrower in connection with the Borrower Loan.

"Borrower Loan" means the loan from the Issuer to the Borrower of the Principal Amount payable under the terms of Article III hereof.

"Borrower Loan Payments" means the payments required by Section 3.03 to be made by the Borrower in payment of the principal and interest on the Borrower Loan.

"Borrower Note" means the promissory note delivered to the Issuer by the Borrower to evidence the Borrower Loan, substantially in the form of the assignable promissory note attached hereto as Exhibit A-1 and all extensions, renewals, and replacements thereof.

"Business Day" means a day on which the Bank and commercial banks in Ausin, Texas are open for business.

"Claims" shall mean all claims, lawsuits, causes of action and other legal actions and proceedings of whatever nature brought against (whether by way of direct action, counter claim, cross action or impleader) any Issuer Indemnified Party, even if groundless, false, or fraudulent, so long as the claim, lawsuit, cause of action or other legal action or proceeding is alleged or determined, directly or indirectly, to arise out of, to result from, to relate to or to be based upon, in whole or in part: (a) the making of the Loans, (b) the duties, activities, acts or omissions (even if negligent) of any Person in connection with the making of the Loans, or the obligations of the various parties arising under the Borrower Documents, or (c) the duties, activities, acts or omissions (even if negligent) of any Person in connection with the design, construction, installation, operation, use, occupancy, maintenance or ownership of the Project or any part thereof.

"Closing" means the delivery of the fully executed Agreement to the Bank.

"Closing Date" means December ____, 2012.

"Costs of Issuance" means the fee to be paid by the Borrower to the Issuer in consideration of the Borrower Loan, costs and expenses incurred by the Issuer with respect to the authorization, execution and delivery of the Issuer Documents and all documentation related thereto (including the reasonable and actual fees and disbursements of counsel to the Issuer), the costs and expenses incurred by the Borrower with respect to the authorization, execution and delivery of the Borrower Documents and all documentation related thereto, and the reasonable costs and expenses incurred by the Bank with respect

to the negotiation, preparation, authorization, execution and delivery of the Issuer Documents and the Borrower Documents and all documentation related thereto.

"Determination of Taxability" means any determination, decision, or decree that all or any portion of the interest payable on the Issuer Note is includable in the gross income of a holder or former holder of the Issuer Note as a result of the occurrence of a Taxable Event. A Determination of Taxability shall be deemed to have occurred on the first to occur of the following:

(i) on that date when the Borrower files any statement, supplemental statement or other tax schedule, return or document which discloses that a Taxable Event shall have occurred; or

(ii) on that date when the Borrower or the Issuer shall be advised in writing by the Commissioner or any District Director of Internal Revenue that, based upon any filings of the Borrower or upon any review or audit of the Borrower or upon any other ground whatsoever, a Taxable Event shall have occurred; or

(iii) on that date when the Borrower receives written notification from (A) any owner or any former owner of the Issuer Note that the Internal Revenue Service has assessed as includable in the gross income of any owner or any former owner of the Issuer Note all or any portion of the interest on the Issuer Note due to the occurrence of a Taxable Event, or (B) the Commissioner or any District Director of Internal Revenue that all or any portion of the interest on the Issuer Note is includable in the gross income of any owner or any former owner of the Issuer Note due to the occurrence of a Taxable Event;

provided, however, that with respect to clauses (ii) and (iii) above, a Determination of Taxability shall not be deemed to have occurred (y) unless the Borrower shall have been given written notice thereof and afforded the opportunity to contest the same at its own expense and upon indemnification of such owner or former owner, and (z) so long as the Borrower is contesting in good faith and by appropriate proceedings, either directly or through an owner or former owner, the allegation of an occurrence of a Taxable Event; provided that if any contest has not been finally determined within two years following the occurrence of an event set forth in clauses (ii) or (iii) a Determination of Taxability shall be deemed to have occurred.

"Event of Default" means, unless waived in writing by the Bank, the occurrence of any of the following:

(a) the failure of the Issuer to make any payment required to be made hereunder when due;

(b) the failure of the Borrower to make any payment required to be made hereunder when due;

(c) an event of default shall have occurred under the Mortgage, any Interest Rate Protection Agreement or any other document related to or in connection with any Indebtedness of the Borrower, and the continuation of such event of default beyond any applicable cure period;

(d) the failure of any representation or warranty of the Issuer or the Borrower, or the failure of the Issuer or the Borrower to comply with any other covenant, condition, or agreement under the Issuer Documents or the Borrower Documents, respectively (other than an Event of Default specified in other clauses of this definition);

(e) the Borrower or the Issuer: (i) becomes insolvent, or makes a transfer in fraud of creditors, or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts as they become due; (ii) generally is not paying its debts as such debts become due; (iii) has a receiver, trustee or custodian appointed for, or take possession of, all or

substantially all of the assets of such party, either in a proceeding brought by such party or in a proceeding brought against such party and such appointment is not discharged or such possession is not terminated within sixty (60) days after the effective date thereof or such party consents to or acquiesces in such appointment or possession; (iv) files a petition for relief under the United States Bankruptcy Code or any other present or future federal or state insolvency, bankruptcy or similar Laws (all of the foregoing hereinafter collectively called "*Applicable Bankruptcy Law*") or an involuntary petition for relief is filed against such party under any Applicable Bankruptcy Law and such involuntary petition is not dismissed within sixty (60) days after the filing thereof, or an order for relief naming such party is entered under any Applicable Bankruptcy Law, or any composition, rearrangement, extension, reorganization or other relief of debtors now or hereafter existing is requested or consented to by such party; (v) fails to have discharged within a period of thirty (30) days any attachment, sequestration or similar writ levied upon any property of such party; or (vi) fails to pay within thirty (30) days any final money judgment against such party; or

(f) the liquidation, dissolution, merger or consolidation of the Borrower; or

(g) any Loan Document or any provision thereof ceases to be in full force and effect; or the Borrower or any other Person contests the validity or enforceability of any Loan Document or any provision thereof; or the Borrower denies that it has any or further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind any Loan Document or any provision thereof; or

(h) the occurrence of a Material Adverse Effect.

"*Fixed Charge Coverage Ratio*" means (a) net income (net of swap gains and losses) plus depreciation plus amortization plus lease expense plus cash on hand less \$1,000,000 plus interest expense minus non-financed capital expenditures, divided by (b) current maturities of long term debt paid plus interest expense plus lease expense.

"*GAAP*" means generally accepted accounting principles and practices recognized from time to time by the Financial Accounting Standards Board (or any generally recognized successor) consistently applied for all periods to properly reflect the financial condition, and the results of operations and changes in financial position, of the Borrower (and, on a consolidated basis, of the Borrower and its consolidated subsidiaries, if applicable).

"*Governing Body*" of any specified Person means the board of directors or board of trustees of such Person or any duly authorized committee of that board or if there be no board of trustees or board of directors, then the Person or body which, pursuant to Law or the organizational documents of such Person, is vested with powers similar to those vested in a board of trustees or board of directors.

"*Governmental Authority*" means the United States, the State, the county, the city or any other political subdivision in which the Property is located, and any court or political subdivision, agency, or instrumentality having jurisdiction over the Borrower.

"*Governmental Requirements*" means all constitutions, statutes, laws, ordinances, rules, regulations, orders, writs, injunctions or decrees of any Governmental Authority applicable to the Borrower.

"*Indebtedness*" means obligations issued or incurred by the Borrower, whether secured or unsecured, for borrowed money, guarantees, leases of real property, installment purchase agreements for real or personal property, or other similar obligations and liabilities which, under generally accepted accounting principles, are or will be required to be capitalized on the financial reports of the Borrower and the Borrower's obligations under any Interest Rate Protection Agreement; provided that "Indebtedness" shall not include trade accounts payable.

"*Interest Payment Date*" means the ___ day of each month commencing January, 2013.

"Interest Rate Protection Agreement" means any document, instrument or agreement between the Borrower and the Bank or any affiliate of the Bank, now existing or entered into in the future, relating to an interest rate swap transaction, forward rate transaction, interest rate cap, floor or collar transaction, any similar transaction, any option to enter into any of the foregoing, and any combination of the foregoing, which agreement may be oral or in writing, including, without limitation, any ISDA master agreement relating to or governing any or all of the foregoing and any related schedule or confirmation, each as amended from time to time.

"Issuer Documents" means, collectively, this Agreement, the Issuer Note, and the Resolution.

"Issuer Indemnified Party" shall mean one or more of the Issuer and the Sponsoring Entity and any of their respective officers, directors, councilpersons, commissioners, officials, consultants, agents, servants and employees, and any successor to any of such Persons.

"Issuer Loan" means the loan from the Bank to the Issuer of the Principal Amount payable under the terms of Article III hereof.

"Issuer Loan Payments" means the payments of the principal of and interest on the Issuer Loan required by Section 2.03 to be made by the Issuer.

"Issuer Note" means the promissory note delivered to the Bank by the Issuer to evidence the Issuer Loan, substantially in the form of the assignable promissory note attached hereto as Exhibit A-2 and all extensions, renewals, and replacements thereof.

"Laws" means the Laws of the United States of America, the State of Texas, and any other political subdivision having authority over the Loans.

"Legal Requirements" means all Laws as now in effect and as hereafter amended, issued, promulgated, or otherwise coming into effect.

"LIBOR Rate" means the per annum rate equal to (i) sixty-five percent (65%) of the London InterBank Offered Rate (LIBOR) for one month (30 days), as quoted by Reuter's Monitor Money Rates Service for the relevant LIBOR Determination Date, plus (ii) 0.75% per annum, with said LIBOR rate to be adjusted thereafter based on the LIBOR rate for each subsequent LIBOR Determination Date, which LIBOR rate shall be effective on the commencement of the next succeeding LIBOR Reference Period; provided in no event shall the interest rate exceed the Maximum Rate. "LIBOR Determination Date" shall mean, with respect to any LIBOR Reference Period, the date that is two (2) LIBOR Business Days prior to the first day of such LIBOR Reference Period. "LIBOR Business Day" means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the City of London, England. "LIBOR Reference Period" shall mean (i) initially, the period commencing on (and including) the Closing Date and ending on (but excluding) the calendar day that is one (1) month thereafter, and (ii) thereafter, a period commencing on the first day of each calendar month and ending on (but excluding) the calendar day that is one (1) month thereafter. Each successive calendar month period (or portion thereof with respect to the final LIBOR Reference Period) during the term of the Loans (including any extensions thereof) shall constitute a separate LIBOR Reference Period.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, and any financing lease having substantially the same economic effect as any of the foregoing).

"Litigation" means any proceeding, claim, suit, action, case or investigation by, before or involving any Tribunal.

"Loan Documents" means (i) the Borrower Documents and all documents executed in connection therewith, and (ii) all other documents now or hereafter pertaining to the Loans, as renewed, extended, amended, supplemented, increased, modified, or replaced.

"Loans" means the Issuer Loan and the Borrower Loan.

"Losses" means losses, costs, damages, expenses, judgments, and liabilities of whatever nature (including, but not limited to, reasonable attorney's, accountant's and other professional's fees, litigation and court costs and expenses, amounts paid in settlement and amounts paid to discharge judgments and amounts payable by an Issuer Indemnified Party to any other Person under any arrangement providing for indemnification of that Person) directly or indirectly resulting from arising out of or relating to one or more Claims.

"Material Adverse Effect" means an effect resulting from any circumstance or event of whatever nature (including the filing of, or any adverse determination or development in, any Litigation) which does, or could reasonably be expected to, (i) adversely affect the validity or enforceability of any Loan Document, (ii) materially and adversely affect the condition (financial or otherwise), operations, business or assets of the Borrower, or any general partner or joint venturer of any such Person, (iii) impair the ability of the Borrower to fulfill any material Obligation, or (iv) cause an Event of Default or Potential Default.

"Maximum Rate" means the maximum net effective interest rate that may be borne by obligations issued by the Issuer, which, as of the date of this Agreement, is 15%.

"Mortgage" means those certain Deeds of Trust, Assignment, Security Agreement and Financing Statement dated as of even date herewith executed by the Borrower for the benefit of the Bank, as the same may be amended from time to time.

"Notes" means the Borrower Note and the Issuer Note.

"Obligations" means the obligations of the Borrower under this Agreement and the Borrower Note and any and all renewals, extensions, amendments, modifications, increases and supplements thereof.

"Outstanding" means, with respect to either of the Loans, the unpaid principal thereof and interest thereon, and, with respect to the Principal Amount, the unpaid portion thereof.

"Participant Bank" means any national or state bank participating in the Loans with the Bank through an interbank agreement.

"Person" means firms, associations, partnerships (including limited partnerships), joint ventures, trusts, corporations, and other legal entities, including public or governmental bodies, agencies or instrumentalities, as well as natural Persons.

"Potential Default" means any condition or event which after notice and/or lapse of time would constitute an Event of Default.

"Principal Amount" means \$_____ and thereafter shall mean the unpaid principal amount of the Issuer Note or Borrower Note, as applicable.

"Principal Payment Date" means the ___ day of each month commencing January ___, 2013.

"Project" means (A) financing the construction of a Goodwill Store located at 1609 FM 685, Pflugerville, Texas; (B) refinancing the acquisition and/or construction of the following: (1) 8.539 acres of land and a Goodwill community center located at 1015 Norwood Park Blvd., Austin, Texas; (2) 2.84 acres of land and a Goodwill Store located at 9801 Brodie Lane, Austin, Texas; (3) 4.677 acres of land and a Goodwill Store located at 8965 Research Blvd., Austin, Texas; (4) a Goodwill Store located at 75 Brushy Creek Road, Cedar Park, Texas; (5) 2.2159 acres of land and a Goodwill Store located at 560 Highway 79 West, Hutto, Texas; (6) 2.0 acres of land and a Goodwill Store located at 1801 S. Ranch Road 620,

Lakeway, Texas; and (7) a building located at 6505 Burleson Road, Austin, Texas; and (C) paying certain expenses in connection with the issuance of the Loans.

"Property" means any and all rights, titles and interests of the Borrower in and to any and all property, whether real or personal, tangible or intangible, and wherever situated, including the cash, the Project and any other property financed or refinanced with proceeds of the Loans.

"Release Date" as used herein means the date on which the Loans have been paid and performed in full and this Agreement and the Notes have been released.

"Resolution" means the resolution of the Board of Directors of the Issuer authorizing the execution and delivery of this Agreement and addressing other matters related thereto, and any amendments or supplements thereto.

"Sponsoring Entity" means the City of Newark, Texas.

"State" means the State of Texas.

"Tangible Net Worth" means total assets minus total liabilities minus the net book value of all intangible assets, including without limitation, good will and intellectual property, all in accordance with GAAP.

"Taxable Adjustment Amount" means an amount equal to the difference, if any, between (i) the amount of interest on the principal amount of the Issuer Note actually paid to an owner or former owner of an Issuer Note since the effective date of a Taxable Event to the Interest Payment Date or redemption date on which such Taxable Adjustment Amount is first paid, and thereafter from the previous Interest Payment Date to the next Interest Payment Date or redemption date, and (ii) the amount of interest which would have been payable on such principal amounts to such owner or former owner for the same period since the date of the Taxable Event at a rate equal to the LIBOR Rate plus ___%, in each case calculated on the basis of actual days elapsed for a year of 360-days, except that if use of a year of 360-days results in interest exceeding any limitation on interest under Law, such interest shall be calculated on the basis of a year of 365- or 366-days, as applicable.

"Taxable Event" means the application of the proceeds of the Borrower Loan in any manner, the existence of any condition or the occurrence or nonoccurrence of any event, whether within or without the control of the Borrower, which has the result that, under the Code and the Regulations, all or any portion of the interest on the Issuer Note is or becomes includable in the gross income of a holder or former holder of the Issuer Note.

"Tribunal" means any state, commonwealth, county, municipal, federal, foreign, territorial or other governmental body, court, administrative department, commission, board, bureau, district, authority, agency, or instrumentality, or any arbitration authority.

"Work" means the furnishing of labor, materials, components, furniture, furnishings, fixtures, appliances, machinery, equipment, tools, power, water, fuel, lubricants, supplies, goods and/or services with respect to the Project.

Section 1.02 *Interpretative Matters.*

(a) Whenever the context requires:

(i) references in this Agreement to the singular number shall include the plural and vice versa; and

(ii) words denoting gender shall be construed to include the masculine, feminine, and neuter.

(b) The table of contents and the titles given to any article or section of this Agreement are for convenience of reference only and are not intended to modify the meaning of the article or section.

ARTICLE II

THE ISSUER LOAN; REPAYMENT OF THE ISSUER LOAN

Section 2.01 Financing the Issuer Loan. Subject to the terms and conditions set forth in this Agreement, including without limitation the conditions set forth in Section 2.02, and for and in consideration of the payment by the Issuer of its obligations under this Agreement and the covenants and agreements herein contained, the Bank agrees to advance to the Issuer the Issuer Loan for the exclusive purpose of providing funds for the Borrower Loan to the Borrower to finance and refinance costs of the Project and to pay the Costs of Issuance. The proceeds of the Issuer Loan shall be disbursed on the Closing Date for such purposes.

Section 2.02 Conditions to Closing. The obligation of the Bank to make the Issuer Loan shall be subject to the following conditions:

(a) The representations of the Issuer herein shall be true, complete and correct on the date hereof and on and as of the Closing Date as if made on the Closing Date;

(b) At the time of Closing, the Issuer Documents shall be in full force and effect, assuming due authorization and execution by the other parties thereto, and shall not have been amended or supplemented except as may have been agreed to in writing by the Bank;

(c) At or prior to the Closing, the Bank shall have received each of the following documents in form and substance satisfactory to the Bank:

(i) This Agreement, executed by the authorized officers of the Issuer and the Borrower, with such changes or amendments as may have been approved by the Bank;

(ii) The Resolution;

(iii) General Certificate of the Issuer; and

(iv) Opinion of Bond Counsel.

(d) The satisfaction of all conditions necessary to the closing of the Borrower Loan as set forth in Section 3.02 of this Agreement.

Section 2.03 Issuer Loan.

(a) The Issuer Loan shall be evidenced by the Issuer Note. The Issuer Note shall be dated the Closing Date and shall be payable to the same extent as the Borrower Loan pursuant to Section 3.03 of this Agreement.

(b) Interest shall accrue and be paid on each Interest Payment Date on the outstanding and unpaid Principal Amount of the Issuer Loan from the Closing Date at the rate per annum and to the same extent as the Borrower Loan pursuant to Section 3.03 of this Agreement. Upon and during the continuation of an Event of Default, interest shall accrue at the Maximum Rate

(c) Any payment made in an amount less than the full amount then due and payable shall be deemed to constitute a payment of interest to the extent of all accrued interest then due and payable and the remainder of such payment, if any, shall be applied to the reduction of the Outstanding Principal Amount of the Issuer Loan.

(d) The Issuer will duly and punctually pay the principal and interest on the Issuer Loan in accordance with the terms of this Agreement; provided, however, that the Issuer Loan and the other obligations of the Issuer provided for herein shall be secured by and payable solely from a lien on, assignment and pledge of all of Issuer's right, title and interest in (i) this Agreement, and (ii) the Borrower Loan Payments. The Issuer agrees to assign the Borrower Note to the Bank to provide evidence of the obligation of the Borrower to make Borrower Loan Payments directly to the Bank.

(e) As additional interest on the Issuer Loan, the Issuer shall pay to the Bank, but solely from the Borrower Loan Payments, from the commencement date of any Taxable Event or from the Closing Date, if the Taxable Event is deemed retroactive to the Closing Date an amount equal to the Taxable Adjustment Amount.

Section 2.04 Issuer Loan Payments. All Issuer Loan Payments shall be made on the applicable payment dates as reflected in Exhibit B and shall be paid and delivered to the Bank.

Section 2.05 Prepayment of Issuer Loan.

(a) The Issuer shall have the right to prepay the outstanding Principal Amount of the Issuer Loan to the same extent that the Borrower Loan is prepaid pursuant to Section 3.06 of this Agreement.

(b) Written notice given to the Bank by the Borrower under Section 3.06 of this Agreement shall serve as adequate notice to the Bank of prepayment of the Issuer Loan.

Section 2.06 Limitation on Interest. All agreements between the Issuer and the Bank, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency, whether by reason of demand, prepayment, or otherwise, shall the interest contracted for, charged, received, paid or agreed to be paid to the Bank on the Issuer Loan, exceed the Maximum Rate. If, from any circumstances whatsoever, interest on the Issuer Loan would otherwise be payable to the Bank in excess of the maximum lawful amount, then the interest payable to the Bank shall be reduced to the maximum amount permitted under applicable Law; and if from any circumstances the Bank shall ever receive anything of value deemed interest by applicable Law in excess of the maximum lawful amount, an amount equal to any excessive interest shall be applied to the reduction of the principal of the Issuer Loan and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal of the Issuer Loan, such excess shall be refunded to the Issuer. All interest paid or agreed to be paid on the Issuer Loan to the Bank shall, to the extent permitted by applicable Law, be amortized, prorated, allocated and spread throughout the full period of the Issuer Loan until payment in full of the principal so that the interest on the Issuer Loan for such full period shall not exceed the maximum amount permitted by applicable Law. This paragraph shall control all agreements between the Issuer and the Bank with respect to the Issuer Loan.

Section 2.07 Payment of Issuer Loan; Limited Obligation.

(a) The obligation of the Issuer to make the payments required by Section 2.03, but only from the sources specified in Section 2.03(d), shall be absolute and unconditional. The Issuer shall pay such amounts without abatement, diminution or deduction (whether for taxes or otherwise) regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim that the Issuer may have or assert against the Bank or any other Person.

(b) Until such time as the Issuer Loan is fully paid, the Issuer:

(i) will not suspend or discontinue any Issuer Loan Payment, or permit the suspension or discontinuance of any Borrower Loan Payments;

(ii) will perform and observe all of its other agreements contained in this Agreement; and

(iii) except by full payment and retirement of the Issuer Loan, will not terminate this Agreement for any cause.

(c) Notwithstanding anything herein, the payment by the Borrower of Borrower Loan Payments automatically discharges the obligation of the Issuer to make Issuer Loan Payments in the same amount and at the same time.

(d) The limited obligations of the Issuer hereunder are not the obligations of Travis County, Texas, Williamson County, Texas or the Sponsoring Entity, and are not the obligations of the officers, employees, or directors of the Issuer, Travis County, Texas, Williamson County, Texas, or the Sponsoring Entity and any such individuals acting on behalf of the Issuer, Travis County, Texas, Williamson County, Texas, or the Sponsoring Entity, are acting on behalf of such entities solely in their official capacities and not in their personal capacities.

Section 2.08 Security; Agreement as Security Agreement.

(a) As security for the repayment of the Issuer Loan, the Issuer hereby assigns to the Bank its rights under this Agreement including the right to receive the Borrower Loan Payments under the Borrower Note. An executed copy of this Agreement shall constitute a security agreement pursuant to applicable Law, with the Bank as the secured party. The lien, pledge, and security interest in favor of the Bank created in this Agreement shall become effective immediately upon the Closing, and the same shall be continuously effective for so long as any portion of the Issuer Loan remains unpaid.

(b) A fully executed copy of this Agreement and the proceedings authorizing it shall be retained in the permanent records of the Issuer for so long as the Issuer Loan is Outstanding. Such records shall be open for inspection to any member of the general public and to any Person proposing to do or doing business with, or asserting claims against, the Issuer, at all times during regular business hours.

(c) Chapters 1201 and 1208, Texas Government Code, apply to the Issuer Note and the pledge of the Issuer made therein, and such pledge is therefore valid, effective and perfected. If any other applicable Law, in the opinion of counsel to the Issuer or in the opinion, reasonably exercised, of counsel to the Bank, requires any filing or other action additional to the filing pursuant to this Section in order to preserve the priority of the lien, pledge, and security interest of the Bank created by this Agreement, the Issuer shall diligently make such filing or take such other action to the extent required by Law to accomplish such result.

ARTICLE III

THE BORROWER LOAN; REPAYMENT OF THE BORROWER LOAN

Section 3.01 Financing the Borrower Loan. Subject to the terms and conditions set forth in this Agreement, including without limitation the conditions set forth in Section 3.02, and for and in consideration of the payment by the Borrower of its obligations under this Agreement and the covenants and agreements herein contained, the Issuer agrees to advance to, and for the sole use and benefit of, the Borrower the Borrower Loan for the exclusive purpose of providing funds to finance and refinance costs of the Project and to pay Costs of Issuance. The proceeds of the Borrower Loan shall be disbursed on the Closing Date for such purposes.

The Borrower may request an advance of the portion of the Borrower Loan not used to refinance debt related to the Project by delivering notice to the Bank at least two Business Days prior to the date of funding. The Borrower shall use the proceeds of such advances for the construction of the store in Pflugerville.

Section 3.02 Conditions to Closing. The obligation of the Issuer to make the Borrower Loan shall be subject to the following conditions:

- (a) The representations of the Borrower herein shall be true, complete and correct on the date hereof and on and as of the Closing Date as if made on the Closing Date;
- (b) At the time of Closing, the Borrower Documents shall be in full force and effect;
- (c) At or prior to the Closing, the Issuer shall have received each of the following documents in form and substance satisfactory to the Bank:
 - (i) The Borrower Documents executed by the authorized officers of the Borrower with such changes or amendments as may have been approved by the Issuer;
 - (ii) General Certificate of the Borrower;
 - (iii) The resolution of the Governing Body of the Borrower approving the Borrower Loan;
 - (iv) An Opinion of Borrower's Counsel acceptable to the Bank;
 - (v) Appraisals, environmental site assessments, surveys and such other real estate due diligence items as the Bank shall reasonably request;
 - (vi) The Bank's title insurance policy and evidence of insurance required under this Agreement;
 - (vii) The approval of Travis County, Texas; and
 - (viii) The approval of Williamson County, Texas.
- (d) The satisfaction of all conditions necessary to the Closing of the Issuer Loan as set forth in Section 2.02 of this Agreement.

Section 3.03 Borrower Loan.

- (a) The Borrower Loan shall be evidenced by the Borrower Note. The Borrower Note shall be dated the Closing Date. Principal payments on the Borrower Loan shall be payable on each Principal Payment Date in the amounts indicated on Exhibit B to this Agreement. The Borrower Loan matures on December ____, 2022.
- (b) Interest shall accrue and be paid on each Interest Payment Date on the Outstanding and unpaid Principal Amount of the Borrower Loan from the Closing Date at the LIBOR Rate. Interest on the Borrower Loan shall be computed on the basis of the actual number of days elapsed and a 360-day year, except that if use of a year of 360-days results in interest exceeding any limitation on interest under Law, such interest shall be calculated on the basis of a year of 365- or 366-days, as applicable. Upon and during the continuation of an Event of Default, interest shall accrue at the Maximum Rate.
- (c) Any payment made in an amount less than the full amount then due and payable shall be deemed to constitute a payment of interest to the extent of all accrued interest then due and payable and the remainder of such payment, if any, shall be applied to the reduction of the Outstanding Principal Amount of the Borrower Loan.
- (d) As additional interest on the Borrower Loan, the Borrower shall pay from the commencement date of any Taxable Event or from the Closing Date, if the Taxable Event is deemed retroactive to the Closing Date an amount equal to the Taxable Adjustment Amount.

(e) If after the Closing Date, Bank will have determined that the adoption or implementation of any applicable Governmental Requirement regarding capital adequacy or any change therein, or any change in the interpretation or administration thereof by any central bank or other Governmental Authority charged with the interpretation or administration thereof, or compliance by Bank (or its parent) with any guideline, request, or directive regarding capital adequacy (whether or not having the force of law) of any such central bank or other Governmental Authority, has or would have the effect of reducing the rate of return on Bank's (or its parent's) capital as a consequence of its obligations hereunder or the transactions contemplated hereby to a level below that which Bank (or its parent) could have achieved but for such adoption, implementation, change, or compliance (taking into consideration Bank's policies with respect to capital adequacy) by an amount deemed by Bank to be material, then from time to time, within 10 Business Days after demand by Bank, Borrower will pay to Bank (or its parent) such additional amount or amounts as will compensate Bank for such reduction. A certificate of Bank claiming compensation under this Section and setting forth the additional amount or amounts to be paid to it hereunder will be conclusive, provided that the determination thereof is made on a reasonable basis. In determining such amount or amounts, Bank may use any reasonable averaging and attribution methods.

Section 3.04 Borrower Loan Payments. All Borrower Loan Payments shall be made on the applicable payment dates as provided in Section 3.03 and shall be paid to the Bank as the assignee of the Issuer and as holder of the Borrower Note at the address provided to the Borrower pursuant to Section 9.03.

Section 3.05 Borrower Loan Payments Due on Business Days. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension.

Section 3.06 Prepayment of Borrower Loan.

(a) (a) The Borrower shall have the right to prepay the Borrower Loan, in whole or in part, at the end of each LIBOR Rate period without penalty.

(b) In the event of a prepayment, Borrower shall provide Bank at least three Business Days written or facsimile notice of its election to make such a principal prepayment, specifying the amount of the prepayment and the Principal Amount of the Borrower Loan to remain Outstanding.

Section 3.07 Limitation on Interest. All agreements between the Borrower and the Issuer, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency, whether by reason of demand, prepayment, or otherwise, shall the interest contracted for, charged, received, paid or agreed to be paid to the Issuer on the Borrower Loan, exceed the Maximum Rate. If, from any circumstances whatsoever, interest on the Borrower Loan would otherwise be payable to the Issuer in excess of the maximum lawful amount, then the interest payable to the Issuer shall be reduced to the maximum amount permitted under applicable Law; and if from any circumstances the Issuer shall ever receive anything of value deemed interest by applicable Law in excess of the maximum lawful amount, an amount equal to any excessive interest shall be applied to the reduction of the principal of the Borrower Loan and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal of the Borrower Loan, such excess shall be refunded to the Borrower. All interest paid or agreed to be paid on the Borrower Loan to the Issuer shall, to the extent permitted by applicable Law, be amortized, prorated, allocated and spread throughout the full period of the Borrower Loan until payment in full of the principal so that the interest on the Borrower Loan for such full period shall not exceed the maximum amount permitted by applicable Law. This paragraph shall control all agreements between the Borrower and the Issuer.

Section 3.08 Nature of Obligations of the Borrower. The Borrower agrees that its obligations to make payments hereunder shall be absolute and unconditional, irrespective of any rights of set-off,

diminution, abatement, recoupment or counterclaim the Borrower might otherwise have against any Person, and the Borrower will perform and observe all its payment obligations and covenants, representations and warranties hereunder without suspension and will not terminate the Borrower Documents for any cause. The Borrower covenants not to seek and hereby waives to the extent permitted by applicable Law, the benefits of any rights which it may have at any time to any stay or extension of time for performance or to terminate, cancel or limit its liability under the Borrower Loan except through payment or deemed payment of the Borrower Loan as provided in the Borrower Documents. A holder of the Borrower Loan shall be entitled to rely upon the agreements and covenants in this Section regardless of the validity or enforceability of the remainder of this Agreement or any other Borrower Document or agreement.

The preceding paragraph shall not be construed to release the Issuer from the performance of any of its agreements contained in this Agreement, or except to the extent provided in this Section, Section 8.01, and Section 8.02, or prevent or restrict the Borrower, at its own cost or expense, from prosecuting or defending any action or proceeding against or by third parties or taking any other action to secure or protect its rights in connection with the Project and its rights under the Borrower Documents.

Section 3.09 Disbursement of Borrower Loan. At Closing, the Borrower Loan shall be disbursed by the Bank to in accordance with a closing memorandum.

ARTICLE IV

REPRESENTATIONS

Section 4.01 Representations and Warranties of Bank. The Bank represents and warrants to the Issuer and the Borrower, the following:

(a) The Bank is an Alabama corporation duly organized and existing under the Laws of the State of Alabama, and has all necessary power and authority to enter into and perform this Agreement.

(b) The Bank has taken all actions required to authorize and execute this Agreement and to perform its obligations hereunder and the execution, delivery and performance by the Bank of and compliance with the provisions of this Agreement will not conflict with any existing Law, regulation, rule, decree or order or any agreement or other instrument by which the Bank is bound.

Section 4.02 Representations and Warranties of the Issuer. The Issuer represents and warrants to the Bank and the Borrower as follows:

(a) The Issuer is a nonprofit cultural education facilities finance corporation duly incorporated, organized, validly existing and in good standing under the Acts and is empowered to act on behalf of the Sponsoring Entity.

(b) The Issuer has all requisite power, authority and legal right to execute and deliver the Issuer Documents and all other instruments and documents to be executed and delivered by the Issuer pursuant thereto, to perform and observe the provisions thereof and to carry out the transactions contemplated by the Issuer Documents. All corporate action on the part of the Issuer which is required for the execution, delivery, performance and observance by the Issuer of the Issuer Documents has been duly authorized and effectively taken, and such execution, delivery, performance and observation by the Issuer do not contravene applicable Law or any contractual restriction binding on or affecting the Issuer.

(c) The Issuer has duly approved the borrowing of funds from the Bank; no other authorization or approval or other action by, and no notice to or filing with any governmental authority or regulatory body is required as a condition to the performance by the Issuer of its obligations under any of the Issuer Documents.

(d) This Agreement is a legally valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its respective terms, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar Laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity.

(e) There is no default of the Issuer in the payment of the principal of or interest on any of its indebtedness for borrowed money or under any instrument or instruments or agreements under and subject to which any indebtedness for borrowed money has been incurred which does or could affect the validity and enforceability of the Issuer Documents or the ability of the Issuer to perform its obligations thereunder, and no event has occurred and is continuing under the provisions of any such instrument or agreement which constitutes or, with the lapse of time or the giving of notice, or both, would constitute such a default.

(f) There is no pending or, to the knowledge of the undersigned officer of the Issuer, threatened action or proceeding before any court, governmental agency or department or arbitrator (i) to restrain or enjoin the execution or delivery of this Agreement, or (ii) in any way contesting or affecting the authority for the execution and delivery or the validity of the Issuer Documents.

(g) In connection with the authorization, execution and delivery of this Agreement, the Issuer has complied with all provisions of the Laws of the State, including the Acts.

(h) The execution and delivery of the documents contemplated hereunder do not violate any provision of any instrument or agreement to which the Issuer is a party or by which it is bound.

Section 4.03 Representations and Warranties of the Borrower. The Borrower represents and warrants to the Bank and the Issuer as follows:

(a) *No Conflict of Interest.* No elected or appointed public official, employee, agent or representative of the Sponsoring Entity or any of its official boards, commissions or committees or any member of the Governing Body of the Issuer has any direct or indirect interest of any kind, or any right, agreement or arrangement to acquire such an interest in the Project, as owner, contractor, subcontractor, shareholder, general or limited partner, tenant or otherwise that would violate or require disclosure or other action under any Law, regulation, charter or ordinance of the State or the Sponsoring Entity.

(b) *Representations Regarding the Project.*

(i) The Borrower intends to finance and refinance the Project and pay Costs of Issuance. The Project is located in its entirety within the boundaries of Travis County, Texas and Williamson County, Texas.

(ii) The Project is in furtherance of the public purposes of the Acts to finance and refinance cultural facilities.

(c) *Other Representations and Warranties.* Any certificate with respect to factual or financial matters signed by an Authorized Representative and delivered to the Issuer or the Bank shall be deemed a representation and warranty by the Borrower as to the statements made therein.

(d) *Financial Statements.* All financial statements and other financial information regarding the Borrower furnished by or on behalf of the Borrower to the Bank are true, correct, and complete as of the dates specified therein, fully and accurately present the financial condition of the Borrower as of the dates specified, and have been prepared in accordance with GAAP. No change has occurred in the Borrower's financial condition reflected therein since the respective

dates of the financial statements for the Borrower delivered to the Bank which constitutes a Material Adverse Effect. The Borrower is solvent after giving effect to all Loans and guaranties contemplated in the Loan Documents.

(e) *Litigation.* There is no pending or threatened Litigation to which the Borrower is a party involving or affecting the Project, the validity, enforceability, or priority of any of the Loan Documents, or which constitutes a Material Adverse Effect.

(f) *Existence and Rights.* True, correct and complete copies of the documents governing the Borrower's existence and authority have been delivered to the Bank. The Borrower is duly organized, validly existing, and in good standing under the Laws of the State; is lawfully doing business in the State; has full power and authority to operate the Project, and enter into and perform the Loan Documents; and has not conveyed, assigned or otherwise transferred (or agreed to do so) any development rights, air rights, utility rights, tap-in, availability, or capacity rights, easement or license rights, or other rights, privileges or attributes with respect to the Project.

(g) *Authorization, Conflicts, Enforceability.* The execution, delivery, and performance of this Agreement and the Borrower Note by the Borrower have been duly authorized by the Borrower and shall not cause or result in a violation or breach of, or a default (or provide cause for acceleration of any Indebtedness) under, any organizational document, agreement or other Legal Requirement by which the Borrower or any of the Borrower's Property are bound or affected. The Borrower is not in default under any obligation of the Borrower, any Legal Requirement applicable to the Project, or any other Legal Requirement which constitutes a Material Adverse Effect. The Loan Documents executed by the Borrower constitute the valid and legally binding obligations of the Borrower enforceable in accordance with their terms, except as limited by bankruptcy, insolvency, reorganization, moratorium, or other similar Laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity.

(h) *Legal Requirements.* The Borrower has: (i) complied and will comply with all Legal Requirements relating to or affecting the Project, Loans (including all reporting requirements applicable to the Bank) or the Borrower; (ii) obtained and delivered true and correct copies to the Bank of, all required permits, licenses, approvals and consents from, and has made all filings with, any Tribunal (and the same have not lapsed nor been rescinded or revoked) necessary in connection with the execution, delivery or enforcement of any Loan Document and the performance of the Obligations; and (iii) no knowledge of, and has received no notice of, any violation of any Legal Requirement relating to or affecting the Project and the Borrower. The Project, and the intended use, occupancy, or operation thereof, comply and will comply with all applicable Legal Requirements. No part of the Project constitutes a nonconforming use under any zoning Law or similar Legal Requirement. All resolutions and actions of the Board of Directors of the Borrower relating to the Loans comply or will comply in all respects with the Constitution and Laws of the State of Texas and any applicable federal Laws, and the necessary actions taken or to be taken in connection with the adoption of the resolution approving the Loans, and the execution and delivery thereof, have not or will not have been repealed, rescinded or revoked. The Borrower has or will duly approve and ratify (i) the execution and/or delivery of this Agreement and related Loan Documents required to be executed and delivered by the Borrower in connection therewith and (ii) the taking of any and all such actions as may be required on the part of the Borrower to carry out, give effect to and consummate the transactions contemplated by the Borrower Documents. The Borrower is authorized under the Laws of the State and its organizational documents to enter into the transactions contemplated hereby and to perform all of its obligations hereunder.

(i) *Full Disclosure.* All plans, budgets, schedules, certificates, confirmations, statements, applications, rent rolls, affidavits, agreements, contracts, reports, studies, tests, opinions, and other materials and factual information furnished to the Bank by or on behalf of the Borrower in connection with the Loans are true, accurate and complete on the date as of which

the information is dated or certified and none is incomplete by omitting to state any material fact necessary to make such information not misleading. There is no material fact or information that the Borrower has not disclosed to the Bank that could have a Material Adverse Effect on the Project, or the condition (financial, business, or otherwise) of the Borrower. There has been no material change in any of the foregoing matters from the matters submitted or disclosed to the Bank. There has been no circumstance or event that constitutes a Material Adverse Effect.

(j) *Certain Regulatory Matters.* The proceeds of the Loans are not being used and shall not be used to purchase or carry any "margin stock" within the meaning of Regulation "U" of the Board of Governors of the Federal Reserve System, nor to extend credit to others for that purpose. The Borrower is in compliance (and will comply) with the Employee Retirement Income Security Act of 1974, as amended, and the Borrower has not incurred (and will not incur) any liability to the Pension Benefit Guaranty Corporation or any Tribunal succeeding to any or all of its functions thereunder. The Borrower is not a "foreign person" within the meaning of the Internal Revenue Code of 1986, Sections 1445 and 7701.

(k) *Principal Office, Etc.* The principal office, chief executive office and principal place of business of the Borrower, and the place where the Borrower maintains its principal records and books, is at the Borrower's address for notices as specified in Section 9.03. The Loans are solely for corporate purposes of the Borrower, and are not for personal family, household or agricultural purposes.

(l) *Payment and Performance.* No Event of Default or, to the knowledge of the Borrower, Potential Default exists.

(m) *Regulatory Requirements.* All approvals, consents and orders of any governmental official, authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by the Borrower of its obligations under the Borrower Documents have been obtained or, as of the date of the closing of the Loans, will have been obtained and none of the approvals, consents or orders have or will have been repealed, rescinded or revoked.

(n) *Proceeds.* During the term of the Borrower Loan, the proceeds of the Borrower Loan shall be used by the Borrower only for the purpose of financing and refinancing cultural facilities consistent with the permissible scope of the Borrower's authority.

Each of the foregoing representations and warranties shall be deemed to have been made as of the date of this Agreement and again with respect to the Closing Date.

ARTICLE V

REMEDIES SECTION

Section 5.01 Remedies Available.

(a) Upon the occurrence of any Event of Default and at any time thereafter for so long as the Event of Default has not been cured, the Bank may take any action at Law or in equity to collect all amounts then due under this Agreement and to enforce compliance with any other obligation of the Issuer or the Borrower under this Agreement.

(b) In addition to the remedies provided in subsection (a) of this Section, the Bank shall, to the extent permitted by Law, be entitled to recover the costs and expenses, including attorney's fees and court costs, incurred by the Bank in the proceedings authorized under subsection (a) of this Section.

(c) Should an Event of Default occur, the Bank may but without any obligation to do so, at its option and at any time, and without presentment, demand, or protest, notice of default,

dishonor, demand, non-payment, or protest, notice of intent to accelerate all or any part of the Loans, notice of acceleration of all or any part of the Loans, or notice of any other kind, all of which the Issuer and the Borrower hereby expressly waive, except for any notice required by applicable statute which cannot be waived: (i) declare the Loans, or any part thereof, immediately due and payable, whereupon the same shall be due and payable; (ii) reduce any claim to judgment; (iii) to the maximum extent permitted under applicable Laws, set-off and apply any and all deposits (general or special, time or demand, provisional or final), funds, or assets at any time held and any and all other indebtedness at any time owing by the Bank to or for the credit or the account of the Issuer and the Borrower against any and all obligations, whether or not the Bank exercises any other right or remedy hereunder and whether or not such obligations are then matured; and/or (iv) exercise any and all rights and remedies afforded by any of the Issuer Documents or the Borrower Documents, or by Law or equity or otherwise, as the Bank deems appropriate.

(d) Notwithstanding any other provision of this Agreement, any remedy exercised against the Issuer requiring the payment of money shall be limited to money received from the limited sources described in Section 2.03(d).

Section 5.02 Fees and Expenses.

(a) The Borrower agrees to pay promptly upon demand therefor all costs paid, incurred or charged by the Issuer or the Bank in connection with the Loan, including without limitation all out-of-pocket expenses (including reasonable fees and expenses of attorneys employed by the Issuer or the Bank) reasonably incurred by the Issuer or the Bank in connection with the enforcement of any of its rights or remedies or the performance of its duties under this Agreement or the Notes.

(b) The Issuer or the Bank may enforce the Borrower's obligations under this Section independently of any other remedies available to any Person against the Borrower pursuant to the terms and provisions of this Agreement, the Borrower Documents and the Issuer Documents.

Section 5.03 Application of Money Collected. Any money collected as a result of the taking of remedial action pursuant to this Article V, including money collected as a result of foreclosing the liens of the Borrower Documents, shall be applied in Bank's sole discretion, including without limitation, to the costs of collection of such money, to the payment of the Loans and to cure the Event of Default with respect to which such remedial action was taken.

Section 5.04 Non-Exclusive Remedies. No remedy conferred upon or reserved to the Bank by this Agreement is intended to be exclusive of any other available remedy, and each such remedy shall be in addition to any other remedy given under this Agreement, the Issuer Documents or the Borrower Documents or now or hereafter existing at Law or in equity.

Section 5.05 Delays. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or be construed to be a waiver thereof, and all such rights and powers may be exercised as often as may be deemed expedient.

Section 5.06 Limitation on Waivers. If an Event of Default is waived, such waiver shall be limited to the particular Event of Default so waived and shall not be deemed a waiver of any other Event of Default; provided, that no waiver of an Event of Default shall be effective unless such waiver is made in writing.

ARTICLE VI

DISCHARGE

Section 6.01 Discharge by Payment. When the Loans have been paid in full (including all interest that has accrued thereon or that may accrue to the date of maturity or prepayment, as

applicable), and all other amounts payable by the Issuer and the Borrower under this Agreement have been paid, the liens of this Agreement and the Mortgage shall be discharged and released, and the Bank, upon receipt of a written request by the Borrower and the payment by the Borrower of the reasonable expenses with respect thereto, shall discharge and release the lien of this Agreement and the Mortgage and execute and deliver to the Borrower such releases or other instruments as shall be requisite to release the lien hereof.

ARTICLE VII

TAX PROVISIONS

Section 7.01 Definitions. As used in this Article VII, each of the following terms shall have the indicated meaning.

“Code” means the Internal Revenue Code of 1986, as amended to the date of this Agreement.

“Costs of Issuance” means issuance costs with respect to the Issuer Loan within the meaning of Section 147(g) of the Code.

“Exempt Person” means a state or local governmental unit or an organization described in Section 501(c)(3) of the Code, to the extent such organization is acting within the scope of its exempt purpose and not in a “unrelated trade or business” as defined in Section 513(a) of the Code.

“Gross Proceeds” means any Proceeds and any Replacement Proceeds.

“Investment Proceeds” means earnings from the investment of the proceeds of the Issuer Loan plus any investment earnings thereon.

“Nonpurpose Investments” means any “investment property,” within the meaning of Section 148(b) of the Code, acquired with the Gross Proceeds of the Issuer Loan.

“Opinion of Counsel” means a written opinion of counsel who may (except as otherwise expressly provided in this Agreement) be counsel for the Issuer, the Borrower, or both and, when given with respect to the status of interest on the Issuer Loan under federal income tax law, shall mean counsel of nationally recognized standing in the field of municipal bond law.

“Proceeds” means any Sale Proceeds, Investment Proceeds and Transferred Proceeds of the Issuer Loan.

“Rebate Amount” has the meaning ascribed in Section 1.148-3 of the Regulations.

“Regulations” means the applicable final, temporary or proposed Income Tax Regulations promulgated under the Code applicable to the Issuer Loan.

“Replacement Proceeds” has the meaning set forth in Section 1.148-1(c) of the Regulations.

“Sale Proceeds” means any amounts actually or constructively received from the sale (or other disposition) of any portion of the Issuer Loan, including amounts used to pay underwriter’s discount or compensation and accrued interest other than pre-issuance accrued interest. Sale Proceeds also include amounts derived from the sale of a right that is associated with any portion of the Issuer Loan and that is described in Section 1.148-4 of the Regulations.

“Transferred Proceeds” means, with respect to the portion of the Issuer Loan that is a refunding issue, proceeds that have ceased to be proceeds of a refunded issue and are transferred proceeds of the refunding issue by reason of Section 1.148-9 of the Regulations.

“Yield” of

(1) any Nonpurpose Investment means the actuarial yield of such Nonpurpose Investment calculated in accordance with Section 1.148-5 of the Regulations; and

(2) the Issuer Loan means the actuarial yield of the Issuer Loan calculated in accordance with Section 1.148-4 of the Regulations.

Section 7.02 Tax Exempt Status of Borrower. Borrower hereby represents and covenants as follows:

(a) Borrower is, and while the Issuer Loan is outstanding will maintain itself as, an organization exempt from federal income taxation as provided in section 501(a) of the Code by virtue of being described in section 501(c)(3) of the Code.

(b) Borrower will continue to conduct its operations in a manner that will result in it continuing to qualify as an organization described in section 501(c)(3) of the Code, including, but not limited to, the timely filing of all returns, reports, and requests for determination with the Internal Revenue Service ("IRS") and the timely notification of the IRS of all changes in its organization and purposes from the organization and purposes previously disclosed to the IRS.

(c) The purposes, character, activities, and methods of operation of Borrower are not, and while the Issuer Loan is outstanding will not be, materially different from the purposes, character, activities, and methods of operation at the time of its determination by the IRS to be an organization described in section 501(c)(3) of the Code (the "Determination").

(d) Borrower has not diverted, and while the Issuer Loan is outstanding and unpaid will not divert, a substantial part of its corpus or income for a purpose or purposes other than the purpose or purposes (a) for which it is organized or operated or (b) disclosed to the IRS in connection with the Determination.

(e) Borrower has not operated during its five most recent fiscal years or the current fiscal year, as of the date hereof, and while the Issuer Loan is outstanding will not operate, in a manner that would result in it being classified as an "action" organization within the meaning of Section 1.501(c)(3)-(1)(c)(3) of the Regulations including, but not limited to, promoting or attempting to influence legislation by propaganda or otherwise as a substantial part of its activities.

(f) With the exception of the payment of compensation (and the payment or reimbursement of expenses) which is not excessive and is for personal services which are reasonable and necessary to the purposes of Borrower, no individual who would be a "disqualified person" within the meaning of section 4958(f)(1) of the Code, with respect to Borrower, nor any person controlled by any such individual or individuals or any of their affiliates, nor any person having a personal or private interest in the activities of Borrower, has acquired or received, directly or indirectly, any income or assets, regardless of form, of Borrower during the current fiscal year and the five fiscal years preceding the current fiscal year, other than as reported to the IRS by Borrower.

(g) Borrower is not, and while the Issuer Loan is outstanding will operate so that it will not be, a "private foundation" within the meaning of section 509(a) of the Code.

(h) Borrower has not received any indication or notice whatsoever to the effect that its exemption under section 501(c)(3) of the Code has been revoked or modified, or that the IRS is considering revoking or modifying such exemption, and such exemption is still in full force and effect.

(i) Borrower has timely filed with the IRS all requests for determination, reports and returns required to be filed by it and such requests for determination, reports, and returns have not omitted or misstated any material fact, and Borrower has timely notified the IRS of any changes in its organization and operation occurring since the date of the Determination.

(j) Borrower has not devoted, and while the Issuer Loan is outstanding will not devote, more than an insubstantial part of its activities in furtherance of a purpose other than an exempt purpose within the meaning of section 501(c)(3) of the Code.

(k) Borrower has not taken any action, nor does it know of any action that any other person has taken, nor does it know of the existence of any condition, and while the Issuer Loan is outstanding Borrower will not take any action, that would cause Borrower to lose its exemption from taxation under section 501(a) of the Code or cause interest paid to Bank under the Issuer Loan to be includable in the gross income of the recipient thereof for federal income tax purposes.

Section 7.03 Tax Exempt Status of Issuer Loan. Borrower and Issuer hereby represent and covenant as follows:

(a) Borrower and Issuer will comply with, and make all filings required by, all effective Regulations, rulings, procedures or notices promulgated by the United States Department of the Treasury (the "Department of the Treasury") or the IRS with respect to obligations such as the Issuer Loan, including especially Form 8038.

(b) The Proceeds of the Issuer Loan and any investment earnings thereon will be expended for the purposes set forth in this Agreement and while the Issuer Loan is outstanding and unpaid, the facilities financed and/or refinanced herewith shall be owned by an Exempt Person. No portion of the Proceeds will be used in an "unrelated trade or business" of Borrower within the meaning of section 513(a) of the Code unless Borrower receives an Opinion of Counsel to the effect that such use would not adversely affect the status of the Issuer Loan as an obligation described in section 103(a) of the Code.

(c) Borrower will not use or invest the proceeds of the Issuer Loan or any other amounts held in any account held for the payment of the Issuer Loan or any investment earnings thereon in a manner that will result in the Issuer Loan becoming private activity bonds (other than qualified 501(c)(3) bonds) within the meaning of sections 141 and 145 of the Code.

(d) Borrower will not use or permit to be used more than 5.0% of the proceeds of the Issuer Loan (including in such 5.0% all amounts used to pay Costs of Issuance), directly or indirectly, in any trade or business carried on by any person who is not an Exempt Person. For purposes of the preceding sentence, any use of proceeds of the Issuer Loan or any investment earnings thereon in any manner not in compliance with the guidelines set forth in Revenue Procedure 97-13, including any revisions or amendments thereto, shall constitute the use of such proceeds in the trade or business of a nonexempt person.

(e) Borrower will not use or permit the use of any portion of the proceeds of the Issuer Loan, including all investment income earned on such proceeds directly or indirectly, to make or finance loans to a person who is not an Exempt Person.

(f) At least 95% of the proceeds of the Issuer Loan will be used to finance and/or refinance capital expenditures, determined under general federal income tax principles, incurred after August 5, 1997.

(g) Taking into account the issue price (as defined in section 1.148-1(b) of the Regulations) of the various scheduled principal maturities of the Issuer Loan, the average term of the Issuer Loan does not exceed 120% of the average reasonably expected economic life of the financed properties weighted in proportion to the respective cost of each item comprising such properties the cost of which has been or will be financed and/or refinanced, directly or indirectly, with the net proceeds of the Issuer Loan. The reasonably expected economic life of each component already placed in service, if any, is decreased by the period of time measured from the date of issuance of the Issuer Loan to the date the component was placed in service. The reasonably expected economic life of each component not already placed in service, if any, may be increased by the period of time measured from the date of issuance of the Issuer Loan to the date the component is expected to be placed in service. In addition, land shall not be taken into account in determining the reasonably expected economic life of the financed properties, except that

in the event 25% or more of the collective net proceeds of the Issuer Loan, directly or indirectly, have been expended for land, such land shall be treated as having an economic life of 30 years and shall be taken into account for purposes of determining the reasonably expected economic life of the financed properties.

(h) The Costs of Issuance which are financed with proceeds of the Issuer Loan will not exceed an amount equal to 2.0% of the Sales Proceeds of the Issuer Loan.

(i) No portion of the proceeds of the Issuer Loan will be used to provide an airplane, a skybox or other private luxury box, a facility primarily used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises.

(j) Issuer and Borrower will not cause the Issuer Loan to be treated as a "federally guaranteed" obligation for purposes of section 149 of the Code, as may be modified in any applicable Regulations, rules, rulings, notices, procedures, or other official statements promulgated or proposed by the Department of the Treasury or the IRS with respect to "federally guaranteed" obligations described in section 149 of the Code. For purposes of this paragraph, the Issuer Loan shall be treated as "federally guaranteed" if (A) all or any portion of the principal or interest is or will be guaranteed directly or indirectly by the United States of America or any agency or instrumentality thereof, or (B) a significant portion of the proceeds of the Issuer Loan will be (1) used in making loans, the payment of principal or interest with respect to which is to be guaranteed in whole or in part by the United States of America or any agency or instrumentality thereof, or (2) invested directly or indirectly in federally insured deposits or accounts, and (3) such guarantee is not described in section 149(b) of the Code.

(k) Borrower covenants that the Property financed and/or refinanced with proceeds of the Issuer Loan, will not be sold or otherwise disposed of in a transaction resulting in the receipt by Borrower of cash or other compensation, unless Borrower obtains an Opinion of Counsel that such sale or other disposition will not adversely affect the excludability of the interest on the Issuer Loan from gross income of Bank for federal income tax purposes. For purposes of the foregoing, the portion of the properties comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation.

(l) Issuer covenants for the benefit of Bank and Borrower to take any action necessary to assure, or refrain from taking any action which would adversely affect, the treatment of the Issuer Loan as an obligation described in section 103(a) of the Code, the interest on which is not includable in the gross income of Bank for purposes of federal income taxation.

Section 7.04 Arbitrage Covenants. Borrower and Issuer hereby represent and covenant as follows with respect to certain matters concerning arbitrage:

(a) Borrower and the Issuer shall make such use of the proceeds of the Issuer Loan and any other funds constituting gross proceeds thereof, and take such further action as may be required so that the Issuer Loan will not constitute an "arbitrage bond" under section 148 of the Code.

(b) Borrower shall account separately for all Gross Proceeds and retain all of its accounting records relating to the Issuer Loan repayment and any calculations made in preparing the statements described in this Section 7.04 for at least five years after the final retirement of the Issuer Loan.

(c) Borrower shall calculate the Rebate Amount at least every five years after the Issuer Loan is issued and immediately remit any deficiency with respect to the Rebate Amount as required by section 148(f) of the Code. Borrower will not pay or agree to pay, directly or indirectly, to a party other than the United States of America, any amount that is required to be paid to the United States of America as a Rebate Amount as provided in section 148(f) of the Code. The amounts to be computed, paid, or disbursed under this Section 7.04(c) shall be determined by Borrower acting on behalf of Issuer within thirty days after each successive anniversary date of the date of closing of the Issuer Loan and after the date the Issuer Loan is paid or redeemed in whole in accordance with its terms. By such date, Borrower shall also notify, in writing, Bank and Issuer of the determinations Borrower has made and the payment to

be made pursuant to the provisions of this Section. Upon written request of Bank or Issuer, Borrower shall furnish to the Bank and Issuer a certificate (supported by reasonable documentation, which may include calculations by nationally recognized bond counsel or some other service organization or person) showing compliance with this Section 7.04(c) and other applicable provisions of section 148 of the Code.

(d) Borrower shall not invest any Gross Proceeds in any Nonpurpose Investment for which there is not an established market (except obligations purchased directly from the United States Treasury) or otherwise enter into any transaction that reduces the amount required to be paid to the United States pursuant to Section 7.04(c) because such transaction results in a smaller profit or a larger loss than would have resulted had the Yield on the Issuer Loan or the Nonpurpose Investment not been relevant to either party.

(e) Borrower shall not invest more than 50% of the Gross Proceeds in Nonpurpose Investments having a substantially guaranteed Yield for four years or more.

Section 7.05 Modification of Covenants. The covenants and representations contained in this Article VII are intended to maintain and preserve the tax-exempt status of the interest on the Issuer Loan by assuring compliance with the Code and any Regulations promulgated by the Department of Treasury pursuant thereto. Borrower will not be required to comply with a covenant contained in this Article VII if and to the extent Borrower obtains an Opinion of Counsel that failure to comply with such covenant will not adversely affect the exclusion from gross income of Bank for federal income tax purposes of interest on the Issuer Loan under section 103(a) of the Code. In the event that Regulations are hereafter promulgated which impose additional requirements which are applicable to the Issuer Loan, Borrower and Issuer agree to comply with such additional requirements to the extent necessary, in the Opinion of Counsel, to preserve the exclusion from gross income of Bank for federal income tax purposes of interest on the Issuer Loan under section 103(a) of the Code.

ARTICLE VIII

COVENANTS OF THE BORROWER

Section 8.01 Indemnification of Issuer Indemnified Parties.

(a) Indemnification. **THE BORROWER AGREES THAT IT WILL AT ALL TIMES INDEMNIFY AND HOLD HARMLESS EACH OF THE ISSUER INDEMNIFIED PARTIES AGAINST ANY AND ALL LOSSES, INCLUDING LOSSES AS A RESULT OF THE NEGLIGENT ACTS OR OMISSIONS OF ANY ISSUER INDEMNIFIED PARTY, OTHER THAN LOSSES RESULTING FROM THE GROSS NEGLIGENCE, FRAUD, WILLFUL MISCONDUCT OR THEFT ON THE PART OF THE ISSUER INDEMNIFIED PARTY CLAIMING INDEMNIFICATION.**

(b) Release. **NONE OF THE ISSUER INDEMNIFIED PARTIES SHALL BE LIABLE TO THE BORROWER FOR, AND THE BORROWER HEREBY RELEASES EACH OF THEM FROM, ALL LIABILITY TO THE BORROWER FOR, ALL INJURIES, DAMAGES OR DESTRUCTION TO ALL OR ANY PART OF ANY PROPERTY OWNED OR CLAIMED BY THE BORROWER THAT DIRECTLY OR INDIRECTLY RESULT FROM, ARISE OUT OF OR RELATE TO THE DESIGN, CONSTRUCTION, OPERATION, USE, OCCUPANCY, MAINTENANCE OR OWNERSHIP OF THE PROJECT OR ANY PART THEREOF, EVEN IF SUCH INJURIES, DAMAGES OR DESTRUCTION DIRECTLY OR INDIRECTLY RESULT FROM, ARISE OUT OF OR RELATE TO, IN WHOLE OR IN PART, ONE OR MORE ACTS OR OMISSIONS, INCLUDING ACTS OR OMISSIONS CONSTITUTING NEGLIGENCE ON THE PART OF ANY ISSUER INDEMNIFIED PARTY (BUT NOT INCLUDING ACTS OR OMISSIONS CONSTITUTING GROSS NEGLIGENCE, FRAUD, WILLFUL MISCONDUCT OR THEFT ON THE PART OF THE ISSUER INDEMNIFIED PARTY CLAIMING RELEASE) IN CONNECTION WITH THE ISSUANCE OF THE LOANS OR IN CONNECTION WITH THE PROJECT.**

(c) *Subrogation.* Each Issuer Indemnified Party, as appropriate, shall reimburse the Borrower for payments made by the Borrower pursuant to this Section to the extent of any proceeds, net of all expenses of collection, actually received by it from any other source (but not from the proceeds of any claim against any other Issuer Indemnified Party) with respect to any Loss to the extent necessary to prevent a multiple recovery by such Issuer Indemnified Party with respect to such Loss. At the request and expense of the Borrower, each Issuer Indemnified Party shall claim or prosecute any such rights of recovery from other sources (other than any claim against another Issuer Indemnified Party) and such Issuer Indemnified Party shall assign its rights to such rights of recovery from other sources (other than any claim against another Issuer Indemnified Party), to the extent of such required reimbursement, to the Borrower.

(d) *Notice.* In case any Claim shall be brought or, to the knowledge of any Issuer Indemnified Party, threatened against any Issuer Indemnified Party in respect of which indemnity may be sought against the Borrower, such Issuer Indemnified Party promptly shall notify the Borrower in writing; provided, however, that any failure so to notify shall not relieve the Borrower of its obligations under this Section.

(e) *Defense.* The Borrower shall have the right to assume the investigation and defense of all Claims, including the employment of counsel and the payment of all expenses. Each Issuer Indemnified Party shall have the right to employ separate counsel in any such action and participate in the investigation and defense thereof, but the fees and expenses of such counsel shall be paid by such Issuer Indemnified Party unless (i) the employment of such counsel has been specifically authorized by the Borrower, in writing, (ii) the Borrower has failed after receipt of notice of such Claim to assume the defense and to employ counsel, or (iii) the named parties to any such action (including any impleaded parties) include both an Issuer Indemnified Party and the Borrower, and the Issuer Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the Borrower (in which case, if such Issuer Indemnified Party notifies the Borrower in writing that it elects to employ separate counsel at the Borrower's expense, the Borrower shall not have the right to assume the defense of the action on behalf of such Issuer Indemnified Party; provided, however, that the Borrower shall not, in connection with any one action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegation or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys for the Issuer Indemnified Parties, which firm shall be designated in writing by the Issuer Indemnified Parties).

(f) *Cooperation; Settlement.* Each Issuer Indemnified Party shall cooperate with the Borrower in the defense of any action or Claim. The Borrower shall not be liable for any settlement of any action or Claim without the Borrower's consent but, if any such action or Claim is settled with the consent of the Borrower or there be final judgment for the plaintiff in any such action or with respect to any such Claim, the Borrower shall indemnify and hold harmless the Issuer Indemnified Parties from and against any Loss by reason of such settlement or judgment to the extent provided in Subsection (a).

(g) *Survival; Right to Enforce.* The provisions of this Section shall survive the termination of this Agreement, and the obligations of the Borrower hereunder shall apply to Losses or Claims under Subsection (a) whether asserted prior to or after the termination of this Agreement. In the event of failure by the Borrower to observe the covenants, conditions and agreements contained in this Section, any Issuer Indemnified Party may take any action at Law or in equity to collect amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Section. The obligations of the Borrower under this Section shall not be affected by any assignment or other transfer by the Issuer of its rights, titles or interests under this Agreement and will continue to inure to the benefit of the Issuer Indemnified Parties after any such transfer. The provisions of this Section shall be cumulative with and in addition to any other agreement by the Borrower to indemnify any Issuer Indemnified Party.

Section 8.02 Indemnification of Bank Indemnified Parties. THE BORROWER SHALL INDEMNIFY AND HOLD HARMLESS THE BANK INDEMNIFIED PARTIES FROM AND AGAINST, AND REIMBURSE THEM ON DEMAND FOR, ANY AND ALL BANK INDEMNIFIED MATTERS. SUCH INDEMNITIES SHALL NOT APPLY TO ANY BANK INDEMNIFIED PARTY TO THE EXTENT THAT THE SUBJECT OF THE INDEMNIFICATION IS SOLELY CAUSED BY OR ARISES OUT OF THE GROSS NEGLIGENCE, FRAUD OR WILLFUL MISCONDUCT OF SUCH BANK INDEMNIFIED PARTY. ANY AMOUNT TO BE PAID UNDER THIS SECTION BY THE BORROWER TO A BANK INDEMNIFIED PARTY SHALL BE A DEMAND OBLIGATION OWING BY THE BORROWER (WHICH THE BORROWER HEREBY PROMISES TO PAY) TO SUCH BANK INDEMNIFIED PARTY, SHALL BE PART OF THE OBLIGATIONS, EVEN IF IN EXCESS OF THE COMMITTED SUM, AND SHALL BE SECURED BY THE LOAN DOCUMENTS. NOTHING IN THIS SECTION, ELSEWHERE IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL LIMIT OR IMPAIR ANY RIGHTS OR REMEDIES OF ANY BANK INDEMNIFIED PARTY (INCLUDING WITHOUT LIMITATION ANY RIGHTS OF CONTRIBUTION OR INDEMNIFICATION) AGAINST THE BORROWER OR ANY OTHER PERSON UNDER ANY OTHER PROVISION OF THIS AGREEMENT, THE NOTES, ANY OTHER AGREEMENT OR ANY APPLICABLE LEGAL REQUIREMENT. THE INDEMNITIES IN THIS SECTION SHALL NOT TERMINATE UPON THE RELEASE DATE OR UPON THE RELEASE, OR OTHER TERMINATION OF ANY LOAN DOCUMENT OR NOTE BUT WILL SURVIVE THE RELEASE DATE, THE PAYMENT OF THE LOANS, THE DISCHARGE AND RELEASE OF THIS AGREEMENT AND THE NOTES, ANY BANKRUPTCY OR OTHER DEBTOR RELIEF PROCEEDING, AND ANY OTHER EVENT WHATSOEVER. SECTIONS 8.01(B) THROUGH (G) ABOVE SHALL ALSO APPLY TO THE INDEMNIFICATION UNDER THIS SECTION.

Section 8.03 Liquidations, Mergers, Consolidations. The Borrower shall not become a party to a merger or consolidation, or purchase or otherwise acquire all or a substantial part of the assets of any Person or any shares or other evidence of beneficial ownership of any Person, or dissolve, liquidate or cease operations.

Section 8.04 Use of Project for Sectarian Purposes. The Borrower agrees that to the full extent required from time to time by applicable laws and Constitutional provisions of the United States of America and the State in order for the Borrower Loan and all other transactions provided for in this Agreement to be made and effected in compliance with such laws and Constitutional provisions, no part of the Project financed or refinanced in whole or in part with proceeds of the Borrower Loan shall be used for sectarian instruction or as a place of religious worship or in connection with any part of the program of a school or department of divinity or any religious denomination.

Section 8.05 Litigation. If any Litigation is threatened or commenced: (a) that seeks to enjoin, prevent, or declare invalid or unlawful the Borrower's construction, occupancy, use or operation of the Project; (b) that endangers, questions or attacks the title to any part of the Project or the validity, enforceability, or priority of any Loan Document; (c) that seeks to levy upon or seize any part of the Project; (d) for any condemnation or taking of any part of or interest in the Project; (e) with respect to any claimed personal injury, death or property damage on or about the Project; (f) otherwise purporting to affect the Project; or (g) which constitutes a Material Adverse Effect; then the Borrower shall promptly and vigorously contest such Litigation in good faith, resist the entry of any temporary or permanent injunction, and seek the stay of any such injunction that may be entered. The Bank may (but shall not be obligated to) commence, appear in, or defend any such Litigation, compromise or discharge adverse claims made with respect to the Project, purchase tax titles, remove prior liens or security interests, and pay all necessary expenses, including attorneys' fees, incurred in connection with such Litigation, which the Borrower shall reimburse to the Bank on demand and which shall be part of the Obligations secured by the Loan Documents.

Section 8.06 Preservation of Existence and Rights. The Borrower shall maintain and preserve its existence under the Laws of its jurisdiction of organization and under State Laws; preserve, protect, renew and extend all franchises, permits, licenses, privileges, concessions and other material rights applicable to the Borrower or the Project; and shall not make any material change in its structure without the Bank's prior written consent.

Section 8.07 Payment and Performance. The Borrower shall perform all the Obligations in accordance with the Loan Documents. The Borrower shall promptly pay or cause to be paid when due all costs, expenses, debts and liabilities of any character (including all debts and liabilities for Work and for utilities serving the Project) incurred in the ownership, development, construction, management, maintenance, repair, restoration or operation of the Project.

Section 8.08 Maintenance and Use. The Borrower will maintain its properties in good order and in compliance with all applicable Legal Requirements.

Section 8.09 Notice to Bank. The Borrower shall promptly notify the Bank in writing of any of the following events, specifying in each case the action the Borrower has taken or proposes to take with respect thereto: (a) the existence of any Event of Default or Potential Default; (b) any default by the Borrower under any Legal Requirement, or any default by the Borrower in the performance of any obligation, which constitutes a Material Adverse Effect; (c) any Litigation instituted or threatened against the Borrower or the Project or any development in any such Litigation; (d) any actual or threatened condemnation or other taking of any portion of the Project, any negotiations with respect thereto, or any loss of or substantial damage to any portion of the Project; (e) any material labor controversy pending or threatened against the Borrower or any material development therein; (f) any cancellation, materially adverse alteration or non-renewal of any insurance coverage with respect to the Project; (g) receipt by the Borrower of a notice or claim that any use or condition of the Project is not materially in compliance with any Legal Requirement; and (h) any change in the Borrower's name.

Section 8.10 Costs and Expenses. Without limitation of any Loan Documents and to the extent not prohibited by applicable Laws, the Borrower shall pay all Costs of Issuance whether or not the Loans actually close.

Section 8.11 Further Assurances. The Borrower shall promptly and duly execute and deliver to the Bank, at Borrower's own expense, such further documents, instruments and assurances and take such further action as the Bank may from time to time reasonably request in order to carry out the intent of the Loans, and to establish and protect the rights and remedies created or intended to be created in favor of the Bank thereunder. The Borrower shall additionally provide, at its own expense, such certificates, documents, reports, information, affidavits and other instruments and do such further acts deemed necessary, desirable or proper by the Bank to comply with the requirements of any agency having jurisdiction over the Bank.

Section 8.12 No Assignment. The Borrower shall not assign, transfer or encumber its rights or Obligations under any Loan Document or any proceeds of the Borrower Loan without the consent of the Bank and the Issuer.

Section 8.13 Estoppel Certificate. The Borrower shall at any time furnish within 10 days of request by the Bank a written statement in such form as may be required by the Bank, stating (i) that the Loan Documents are valid, binding and enforceable obligations of the Borrower; (ii) the outstanding principal balance of the Loans; (iii) the date to which interest is paid; (iv) that the Loan Documents have not been released, subordinated or modified; (v) that there are no offsets or defenses against the enforcement of the Loan Documents, and (vi) any such other matters reasonably requested by the Bank. If any of the foregoing statements are untrue, the Borrower shall, alternatively, specify the reasons therefor.

Section 8.14 Financial Reporting. The Borrower shall furnish or cause to be furnished to the Bank the following:

- (a) As soon as available and in any event within 180 days after the end of each fiscal year of the Borrower, audited financial statements (which shall mean and include a balance sheet, statement of cash flows and a statement of activities) of the Borrower, for the immediately preceding fiscal year, prepared in accordance with GAAP consistently applied.

(b) As soon as available and in any event within 45 days after the end of each fiscal quarter of the Borrower, unaudited financial statements of the Borrower for the immediately preceding fiscal quarter.

(c) At the same time the statements in subsections (a) and (b) above are furnished, the Borrower shall also deliver to the Bank a certificate signed by the Borrower's chief financial officer in the form acceptable to the Bank and showing the compliance with all financial covenants hereunder and stating that such officer has reviewed the obligations of the Borrower under this Agreement and the Borrower Note, and the performance of the Borrower thereunder, and has consulted with such officers and employees of the Borrower as he or she deemed appropriate and necessary for the purpose of delivering this certificate, and based on such review and consultation, certifies that no Event of Default and no event which with the giving of notice or the passage of time or both, would constitute an Event of Default has occurred and is continuing under the aforementioned documents.

(d) As soon as available and in any event within 30 days after the start of each fiscal year, the budget of the Borrower for such fiscal year.

(e) Such other financial or reporting information as the Bank reasonably requests.

Section 8.15 Books and Records. The Borrower will keep accurate books and records in accordance with GAAP in which full, true and correct entries shall be promptly made with respect to the Project and the operation thereof.

Section 8.16 Inspection of the Project and the Property. The Bank and its representatives may enter upon the Property or Project to inspect the Property or Project at all reasonable times during normal business hours. The Bank shall be liable for any damages resulting from such inspections. The Borrower will cooperate and assist in such inspections.

Section 8.17 Insurance. The Borrower shall maintain insurance on its properties and business, including but not limited to, fire and extended coverage, vandalism, malicious mischief and burglary, comprehensive property damage, liability, and other insurance reasonably deemed necessary or otherwise reasonably required by the Bank. The Borrower shall obtain flood insurance if the property subject to the Mortgage lies in a flood hazard area. All such policies shall be in amount in at least equal to the amount of the Borrower Loan and shall name the Bank as "mortgagee" or "additional insured" on all such policies.

Section 8.18 Affiliates. The Borrower shall not enter into any transaction, including, without limitation, the purchase, sale or exchange of Property or the rendering of any service, with any Affiliate of the Borrower, except in the ordinary course of and pursuant to the reasonable requirements of the Borrower's business and upon fair and reasonable terms no less favorable to the Borrower than would be obtained in a comparable arm's length transaction with a Person not an Affiliate of the Borrower.

Section 8.19 Loans. The Borrower shall not make any loans to any Person or entity.

Section 8.20 Fixed Charge Coverage Ratio. The Borrower will maintain, as of the end of each fiscal quarter on a rolling four quarter basis, a Fixed Charge Coverage Ratio of at least 1.10 to 1.0.

Section 8.21 Indebtedness to Tangible Net Worth. The Borrower will maintain, as of the end of each fiscal quarter, a ratio of Indebtedness to Tangible Net Worth of not greater than 2.0 to 1.0.

Section 8.22 Banking Relationship. The Borrower agrees to maintain its primary banking relationship with the Bank.

Section 8.23 Sale of Assets. The Borrower shall not sell, lease, assign, transfer or otherwise dispose of any of its assets or Properties, other than in the ordinary course of business.

Section 8.24 *Sale and Leaseback*. The Borrower shall not enter into any arrangement with any Person pursuant to which it leases from such Person real or personal Property that has been or is to be sold or transferred, directly or indirectly, by it to such Person.

Section 8.25 *Prepayment*. The Borrower shall not prepay any Indebtedness, except the Obligations in accordance with the terms of this Agreement.

Section 8.26 *Liens*. The Borrower shall not create, incur or permit to exist any Lien or encumbrance on any of its assets, other than (a) Liens and security interests securing Indebtedness owing to the Bank, (b) Liens for taxes, assessments or similar charges that are (i) not yet due or (ii) being contested in good faith by appropriate proceedings and for which Borrower has established adequate reserves, and (c) Liens and security interests existing as of the Closing Date which have been disclosed to and approved by the Bank in writing.

Section 8.27 *Indebtedness*. The Borrower shall not create, incur, permit or assume any Indebtedness, other than (a) Indebtedness to the Bank, (b) Indebtedness outstanding on the Closing Date which has been disclosed to and approved by the Bank in writing and (c) Indebtedness in an aggregate amount not to exceed \$500,000.

Section 8.28 *Transfer of Ownership*. The Borrower shall not permit the sale, pledge or other transfer of any of the ownership interests in Borrower.

Section 8.29 *Loans and Investments*. The Borrower shall not make any advance, loan, extension of credit, or capital contribution to or investment in, or purchase any stock, bonds, notes, debentures, or other securities of, any Person other than investments of the endowment fund in accordance with the Borrower's investment policy.

ARTICLE IX

MISCELLANEOUS

Section 9.01 *Term of Agreement*. This Agreement shall become effective upon the Closing and shall continue in full force and effect until all obligations of the Issuer and the Borrower under this Agreement have been fully paid.

Section 9.02 *Notices*.

(a) All notices, certificates, or other communications required by or made pursuant to this Agreement shall be in writing and given by certified or registered United States mail, return receipt requested or by Federal Express or other overnight courier service, addressed as follows:

(i) if to the Bank:

Compass Mortgage Corporation
1703 W. 5th Street, Ste. 500
Austin, Texas 78703
Attention: Sylvia Maggio

(ii) if to the Issuer:

Newark Cultural Education Facilities Finance Corporation
c/o City of Newark, Texas
209 Hudson
Newark, Texas 76071
Attention: Mayor

(iii) if to the Borrower:

Goodwill Industries of Central Texas and
Goodwill Temporary Services, Inc.
1015 Norwood Park Blvd.
Austin, Texas 78753
Attention: Chief Financial Officer

(b) The Issuer, the Bank, and the Borrower may designate any further or different addresses to which subsequent notices shall be sent; provided, that, any of such parties shall designate only one address for such party to receive such notices.

(c) Except as otherwise provided by this Agreement, any communication delivered by mail in compliance with this Section is deemed to have been given as of the date of deposit in the mail.

(d) A provision of this Agreement that provides for a specific method of giving notice or otherwise conflicts with this Section supersedes this Section to the extent of the conflict.

Section 9.03 Survival of Representations and Warranties. All representations and warranties made in this Agreement or any other Loan Document including any Loan Document furnished in connection with this Agreement shall survive the execution and delivery of this Agreement and the other Loan Documents, and no investigation by the Bank shall affect the representations and warranties or the right of the Bank to rely upon them.

Section 9.04 Non-Application of Chapter 346 of Texas Finance Code. The provisions of Chapter 346 of the Texas Finance Code are specifically declared by the parties not to be applicable to this Agreement or any of the Loan Documents or the transactions contemplated hereby.

Section 9.05 Arbitration. ANY CONTROVERSY OR CLAIM BETWEEN OR AMONG THE PARTIES HERETO INCLUDING BUT NOT LIMITED TO THOSE ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE LOANS OR ANY RELATED INSTRUMENTS, AGREEMENTS OR DOCUMENTS, INCLUDING ANY CLAIM BASED ON OR ARISING FROM ANY ALLEGED TORT, SHALL BE DETERMINED BY BINDING ARBITRATION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT (OR IF NOT APPLICABLE, THE APPLICABLE STATE LAW), THE RULES OF PRACTICE AND PROCEDURE FOR THE ARBITRATION OF COMMERCIAL DISPUTES OF J.A.M.S./ENDISPUTE AND ANY SUCCESSOR THEREOF (J.A.M.S.), AND THE "SPECIAL RULES" SET FORTH BELOW. IN THE EVENT OF ANY INCONSISTENCY, THE SPECIAL RULES SHALL CONTROL. JUDGMENT UPON ANY ARBITRATION AWARD MAY BE ENTERED IN ANY COURT HAVING JURISDICTION. ANY PARTY TO THIS AGREEMENT MAY BRING AN ACTION, INCLUDING A SUMMARY OR EXPEDITED PROCEEDING, TO COMPEL ARBITRATION OF ANY CONTROVERSY OR CLAIM TO WHICH THIS AGREEMENT APPLIES IN ANY COURT HAVING JURISDICTION OVER SUCH ACTION.

THE ARBITRATION SHALL BE CONDUCTED IN TRAVIS COUNTY, TEXAS, AND ADMINISTERED BY J.A.M.S. WHO WILL APPOINT AN ARBITRATOR; IF J.A.M.S. IS UNABLE OR LEGALLY PRECLUDED FROM ADMINISTERING THE ARBITRATION, THEN THE AMERICAN ARBITRATION ASSOCIATION WILL SERVE. ALL ARBITRATION HEARINGS WILL BE COMMENCED WITHIN 90 DAYS OF THE DEMAND FOR ARBITRATION; FURTHER, THE ARBITRATOR SHALL ONLY, UPON A SHOWING OF CAUSE, BE PERMITTED TO EXTEND THE COMMENCEMENT OF SUCH HEARING FOR UP TO AN ADDITIONAL 60 DAYS.

Section 9.06 Section 26.02 Notice. THIS AGREEMENT AND ALL OTHER INSTRUMENTS, DOCUMENTS AND AGREEMENTS EXECUTED AND DELIVERED IN CONNECTION WITH THIS AGREEMENT EMBODY THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THIS AGREEMENT, AND MAY

NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO.

Section 9.07 Binding Effect; Assignment. This Agreement shall (i) be binding upon the Issuer, its successors and assigns and the Borrower, its successors and assigns, and (ii) inure to the benefit of and be enforceable by the Bank and its successors, transferees and assigns; provided that neither the Issuer nor the Borrower may assign all or any part of this Agreement without the prior written consent of the Bank.

Section 9.08 Amendments Require Consent of Bank. The Issuer and the Borrower may not amend, or agree or consent to amendment of, the Issuer Documents or the Borrower Documents without the prior written consent of the Bank.

Section 9.09 Entire Agreement. THE ISSUER DOCUMENTS AND THE BORROWER DOCUMENTS CONTAIN THE ENTIRE AGREEMENT AMONG THE PARTIES, AND THERE ARE NO OTHER REPRESENTATIONS, ENDORSEMENTS, PROMISES, AGREEMENTS, OR UNDERSTANDINGS, ORAL OR WRITTEN, EXPRESS OR IMPLIED, AMONG THE ISSUER, THE BORROWER, AND THE BANK.

Section 9.10 Severability. If any part of this Agreement is ruled invalid or unenforceable by a court of competent jurisdiction, the invalidity or unenforceability thereof shall not affect the remainder of this Agreement.

Section 9.11 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same document.

Section 9.12 Applicable Law. This Agreement shall be governed in all respects, whether as to validity, construction, performance, or otherwise, by the Laws of the State and, if applicable, federal Law.

Section 9.13 Patriot Act. All capitalized words and phrases and all defined terms used in the USA Patriot Act of 2001, 107 Public Law 56 (October 26, 2001) (the "Patriot Act") and in other statutes and all orders, rules and regulations of the United States government and its various executive department, agencies and offices related to the subject matter of the Patriot Act, including, but not limited to, Executive Order 13224 effective September 24, 2001, are hereinafter collectively referred to as the "Patriot Rules" and are incorporated into this section. The Borrower represents and warrants to the Bank that neither it nor any of its principals, shareholders, members, partners, or Affiliates, as applicable, is a Person named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of any such Person. The Borrower further represents and warrants to the Bank that the Borrower and its principals, shareholders, members, partners, or Affiliates, as applicable, are not, directly or indirectly, engaged in, nor facilitating, the transactions contemplated by this Agreement on behalf of any Person named as a Specially Designated National and Blocked Person. The Borrower hereby agrees to defend, indemnify and hold harmless the Bank from and against any and all claims, damages, losses, risks, liabilities, and expenses (including reasonable attorneys' fees and costs) arising from or related to any breach of the foregoing representations and warranties.

[Signature pages follow]

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

COMPASS MORTGAGE CORPORATION

By: _____
Name: _____
Title: _____

NEWARK CULTURAL EDUCATION FACILITIES
FINANCE CORPORATION

By: _____
President, Board of Directors

GOODWILL INDUSTRIES OF CENTRAL TEXAS

By: _____
Gerald L. Davis
President

GOODWILL TEMPORARY SERVICES, INC.

By: _____
Name: _____
Title: _____

EXHIBIT A-1

FORM OF BORROWER NOTE

**THIS NOTE MAY NOT BE NEGOTIATED IN THE NAME OF BEARER, AND IS NOT
A REGISTERED OBLIGATION**

PROMISSORY NOTE

NEITHER THE STATE, TRAVIS COUNTY, TEXAS, WILLIAMSON COUNTY, TEXAS, THE CITY OF NEWARK, TEXAS NOR ANY POLITICAL ISSUER, SUBDIVISION, OR AGENCY OF THE STATE SHALL BE OBLIGATED TO PAY THIS NOTE OR THE INTEREST THEREON AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, TRAVIS COUNTY, TEXAS, WILLIAMSON COUNTY, TEXAS, THE CITY OF NEWARK, TEXAS, OR ANY OTHER POLITICAL ISSUER, SUBDIVISION, OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS NOTE.

Principal Amount: \$ _____

FOR VALUE RECEIVED, GOODWILL INDUSTRIES OF CENTRAL TEXAS and GOODWILL TEMPORARY SERVICES, INC. (collectively, the "Borrower"), does hereby promise to pay to the order of Newark Cultural Education Facilities Finance Corporation (the "Issuer"), or, if the right to receive payment hereof has been assigned by the Issuer in accordance with the terms of the Loan Agreement (the "Loan Agreement") dated as of December __, 2012 by and among the Issuer, the Borrower, and COMPASS MORTGAGE CORPORATION, to such assignee (referred to hereinafter as the "Bank"), in lawful money of the United States of America, the Principal Amount set forth above, together with interest from the Closing Date (as defined in the Loan Agreement) until the earlier of the maturity or prepayment hereof at the LIBOR Rate in installments as set forth in Exhibit B to the Loan Agreement. Such interest shall be calculated on the basis of actual days elapsed for a year of 360-days, except that if use of a year of 360-days results in interest exceeding any limitation on interest under Law, such interest shall be calculated on the basis of a year of 365- or 366-days, as applicable.

Notwithstanding any other provisions of this Note, interest payable on this Note, together with any other costs, consideration, or payments in the nature of and constituting interest under applicable Law (whether denominated as interest or as any other type of payment hereunder or thereunder, respectively) shall not exceed, and shall automatically be reduced to, the maximum amount or Maximum Rate (as defined in the Loan Agreement) and all such costs, consideration, and payments constituting interest shall be pro-rated, spread, and allocated, to the fullest extent permitted by Law, to such periods and loan amounts as will cause the money so paid or received to conform to and comply with applicable Law and the Maximum Rate.

If the Borrower shall fail to make any payment under the terms of this Note (other than the payment due at maturity) within ten (10) days after the date such payment is due, the Borrower shall pay to the Bank on demand a late charge equal to five percent (5%) of the amount of such payment. Such ten (10) day period shall not be construed as in any way extending the due date of any payment. The late charge is imposed for the purpose of defraying the expenses of the Bank incident to handling such delinquent payment. This charge shall be in addition to, and not in lieu of, any other amount that the Bank may be entitled to receive or action that Bank may be authorized to take as a result of such late payment.

UNLESS THE BORROWER SHALL BE IN DEFAULT under the Loan Agreement (in which case the amounts paid hereon shall be applied to the payment of the amounts and in the order specified in

Section 3.03 of the Loan Agreement), all sums paid hereon shall be applied first to the satisfaction of interest, and the balance to the unpaid principal amount of this Note.

THIS NOTE is the Note referred to in the Loan Agreement as the "Borrower Note", and is subject to all of the terms, conditions, and provisions thereof, including those respecting the prepayment and the acceleration of maturity hereof. This Note matures on December ____, 2022.

THE BORROWER hereby acknowledges that, pursuant to the Loan Agreement, the Issuer is assigning to Compass Mortgage Corporation all of the Issuer's rights, title, and interest in and to this Note.

THIS NOTE is a contract made under and shall be construed in accordance with and governed by the Laws of the State of Texas.

Dated: December ____, 2012

GOODWILL INDUSTRIES OF CENTRAL TEXAS

By: _____
Name: _____
Title: _____

GOODWILL TEMPORARY SERVICES, INC.

By: _____
Name: _____
Title: _____

ENDORSEMENT

Pay to the order of COMPASS MORTGAGE CORPORATION for the Issuer Loan made pursuant to the Loan Agreement without recourse or warranty, except warranty of good title, warranty that the Issuer has not assigned this Note to a party other than the Bank, and warranty that the original principal amount hereof remains unpaid.

NEWARK CULTURAL EDUCATION
FACILITIES FINANCE CORPORATION

By: _____
President

EXHIBIT A-2

FORM OF ISSUER NOTE

**THIS NOTE MAY NOT BE NEGOTIATED IN THE NAME OF BEARER, AND IS NOT
A REGISTERED OBLIGATION**

PROMISSORY NOTE

NEITHER THE STATE, TRAVIS COUNTY, TEXAS, WILLIAMSON COUNTY, TEXAS THE CITY OF NEWARK, TEXAS NOR ANY POLITICAL ISSUER, SUBDIVISION, OR AGENCY OF THE STATE SHALL BE OBLIGATED TO PAY THIS NOTE OR THE INTEREST THEREON AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, TRAVIS COUNTY, TEXAS, WILLIAMSON COUNTY, TEXAS, THE CITY OF NEWARK, TEXAS, OR ANY OTHER POLITICAL ISSUER, SUBDIVISION, OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS NOTE.

Principal Amount: \$ _____

FOR VALUE RECEIVED, NEWARK CULTURAL EDUCATION FACILITIES FINANCE CORPORATION (the "Issuer"), does hereby promise to pay to the order of COMPASS MORTGAGE CORPORATION (the "Bank"), in lawful money of the United States of America, the Principal Amount set forth above, together with interest from the Closing Date (as defined in the Loan Agreement dated as of December __, 2012, by and among the Issuer, GOODWILL INDUSTRIES OF CENTRAL TEXAS and GOODWILL TEMPORARY SERVICES, INC. and the Bank (the "Loan Agreement")) until the earlier of the maturity or prepayment hereof at the LIBOR Rate, in installments as set forth in Exhibit B to the Loan Agreement. Such interest shall be calculated on the basis of actual days elapsed for a year of 360-days, except that if use of a year of 360-days results in interest exceeding any limitation on interest under Law, such interest shall be calculated on the basis of a year of 365- or 366-days, as applicable.

Notwithstanding any other provisions of this Note, interest payable on this Note, together with any other costs, consideration, or payments in the nature of and constituting interest under applicable Law (whether denominated as interest or as any other type of payment hereunder or thereunder, respectively) shall not exceed, and shall automatically be reduced to, the maximum amount or Maximum Rate (as defined in the Loan Agreement); and all such costs, consideration, and payments constituting interest shall be pro-rated, spread, and allocated, to the fullest extent permitted by Law, to such periods and loan amounts as will cause the money so paid or received to conform to and comply with applicable Law and the Maximum Rate.

If the Issuer shall fail to make any payment under the terms of this Note (other than the payment due at maturity) within ten (10) days after the date such payment is due, the Issuer shall pay to the Bank on demand a late charge equal to five percent (5%) of the amount of such payment. Such ten (10) day period shall not be construed as in any way extending the due date of any payment. The late charge is imposed for the purpose of defraying the expenses of the Bank incident to handling such delinquent payment. This charge shall be in addition to, and not in lieu of, any other amount that the Bank may be entitled to receive or action that Bank may be authorized to take as a result of such late payment.

UNLESS THE ISSUER SHALL BE IN DEFAULT under the Loan Agreement (in which case the amounts paid hereon shall be applied to the payment of the amounts and in the order specified in Section 2.03 of the Loan Agreement), all sums paid hereon shall be applied first to the satisfaction of interest, and the balance to the unpaid principal amount of this Note.

THIS NOTE is the Note referred to in the Loan Agreement as the "Issuer Note", and is subject to all of the terms, conditions, and provisions thereof, including those respecting the prepayment and the acceleration of maturity hereof. This Note matures on December ____, 2022.

THIS NOTE is payable solely from the sources and funds provided in the Loan Agreement and from no other source. The holder of this Note shall have no recourse against the Issuer or any of its assets other than those provided in the Loan Agreement.

THIS NOTE is a contract made under and shall be construed in accordance with and governed by the Laws of the State of Texas.

NEWARK CULTURAL EDUCATION
FACILITIES FINANCE CORPORATION

Dated: December ____, 2012

By: _____
President

EXHIBIT B
SCHEDULE OF PRINCIPAL PAYMENTS