

69

98025386

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

98 APR -9 PM 12:16

MORRIS W. SMITH

TRUST INDENTURE AND MORTGAGE

between

TRI-CREEK LAKE PRAIRIE SCHOOL BUILDING CORPORATION

as "Corporation"

**This Document is the property of
the Lake County Recorder!**

and

MERCANTILE NATIONAL BANK OF INDIANA

as "Trustee"

STOP



First Mortgage Notes and Bonds, Series 1998

Dated as of January 1, 1998

215443
TICOR TITLE INSURANCE
Crown Point, Indiana

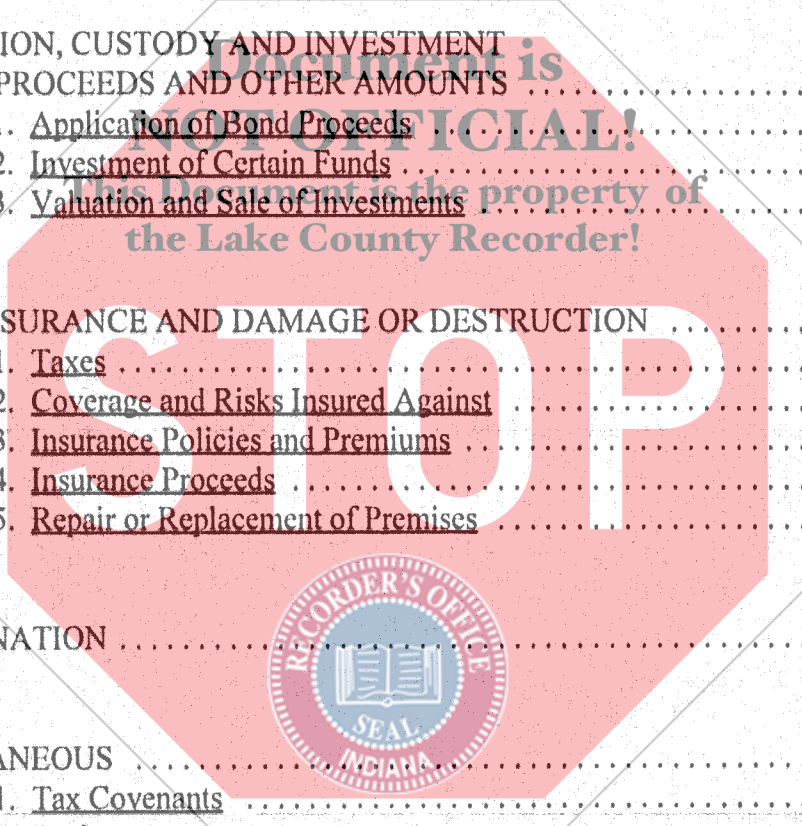
145⁰²
31

TABLE OF CONTENTS

(This Table of Contents is not a part of the Trust Indenture and Mortgage and is for convenience of reference only.)

Preambles	1
Granting Clauses	2
ARTICLE I	
DEFINITIONS	4
Section 1.01. <u>Certain Words and Terms Defined</u>	4
Section 1.02. <u>Interpretation</u>	10
ARTICLE II	
TERMS AND PROVISIONS OF THE ISSUANCE OF THE BONDS	12
Section 2.01. <u>Principal Amount, Designation and Series</u>	12
Section 2.02. <u>Purpose</u>	12
Section 2.03. <u>Original Issue Date</u>	12
Section 2.04. <u>Maturities and Interest Rates</u>	12
Section 2.05. <u>Denominations, Numbers and Letters</u>	12
Section 2.06. <u>Paying Agent</u>	13
Section 2.07. <u>Sale of Bonds</u>	13
Section 2.08. <u>Delivery</u>	13
Section 2.09. <u>Payment of Principal of, Premium, if any, and Interest on Bonds</u>	13
Section 2.10. <u>Execution</u>	14
Section 2.11. <u>Authentication</u>	14
Section 2.12. <u>Mutilated, Lost, Stolen or Destroyed Bonds</u>	14
Section 2.13. <u>Equality of Lien</u>	15
Section 2.14. <u>Indenture to Constitute Contract</u>	15
Section 2.15. <u>Exchangeability of Bonds</u>	15
Section 2.16. <u>Negotiability, Transfer and Registry</u>	15
Section 2.17. <u>Transfer of Bonds</u>	15
Section 2.18. <u>Regulations with Respect to Exchanges and Transfers</u>	16
Section 2.19. <u>Preparation of Definitive Bonds; Temporary Bonds</u>	16
Section 2.20. <u>Cancellation and Destruction of Bonds</u>	16
Section 2.21. <u>Form of the Bonds</u>	17
Section 2.22. <u>Provisions for Issuance of Additional Bonds</u>	17
ARTICLE III	
REDEMPTION OF THE BONDS	17
Section 3.01. <u>Optional Redemption of the Bonds</u>	17
Section 3.02. <u>Mandatory Sinking Fund Redemption of the Bonds</u>	17
Section 3.03. <u>Selection of 1998 Bonds to Be Redeemed</u>	17

Section 3.04. <u>Notice of Redemption</u>	18
Section 3.05. <u>Payment of Redeemed Bonds</u>	18
ARTICLE IV	
ACCOUNTS	19
Section 4.01. <u>Establishment of Accounts</u>	19
Section 4.02. <u>Identification of Accounts</u>	19
Section 4.03. <u>Construction Account</u>	19
Section 4.04. <u>Revenue Account</u>	20
Section 4.05. <u>[Intentionally Reserved]</u>	21
Section 4.06. <u>Redemption Account</u>	21
ARTICLE V	
APPLICATION, CUSTODY AND INVESTMENT OF BOND PROCEEDS AND OTHER AMOUNTS	21
Section 5.01. <u>Application of Bond Proceeds</u>	21
Section 5.02. <u>Investment of Certain Funds</u>	21
Section 5.03. <u>Valuation and Sale of Investments</u>	22
ARTICLE VI	
TAXES, INSURANCE AND DAMAGE OR DESTRUCTION	22
Section 6.01. <u>Taxes</u>	22
Section 6.02. <u>Coverage and Risks Insured Against</u>	22
Section 6.03. <u>Insurance Policies and Premiums</u>	25
Section 6.04. <u>Insurance Proceeds</u>	25
Section 6.05. <u>Repair or Replacement of Premises</u>	26
ARTICLE VII	
CONDEMNATION	26
ARTICLE VIII	
MISCELLANEOUS	27
Section 8.01. <u>Tax Covenants</u>	27
Section 8.02. <u>Performance</u>	27
Section 8.03. <u>Compliance with Conditions Precedent</u>	27
Section 8.04. <u>Power to Issue Bonds and Pledge Revenues, Funds and Other Property</u>	27
Section 8.05. <u>Payment of Bonds</u>	28
Section 8.06. <u>Extensions of Payment</u>	28
Section 8.07. <u>Offices for Servicing Bonds</u>	28
Section 8.08. <u>Waiver of Laws</u>	28
Section 8.09. <u>Furnishing Records and Statements</u>	28
Section 8.10. <u>Trustee's Charges Paid by Corporation</u>	29
Section 8.11. <u>Sale or Other Disposition</u>	29



Section 8.12.	<u>Amendments of Lease</u>	29
Section 8.13.	<u>Compliance with Lease Provisions</u>	29
Section 8.14.	<u>Maintenance of Premises: Title</u>	30
Section 8.15.	<u>Further Assurances</u>	30
Section 8.16.	<u>Maintenance of Corporate Existence</u>	30
Section 8.17.	<u>Not-for-profit Purposes: Dividends</u>	31
Section 8.18.	<u>Amendments to Articles of Incorporation and By-Laws</u>	31
Section 8.19.	<u>Defaults in Rentals under Lease</u>	31
Section 8.20.	<u>Successors and Assigns</u>	31
Section 8.21.	<u>Benefits of Indenture Limited</u>	31
Section 8.22.	<u>Waiver of Notice</u>	32
Section 8.23.	<u>Destruction of Bonds</u>	32
Section 8.24.	<u>Severability</u>	32
Section 8.25.	<u>Notice</u>	32
Section 8.26.	<u>Counterparts</u>	32
Section 8.27.	<u>No Recourse against Directors and Officers</u>	33
Section 8.28.	<u>Governing Law</u>	33
Section 8.29.	<u>Nonbusiness Days</u>	33
Section 8.30.	<u>Continuing Disclosure</u>	33

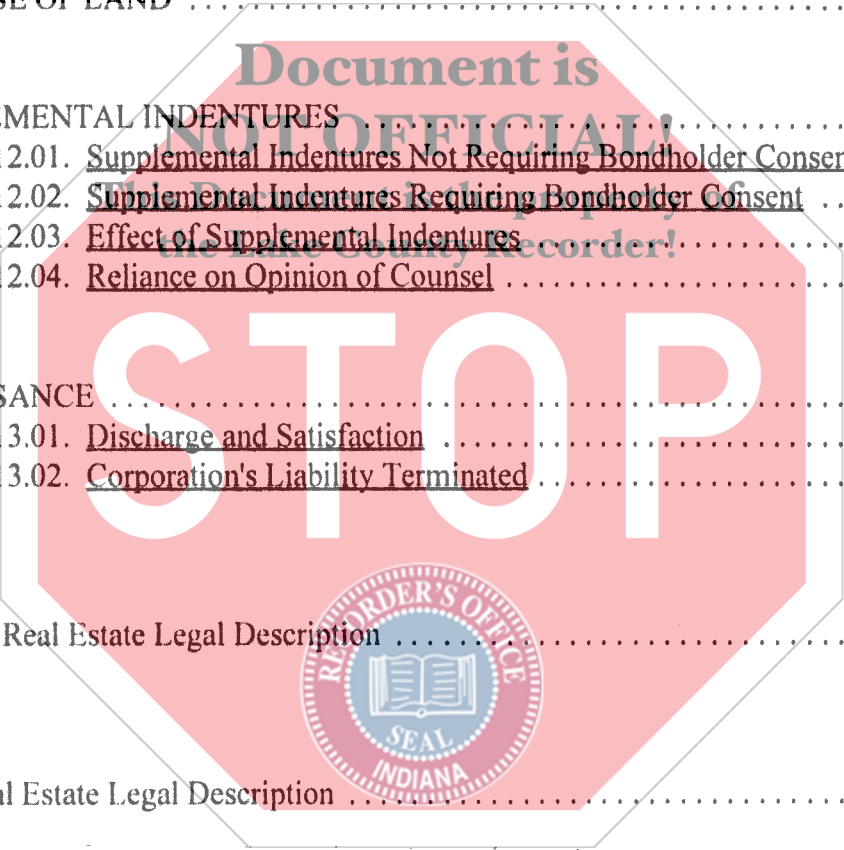
ARTICLE IX

CONCERNING THE TRUSTEE AND REGISTRAR AND PAYING AGENT		34
Section 9.01.	<u>Appointment and Acceptance of Duties of Trustee</u>	34
Section 9.02.	<u>Appointment and Acceptance of Duties of the Registrar and Paying Agent</u>	34
Section 9.03.	<u>Responsibility of the Trustee/Registrar and Paying Agent</u>	34
Section 9.04.	<u>Evidence upon which Trustee May Act</u>	34
Section 9.05.	<u>Compensation</u>	35
Section 9.06.	<u>Permitted Acts and Functions</u>	35
Section 9.07.	<u>Resignation of Trustee</u>	35
Section 9.08.	<u>Removal of Trustee/Registrar and Paying Agent</u>	35
Section 9.09.	<u>Appointment of Successor Trustee/Registrar and Paying Agent</u>	35
Section 9.10.	<u>Transfer of Rights and Property to Successor Trustee/Registrar and Paying Agent</u>	36
Section 9.11.	<u>Payment of Delinquent Taxes and Charges by Trustee</u>	37
Section 9.12.	<u>Merger or Consolidation</u>	37
Section 9.13.	<u>Adoption of Authentication</u>	37
Section 9.14.	<u>Evidence of Signatures of Bondholders and Ownership of Bonds</u>	37
Section 9.15.	<u>Bonds Owned by Corporation</u>	38
Section 9.16.	<u>Preservation and Inspection of Documents</u>	38
Section 9.17.	<u>Powers of Trustee under the Lease</u>	39

ARTICLE X

DEFAULT AND REMEDIES	39
----------------------------	----

Section 10.01. <u>Events of Default</u>	39
Section 10.02. <u>Tender of Payment after Default</u>	40
Section 10.03. <u>Acceleration</u>	40
Section 10.04. <u>Remedies</u>	40
Section 10.05. <u>Purchase Option to the Lessee</u>	42
Section 10.06. <u>Application of Proceeds upon Declaration of Acceleration</u>	42
Section 10.07. <u>Waiver of Rights on Foreclosure</u>	43
Section 10.08. <u>Waiver Not to Impair Subsequent Rights</u>	43
Section 10.09. <u>Control of Proceedings</u>	44
ARTICLE XI	
RELEASE OF LAND	44
ARTICLE XII	
SUPPLEMENTAL INDENTURES	45
Section 12.01. <u>Supplemental Indentures Not Requiring Bondholder Consent</u>	45
Section 12.02. <u>Supplemental Indentures Requiring Bondholder Consent</u>	47
Section 12.03. <u>Effect of Supplemental Indentures</u>	47
Section 12.04. <u>Reliance on Opinion of Counsel</u>	47
ARTICLE XIII	
DEFEASANCE	48
Section 13.01. <u>Discharge and Satisfaction</u>	48
Section 13.02. <u>Corporation's Liability Terminated</u>	48
EXHIBIT A	
Existing Real Estate Legal Description	A-1
EXHIBIT B	
New Real Estate Legal Description	B-1
EXHIBIT C	
Form of Note	C-1



TRUST INDENTURE AND MORTGAGE

This TRUST INDENTURE AND MORTGAGE is made and entered into as of January 1, 1998, by and between TRI-CREEK LAKE PRAIRIE SCHOOL BUILDING CORPORATION, an Indiana corporation (the "Corporation"), and MERCANTILE NATIONAL BANK OF INDIANA, as trustee (the "Trustee").

WITNESSETH:

Preambles

WHEREAS, the Corporation was organized pursuant to the Indiana Nonprofit Corporation Act of 1991, I.C. 23-17, for the sole purpose of acquiring the Building (hereinafter defined) and the sites thereof, renovating, expanding and equipping the New Building (hereinafter defined), leasing the same to Tri-Creek School Corporation, and collecting the rental therefor, all without profit to the Corporation, its officers and directors, and to issue bonds or other securities of the Corporation secured by a pledge or mortgage of its assets to carry out the above purpose, all in accordance with the provisions of the Indiana Code, Title 21, Article 5, Chapter 12 and acts amendatory thereof or supplemental thereto; and

WHEREAS, the Corporation has, by due corporate action, determined to borrow the sum of not to exceed \$8,665,000 for the purpose of paying the cost of acquiring the Building and the sites thereof, renovating, expanding and equipping the New Building, leasing the Building to Tri-Creek School Corporation, and collecting the rentals therefor, and to execute and issue its Bonds (hereinafter defined) in one or more series, in the form and according to the terms herein provided; and

WHEREAS, in order to secure the principal of, premium, if any, and interest on all said Bonds and the performance of the covenants herein contained, the Corporation has in like manner determined to execute and deliver this Indenture which shall be and constitute a mortgage or deed of trust with respect to the Real Estate (hereinafter defined); and

WHEREAS, all acts, proceedings and things necessary and required by law and by the bylaws of the Corporation to make the Bonds, when executed by the Corporation and authenticated by the Trustee, the valid, binding and legal obligations of the Corporation and to constitute and make this Indenture a valid and effective deed of trust and mortgage, have been done, taken and performed, and the issuance, execution and delivery of the Bonds, and the execution, acknowledgment and delivery of this Indenture have, in all respects, been duly authorized by the Corporation in the manner provided and required by law.

NOW, THEREFORE, KNOW ALL PERSONS BY THESE PRESENTS:

Granting Clauses

That the Corporation, in consideration of the premises and of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds by the holders thereof, and of the sum of One Dollar (\$1.00) in lawful money of the United States of America to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged; and in order to secure the payment of the principal of, premium, if any, and interest on all Bonds at any time issued and Outstanding under this Indenture according to their tenor and effect, and the performance and observance by the Corporation of all the covenants expressed or implied herein and in the Bonds, does hereby (on the terms herein provided and subject to the provisions hereof permitting the application of amounts held hereunder and the exercise of rights in connection with the following described property) convey, assign, mortgage, pledge, warrant and grant a security interest in and assign unto the Trustee and its respective successors in trust and their respective assigns, forever, to secure the performance of the obligations of the Corporation hereinafter set forth, all right, title and interest of the Corporation, now or hereafter acquired, in and to the following, to wit:

I.

The Real Estate, the Building and all other buildings, structures, improvements and appurtenances now standing, or at any time hereafter constructed or placed upon the Real Estate or any part thereof, including all building material, equipment and fixtures of every kind and nature whatsoever now or hereafter on said Premises (hereinafter defined) or any part thereof, and the reversions and remainders in and to said Real Estate and each and every part thereof, and together with the entire interest of the Corporation in and to all and singular the tenements, hereditaments, easements, rights, privileges and appurtenances to said Real Estate belonging or in any wise appertaining thereto, and to any streets, ways or alleys adjoining said Real Estate or any part thereof, and it being the intention of the parties hereto that so far as may be permitted by law, all tangible property now owned or hereafter acquired by the Corporation and affixed to or attached to said Real Estate shall be deemed to be, and shall be considered as, fixtures and appurtenances to the Real Estate.

II.

All right, title and interest of the Corporation in and to the Lease (hereinafter defined). However, the Corporation shall remain liable to observe and perform all of the conditions and covenants in the Lease to be observed and performed thereunder by it.

III.

All right, title and interest in and to the proceeds from the sale of all or any of the property described in Clauses I and II above.

IV.

All right, title and interest in and to the Revenues (hereinafter defined), moneys, securities, documents, contract rights and intangibles from time to time held by the Trustee under this Indenture.

V.

Any and all other property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred as and for additional security hereunder by the Corporation or by anyone in its behalf to the Trustee, which is hereby authorized to receive the same at any time as additional security hereunder.

Document is
VI.
NOT OFFICIAL!

All property which is by the express provisions of this Indenture required or intended to be subject to the pledge hereof and any additional property that may, from time to time hereafter, by delivery or by writing of any kind, be subjected to the pledge hereof by the Corporation or by anyone in its behalf, and the Trustee is hereby authorized to receive the same at any time as additional security hereunder. The Corporation and the Trustee are authorized to execute, and the Trustee, or the Corporation on the Trustee's behalf, is authorized to file, financing statements or other documents to perfect such pledge and assignment.

TO HAVE AND TO HOLD, all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors and assigns forever to its and their proper use and benefit;

IN TRUST, however, subject to the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of the present and future holders and owners of the Bonds, without privilege, priority or distinction as to lien or otherwise of any one of the Bonds over any other of the Bonds except as may be expressly provided herein;

PROVIDED HOWEVER, that if the Corporation or its successors or assigns, shall well and truly pay, or cause to be paid, the principal of, premium, if any, and interest on the Bonds, due or to become due thereon, at the times and in the manner mentioned in the Bonds, according to the true intent and meaning thereof, and shall cause the payments to be made on the Bonds as required herein, or shall provide, as permitted herein, for the payment thereof by depositing with the Trustee the amount due and to become due thereon and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon the final payment thereof, this Indenture and the rights hereby granted shall cease, determine and be void; otherwise this Indenture shall be and remain in full force and effect.

THIS INDENTURE OF TRUST FURTHER WITNESSETH and it is expressly declared that all Bonds are to be issued, authenticated and delivered and all said property, rights and interest, including, without limitation, the revenues and other amounts hereby assigned and pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Corporation has agreed and covenanted, and does hereby agree and covenant with the Trustee and with the respective holders and owners of the Bonds as follows:

ARTICLE I
DEFINITIONS

Section 1.01. Certain Words and Terms Defined. In addition to words and terms elsewhere defined in this Indenture, the following words and terms as used in this Indenture and in the Bonds shall have the following meanings unless some other meaning is plainly intended:

"Accounts" means the accounts created pursuant to Section 4.01 hereof.

"Additional Bonds" means bonds issued in addition to the Bonds pursuant to Section 2.22 and a Supplemental Indenture.

"Authorized Officer of the Lessee" means the President or the Secretary of the Board of School Trustees of Tri-Creek School Corporation.

"Authorized Officer of the Corporation" means the President or the Vice President of the Corporation.

"Authorized Officer of the Trustee" means any Vice President or Trust Officer of the Trustee.

"Beneficial Owner" means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including any person holding Bonds through nominees, depositories or other intermediaries).

"Bondholder" or "holder" or words of similar import when used with reference to a Bond means the registered owner of a Bond.

"Bond" or "Bonds" means one or more of the Notes or 1998 Bonds.

"Bond Closing Date" means the date of issuance of the 1998 Bonds.

"Bond Purchase Agreement" means the Bond Purchase Agreement to be entered into between the Bond Purchaser and the Corporation in connection with the sale and issuance of the 1998 Bonds.

"Bond Purchaser" means City Securities Corporation.

"Building" means the Existing Building and the New Building until the lease term expires with respect to the Existing Building and the Existing Real Estate at which time the term will be deemed to include only the New Building.

"Closing Date" means January 27, 1998.

"Completion Certificate" means the certificate to be delivered by the Corporation to the Lessee, the Trustee and the Bond Purchaser on the date on which the New Building is substantially completed and ready for occupancy pursuant to Section 4.03 of the Lease.

"Completion Date" means the date on which the New Building is substantially completed and ready for occupancy as evidenced by the Completion Certificate.

"Construction Account" means the Tri-Creek Lake Prairie School Building Corporation Construction Account created pursuant to Section 4.01 hereof.

"Continuing Disclosure Agreement" means that certain Continuing Disclosure Undertaking Agreement, dated the Bond Closing Date, to be executed and delivered by the Lessee in connection with the issuance of the 1998 Bonds, and as it may be amended from time to time in accordance with the terms thereof.

"Corporation" means Tri-Creek Lake Prairie School Building Corporation, an Indiana corporation, with its principal office in Allen County, Indiana.

"Event of Default" means any of the events specified in Section 10.01 hereof.

"Existing Building" means the structures located on the Existing Real Estate, including the old Oak Hill Elementary School building located at 195 West Oakley Avenue, in Lowell, Indiana, any additions or renovations thereto and any fixtures or equipment located therein related to the operation of such structures.

"Existing Real Estate" means the real property described in Exhibit A attached hereto.

"Indenture" means this Trust Indenture and Mortgage, dated as of January 1, 1998, by and between the Corporation and the Trustee, as amended or supplemented from time to time.

"Interest Payment Date" means January 15 and July 15, commencing January 15, 1999, of each year in which this Indenture remains in full force and effect.

"Investment Securities" means any of the following, if then authorized by State law:

(1) Obligations of, or guaranteed as to principal and interest by, the United States of America, or by any agency or instrumentality thereof hereinafter

designated when such obligations are backed by the full faith and credit of the United States of America. These are limited to:

- (a) All direct or fully guaranteed obligations of the United States Treasury;
 - (b) General Services Administration participation certificates;
 - (c) guaranteed Title XI obligations of the United States Maritime Administration;
 - (d) Small Business Administration guaranteed participation certificates and guaranteed pool certificates;
 - (e) Government National Mortgage Association guaranteed mortgage backed securities and guaranteed participation certificates;
 - (f) United States Department of Housing and Urban Development local authority bonds; and
 - (g) Washington Metropolitan Area Transit Authority guaranteed transit bonds;
- (2) Obligations of instrumentalities or agencies of the United States of America. These are specifically limited to:
- (a) participation certificates and debt obligations of the Federal Home Loan Mortgage Corporation;
 - (b) consolidated debt obligations and letter of credit backed issues of Federal Home Loan Banks; and
 - (c) debt obligations and mortgage backed securities (excluding stripped mortgage securities which are valued greater than par on the portion of their unpaid principal) of the Federal National Mortgage Association;
- (3) Federal Housing Administration debentures;
- (4) Commercial paper, payable in the United States of America, which are rated in the highest rating category by Standard & Poor's Corporation and Moody's Investors Service;

(5) Interest-bearing demand or time deposits issued by state banks or trust companies, savings and loan associations, federal savings banks or any national banking association, the deposits of which are insured by the Bank Insurance Fund (BIF) or the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation (SAIF) or any successors thereto. These deposits: (a) must be continuously and fully insured by BIF or SAIF, or (b) must have maturities of less than three hundred sixty-six (366) days and be deposited with banks, the short-term obligations of which are rated A-1+ by Standard & Poor's Corporation and P-1 by Moody's Investors Service; and

(6) Money market mutual funds or portfolios investing in short-term United States Treasury securities rated AAAM or AAAM-G by Standard & Poor's Corporation.

"Lease" means the lease by and between the Corporation, as lessor, and Tri-Creek School Corporation, Lake County, Indiana, as lessee, dated December 1, 1997, as amended by the Addendum to Lease, dated January 21, 1998, and as it may be hereafter amended or supplemented from time to time.

"Lessee" means Tri-Creek School Corporation, Lake County, Indiana, created and existing under the laws of the State.

"New Building" means Lake Prairie Elementary School and the renovations and additions thereto, to be completed on the New Real Estate, located in Lowell, Indiana, in accordance with the plans and specifications prepared for the Corporation by Fanning/Howey Associates, Inc., architects and engineers of Michigan City, Indiana, and approved by the Lessee, together with any other renovations or additions thereto and any fixtures and equipment located therein related to the operation of Lake Prairie Elementary School.

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

"1998 Bond" or "1998 Bonds" means one or more of the first mortgage bonds authenticated and delivered pursuant to this Indenture and the 1998 Bond Indenture.

"1998 Bond Indenture" means the Supplemental Indenture authorizing the issuance of the 1998 Bonds.

"Note" or "Notes" means one or more of the first mortgage notes authenticated and delivered pursuant to this Indenture.

"Note Purchase Agreement" means the Note Purchase Agreement dated January 12, 1998, entered into between the Bond Purchaser and the Corporation in connection with the issuance and sale of the Notes.

"Outstanding," when used with reference to Bonds, means, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under this Indenture and the 1998 Bond Indenture except:

(1) any Bond canceled by the Trustee or delivered to the Trustee for cancellation at or prior to such date;

(2) any Bond (or portion of a Bond) for which there have been separately set aside and held in the Redemption Account hereunder either:

(a) moneys in an amount sufficient to effect payment of the applicable Redemption Price of such Bond, together with accrued interest to the Redemption Date;

(b) Investment Securities, in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to provide moneys in an amount sufficient to effect payment of the applicable Redemption Price of such Bond, together with accrued interest on such Bond to the Redemption Date; or

(c) any combination of (a) and (b) above;

(3) any Bond in lieu of or in substitution for which another Bond or Bonds shall have been authenticated and delivered pursuant to this Indenture; and

(4) any Bond deemed to have been paid as provided in Sections 3.05 or 13.01.

"Permitted Encumbrances" means as of any particular time the following:

(1) this Indenture and the Lease;

(2) liens for taxes and special assessments which are not then delinquent;

(3) utility, access and other easements and rights-of-way, restrictions, covenants, conditions and exceptions that the Corporation shall certify will not substantially interfere with or substantially impair the operation of the Building;

(4) any mechanic's, laborer's, materialman's, supplier's or vendor's liens, or rights in respect thereof, if payment shall not yet be due under the contract in question, or if the same is being contested in good faith and proceedings, if any, to execute on the Premises have been stayed;

(5) such minor defects, irregularities, encumbrances, rights-of-way and clouds on title as normally exist with respect to property similar in character to the Building and which do not materially impair the property affected thereby for the purpose for which they were acquired or are held by the Corporation; and

(6) zoning laws and similar restrictions; liens arising in connection with workmen's compensation, unemployment insurance, statutory obligations or social security legislation; undetermined liens and charges incidental to the renovation and expansion of the Building, or other similar charges arising in the ordinary course of operation and not overdue; and such liens and charges at the time required by law as a condition precedent to the normal activities of the Corporation and the Lessee or the exercise of any privilege or license necessary to the Corporation or the Lessee.

"Premises" means the Real Estate, Building, and all equipment furnished by the Corporation to the Lessee.

"Real Estate" means the Existing Real Estate and the New Real Estate until the Lease expires with respect to the Existing Real Estate, at which time the term will be deemed to include only the New Real Estate.

"Record Date" means the last day of the month preceding each Interest Payment Date.

"Redemption Account" means the Tri-Creek Lake Prairie School Building Corporation Redemption Account created pursuant to Section 4.01 hereof.

"Redemption Date" means the date upon which Bonds are to be called for redemption pursuant to this Indenture.

"Redemption Price" means, with respect to any Bonds, the principal and premium, if any, payable upon redemption thereof.

"Registrar and Paying Agent" means any bank or trust company designated as registrar and paying agent of the Bonds, and its successor or successors hereafter appointed in the manner herein provided. Initially, the Registrar and Paying Agent shall be the Trustee.

"Revenue Account" means the Tri-Creek Lake Prairie School Building Corporation Revenue Account created pursuant to Section 4.01 hereof.

"Revenues" means upon receipt by the Corporation or the Trustee on behalf of the Corporation thereof all payments and moneys derived by the Corporation from the leasing of the Premises, including but not limited to:

- (1) all interest earned on Investment Securities;

- (2) all payments of Annual Rent (as defined in the Lease);
- (3) all payments of Additional Rental (as defined in the Lease);
- (4) the net proceeds of any condemnation award in the event of the condemnation of less than a material part of the Building and not required for its restoration;
- (5) net insurance proceeds in the event of damage to the Building and not required for its restoration;
- (6) the net proceeds of any title insurance policy covering the Premises and not required to remedy any defect in title;
- (7) the net proceeds of any condemnation in the event of the condemnation of all or substantially all of the Premises;
- (8) net insurance proceeds in the event of the destruction of all or substantially all of the Building and not required for its restoration; and
- (9) net proceeds from the sale of the Premises.

"State" means the State of Indiana.

"Supplemental Indenture" means any indenture, including the 1998 Bond Indenture, that amends or supplements this Indenture and is entered into in accordance with Article XII hereof.

"Trust Estate" means the collateral and assets described in the Granting Clauses hereof including additions thereto as contemplated in Granting Clauses V and VI.

"Trustee" means Mercantile National Bank of Indiana, a national banking association or state bank organized and existing under and by virtue of the laws of the United States of America or the State and being duly qualified to accept and administer the trusts hereby created, and having its principal place of business in the City of Hammond, Indiana, and its successors in trust.

"Written Request" with respect to the Corporation means a request in writing signed by an Authorized Officer of the Corporation or by any other officer of the Corporation satisfactory to the Trustee.

Section 1.02. Interpretation. (A) In this Indenture, unless the context otherwise requires:

- (1) the terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Indenture, refer to this Indenture, and the term "heretofore" means before, and the term "hereafter" means after, the Closing Date;

(2) words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa;

(3) words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(4) any headings preceding the texts of the several Articles and Sections of this Indenture, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect;

(5) if at any time there shall be one person who shall be the holder of all of the Outstanding Bonds and the consent of the Trustee shall be required under this Indenture, such consent means the consent of such person, unless such person shall have been notified and shall not have responded within a reasonable period of time;

(6) this Indenture shall be governed by and construed in accordance with the applicable laws of the State;

(7) words importing the redemption or redeeming of a Bond or the calling of a Bond for redemption do not include or connote the payment of such Bond at its stated maturity or the purchase of said Bond;

(8) references to the payment of the Bonds shall be deemed to include references to the payment of interest thereon;

(9) whenever in this Indenture, the Corporation or the Trustee is named or referred to, it shall and shall be deemed to include its successors and assigns whether so expressed or not and all of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the Corporation contained in this Indenture shall bind and inure to the benefit of such successors and assigns and shall bind and inure to the benefit of any officer, board, commission, authority, agency or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Corporation, or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions of this Indenture; and

(10) any reference in this Indenture to principal of or interest on Bonds which is payable on a certain date or during a certain period is reference to an amount payable on such date (including the applicable premium, if any, with respect to any

Bond which has been called for redemption) or during such period and does not include the obligation to pay any principal or interest after such date or period.

(B) Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person, other than the Corporation, the Trustee and the holders of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the Corporation, shall be for the sole and exclusive benefit of the Corporation, the Trustee and the holders of the Bonds.

(C) If any one or more of the covenants or agreements provided herein on the part of the Corporation or Trustee to be performed should be contrary to law, then such covenant or agreement shall be deemed separable from the remaining covenants and agreements hereof and shall in no way affect the validity of the other provisions of this Indenture or of the Bonds.

NOT OFFICIAL!

ARTICLE II
TERMS AND PROVISIONS OF THE ISSUANCE OF THE BONDS

Section 2.01. Principal Amount, Designation and Series. The Notes shall be designated as First Mortgage Notes, Series 1998, in the aggregate principal amount of \$460,000. The 1998 Bonds shall be designated as First Mortgage Bonds, Series 1998, in an aggregate principal amount to be determined in the 1998 Bond Indenture, but in no event in excess of \$8,205,000 plus the principal amount of the Notes, if any, refunded by the 1998 Bonds. The Bonds shall be fully registered in accordance with Section 2.16 hereof.

Section 2.02. Purpose. The proceeds of the Bonds shall be deposited in the Accounts established pursuant to this Indenture in order to make funds available for the purchase of the Real Estate, the renovation, expansion and equipping of the Building and the making of other site improvements related thereto and to pay the costs of issuance of the Bonds. The proceeds of the 1998 Bonds may be used to refund all of the Notes.

Section 2.03. Original Issue Date. The original issue date of the Notes is January 27, 1998. The original issue date of the 1998 Bonds shall be determined in the 1998 Bond Indenture.

Section 2.04. Maturities and Interest Rates. The Notes shall mature and bear interest at the per annum rate of 6.00% payable on January 15, 1999. The 1998 Bonds shall mature on the dates and in the principal amounts and shall bear interest for each maturity payable on a January 15, or July 15, and semiannually thereafter on January 15 and July 15 of each year at the per annum rates to be determined in the 1998 Bond Indenture.

Section 2.05. Denominations, Numbers and Letters. The Notes shall be issued in denominations of \$100,000 or integral multiples of \$5,000 over \$100,000. The 1998 Bonds maturing on any date shall be issued in denominations of Five Thousand Dollars (\$5,000) or any

integral multiple thereof not exceeding the aggregate principal amount maturing on such date. The Notes and the 1998 Bonds shall each be numbered and lettered consecutively from R-1 and upward.

Section 2.06. Paying Agent. Mercantile National Bank of Indiana is hereby appointed the Paying Agent for the Bonds.

Section 2.07. Sale of Bonds. The Notes and the 1998 Bonds shall be sold in accordance with the Note Purchase Agreement and the Bond Purchase Agreement, respectively, at such prices, in such manner and on the terms and conditions and upon the basis of the representations set forth therein.

Section 2.08. Delivery. After their execution as herein provided, the Notes and the 1998 Bonds shall be authenticated by the Trustee and shall be delivered to the purchasers thereof in accordance with the Note Purchase Agreement and the Bond Purchase Agreement, respectively.

Section 2.09. Payment of Principal of, Premium, if any, and Interest on Bonds. The principal of and interest on the Notes and the principal of and any premium on the 1998 Bonds shall be payable in lawful money of the United States of America upon the surrender of such Bond at the principal corporate trust office of the Trustee or at the office designated by the Trustee or any Paying Agent.

Interest on the 1998 Bonds shall be paid by check which the Trustee shall cause to be mailed one business day prior to each Interest Payment Date to the registered owner thereof as determined by reference to the name and address on the registration books of the Corporation held by the Trustee on the Record Date, or by wire transfer on the Interest Payment Date to any holder in the aggregate of \$1,000,000 or more of the principal amount of the 1998 Bonds, upon the written request of such holder to the Trustee. Interest on the Notes shall be payable on their maturity date and shall bear interest from the original issue date of the Notes until the principal shall be fully paid. Interest on the 1998 Bonds shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of authentication of the 1998 Bond, unless: (i) the 1998 Bond is authenticated after the fifteenth day preceding an Interest Payment Date and on or before such Interest Payment Date, in which case it shall bear interest from such Interest Payment Date; (ii) the 1998 Bond is authenticated on or before the fifteenth day preceding the first Interest Payment Date, in which case it shall bear interest from the original issue date of the 1998 Bonds; or (iii) if at the time the 1998 Bond is authenticated interest is in default on the 1998 Bonds then Outstanding, the 1998 Bond shall bear interest from the date to which interest in full has previously been paid or made available for payment on the 1998 Bonds then Outstanding; and in each case above, until the principal shall be fully paid. Interest on the Notes shall be calculated on the basis of actual days elapsed in a year of 365 days. Interest on the 1998 Bonds shall be calculated on the basis of a 360-day calendar year consisting of twelve 30-day months.

Any moneys deposited with the Trustee in accordance with the terms and provisions of this Indenture, or any moneys held by the Paying Agent, in trust for the payment of the principal of and redemption premium, if any, or interest on the Bonds and remaining unclaimed by any Bondholder

for seven years after the due date of such principal or interest or the Redemption Date of such Bonds, as the case may be, shall be applied by the Trustee in accordance with the Unclaimed Property Act, I.C. 32-9-1.5, as amended from time to time. Prior to the transfer of any such moneys to the Attorney General of the State in accordance with the Unclaimed Property Act, the Registrar and Paying Agent will conduct searches in an effort to locate lost Bondholders using reasonable care to ascertain the correct addresses of all lost Bondholders in accordance with the rules governing registered transfer agents promulgated by the Securities Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, but only if and so long as the Registrar and Paying Agent is a registered transfer agent under those rules. Upon the transfer of such moneys to the Attorney General of the State in accordance with the Unclaimed Property Act, the Corporation, the Lessee, the Registrar and Paying Agent and the Trustee shall have no further responsibility or liability with respect to such moneys, and the Bondholders entitled to such principal, interest or redemption premium, shall look only to the State for payment, to the extent provided by law, and then only to the extent of the amounts so received by the State, without any interest thereon.

Section 2.10. Execution. The Bonds shall be executed in the name of the Corporation by the manual or facsimile signature of an Authorized Officer and shall be attested by the manual or facsimile signature of its Secretary or Assistant Secretary. In case any officer of the Corporation who shall have signed any Bond shall cease to be such officer before such Bond shall have actually been authenticated by the Registrar and Paying Agent or delivered and issued, such Bond may be authenticated, delivered and issued with the same effect as though the person who had signed such Bond had not ceased to be an officer of the Corporation.

Section 2.11. Authentication. Only Bonds authenticated by the endorsement thereon of a certificate of authentication manually executed by an authorized officer of the Registrar and Paying Agent shall be valid for any purpose, be secured by this Indenture, or be entitled to any benefit hereunder; and every certificate of the Registrar and Paying Agent upon any Bond purporting to be secured hereby shall be conclusive evidence that such Bond so authenticated has been duly authenticated and delivered hereunder.

Section 2.12. Mutilated, Lost, Stolen or Destroyed Bonds. In case any temporary or definitive Bond issued hereunder shall become mutilated, lost, stolen or destroyed, the Corporation, in its discretion, may issue, and the Registrar and Paying Agent shall thereupon authenticate and deliver, a new Bond of like tenor, amount, maturity, interest rate and date, and bearing the same or a different number, in exchange and substitution for, and upon the cancellation of, the mutilated Bond, or in lieu of and substitution for such lost, stolen or destroyed Bond; or if any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond, the Corporation may pay such Bond without surrender thereof, but in no event prior to its maturity date. In every case, the applicant shall furnish evidence satisfactory to the Trustee and/or the Registrar and Paying Agent of the destruction, theft or loss of such Bond and indemnity satisfactory to the Trustee and/or the Registrar and Paying Agent. The Trustee and/or the Registrar and Paying Agent may charge for the issuance of such new Bond an amount sufficient to reimburse the Trustee for the expense incurred by it in the issuance thereof.

Section 2.13. Equality of Lien. The pledges and covenants herein set forth to be performed by the Corporation and the Trustee shall be for the equal benefit, protection and security of the holders of the Bonds, all of which, without regard to the times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other, except as expressly provided in or permitted by this Indenture.

Section 2.14. Indenture to Constitute Contract. In consideration of the purchase and acceptance of the Bonds by those who shall hold the same from time to time, the provisions of this Indenture shall be a part of the contract of the Corporation with the holders of Bonds and shall be deemed to be and shall constitute a contract among the Corporation, the Trustee, the Registrar and Paying Agent and the holders from time to time of the Bonds. The pledges and assignments made hereby and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Corporation, the Trustee or the Registrar and Paying Agent shall be for the equal benefit, protection and security of the holders of any and all of such Bonds, each of which, regardless of the time of its issue or maturity, shall be of equal rank without preference, priority or distinction over any other thereof.

Section 2.15. Exchangeability of Bonds. Bonds, upon surrender thereof at the principal or corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the owner thereof or his duly authorized attorney, may at the option of the owner thereof, and upon payment by such owner of any charges which the Trustee or the Corporation may make as provided in Sections 2.12 and 2.17, be exchanged for an equal aggregate principal amount of Bonds of the same series and maturity of any of the authorized denominations of such series.

Section 2.16. Negotiability, Transfer and Registry. All Bonds shall be negotiable subject to the provisions for registration, transfer and exchange contained in this Indenture and in the Bonds. So long as any of the Bonds shall remain Outstanding, the Corporation shall maintain and keep, at the principal or corporate trust office of the Registrar and Paying Agent, books for the registration, transfer and exchange of Bonds. The Corporation shall register or cause to be registered in such books, and permit to be transferred thereon, under such reasonable regulations as it or the Registrar and Paying Agent may prescribe, all Bonds and so long as any of the Bonds remain Outstanding, the Corporation shall make all necessary provisions to permit the exchange of Bonds at the principal or corporate trust office of the Registrar and Paying Agent.

Section 2.17. Transfer of Bonds. (A) Each Bond shall be transferable only upon the books of the Corporation, which shall be kept for such purpose at the principal or corporate trust office of the Registrar and Paying Agent, who shall act as transfer agent, by the owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the owner or his duly authorized attorney. Upon the transfer of any Bond, the Corporation shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount, series and maturity as the surrendered Bond.

(B) The Corporation, the Registrar and Paying Agent and the Trustee may deem and treat the person in whose name any Bond shall be registered upon the books of the Corporation as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price, if any, of and interest on such Bond, for notices required hereunder and for all other purposes and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Corporation, the Registrar and Paying Agent nor any Trustee shall be affected by any notice to the contrary.

Section 2.18. Regulations with Respect to Exchanges and Transfers. In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Corporation shall execute and the Registrar and Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. For every such exchange or transfer of Bonds, whether temporary or definitive, the Corporation, the Registrar and Paying Agent or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer, otherwise the exchange or transfer shall be without charge. The Corporation shall not be obligated to make any such exchange or transfer of Bonds (i) after the Record Date and prior to the next Interest Payment Date with respect to such Record Date, (ii) with respect to the Notes, after the Trustee has mailed a notice of redemption of the Notes to the registered owners thereof in accordance with Section 3.04, or (iii) with respect to the 1998 Bonds, during the forty-five days preceding the date of any proposed redemption of 1998 Bonds.

Section 2.19. Preparation of Definitive Bonds; Temporary Bonds. (A) Definitive Bonds shall be lithographed or printed on steel engraved borders or in any other form reasonably satisfactory to the Trustee. Until definitive Bonds are prepared, the Corporation may execute and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, except as to the denominations thereof and as to exchangeability, one or more temporary Bonds, substantially of the tenor of the definitive Bonds in lieu of which such temporary Bonds are issued, in authorized denominations and with such omissions, insertions and variations as may be appropriate to temporary Bonds. Upon surrender of such temporary Bonds for exchange and cancellation, the Corporation at its own expense shall prepare and execute and, without charge to the holder thereof, deliver in exchange therefor, at the corporate trust office of the Trustee, definitive Bonds of the same aggregate principal amounts, interest rate, and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Indenture.

(B) All temporary Bonds surrendered in exchange for a definitive Bond or Bonds shall be forthwith canceled by the Trustee.

Section 2.20. Cancellation and Destruction of Bonds. All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Bonds, together with all Bonds purchased by the Trustee, shall thereupon be promptly

canceled. Bonds so canceled may at any time be cremated or otherwise destroyed by the Registrar and Paying Agent, who shall execute a certificate of cremation or destruction in duplicate by the signature of one of its authorized officers describing the Bonds so cremated or otherwise destroyed, and one executed certificate shall be filed with the Corporation.

Section 2.21. Form of the Bonds. The Notes, the Registrar and Paying Agent's Certificate of Authentication thereon and the form of assignment thereon shall be substantially as set forth in Exhibit C attached hereto. The 1998 Bonds, the Registrar and Paying Agent's Certificate of Authentication thereon and the form of assignment thereon shall be set forth in the 1998 Bond Indenture.

Section 2.22. Provisions for Issuance of Additional Bonds. Additional Bonds may be issued under this Indenture pursuant to a Supplemental Indenture for the purposes of completing the New Building, or to refund Outstanding Bonds, as permitted by law and provided that a debt service savings is achieved, or to prevent a default on the Bonds. However, no such Additional Bonds may be issued unless the Trustee has received evidence satisfactory to it that payments of Annual Rent under the Lease, as the same may have been amended, are sufficient to pay the principal of, premium, if any, and interest on the Bonds, and any Additional Bonds, as the same become due and payable, and unless the Trustee shall have received an opinion of nationally recognized bond counsel stating that the exclusion from gross income of interest on the Bonds for purposes of federal income taxation will not be affected by the issuance of the Additional Bonds.

ARTICLE III
REDEMPTION OF THE BONDS

Section 3.01. Optional Redemption of the Bonds. The Notes may be redeemed prior to maturity, at the option of the Corporation at the direction of the Lessee, in whole, but not in part, on any date not earlier than May 1, 1998, at par, without premium, plus accrued interest to the date fixed for redemption. The 1998 Bonds may be redeemed prior to maturity, at the option of the Corporation at the direction of the Lessee, in whole or in part and by lot within maturities, on the dates, with the premiums and according to the terms to be determined in the 1998 Bond Indenture.

Section 3.02. Mandatory Sinking Fund Redemption of the Bonds. The Notes shall not be subject to mandatory sinking fund redemption. The 1998 Bonds may be subject to mandatory sinking fund redemption on the dates, in the amounts and according to the terms to be determined in the 1998 Bond Indenture. If the 1998 Bonds are subject to mandatory sinking fund redemption, they shall be selected by lot in such manner as the Trustee may determine at a redemption price of 100% of the principal amount thereof plus accrued interest to the date of redemption.

Section 3.03. Selection of 1998 Bonds to Be Redeemed. In the event of redemption of less than all the 1998 Bonds, the Trustee shall call the 1998 Bonds in such order of maturities as the Corporation shall determine and by lot within a maturity. For purposes of this Section, 1998 Bonds which have theretofore been selected for redemption shall not be deemed Outstanding. In the event

the 1998 Bonds are called for optional and mandatory sinking fund redemption on the same date, the Trustee shall select 1998 Bonds for mandatory sinking fund redemption prior to selecting 1998 Bonds for optional redemption.

Section 3.04. Notice of Redemption. When the Trustee shall receive notice from the Corporation of its election to redeem any Bonds (which notice shall be given to the Trustee by the Corporation at least fourteen (14) days and sixty (60) days prior to the Redemption Date with respect to the Notes and the 1998 Bonds, respectively) or when the Corporation is required to redeem Bonds pursuant to the provisions hereof, the Trustee shall give notice, in the name of the Corporation, of the redemption of such Bonds, unless waived by any holder of Bonds to be so redeemed. Such notice shall specify the maturities of the Bonds to be redeemed, the Redemption Date and the place or places where amounts due upon such redemption will be payable and, if less than all the 1998 Bonds of any like maturity are to be redeemed, the letters and numbers or other distinguishing marks of such 1998 Bonds to be redeemed. Such notice shall further state that on such date each of the Bonds to be redeemed shall become due and payable at the Redemption Price plus interest thereon accrued and unpaid to the Redemption Date, and that from and after such date interest thereon shall cease to accrue and be payable. The Trustee shall mail a copy of such notice, postage prepaid, not less than seven (7) days nor more than forty-five (45) days before the Redemption Date with respect to the Notes, and not less than thirty (30) days nor more than forty-five (45) days before the Redemption Date with respect to the 1998 Bonds, to the registered owners of the Bonds which are to be redeemed, at their last addresses appearing upon the registry books and to the Bond Purchaser, provided however, that failure to give such notice by mailing or any defect therein, with respect to any Bond or Bonds shall not affect the validity of any proceedings for redemption of any other Bonds.

Section 3.05. Payment of Redeemed Bonds. Notice having been given by mail in the manner provided in Section 3.04, the Bonds so called for redemption shall become due and payable on the Redemption Date so designated at the Redemption Price, plus interest accrued and unpaid to the Redemption Date, and, upon presentation and surrender thereof at the office specified in such notice, such Bonds or portions thereof, shall be paid at the Redemption Price plus interest thereon accrued and unpaid to the Redemption Date. If there shall be drawn for redemption less than the entire principal amount of a 1998 Bond, the Corporation shall execute and the Registrar and Paying Agent shall authenticate and deliver, upon the surrender of such 1998 Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the 1998 Bond so surrendered, a registered 1998 Bond of like series and maturity in any of the authorized denominations. If, on the Redemption Date, moneys for the redemption of all the Bonds or portions thereof to be redeemed, together with interest to the Redemption Date, shall be held by the Paying Agent so as to be available therefor on said date and if notice of redemption shall have been mailed as aforesaid, then, from and after the Redemption Date interest on the Bonds or portions thereof so called for redemption shall cease to accrue and be payable and the Bonds shall be deemed paid.

ARTICLE IV
ACCOUNTS

Section 4.01. Establishment of Accounts. (A) The Corporation hereby establishes and creates the following special trust accounts:

- (1) The Tri-Creek Lake Prairie School Building Corporation Construction Account;
- (2) The Tri-Creek Lake Prairie School Building Corporation Revenue Account; and
- (3) The Tri-Creek Lake Prairie School Building Corporation Redemption Account.

Section 4.02. Identification of Accounts. All such Accounts shall be held and maintained by the Trustee and shall be identified by the Corporation and the Trustee in such manner as to distinguish such Accounts from the accounts established by the Corporation for any other of its obligations. All moneys or securities held by the Trustee pursuant to this Indenture shall be held in trust and applied only in accordance with the provisions of this Indenture. The Corporation or the Trustee may establish such subaccounts of the Accounts as they may in their discretion determine to be appropriate to comply with the provisions of this Indenture, but such designation shall not affect the characterization of moneys held in any such subaccounts as being held in the Account related thereto for purposes of this Indenture.

Section 4.03. Construction Account. (A) There shall be deposited from time to time in the Construction Account: (i) \$460,000 from the proceeds of the sale of the Notes; (ii) any other amounts required to be deposited therein pursuant to this Indenture or the 1998 Bond Indenture; and (iii) any other amounts legally available therefor and determined by the Corporation to be necessary or appropriate to be deposited therein from time to time.

(B) The Trustee shall apply moneys in the Construction Account to the cost of renovating, expanding and equipping the New Building and purchasing the Real Estate, including, but not limited to, the following items:

- (1) Obligations incurred for labor and to contractors, builders and materialmen in connection with the renovation and expansion of the New Building;
- (2) The cost of acquiring the Real Estate hereinbefore described;
- (3) The cost of equipment for the New Building;
- (4) The cost of all indemnity and surety bonds required by this Indenture, the fees and expenses of the Trustee and any Paying Agent during the renovation and

expansion of the New Building, and premiums on insurance during such renovation and expansion;

(5) Architect's and engineer's expenses and fees;

(6) All costs of issuing the Bonds, including without limitation the cost of preparing and printing the Bonds and other securities of the Corporation, if any, and all legal expenses and fees incurred in connection therewith;

(7) All other incidental costs incurred in connection with the cost of renovating, expanding and equipping the New Building and acquiring the Real Estate including but not limited to environmental reports, soil analysis, surveys and title insurance;

(8) At any time that there is a deficiency in the Revenue Account, a sufficient amount of funds to correct the deficiency may be transferred to the Revenue Account; and

(9) Moneys remaining in the Construction Account on or after the Completion Date and after the Corporation has complied with I.C. 5-1-13 and all payments provided for in this Section 4.03 have been made or provided for shall be (i) used only for additional construction or renovation or the acquisition of additional equipment or real property for school purposes as deemed necessary or appropriate by the Corporation and the Lessee, or (ii) transferred to the Revenue Account and applied to the payment of interest on the Bonds until depleted.

All payments from the Construction Account shall be made by the Trustee upon presentation of architect's or engineer's certificates of work completed and materials furnished, approved in writing by an Authorized Officer of the Corporation, or in the case of any items not subject to certification by the architect or engineer, then upon the presentation of a certificate executed by any Authorized Officer of the Corporation and the Superintendent or the Assistant Superintendent of the Lessee, stating the character of the expenditure, the amount thereof, and to whom due, together with the statement of the creditor as to the amount owing.

The Trustee shall invest (subject to Section 5.02 hereof) all or so much of the funds in the Construction Account as is practicable in Investment Securities. The Trustee is authorized to sell any Investment Securities so acquired from time to time in order to make the payments provided for by this Section.

Section 4.04. Revenue Account. (A) The Revenue Account shall be funded by deposit therein of the following:

(1) proceeds of the sale of the 1998 Bonds as accrued interest, if any, to be determined in the 1998 Bond Indenture;

(2) all Revenues received by the Corporation or the Trustee; and

(3) any other funds which are legally available therefor and which the Corporation determines are necessary and proper for deposit therein.

(B) Funds in the Revenue Account shall be disbursed or transferred therefrom by the Trustee (1) on each Interest Payment Date for the purpose of paying the principal of, premium, if any, and interest on the Bonds as the same come due, or in advance as permitted herein and as directed by the Corporation, (2) on any Redemption Date in the amounts required for the payment of the principal of, premium, if any, and interest on the Bonds, in order to redeem the Bonds called for redemption in the manner provided in Article III hereof, (3) to the extent the Trustee receives Additional Rental payments designated as Trustee fees or payments for taxes, maintenance or insurance, in amounts which in the aggregate do not exceed such Additional Rental payments, for such purposes, and (4) to the extent that there are moneys in the Revenue Account in excess of those needed to pay all the principal of and interest on the Bonds prior to the Completion Date, an amount which does not exceed such excess, to any other Account. Funds may be transferred from the Revenue Account to the Redemption Account for the purposes of the Redemption Account if the Corporation determines such a deposit is appropriate. Any funds remaining after all the Bonds have been redeemed or defeased, pursuant to the terms hereof, shall be paid to the Corporation free and clear of the lien of this Indenture.

Section 4.05. Intentionally Reserved.

Section 4.06. Redemption Account. (A) There shall be deposited in the Redemption Account such amounts as the Corporation may from time to time direct.

(B) Funds in the Redemption Account shall be disbursed by the Trustee solely for the purpose of paying the principal of, premium, if any, and interest on the Bonds as the same come due, or in advance as permitted herein and as directed by the Corporation to redeem Bonds as provided in Article III hereof. Any funds remaining therein after all the Bonds have been redeemed or defeased, pursuant to the terms hereof, shall be paid to the Corporation free and clear of the lien of this Indenture.

ARTICLE V
APPLICATION, CUSTODY AND INVESTMENT
OF BOND PROCEEDS AND OTHER AMOUNTS

Section 5.01. Application of Bond Proceeds. The proceeds of the sale of any Bonds shall, as soon as practicable upon the delivery of such Bonds by the Trustee, be deposited as provided in Article IV hereof.

Section 5.02. Investment of Certain Funds. (A) Subject to the right of the Corporation to direct the investment or deposit of funds hereunder, moneys in any Account shall be continuously

invested and reinvested or deposited or redeposited by the Trustee in Investment Securities, with a view toward maximizing yield (with proper preservation of principal) and minimizing the instances of uninvested funds. The Corporation shall consult with the Trustee from time to time as to the investment of amounts in the Account established or confirmed by this Indenture. The Corporation may direct the Trustee to, or in the absence of direction, the Trustee shall, invest and reinvest the moneys in any Account in Investment Securities so that the maturity date or date of redemption at the option of the holder thereof shall coincide as nearly as practicable with the times at which moneys are needed for the purposes of such Account. The Investment Securities purchased shall be held by the Trustee or for its account as Trustee and shall be deemed at all times to be a part of such Account.

(B) The income or interest earned and gains realized in excess of losses suffered by an Account due to the investment thereof shall be deposited in or credited to the Revenue Account.

(C) The Trustee shall advise the Corporation in writing, on or before the twentieth day of each calendar month, of all investments held for the credit of each Account in its custody under the provisions of this Indenture as of the end of the preceding month.

(D) In the event the Trustee shall disburse moneys in any Account to acquire accrued interest on any Investment Securities due on the date of such acquisition, such interest when received shall be credited to such Account and shall not be treated as Revenue.

Section 5.03. Valuation and Sale of Investments. (A) In computing the amount in any Account, Investment Securities therein shall be valued at the amortized cost thereof as determined on an actuarial yield basis.

(B) Except as otherwise provided herein, the Trustee shall sell at the best price obtainable, or present for redemption or exchange, any Investment Securities held by it pursuant to this Indenture whenever it shall be requested to do so in writing by an Authorized Officer of the Corporation or whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the Account in which such Investment Security is held. An Investment Security may be credited on a pro-rata basis to more than one Account and need not be sold in order to provide for the transfer of amounts from one Account to another.

ARTICLE VI **TAXES, INSURANCE AND DAMAGE OR DESTRUCTION**

Section 6.01. Taxes. The Corporation shall pay, or cause to be paid, all taxes and assessments, or any payments in lieu thereof as the same become due and payable, which may lawfully be levied against the properties pledged pursuant to the Granting Clauses hereof.

Section 6.02. Coverage and Risks Insured Against. The Corporation shall procure or cause other persons to procure insurance on the Premises in connection with the renovation,

expansion, maintenance and rental of the New Building or the Existing Building, as applicable. Such insurance shall be of the types and amounts and with companies in accordance with this Section. During the period of the renovation and expansion of the New Building this insurance, with respect to the New Building, shall be as follows:

(a) Builder's risk insurance in an amount equal to 100% of the insurable value or of the percentage of completion of the renovation and expansion of the New Building, whichever is greater, against physical loss or damage, however caused. The insured property shall include, but is not limited to, all materials in storage and in transit and all buildings, structures and other improvements on the New Real Estate or the site of the New Building. The policy or policies may contain exceptions ordinarily required by insurers of buildings or facilities of a similar type so long as such acceptances are acceptable to the Corporation. The policy or policies shall be written in an "all risk" and "completed value" form.

(b) Performance, payment and maintenance bonds of each contractor for each contract made by the Corporation in connection with the renovation, expansion and equipping of the Premises in an amount equal to not less than one hundred (100%) percent of the face amount of each respective contract and in an aggregate amount of contracts for the renovation, expansion and equipping of the New Building.

During the period following the renovation and expansion of the New Building, this insurance, with respect to the New Building, and commencing on the effective date hereof, this insurance, with respect to the Existing Building, shall be as follows:

(c) Insurance against physical damage, however caused, to the mortgaged premises under this Indenture, including, but not limited to, the Building and all equipment therein, with exceptions ordinarily required by insurers of buildings or facilities of a similar type, in an amount equal to 105% of the replacement cost thereof. The replacement cost shall be determined on the effective date of that insurance and on or before January 31 of each year thereafter by a registered architect or engineer or a recognized independent insurance consultant registered, if required, under State law, and in each case approved by the Trustee, and the Trustee shall receive an agreed value endorsement. Such appraisal may be made on a recognized index of conversion factors. This insurance shall be written in an "all risk" form.

(d) To the extent not covered by item (c) of this Section, boiler explosion, vandalism, sprinkler leakage and malicious mischief insurance in an amount equal to 105% of the replacement cost of the mortgaged premises as determined in item (c) of this Section, with the optional liability for bodily injury coverage and a consequential damages endorsement, if available, to the extent these risks are not covered by the insurance required by item (f) of this Section.

During the period during and following the renovation and expansion of the New Building, this insurance shall be as follows:

(e) From the First Payment Date (as defined in the Lease) until the Second Expiration Date (as defined in the Lease), the Corporation shall cause the Lessee to obtain and keep in force with reference to the Premises a rent or rental value insurance policy with coverage in an amount equal to (i) twice the Annual Rent and (ii) an amount equal to the estimated expense of operating the Premises for two years. The policy or policies shall be issued by reputable insurance companies to the extent such policies are from time to time reasonably available. The Lessee may insure such property under a blanket insurance policy or policies which cover not only such property but other properties.

(f) The Corporation shall cause the Lessee to carry public liability insurance with reference to the Premises with one or more reputable insurance companies in an amount not less than \$3,000,000 combined single limit of liability protection for death, bodily injury or property damage resulting from each occurrence. The insurance provided by this Section may be by a blanket insurance policy or policies.

(g) During the renovation, expansion, reconstruction or maintenance of the New Building, the Corporation shall require each contractor who performs work therefor to carry insurance protecting it from liability under the Indiana Workmen's Compensation and Workmen's Occupational Diseases Acts meeting all statutory requirements.

(h) Without limiting the foregoing, the Corporation shall also procure and maintain such additional types or amounts of insurance on or in connection with the Building as is customarily maintained at any time on a similar facility.

In each insurance policy, except the policies in items (f) and (g) above, the Trustee shall be an insured, and the Corporation and the Lessee shall each be an additional insured. The Lessee shall be an insured and the Trustee and the Corporation shall be additional insureds, as their interests may appear, under the public liability insurance policy required by item (f) above. Each insurance policy required by this Section may provide for such a deductible amount as is then customary and is acceptable to the Corporation and the Lessee. Each such policy shall be written by an insurance company with a Bests' general policyholder rating of A+ or in the two highest rating categories of Standard & Poor's Corporation and Moody's Investors Service. In the event any of the insurance coverage required by this Section shall, in the opinion of the Corporation, become unavailable at reasonable cost, the Corporation may employ an independent insurance consultant to recommend alternative arrangements which the Corporation may implement with the consent of the Trustee, or shall otherwise maintain the insurance coverage required by this Indenture. Any such insurance policy complying with the requirements of this Article VI may consist of a blanket insurance policy

procured by the Corporation covering the mortgaged property together with property owned by the Corporation if its terms and coverage are approved by the Trustee.

Section 6.03. Insurance Policies and Premiums. Policies of insurance required by Section 6.02, items (a) through (g), or binders evidencing such insurance until policies can be issued with premiums prepaid for one (1) year shall be delivered to the Trustee. All such policies shall be countersigned by an agent of the insurer who is a resident of the State, and the policies and binders shall be acceptable to the Trustee. The Corporation shall furnish on or before January 31 of each year to the Bond Purchaser and the Trustee: (i) copies of a certificate of an architect, an engineer or an insurance consultant stating the value of the replacement of the Building; and (ii) a schedule approved in writing by the Trustee of all insurance policies or certificates evidencing such insurance deposited with the Trustee as of the first day of each such year. Such schedule shall contain the names of the insurers, the amounts of each policy, the character of the risk insured against, the expiration date of each policy, the premium paid thereon, and any other pertinent data.

The Corporation shall pay or cause to be paid the insurance premiums as they come due. Certificates concerning the policies shall remain in the possession of the Trustee. Each policy provided for herein shall, to the extent obtainable, contain an agreement by the insurer that such policy may not be substantially modified or canceled without at least sixty days' prior written notice to the Trustee, the Corporation and the Lessee. The Corporation covenants that it will not do or permit to be done any act upon the Premises which will invalidate or be in violation of the insurance policies covering the same.

In case the Corporation shall at any time refuse, neglect or fail to obtain and furnish such insurance policies or to effect insurance as required in this Indenture, the Trustee may, in its discretion, procure such insurance, and all money paid by the Trustee for such insurance, together with interest thereon at the rate of 12%, shall be repaid by the Corporation upon demand, and shall constitute an additional indebtedness of the Corporation secured by the lien of this Indenture, prior and paramount to the lien hereunder of the Bonds. The Trustee, however, shall not be obligated to effect such insurance unless fully indemnified against the expense thereof and furnished with the means therefor.

Section 6.04. Insurance Proceeds. Upon the occurrence of any loss or damage covered by any such policy from one or more of the causes insured against, the Corporation shall make due proof of loss containing a power of attorney in favor of the Trustee to endorse all drafts drawn for the payment thereof to the order of the Trustee, and to sign receipts therefor, and shall do all things necessary or desirable to cause the insuring companies to make payment in full directly to the Trustee.

The insurance policies required by this Article shall be for the benefit, as their interests shall appear, of the Trustee, the Corporation, the Lessee, and other persons having an insurable interest in the insured property. The policies required by Section 6.02, items (a) through (e), shall clearly indicate that any proceeds under the policies relative to the Premises shall be payable to the Trustee, and the Trustee is hereby authorized to demand, collect and receipt for and recover any and all

insurance money which may become due and payable under any of said policies of insurance and to prosecute all necessary actions in the courts to recover any such insurance money. The Trustee may, however, accept any settlement or adjustment which the officers of the Corporation may deem it advisable to make with the insurance companies.

The proceeds of such insurance received by the Trustee, except those of rental value, public liability and workers' compensation insurance required by items (e), (f) and (g), respectively, and of item (h) of Section 6.02, shall be applied to the repair, replacement or reconstruction of the damaged or destroyed property as required by the Lease. Such proceeds shall be held and disbursed by the Trustee upon showings satisfactory to the Trustee that the repair, replacement or reconstruction has been made. The proceeds of rental interruption insurance shall be placed in and disbursed from the Revenue Account. The proceeds of public liability insurance shall be applied toward the extinguishment or satisfaction of the liability with respect to which such insurance proceeds are paid.

Section 6.05. Repair or Replacement of Premises. (A) In the event the Corporation shall not commence to repair or replace the Premises so damaged or destroyed within 90 days after any such loss or damage, or if the Corporation, having commenced such work of repair or replacement, shall abandon or fail diligently to prosecute the same, the Trustee or its agent may, in its discretion, make or complete such repairs or replacements, and if it shall elect so to do, may enter upon said Premises to any extent necessary for the accomplishment of such purposes, but nothing herein contained shall obligate the Trustee or its agent to make or complete any such repairs or replacements unless it shall have been requested to do so by the holders of not less than 25% in aggregate principal amount of all the Outstanding Bonds, and shall have been indemnified to its satisfaction against all loss, damage and expense which it might thereby incur and it shall be so obligated only if sufficient insurance proceeds are available for such purpose.

(B) In the event of total destruction of the Building, a new Building shall be constructed by the Corporation in accordance with plans and specifications which must be satisfactory to the Trustee, and such new Building may be wholly different in design or construction.

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

ARTICLE VII CONDEMNATION

In the event all or a portion of the Premises or the use thereof shall be taken by the exercise of the power of eminent domain, and if such condemnation shall result in damage to the Building, the net proceeds of the condemnation award shall be disbursed by the Trustee for any necessary

restoration or rebuilding upon showings satisfactory to the Trustee, and any balance shall be deposited in the Revenue Account.

ARTICLE VIII **MISCELLANEOUS**

Section 8.01. Tax Covenants. The Corporation will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). The Corporation will not directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the Corporation, or take or omit to take any action that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code. To that end, the Corporation will comply with all requirements of Section 148 of the Code to the extent applicable to the Bonds. In the event that at any time the Corporation is of the opinion that for purposes of this Section 8.01 it is necessary to restrict or limit the yield on the investment of any moneys held by the Trustee under this Indenture, the Corporation shall so instruct the Trustee in writing and the Trustee shall take such action as may be necessary in accordance with such instructions, notwithstanding the provisions of 5.02 of this Indenture.

Section 8.02. Performance. The Corporation shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Corporation under the provisions of this Indenture.

Section 8.03. Compliance with Conditions Precedent. Upon the date of issuance of any of the Bonds, all conditions, acts and things required by law or by this Indenture to exist, to have happened or to have been performed precedent to or in the issuance of such Bonds shall exist, have happened and have been performed, or will have happened or been performed, and such Bonds, together with all other indebtedness of the Corporation, shall be within every debt and other limit prescribed by law.

Section 8.04. Power to Issue Bonds and Pledge Revenues, Funds and Other Property. The Corporation is duly authorized under all applicable laws to authorize and issue the Bonds and to enter into, execute and deliver this Indenture and to pledge the assets and Revenues purported to be pledged under the Granting Clauses hereof in the manner and to the extent herein provided. The assets and Revenues so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto, which is prior to, or of equal rank with, the pledge created hereby, and all corporate or other action on the part of the Corporation to that end has been and will be duly and validly taken. The Bonds and the provisions of this Indenture are and will be the valid and legally enforceable obligations of the Corporation in accordance with their terms and the terms of this Indenture. The Corporation shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the assets and Revenues, including rights therein pledged under this Indenture, and all the rights of the Bondholders under this Indenture against all claims and demands of all persons whomsoever.

Section 8.05. Payment of Bonds. The Corporation shall duly and punctually pay or cause to be paid the principal of, premium, if any, and interest on every Bond, on the dates and at the places and in the manner stated in the Bonds, according to the true intent and meaning thereof.

Section 8.06. Extensions of Payment. The Corporation shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and in the event that the maturity of any of the Bonds or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled to the benefit of this Indenture or to any payment out of the Accounts established pursuant to this Indenture, including the investments, if any, thereof, or out of any assets or Revenues pledged hereunder prior to benefits accorded to or the payment of the principal of all Bonds the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such claims for interest. Nothing herein shall be deemed to limit the right of the Corporation to issue bonds for refunding purposes and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Section 8.07. Offices for Servicing Bonds. The Corporation shall at all times maintain or cause to be maintained an office or agency in the State where Bonds may be presented for registration, transfer or exchange, and where notices, presentations and demands upon the Corporation with respect to the Bonds or this Indenture may be served. The Corporation hereby appoints the Trustee as its agent to maintain such office or agency for the registration, transfer or exchange of Bonds, and for the service of such notices, presentations and demands upon the Corporation.

Section 8.08. Waiver of Laws. The Corporation shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of any law or laws now or at any time hereafter in force which may affect the covenants and agreements contained in this Indenture or in the Bonds and all benefit or advantage of any such law or laws is hereby expressly waived by the Corporation.

Section 8.09. Furnishing Records and Statements. (A) The Corporation will keep proper record books documenting and relating to its properties and affairs. The Corporation will furnish to the Trustee, the Bond Purchaser, any municipal bond rating service designated by the Bond Purchaser, and, if requested by the Bond Purchaser in writing, to any holder of not less than 20 percent of the principal amount of the Bonds then Outstanding such information as the Bond Purchaser or any holder of not less than 20 percent of the principal amount of the Outstanding Bonds may reasonably request concerning the Corporation in order to enable such person or entity making such request to determine whether the covenants, terms and provisions of this Indenture have been complied with, and for that purpose all pertinent books, documents and vouchers relating to the Corporation's business, affairs and properties shall at all times during regular business hours be open for the inspection and copying by an accountant or other agent as shall from time to time be designated and compensated by such person or entity making such request.

(B) On or before the expiration of ninety (90) days after the end of each calendar year, the Corporation shall file with the Trustee a certificate signed by an Authorized Officer stating that all taxes then due on the Premises have been duly paid (unless there shall be, in good faith, a contest of any of said taxes, in which event the facts concerning such contest shall be set forth), that all insurance policies required by this Indenture to be maintained upon the Premises are being maintained and the required insurance premiums have been duly paid, and that all reports have been filed and fees paid to maintain the Corporation in good standing as required by law and that no default has occurred under this Indenture or the Lease.

Without limiting the foregoing, the Corporation will permit the Trustee, the Bond Purchaser and any holder of not less than twenty percent (20%) of the principal amount of Bonds then Outstanding (or such person as such Bondholder may designate) to visit and inspect, at the expense of the Trustee, the Bond Purchaser or such Bondholder, any of the properties of the Corporation, and to discuss the affairs, finances and accounts of the Corporation with its and their officers and independent accountants, all at such reasonable times and as often as the Trustee, the Bond Purchaser or such Bondholder may reasonably require.

Section 8.10. Trustee's Charges Paid by Corporation. The Corporation will pay or cause to be paid all reasonable charges made by the Trustee and the Registrar and Paying Agent for services rendered.

Section 8.11. Sale or Other Disposition. The Corporation will not sell, transfer, assign, pledge or otherwise dispose of or encumber all or any part of its interest in the Lease (except as herein provided or as specifically authorized pursuant to the provisions of the Lease) or assign, pledge, transfer, or hypothecate (other than to the Trustee hereunder) any revenues pledged hereunder.

Section 8.12. Amendments of Lease. (A) The Corporation may, without the consent of or notice to the holders of the Outstanding Bonds, consent to any amendment, change or modification of the Lease (i) required by the provisions of the Lease or this Indenture or (ii) for the purpose of expanding or adding to the Real Estate subject to the Lease or curing any ambiguity or formal defect or omission contained therein, which in any case is not contrary to the interests of the Bondholders.

(B) Except for the amendments, changes or modifications provided in the preceding paragraph, the Trustee shall not consent to any other amendment, change or modification of the Lease without the written approval or consent of the holders of not less than two-thirds in aggregate principal amount of the Outstanding Bonds.

Section 8.13. Compliance with Lease Provisions. The Corporation covenants that it has in all respects entered into a valid and binding Lease, and that it will in all respects promptly and faithfully keep, perform and comply with all of the terms, provisions, covenants, conditions and agreements of the Lease applicable to the Corporation. The Corporation will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such action or nonaction might be a ground for declaring a forfeiture or termination of the Lease. Without limiting

the generality thereof, the Corporation will pay, or cause to be paid, all taxes, assessments and other charges, if any, that may be levied, assessed or charged upon the Premises, or any part thereof, promptly as and when the same shall become due and payable, but failure to pay any such tax, assessment or charge shall not be a breach of this covenant during any period in which the amount or validity of such tax, assessment or charge shall in good faith, be contested, and the Corporation will not permit the Premises, or any part thereof, to be sold for any taxes, assessments, or other charges whatsoever, or to be forfeited therefor, nor do or permit to be done, in, upon or about said Premises, or any part thereof, anything that might in any way weaken, diminish, or impair the security intended to be given by or under this Indenture. The Corporation will not sell, transfer, assign, pledge or otherwise dispose of or encumber (except for Permitted Encumbrances) all or any part of the Premises, or assign, pledge, transfer or hypothecate any Building revenues, except as permitted or provided in this Indenture.

Section 8.14. Maintenance of Premises; Title. The Corporation will require the Lessee to maintain the Premises in good repair and condition, ordinary wear and tear excepted, and will not commit or allow any waste. The Corporation may dispose of any part of the Premises which shall be worn out, obsolete, inefficient or otherwise unfit for use, and the Corporation will procure and install substitute property of at least equal value to the extent that such substitution is necessary to maintain the utility and efficiency of the Premises. The Corporation will promptly take such actions as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Premises or any part thereof, whether now existing or hereafter developing, and to prosecute all such suits, actions, and other proceedings as may be appropriate for such purposes and to indemnify and save the Trustee and every Bondholder harmless from all loss, cost, damage and expenses, including attorneys' fees, which they or either of them may incur by reason of any such defect, cloud, suit, action or proceedings. It will take such actions as are necessary to preserve the priority of the lien created by this Indenture.

Section 8.15. Further Assurances. The Corporation will, at its expense, without expense to the Trustee or the holders of the Bonds, execute, acknowledge, deliver, record, or file this Indenture and perform all and every such further acts, deeds, conveyances, mortgages, assignments, transfers, financing statements, continuation statements, and assurances as the Trustee shall require, for the better assuring, conveying, pledging, assigning and confirming unto the Trustee all and singular the Trust Estate hereby pledged, conveyed, or assigned or intended so to be, or which the Corporation may be or may hereafter become bound to pledge, convey or assign to the Trustee, or for carrying out the intention or facilitating the performance of the terms of this Indenture. The Corporation shall pay all stamp taxes and other taxes, duties, imposts, assessments and charges imposed upon the Bonds or upon this Indenture.

Section 8.16. Maintenance of Corporate Existence. The Corporation will maintain its corporate existence, paying all license or other fees and making all returns necessary for that purpose, will not do or suffer to be done anything whereby its corporate existence or its right to hold the pledged property might in any way be questioned, and will faithfully observe and comply with the terms of all applicable laws and ordinances of the State and any political subdivision or municipality thereof.

Section 8.17. Not-for-profit Purposes; Dividends. The Corporation covenants that it will at all times maintain its existence as a corporation and will not amend its Articles of Incorporation to change its not-for-profit purpose and will take no action, or permit any action to be taken by others, or engage in or permit any activities, which will alter, change or destroy its status as a nonprofit corporation organized for not-for-profit purposes.

Section 8.18. Amendments to Articles of Incorporation and By-Laws. The Corporation will not, without the written consent of the Trustee, alter, modify or cancel, or agree to alter, modify or cancel the Articles of Incorporation or the By-Laws of the Corporation, or any agreement heretofore or hereafter entered into by the Corporation which relates to or affects the security of the Bonds. With the written consent of the Trustee, the Corporation may alter or modify or agree to alter or modify any of said instruments for the purpose of curing any ambiguity or curing, correcting or supplementing any defective or inconsistent provisions contained therein, as the Corporation may deem necessary or desirable and not inconsistent with this Indenture and which shall not adversely affect the interests of the holders of the Bonds. The Trustee shall not consent to any other alteration, modification or cancellation except upon receipt by the Trustee of an opinion of nationally recognized counsel stating that the same does not affect the status of the income of the Corporation or interest on the Bonds as to its exemption from federal income taxes.

Section 8.19. Defaults in Rentals under Lease. The Corporation will, upon any default in the payment of any Annual Rent under the Lease, file a notice and claim with the Treasurer of the State for payment in the manner permitted in I.C. 20-5-4-10, will file a request with the Indiana State Board of Tax Commissioners to make or increase the tax levy of the Lessee under the Lease as permitted by I.C. 6-1.1-17-17 in an amount sufficient to pay the Annual Rent or Additional Rental of the Lessee under the Lease and will file a suit against the Lessee to mandate the appropriation of sufficient funds and the levy of taxes sufficient to raise sufficient funds for the payment of such defaulted Annual Rent or Additional Rental, and will pursue any other remedy available at law or in equity necessary to collect and enforce the payment of such Annual Rent or Additional Rental. The Corporation hereby appoints the Trustee as its attorney-in-fact to file such notices and claims in the name of the Corporation, or in its own name, and to file such suits and to pursue such remedies.

Section 8.20. Successors and Assigns. All the covenants, stipulations, promises and agreements contained in this Indenture, by or on behalf of the Corporation, shall bind and inure to the benefit of its successors and assigns.

Section 8.21. Benefits of Indenture Limited. Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the Corporation, the Trustee, the Lessee to the extent herein provided, and the holders of the Bonds issued hereunder, any legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions or provisions therein or herein contained, and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Corporation, the Trustee, the Lessee to the extent herein provided, and the holders of the Bonds.

Section 8.22. Waiver of Notice. Whenever in this Indenture the giving of notice by mail or otherwise shall be required, the giving of such notice may be waived in writing by the person entitled to receive such notice, and in any such case, the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 8.23. Destruction of Bonds. Whenever any Bond is paid by the Trustee, it shall be canceled and delivered to the Corporation. Upon the Written Request of the Corporation, in lieu of such cancellation and delivery, the Registrar and Paying Agent shall destroy such Bonds and deliver a certificate of such destruction to the Corporation.

Section 8.24. Severability. In case any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Indenture, but this Indenture shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

Section 8.25. Notice. (A) Any notice, requisition, direction, certificate or other writing on behalf of the Corporation required by this Indenture shall, unless otherwise specified herein, be signed by the President or the Vice President of the Corporation.

(B) Any notice, requisition, direction, certificate or other writing on behalf of the Lessee required by this Indenture shall be signed by the President of its Board of School Trustees or by such other officer as may be appointed by the Lessee and certified to the Trustee.

(C) Any notice to or demand upon the Trustee may be served or made at the main office of the Trustee by first class mail, which is now at Mercantile National Bank of Indiana, 5243 Hohman, Hammond, Indiana 46320, Attention: Corporate Trust Department.

Any notice to or demand upon the Corporation shall be deemed to have been sufficiently served or made by being deposited, postage prepaid, in a post office letterbox addressed to the Corporation at its main office, which is now at 701 South Clinton Street, Suite 316, Ft. Wayne, IN 46802, Attention: President, or at such other address as may be filed in writing by the Corporation with the Trustee.

Any notice to or demand upon the Bond Purchaser shall be deemed to have been sufficiently served or made by being deposited, postage prepaid, in a post office letterbox addressed to the Bond Purchaser at its main office, which is now at 701 South Clinton Street, Suite 316, Ft. Wayne, IN 46802.

Section 8.26. Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original and such counterparts, or as many of them as the Corporation and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 8.27. No Recourse against Directors and Officers. No recourse under or upon any obligation, covenant or agreement contained in this Indenture, or in any Bond hereby secured, or under any judgment obtained against the Corporation, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of this Indenture, shall be had against any director or officer, as such, past, present or future, of the Corporation, either directly or through the Corporation, or otherwise, for the payment for or to the Corporation or any receiver thereof, or for or to the holder of any Bond issued hereunder or otherwise of any sum that may be due and unpaid by the Corporation upon any such Bond. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such director or officer, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Corporation or any receiver thereof, or for or to the holder of any Bond issued hereunder or otherwise, of any sum that may remain due and unpaid upon the Bonds hereby secured or any of them is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issue of such Bonds.

Section 8.28. Governing Law. This Indenture shall be governed exclusively by the provisions hereof and by the applicable laws of the State.

Section 8.29. Nonbusiness Days. Whenever any act is required by this Indenture to be done on a specified day or date, and such day or date shall be a day other than a business day, then such act may be done on the next succeeding business day.

Section 8.30. Continuing Disclosure. Pursuant to Section 8.12 of the Lease, the Lessee has undertaken all responsibility for compliance with continuing disclosure requirements, and the Corporation shall have no liability to the holders of the Bonds or any other person with respect to Securities and Exchange Commission Rule 15c2-12. Notwithstanding any other provision of this Indenture, failure of the Lessee to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, any 1998 Bondholder or Beneficial Owner thereof may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Lessee to comply with its obligations under Section 8.12 of the Lease. Notwithstanding the foregoing, if the alleged failure of the Lessee to comply with the Continuing Disclosure Agreement is the inadequacy of the information disclosed pursuant thereto, then the 1998 Bondholders and the Beneficial Owners thereof (on whose behalf a 1998 Bondholder has not acted with respect to that alleged failure) of not less than twenty percent (20%) of the aggregate principal amount of the then Outstanding 1998 Bonds must take the actions described above before the Lessee shall be compelled to perform with respect to the adequacy of such information disclosed pursuant to the Continuing Disclosure Agreement.

ARTICLE IX
CONCERNING THE TRUSTEE AND REGISTRAR AND PAYING AGENT

Section 9.01. Appointment and Acceptance of Duties of Trustee. Mercantile National Bank of Indiana is hereby appointed as the Trustee. The Trustee shall signify its acceptance of the duties and obligations of the Trustee by executing this Indenture.

Section 9.02. Appointment and Acceptance of Duties of the Registrar and Paying Agent. Mercantile National Bank of Indiana, is hereby appointed as the Registrar and Paying Agent of the Bonds. The Corporation may at any time or from time to time appoint a successor Registrar and Paying Agent. The Registrar and Paying Agent shall signify acceptance of the duties and obligations of the Registrar and Paying Agent by executing this Indenture.

Section 9.03. Responsibility of the Trustee/Registrar and Paying Agent. The recitals of fact contained herein and in the Bonds shall be taken as the statements of the Corporation and no Trustee assumes any responsibility for the correctness of the same. No Trustee makes any representations as to the validity or sufficiency of this Indenture or of any Bonds issued hereunder or in respect of the security afforded by this Indenture, and no Trustee shall incur any responsibility in respect thereof. The Trustee shall, however, be responsible for its representations contained in its certificate on the Bonds. Except as provided herein, no Trustee shall be under any responsibility or duty with respect to the issuance of the Bonds for value or the application of the proceeds thereof or the application of any moneys paid to the Corporation. No Trustee shall be under any responsibility or duty with respect to the application of any moneys paid to any other Trustee. No Trustee shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless properly indemnified. Neither the Trustee nor the Registrar and Paying Agent shall be liable in connection with the performance of its duties hereunder except for its own gross negligence or willful default.

Section 9.04. Evidence upon which Trustee May Act. Each Trustee and/or Registrar and Paying Agent shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. Each Trustee and/or Registrar and Paying Agent may consult with counsel, who may be counsel to the Corporation, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. The Trustee and/or the Registrar and Paying Agent shall not be liable to the Corporation, the holders of any of the Bonds or any other person for any act or omission done or omitted to be done by such Trustee and/or Registrar and Paying Agent in reliance upon any instruction, direction or certification received by the Trustee and/or the Registrar and Paying Agent pursuant to this Indenture or for any act or omission done or omitted in good faith and without wilful or reckless misconduct. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the Corporation to any Trustee and/or Registrar and Paying

Agent shall be sufficiently executed if executed in the name of the Corporation by the President or the Vice President of the Corporation.

Section 9.05. Compensation. The Corporation shall pay to the Trustee and the Registrar and Paying Agent from time to time reasonable compensation for all services rendered under this Indenture and also all reasonable expenses, charges, counsel fees (whether or not litigation ensued and, if so, fees on trial and any appeal therefrom) and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Indenture, and the Trustee and the Registrar and Paying Agent shall have a lien therefor on any and all funds at any time held by the Trustee or the Registrar and Paying Agent under this Indenture. The Corporation further agrees to indemnify and save the Trustee and the Registrar and Paying Agent harmless against any liabilities which either may incur in the exercise and performance of its powers and duties hereunder, and which are not due to their gross negligence or willful default.

Section 9.06. Permitted Acts and Functions. Any Trustee may become the owner of any Bonds, with the same rights it would have if it were not a Trustee. Any Trustee may act as a depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not any such committee shall represent the holders of a majority in principal amount of the Bonds then Outstanding. Any Trustee may be an underwriter in connection with the sale of the Bonds or of any other securities offered or issued by the Corporation.

Section 9.07. Resignation of Trustee/Registrar and Paying Agent. The Trustee or the Registrar and Paying Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving not less than sixty days' written notice to the Corporation and mailing notice thereof in accordance with the requirements of Section 8.25, and such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed, as provided in Section 9.09, in which event such resignation shall take effect immediately on the appointment of such successor. The costs of such notices shall be paid by the resigning Trustee.

Section 9.08. Removal of Trustee/Registrar and Paying Agent. The Trustee or the Registrar and Paying Agent shall be removed by the Corporation if at any time so requested by an instrument or concurrent instruments in writing, filed with the Trustee and the Corporation and signed by the holders of a majority in principal amount of the Bonds then Outstanding or their attorney-in-fact duly authorized, excluding any Bonds held by or for the account of the Corporation. The Corporation may remove the Trustee or the Registrar and Paying Agent at anytime, except during the existence of an Event of Default, for such cause as shall be determined in the sole discretion of the Corporation by filing with the Trustee and the Registrar and Paying Agent an instrument to that effect signed by an Authorized Officer of the Corporation.

Section 9.09. Appointment of Successor Trustee/Registrar and Paying Agent. (A) In case at any time the Trustee or the Registrar and Paying Agent shall resign, shall be removed, shall

become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee and/or the Registrar and Paying Agent, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee and/or the Registrar and Paying Agent, or of its property or affairs, the Corporation covenants and agrees that it will thereupon appoint a successor Trustee and/or Registrar and Paying Agent. The Corporation shall mail notice of any such appointment made by it in accordance with the requirements of Section 9.09(c), such mailing to be made within twenty days after such appointment.

(B) If in a proper case no appointment of a successor Trustee or Registrar and Paying Agent shall be made pursuant to the foregoing provisions of this Section within forty-five days after the Trustee and/or Registrar and Paying Agent shall have given to the Corporation written notice, as provided in Section 8.25, or after a vacancy in the office of the Trustee or the Registrar and Paying Agent shall have occurred by reason of its inability to act, the Trustee or the holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee and/or Registrar and Paying Agent. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee and/or Registrar and Paying Agent.

(C) Any Trustee or Registrar and Paying Agent appointed under the provisions of this Section in succession to the Trustee or the Registrar and Paying Agent, respectively, shall be a trust company or bank having the powers of a trust company within or outside the State, having retained earnings and shareholders' equity at least equal to that of the previous Trustee or Registrar and Paying Agent, respectively, but not less than \$50,000,000, but only if there shall be such a trust company or bank willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture. Otherwise, any trust company or bank having the powers of a trust company within or outside the State and acceptable to the Corporation may be appointed as a successor to the Trustee or the Registrar and Paying Agent.

Section 9.10. Transfer of Rights and Property to Successor Trustee/Registrar and Paying Agent. Any successor Trustee or Registrar and Paying Agent appointed under this Indenture shall execute, acknowledge and deliver to its predecessor Trustee and/or Registrar and Paying Agent, and also to the Corporation, an instrument accepting such appointment, and thereupon such successor Trustee or Registrar and Paying Agent, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee and/or Registrar and Paying Agent, with like effect as if originally named as the Trustee and/or the Registrar and Paying Agent, but the Trustee and/or the Registrar and Paying Agent ceasing to act shall nevertheless, on the request of the Corporation, or of its successor Trustee and/or Registrar and Paying Agent, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly resting and confirming in such successor Trustee and/or Registrar and Paying Agent all the right, title and interest of the predecessor Trustee and/or Registrar and Paying Agent in and to any property held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee and/or Registrar and Paying Agent any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Corporation be required by such successor Trustee and/or Registrar and Paying Agent for more

fully and certainly vesting in and confirming to such successor Trustee and/or Registrar and Paying Agent any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Corporation. Upon the effectiveness of the resignation or removal of the Trustee and/or the Registrar and Paying Agent, such Trustee's and/or Registrar and Paying Agent's authority to act pursuant to this Indenture shall terminate and such Trustee and/or Registrar and Paying Agent shall have no further responsibility or liability whatsoever for performance under this Indenture as the Trustee and/or the Registrar and Paying Agent.

Section 9.11. Payment of Delinquent Taxes and Charges by Trustee. If the Corporation shall at any time fail to pay promptly any tax, assessment or other charge upon the pledged property, or any part thereof, or fail to pay promptly when payable any license fee, franchise or corporation tax, or like statutory charge, the Trustee may (but is not required to), without obligation to inquire into the validity thereof, pay such fee, tax or other charge, but without prejudice to the rights of the Trustee arising hereunder in consequence of such default, and the amount of every payment so made at any time by the Trustee, with interest thereon at the rate of 12% per annum from the date of payment, shall constitute an additional indebtedness of the Corporation secured by the lien of this Indenture, prior or paramount to the lien hereunder of any of the Bonds.

Section 9.12. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee or the Registrar and Paying Agent may sell or transfer all or substantially all its corporate trust business, provided such company shall be a trust company or bank which is qualified to be a successor to the Trustee and/or the Registrar and Paying Agent and shall be authorized by law to perform all the duties imposed upon it by this Indenture, shall be the successor to the Trustee and/or the Registrar and Paying Agent without the execution or filing of any paper or the performance of any further act, anything herein to the contrary notwithstanding.

Section 9.13. Adoption of Authentication. In case any of the Bonds contemplated to be issued under this Indenture shall have been authenticated but not delivered, any successor Registrar and Paying Agent may adopt the certificate of authentication of any predecessor Registrar and Paying Agent so authenticating such Bonds and deliver such Bonds so authenticated, and in case any of the said Bonds shall not have been authenticated, any successor Registrar and Paying Agent may authenticate such Bonds in the name of the predecessor Registrar and Paying Agent or in the name of the successor Registrar and Paying Agent, and in all such cases such certificate shall have the full force for which it is intended and the Bonds so authenticated shall be deemed Bonds issued pursuant to this Indenture.

Section 9.14. Evidence of Signatures of Bondholders and Ownership of Bonds. (A) Any request, consent or other instrument which this Indenture may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument or of an instrument appointing any such attorney, or (ii) the

holding by any person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner, but the Trustee may nevertheless in its sole discretion require further or other proof in cases where it deems the same desirable. The fact and date of the execution by any Bondholder or his attorney of such instrument may be proved by a certificate, which need not be acknowledged or verified, of an officer of a bank or trust company, financial institution or member of the National Association of Securities Dealers, Inc. satisfactory to the Trustee or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. The authority of the person or persons executing any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or the vice president of such corporation and attested by a person purporting to be its secretary or an assistant secretary.

(B) The ownership of Bonds, the amount, numbers and other identification thereof, and the date of holding the same shall be proved by the registry books.

(C) Any request, consent or vote of the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Corporation or any Trustee in accordance therewith.

Section 9.15. Bonds Owned by Corporation. In determining whether the owners of the requisite aggregate principal amount of Bonds shall have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which shall be owned by the Corporation or by any person directly or indirectly controlling or controlled by or under common control with the Corporation, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, provided that for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver, only Bonds which the Trustee shall know to be so owned shall be disregarded. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purpose of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by or under common control with the Corporation. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall fully protect the Trustee.

Section 9.16. Preservation and Inspection of Documents. All documents received by any Trustee under the provisions of this Indenture (or microfilm, microcard or similar photographic reproduction thereof) shall be retained in its possession until such time as the Trustee in consultation with the Corporation determines that the retention thereof is no longer necessary, and shall be subject at all reasonable times to the inspection of the Corporation and any Bondholder and their agents and their representatives, any of whom may request copies thereof, at the expense of the requesting party.

Section 9.17. Powers of Trustee under the Lease. The Corporation agrees that the Trustee shall at any and all times have the power to exercise any of the rights, powers or privileges of the Corporation under the Lease, including but not limited to the right (i) to grant consents, approvals or permissions, (ii) to declare a default, (iii) to exercise any and all remedies provided for therein, (iv) to exercise any and all rights of entry, and (v) to perform the Corporation's covenants.

ARTICLE X
DEFAULT AND REMEDIES

Section 10.01. Events of Default. The happening of one or more of the following events shall constitute an "Event of Default":

(1) if default shall be made in the due and punctual payment of the principal of, premium, if any, or interest on any Bond when and as the same shall become due and payable;

(2) if the Corporation shall have defaulted in the performance or observance of any other of the covenants, agreements or conditions contained in this Indenture or in the Bonds, and such default shall have continued for a period of 60 days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Corporation by the Trustee, or to the Corporation and the Trustee by the holders of not less than 25% in aggregate principal amount of the Outstanding Bonds;

(3) if the Corporation shall (a) admit in writing its inability to pay its debts generally as they come due, (b) file a petition in bankruptcy or take advantage of any insolvency act, (c) make an assignment for the benefit of its creditors, (d) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property, or (e) on a petition in bankruptcy filed against the Corporation, be adjudicated a bankrupt;

(4) if the Corporation shall file a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, or if a court of competent jurisdiction shall enter an order, judgment or decree appointing, without the consent of the Corporation, a receiver of the Corporation, of the whole or any substantial part of its property, or approving a petition filed against the Corporation seeking the reorganization of the Corporation under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, and such order, judgment or decree shall not be vacated or set aside or stayed within 60 days from the date of the entry thereof, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Corporation or of the whole or any

substantial part of its property, and such custody or control shall not be terminated or stayed within 60 days from the date of assumption of such custody or control.

Section 10.02. Tender of Payment after Default. Upon any default by the Corporation and following the acceleration of maturity of the indebtedness secured hereby, as herein provided, a tender of payment of the amount necessary to satisfy the entire indebtedness secured hereby made at any time prior to foreclosure sale by the Corporation or by anyone on behalf of the Corporation, shall constitute an evasion of the prepayment terms of the debt secured hereby and be deemed to be a voluntary prepayment thereunder and any such payment will, therefore, include the additional payment, if any, required under Section 3.01, if any.

Section 10.03. Acceleration. In each and every case of an Event of Default, and during the continuance of such Event of Default, the Trustee may, by notice in writing to the Corporation, and shall, upon the written request of the holders of not less than 25% in principal amount of the Outstanding Bonds, declare the principal of all the Outstanding Bonds, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or the Bonds contained to the contrary notwithstanding.

This provision, however, is subject to the condition that if at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered as hereinafter provided, the Corporation shall pay to or shall deposit with the Trustee a sum sufficient to pay all principal of the Bonds matured prior to such declaration and all overdue installments of interest and premium, if any, upon all the Bonds, with interest at the rate borne by the Bonds on such overdue principal and premium, if any, and, to the extent legally enforceable, on such overdue installments of interest, and the reasonable expenses of the Trustee, and any and all other defaults known to the Trustee (other than the payment of the principal of, premium, if any, and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured or adequate provisions shall have been made therefor, then and in every such case, the holders of at least 66-2/3% in aggregate principal amount of the Outstanding Bonds, by written notice to the Corporation and the Trustee, may, on behalf of the holders of all the Bonds, rescind and annul such declaration and its consequences, but no such rescission and annulment shall extend to or shall affect any subsequent default, nor shall it impair or exhaust any right or power consequent thereon.

Section 10.04. Remedies. Upon the occurrence of an Event of Default under Section 10.01(1), the Trustee shall immediately notify the Treasurer of the State and make a claim for payment pursuant to Indiana Code, Title 20, Article 5, Chapter 4, Section 10. In addition to the foregoing remedy and the remedy of acceleration provided for in Section 10.03, the Trustee, in case of an Event of Default, may, and upon the written request of the holders of not less than 50% of the principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction, shall exercise any or all of the following remedies to the extent then permitted by law:

(1) The Trustee, itself or by its agents or attorneys, may enter into and take possession of all the pledged property and forthwith exercise all rights, powers and franchises of the Corporation in respect thereof, collect the earnings and income therefrom, pay all insurance premiums, taxes and assessments levied on the Premises, and all disbursements and liabilities of the Trustee hereunder, and apply the Revenues in the manner required by this Indenture.

(2) The Trustee may proceed to protect and enforce its rights and the rights of the holders of the Bonds by a suit or suits in equity or at law, either in mandamus or for the specific performance of any covenant or agreement contained herein or in aid of the execution of any power granted herein, or for the foreclosure of this Indenture, or for the enforcement of any other appropriate legal or equitable remedy, as the Trustee, being advised by counsel, may deem most effectual to protect and enforce any of the rights or interests under the Bonds or this Indenture. All rights of action under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof on any trial or other proceeding relative thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee. Any recovery of judgment shall be for the ratable benefit of the holders of the Bonds.

(3) The Trustee may, with or without entry and with or without foreclosure pursuant to this Indenture, sell the pledged property, including without limitation the Premises, at public auction at such place or places as may be required by law, having first given notice of such sale by publication or otherwise, as may be required by law and upon such sale may make and deliver to the purchaser a good and sufficient deed, bill of sale or assignment for the same. The Trustee is hereby irrevocably appointed the true and lawful attorney of the Corporation, in its name and stead, to execute and deliver all necessary deeds, bills of sale, assignments and transfers, with the Corporation hereby ratifying and confirming all that its said attorneys shall lawfully do by virtue hereof.

(4) The Trustee may initiate a suit to foreclose pursuant to this Indenture, as a matter of right, without notice and without giving bond to the Corporation or anyone claiming under it, may have a receiver appointed of all the pledged property, including without limitation the Premises, pending such proceedings, with such powers as the court making such appointment shall confer, including such powers as may be necessary or usual in such cases for the protection, possession, control, management and operation of the pledged property, and the Corporation does hereby irrevocably consent to such appointment.

(5) The Trustee is hereby appointed, and the successive respective holders of the Bonds shall be conclusively deemed to have so appointed the Trustee, the true and lawful attorney in fact of the respective holders of the Bonds, with authority: to make or file, on behalf of all holders of the Bonds, as a class, any proof of debt,

amendment to proof of debt, petition or other documents; to receive payment of all sums becoming distributable on account thereof; to execute any other papers and documents; and to do and perform any and all acts and things on behalf of all holders of the Bonds as a class, as may be necessary or advisable in the opinion of the Trustee, in order to have the respective claims of the holders of the Bonds against the Corporation allowed in any equity receivership, insolvency, liquidation, bankruptcy or other proceedings, to which the Corporation shall be a party. The Trustee shall have full power of substitution and delegation in respect of any such powers.

Section 10.05. Purchase Option to the Lessee. (A) In the event that the Trustee under the foregoing provisions of this Article X shall be entitled or required to exercise any or all of the remedies provided herein, it shall, prior to such exercise, give written notice thereof to the Lessee, and give the Lessee the option to purchase, if duly authorized, all right, title and interest of the Corporation in and to the Premises. To exercise such option to purchase, the Lessee shall within 30 days after receipt of such notice from the Trustee give written notice to the Trustee of its intention to exercise such option, which notice shall specify the effective date of the purchase, which shall be not less than 30 nor more than 180 days from the date of such notice to the Trustee, and shall specify the date and place at which payment of such purchase is to be made. If on or before the date of payment specified in such notice to the Trustee, the Lessee shall deposit with the Trustee sufficient cash to pay or redeem all Bonds issued and Outstanding hereunder, including principal of, premium, if any, and interest on all Bonds to maturity or to the earliest date on which such Bonds may be redeemed, the Trustee's fees and expenses accrued until redemption of the Bonds and all other sums payable or which may become payable by the Corporation hereunder, then upon receipt by the Trustee of such deposit of cash, the Corporation shall deliver to the Lessee such deeds and bills of sale as may be necessary or appropriate to convey to the Lessee all right, title and interest of the Corporation in and to the property described in Granting Clauses I and III hereof, and the Trustee is authorized and directed to execute and deliver proper instruments acknowledging satisfaction of this Indenture. Such purchase and sale shall not include cash, receivables and other personal property owned by the Corporation.

(B) If after receipt of such notice to the Lessee from the Trustee, the Lessee shall fail to give written notice to the Trustee within said 30-day period or, if given, shall fail to deposit with the Trustee sufficient cash to redeem all Bonds and to pay all other expenses as required by this Section, the Lessee shall have no further right to purchase the Premises from the Corporation and shall have no further claim of any kind in respect of the Premises or the proceeds thereof, and the Trustee and the holders of the Bonds Outstanding hereunder may proceed to exercise any and all remedies in the sole interest of the holders of the Bonds without consideration of the effect of such exercise on the rights of any other person.

Section 10.06. Application of Proceeds upon Declaration of Acceleration. In the event the Trustee declares the entire unpaid principal and interest accrued to be due and payable, pursuant to Section 10.03 hereof, all moneys received by the Trustee, pursuant to any right given or action taken under Article X hereof, are to be deposited in the Revenue Account, and all moneys in the Revenue Account are to be applied as follows:

(1) to the payment of costs and expenses of foreclosure or suit, if any, and of such sale, and the reasonable compensation of the Trustee, its agents and counsel, and of all proper expenses, liabilities and advances incurred or made hereunder by the Trustee or by any holder or holders of the Bonds, and of all taxes, assessments or liens superior to the lien of these presents, except any taxes, assessments or other superior liens subject to which said sale may have been made; then

(2) to the payment of the whole amount then owing or unpaid upon the Bonds for principal, premium, if any, and interest and to the extent permitted by law, interest on overdue principal, premium, if any, and interest, at the rate of interest borne by the Bonds and in case such proceeds shall be insufficient to pay the whole amount so due and unpaid on the Bonds, then to the payment of such principal, premium, if any, and interest, without preference or priority of principal over premium or interest, of premium over principal or interest, of interest over principal or premium, or of any installment of interest over any other installment of interest, ratably, in proportion to the aggregate of such principal, premium, if any, and accrued and unpaid interest; and then

(3) to the payment of the surplus, if any, to the Corporation, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

Section 10.07. Waiver of Rights on Foreclosure. The Corporation for itself and for all who may claim through or under it, hereby expressly waives and releases all rights to have the property covered by the lien of this Indenture marshaled upon any foreclosure sale (the Trustee or any court in which the foreclosure of this Indenture is sought shall have the right to sell the pledged property as an entirety in a single parcel in the discretion of the Trustee) and the Corporation covenants that, to the extent permitted by law, it will not at any time insist upon or plead, claim or take any benefit or advantage of any stay or extension law or laws providing for the valuation or appraisal of the pledged property prior to any sale thereof, nor after any such sale, claim or exercise any right to redeem the property so sold, and the Corporation, to the extent permitted by law, hereby expressly waives for itself and on behalf of each and every person claiming by, through or under the Corporation all benefit and advantage of any such law.

Section 10.08. Waiver Not to Impair Subsequent Rights. No delay or omission of the Trustee or of any holder of any of the Bonds to exercise any right or power arising from any default on the part of the Corporation hereunder shall exhaust or impair any such right or power or prevent its exercise during the continuance of such default. No waiver by the Trustee or the Bondholders of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or impair the rights resulting therefrom, except as may be otherwise provided herein. No remedy hereunder is intended to be exclusive of any other remedy, but each and every remedy shall be cumulative and in addition to any and every other remedy given hereunder or otherwise existing.

Section 10.09. Control of Proceedings. No Bondholder shall have any right to institute or prosecute any suit or proceeding at law or in equity for the foreclosure hereof, for the appointment of a receiver of the Corporation or for the enforcement of any of the provisions hereof or of any remedies hereunder with respect to the pledged property, unless the Trustee, after a request in writing by the holders of not less than twenty-five percent (25%) in aggregate principal amount of the Outstanding Bonds, and after the Trustee shall have been assured such reasonable indemnity as it may require, shall have neglected for 60 days to take such action; provided, however, that the right of any holder of any Bond to receive payment of principal, premium or interest on or after the respective due dates expressed therein or to institute suit for the enforcement of any such payment, shall not be impaired or affected without the consent of such holder.

ARTICLE XI
RELEASE OF LAND

The Corporation may obtain the release of any part of the land constituting a part of the Premises (although site improvements or transportation or utility facilities may be located thereon), at any time and from time to time, provided that it furnishes the Trustee with the following:

- (1) A notice in writing containing (a) an adequate legal description of that portion of the land to be released, (b) a statement that the Corporation intends to exercise its option to obtain a release of such land on a date stated, which shall not be more than ninety days from the date of such notice, and (c) a statement that the Corporation or its assigns intends to use such portion of the land for or in connection with the operation of a school system in Lake County, Indiana.
- (2) A certificate of an independent engineer or architect who is acceptable to the Trustee, dated not more than ninety days prior to the date of the notice, and stating that in the opinion of the person signing such certificate, (a) the portion of the land with respect to which the option is exercised is not needed for the operation of the mortgaged property for the purposes stated in the Lease, and (b) the release will not impair the usefulness of the remaining mortgaged property for the purposes for which it was designed and will not destroy the means of ingress thereto and egress therefrom.
- (3) Deposit with the Trustee of the release price equal to the fair market value of the land to be determined by the average of not less than two (2) appraisals from qualified disinterested residents of the Lessee, provided the release price shall be not less than the price paid by the Corporation for the land.

The Trustee agrees that upon receipt of the notice, certificate and release price required in this paragraph to be furnished to it by the Corporation, it will execute a release from the lien of this Indenture of such portion of the land with respect to which the Corporation shall have exercised the right granted to it in this Article XI. In the event the Corporation shall exercise the right granted to

it under this paragraph, the Lessee shall not be entitled to any abatement or diminution of the rent payable under the Lease. The release price shall be deposited by the Trustee in the Revenue Account.

ARTICLE XII
SUPPLEMENTAL INDENTURES

Section 12.01. Supplemental Indentures Not Requiring Bondholder Consent. The Corporation, when authorized by resolution of its Board of Directors, and the Trustee, from time to time and at any time, subject to the conditions and restriction of this Indenture, may enter into indentures supplemental hereto, which indentures thereafter shall form a part hereof, for any one or more of all of the following purposes:

- (1) To add to the covenants and agreements of the Corporation under this Indenture or to surrender any right or power reserved to or conferred upon the Corporation by this Indenture.
- (2) To make such provisions for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective or inconsistent provisions contained in this Indenture, or in regard to matters or questions arising under this Indenture, as the Corporation may deem necessary or desirable and inconsistent with this Indenture and which shall not adversely affect the interests of the holders of the Bonds;
- (3) To subject, describe or redescribe any property subjected or to be subjected to the lien of this Indenture;
- (4) To modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect, and, for the purpose of such qualification, to add to this Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be required by said Trust Indenture Act of 1939 or similar federal statute;
- (5) To provide for the issuance of the 1998 Bonds or the Additional Bonds for the purposes set forth in Section 2.22 hereof. Each Supplemental Indenture authorizing the issuance of the 1998 Bonds or a series of Additional Bonds shall specify:
 - (a) the authorized principal amount of the 1998 Bonds or such series of Additional Bonds;

(b) the purposes for which the 1998 Bonds or such series of Additional Bonds are being issued;

(c) the date or dates of issue, maturity date or dates and amounts of each maturity of the 1998 Bonds or the Additional Bonds of such series;

(d) the interest rate or rates, or the manner of determining such rate or rates of the 1998 Bonds or the Additional Bonds of such series, and the Interest Payment Dates thereof;

(e) the denomination or denominations of, and the manner of numbering and lettering, the Additional Bonds of such series, provided that each Additional Bond shall be of the denomination of \$5,000 or any multiples thereof, except as may otherwise be specifically provided in a Supplemental Indenture, not exceeding the aggregate principal amount of the Additional Bonds of such series maturing in the year of maturity of the Bond for which the denomination is to be specified;

(f) the Paying Agent or Paying Agents, and the place or places of payment of the principal of, redemption premium, if any, and interest on the Additional Bonds of such series; provided, however, that such Paying Agent or Paying Agents may be appointed by resolution of the Corporation adopted prior to authentication and delivery of such series of Additional Bonds;

(g) the Redemption Price or Redemption Prices, if any, and the redemption terms, if any, for the 1998 Bonds or the Additional Bonds of such series;

(h) if so determined by the Corporation, provisions for the sale of the 1998 Bonds or the Additional Bonds of such series;

(i) the form or forms of the 1998 Bonds or the Additional Bonds of such series and of the Registrar's certificate of authentication;

(j) the manner of payment of the principal of, premium, if any, and interest on the Additional Bonds; and

(k) any other provisions deemed advisable by the Corporation and not in conflict with the provisions of this Indenture.

Clauses (e), (f) and (j) shall apply to the Additional Bonds only. Any Supplemental Indenture authorized by the provisions of this Section may be executed by the Corporation and the Trustee without the consent of the holders of any Outstanding Bonds, notwithstanding any of the provisions of Section 12.02, but the Trustee shall not be obligated to enter into any such Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 12.02. Supplemental Indentures Requiring Bondholder Consent. (A) With the consent of the holders of not less than 51 percent in aggregate principal amount of the Outstanding Bonds, the Corporation, when authorized by a resolution of its Board of Directors, and the Trustee may from time to time and at any time enter into an indenture supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any Supplemental Indenture; provided, however, that no such Supplemental Indenture shall: (1) extend the maturity of any Bond or reduce the rate of interest thereon or extend the time of payment of interest, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the holder of each Bond so affected; or (2) reduce the aforesaid percentage of holders of Bonds required to approve any such Supplemental Indenture, or permit the creation of any lien on the pledged properties prior to or on a parity with the lien of this Indenture, or deprive the holders of the Bonds of the lien created by this Indenture upon said properties, without the consent of the holders of all the Outstanding Bonds. Upon receipt by the Trustee of a certified resolution of the Board of Directors of the Corporation authorizing the execution of any such Supplemental Indenture, and upon the filing with the Trustee of evidence of the consent of Bondholders, as aforesaid, the Trustee shall join with the Corporation in the execution of such Supplemental Indenture, unless such Supplemental Indenture shall affect the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such Supplemental Indenture.

(B) It shall not be necessary for the consent of the Bondholders under this Section to approve the particular form of any proposed Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Section 12.03. Effect of Supplemental Indentures. Upon the execution of any Supplemental Indenture pursuant to the provisions of this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the Corporation, the Trustee and all holders of Outstanding Bonds shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 12.04. Reliance on Opinion of Counsel. The Trustee may rely on an opinion of counsel as evidence that any Supplemental Indenture executed pursuant to the provisions of this Article complies with the requirements of this Indenture.

ARTICLE XIII
DEFEASANCE

Section 13.01. Discharge and Satisfaction. (A) The covenants, liens and pledges entered into, created or imposed pursuant to this Indenture may be fully discharged and satisfied with respect to all the Notes or all or a portion of the 1998 Bonds in any one or more of the following ways:

- (1) By paying all of the principal, premium, if any, and interest on such Bonds, when the same become due and payable; or
- (2) By depositing with the Trustee in the manner provided by this Indenture and for such purpose, on or before the date or dates of maturity or redemption, money in the necessary amount to pay or redeem all of such Bonds, the premium, if any, and interest thereon accrued to the date of payment in accordance with their terms; or
- (3) By depositing with the Trustee, and for such purpose, on or before the dates of maturity or redemption, money and Investment Securities in an amount sufficient, including any income or increment to accrue thereon, but without the necessity of any reinvestment, to pay or redeem all of such Bonds, the premium, if any, and interest thereon accrued to the date of payment in accordance with their terms; or
- (4) By delivering to the Trustee, for cancellation by it, any of such unpaid Bonds;

and in each case by the payment or adequate provision for payment of all other sums payable hereunder with respect to such Bonds by the Corporation.

(B) Upon such discharge and satisfaction with respect to all the Bonds, this Indenture shall, subject to the provisions of Section 13.02 hereof, cease, determine and become null and void. Thereupon, and upon the written request of the Corporation and receipt by the Trustee of a certificate from an Authorized Officer of the Corporation and an opinion of counsel, both stating that in the opinion of the signers all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, the Trustee shall forthwith execute proper instruments acknowledging the satisfaction and discharge of this Indenture, which shall be without prejudice to the rights of the Trustee to charge and be reimbursed by the Corporation for any expenditures which it may thereafter incur in connection herewith.

Section 13.02. Corporation's Liability Terminated. Upon the deposit with the Trustee, in trust of money or Investment Securities in the amount required by Section 13.01(B) hereof, provided that, if any of the Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided herein, or such provisions satisfactory to the Trustee shall have been made for the giving of such notice, all liability of the Corporation with respect to the

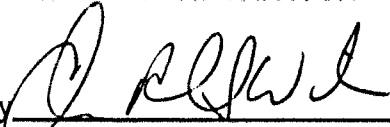
Bonds shall cease, determine and be completely discharged and the holders thereof shall thereafter be entitled only to payment out of the money or securities of the Corporation deposited with the Trustee as aforesaid for their payment. Notwithstanding the foregoing provisions of this Section 13.02 hereof, the covenants of the Corporation in Section 8.01 shall survive and continue in effect until all Bonds and the interest thereon have been paid in full.

(The remainder of this page intentionally left blank.)

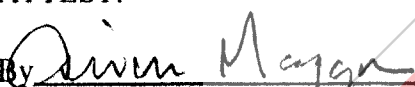


IN WITNESS WHEREOF, the Corporation has caused these presents to be signed in its name and behalf by its President and attested by its Secretary, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and behalf by one of its duly authorized trust officers and attested by one of its authorized officers, all as of January 1, 1998, but actually on the dates hereinafter indicated.

TRI-CREEK LAKE PRAIRIE SCHOOL
BUILDING CORPORATION

By 
O. Roderick Wilson, President

ATTEST:

By 
Damian Maggos, Secretary

**Document is
NOT OFFICIAL!**

**This Document is the property of
MERCANTILE NATIONAL BANK OF INDIANA
the Lake County Recorder!**

By _____
Alicia Tassarò, Vice President and Trust Officer

ATTEST:

By _____
James V. Bushemi, Trust Officer

STOP

This document was prepared by David A. Travelstead, Attorney at Law, Bose McKinney & Evans, 2700 First Indiana Plaza, 135 North Pennsylvania Street, Indianapolis, IN 46204 317-684-5000



IN WITNESS WHEREOF, the Corporation has caused these presents to be signed in its name and behalf by its President and attested by its Secretary, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and behalf by one of its duly authorized trust officers and attested by one of its authorized officers, all as of January 1, 1998, but actually on the dates hereinafter indicated.

TRI-CREEK LAKE PRAIRIE SCHOOL
BUILDING CORPORATION

By _____
O. Roderick Wilson, President

ATTEST:

By _____
Damian Maggos, Secretary

Document is NOT OFFICIAL!
This Document is the property of
MERCANTILE NATIONAL BANK OF INDIANA
the Lake County Recorder!

By Alicia Tassar
Alicia Tassar, Vice President and Trust Officer

ATTEST:

By James V. Bushemi
James V. Bushemi, Trust Officer

This document was prepared by David A. Travelstead, Attorney at Law, Bose McKinney & Evans, 2700 First Indiana Plaza, 135 North Pennsylvania Street, Indianapolis, IN 46204 317-684-5000

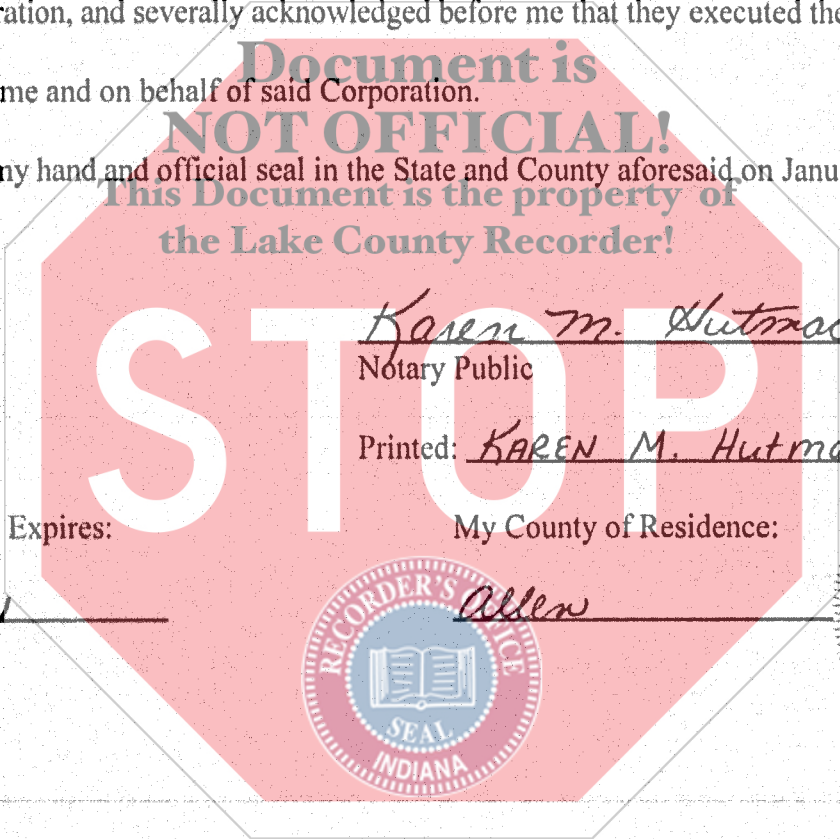


ACKNOWLEDGMENT OF CORPORATION

STATE OF INDIANA)
) SS:
COUNTY OF ALLEN)

I hereby certify that on this day before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared O. Roderick Wilson and Damian Maggos, the President and the Secretary, respectively, of Tri-Creek Lake Prairie School Building Corporation, an Indiana corporation, and severally acknowledged before me that they executed the same as such officers in the name and on behalf of said Corporation.

Witness my hand and official seal in the State and County aforesaid on January 23, 1998.



Karen M. Hutmacher
Notary Public

Printed: KAREN M. Hutmacher

My Commission Expires:
11-17-2001

My County of Residence:
Allen

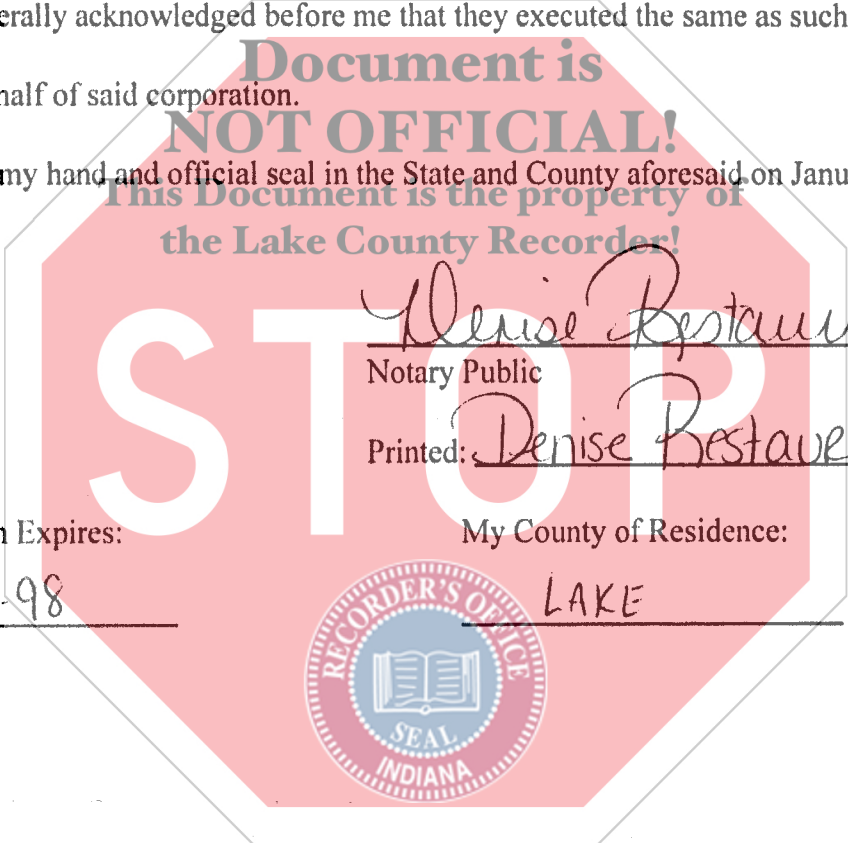


ACKNOWLEDGMENT OF TRUSTEE

STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

I hereby certify that on this day before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Alicia Tassaró and James V. Bushemi, a Vice President and Trust Officer and a Trust Officer, respectively, of Mercantile National Bank of Indiana, and severally acknowledged before me that they executed the same as such officers in the name and on behalf of said corporation.

Witness my hand and official seal in the State and County aforesaid on January 23, 1998.



Denise Restaveri
Notary Public

Printed: Denise Restaveri

My Commission Expires:

11-17-98

My County of Residence:

LAKE

EXHIBIT A

Existing Real Estate Legal Description

A parcel of land in the Northwest 1/4 of Section 26, Township 33 North, Range 9 West of the Second Principal Meridian, Lake County, Indiana, described as:

Commencing at the Northwest corner of Section 26; thence South 00° 00' 00" East, 462.37 feet to the centerline of Oakley Street; thence South 88° 16' 32" East along said centerline, 1432.94 feet to the POINT OF BEGINNING; thence South 88° 16' 32" East, 20.04 feet; thence South 05° 25' 56" West, 533.72 feet; thence South 84° 34' 04" East, 28.61 feet; thence South 05° 25' 56" West, 5.04 feet; thence South 84° 34' 04" East, 49.85 feet; thence South 05° 25' 56" West, 39.05 feet; thence North 84° 34' 04" West, 21.03 feet; thence South 05° 25' 56" West, 50.85 feet; thence South 84° 34' 04" East, 31.65 feet; thence South 05° 25' 56" West, 31.85 feet; thence North 84° 34' 04" West 37.30 feet; thence North 05° 25' 56" East, 4.20 feet; thence North 84° 34' 04" West, 6.15 feet; thence North 05° 25' 56" East, 8.35 feet; thence North 84° 34' 04" West, 17.13 feet; thence North 05° 25' 56" East, 0.99 feet; thence North 84° 34' 04" West, 14.50 feet; thence North 05° 25' 56" East, 12.15 feet; thence North 84° 34' 04" West, 34.00 feet; thence North 05° 25' 56" East, 633.52 feet to the Point of Beginning.

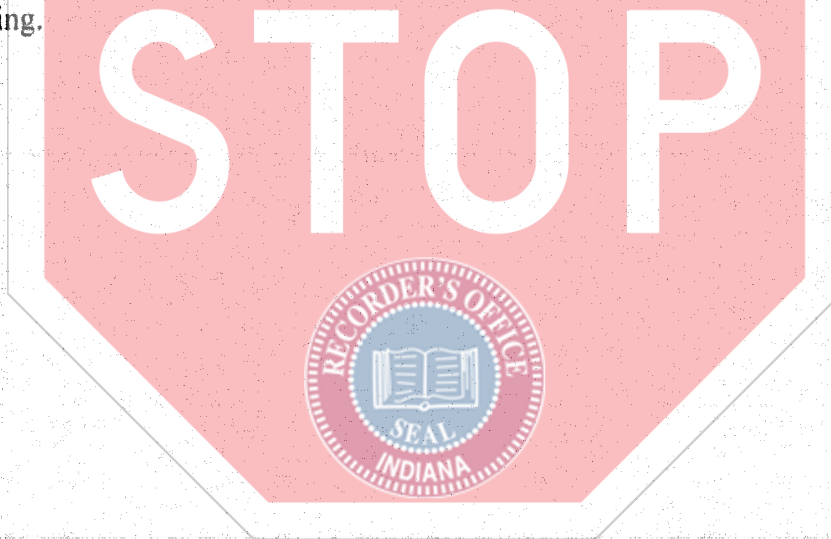


EXHIBIT B

New Real Estate Legal Description

Part of the West half of the Northeast Quarter, Section 29, Township 33 North, Range 9. Commencing 1,412.03 feet West of the Northeast Corner Northeast then East 656.197 feet to 755.833 feet West of Northeast Corner Northeast then south 1,327.65 feet, West 656.197 feet to 1412.03 feet West of East Line Northeast then North 1,327.65 feet to beginning.



EXHIBIT C

Form of Note

**STATE OF INDIANA
TRI-CREEK LAKE PRAIRIE SCHOOL BUILDING CORPORATION
First Mortgage Note, Series 1998**

No. R-___

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>AUTHENTICATION DATE</u>	<u>ORIGINAL ISSUE DATE</u>	<u>CUSIP</u>
--------------------------	--------------------------	--------------------------------	--------------------------------	--------------

6.00%	January 15, 1999		January 27, 1998	
-------	------------------	--	------------------	--

REGISTERED OWNER:

PRINCIPAL AMOUNT:

Document is NOT OFFICIAL!
This Document is the property of the Lake County Recorder!

KNOW ALL MEN BY THESE PRESENTS: That Tri-Creek Lake Prairie School Building Corporation (the "Corporation"), duly organized and existing under the laws of the State of Indiana and by its Articles of Incorporation not-for-profit, with its principal office in Fort Wayne, Indiana, for value received hereby promises to pay to the Registered Owner specified above or registered assigns, solely from the sources and in the manner provided in the Indenture (as defined herein), the Principal Amount specified above with interest from the Original Issue Date at the Interest Rate per annum specified above until such Principal Amount shall have been fully paid, such interest being payable on the Maturity Date. Interest shall be calculated on the basis of actual days elapsed in a year of 365 days. The principal hereof and interest hereon are payable in lawful money of the United States of America at the principal trust office of Mercantile National Bank of Indiana, of Hammond, Indiana (the "Trustee" and the "Registrar and Paying Agent"), or at the office of its successor as Trustee.

In order to secure the First Mortgage Notes, Series 1998 (the "Notes"), of which this Note is one, the Corporation has entered into a Trust Indenture and Mortgage, dated as of January 1, 1998 (the "Indenture"), with the Trustee.

This Note shall not be entitled to any benefit under the Indenture nor will it become valid or obligatory for any purpose until it shall have been authenticated by the Trustee, or its successor, by the execution of the Certificate of Authentication endorsed hereon.

This Note is one of an issue of Notes issued in the aggregate principal amount of \$460,000 to provide the funds to acquire Lake Prairie Elementary School and the site thereof (the "Elementary School") and the old Oak Hill Elementary School building located at 195 West Oakley Avenue and the site thereof, both sites of which are located in Lowell, Indiana. The Notes are issued in

accordance with the Indenture. The Notes, together with the First Mortgage Bonds, Series 1998 (the "1998 Bonds"), which may hereafter be issued by the Corporation pursuant to and in accordance with the limitations set forth in the Indenture and shall be equally and ratably secured by and entitled to the benefits of, the Indenture. The Corporation is authorized to issue the 1998 Bonds in the aggregate principal amount of not to exceed \$8,205,000, plus the principal amount of the Notes, if refunded by the 1998 Bonds, for the purpose of providing funds to renovate, expand and equip the Elementary School and made other site improvements related thereto (the "Project"), to pay the costs of issuance of the Notes and the 1998 Bonds (collectively, the "Bonds"), and, if deemed necessary or appropriate by the Corporation, to refund all the Notes. The Bonds shall be payable from certain payments derived by the Corporation from the leasing of the Premises to Tri-Creek School Corporation, Lake County, Indiana (the "School Corporation"), as lessee under a Lease, as amended, dated January 21, 1998, and as it hereafter may be amended and supplemented from time to time (the "Lease"), as described in the Indenture. The Indenture creates a first mortgage on the property as described in the Indenture, subject only to encumbrances permitted under the Indenture.

All the Bonds shall be equally and ratably secured by and entitled to the protection of the Indenture. To secure payment of the principal of, premium, if any, and interest on the Bonds and performance of all other covenants of the Corporation under the Indenture, the Corporation, pursuant to the Indenture, has assigned and pledged to the Trustee, and has granted to the Trustee a security interest in the leased Premises, including all right, title and interest of the Corporation in and to the payments made pursuant to the Lease. Reference is hereby made to the Indenture for a description of the rights, duties and obligations of the Corporation, the Trustee and the Registered Owners of the Notes, the terms and conditions upon which the Bonds are or may be issued and the terms and conditions upon which the Notes will be paid at or prior to maturity, or will be deemed to be paid and discharged upon the making of the provisions for the payment thereof. Copies of the Indenture are on file at the principal corporate trust office of the Trustee. By acceptance of this Note, the Registered Owner accepts all of the terms and provisions of the Indenture.

This Note is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the designated office of the Registrar and Paying Agent but only in the manner, subject to the limitations, and upon payment of the charges provided in the Indenture and upon surrender and cancellation of this Note. Upon any transfer, a new Note or Notes of the same maturity and in an authorized denomination or authorized denominations for the same Principal Amount will be issued to the transferee in exchange therefor.

The Registrar and Paying Agent is not required to transfer or exchange any Notes after December 31, 1998 (the "Record Date") or after the Trustee has mailed a notice of redemption of the Notes to the Registered Owner hereof.

The Corporation, the Registrar and Paying Agent and the Trustee may deem and treat the Registered Owner as the absolute owner of this Note for the purpose of receiving payment of or on account of the principal hereof and the interest due hereon and for all other purposes, and neither the Corporation, the Registrar and Paying Agent nor the Trustee shall be affected by any notice to the contrary.

The Notes are subject to redemption prior to their maturity at the option of the Corporation at the direction of the School Corporation, in whole, but not in part, on any date on or after May 1, 1998, from any money made available for such purpose. Any such redemption shall be at par, without premium, together with accrued interest to the date fixed for redemption.

Notice of intended redemption shall be given by first class mail, postage prepaid, to the Registered Owner of each Note at the address of such Registered Owner shown on the Registrar and Paying Agent's registration books not less than 7 days nor more than 45 days prior to the Redemption Date.

Failure to give any notice described above for redemption by mailing or any defect therein with respect to any Note shall not affect the validity of any proceedings for the redemption of other Notes. All Notes so called for redemption will cease to bear interest on the specified Redemption Date, shall no longer be protected by the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture, provided that funds for their redemption are on deposit at the place of payment at that time.

The Notes may be defeased, and the lien of the Indenture discharged as to the Notes, all as set forth in the Indenture.

The Registered Owner of this Note shall have no right to enforce the provisions of the Indenture or to institute an action to enforce the covenants herein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

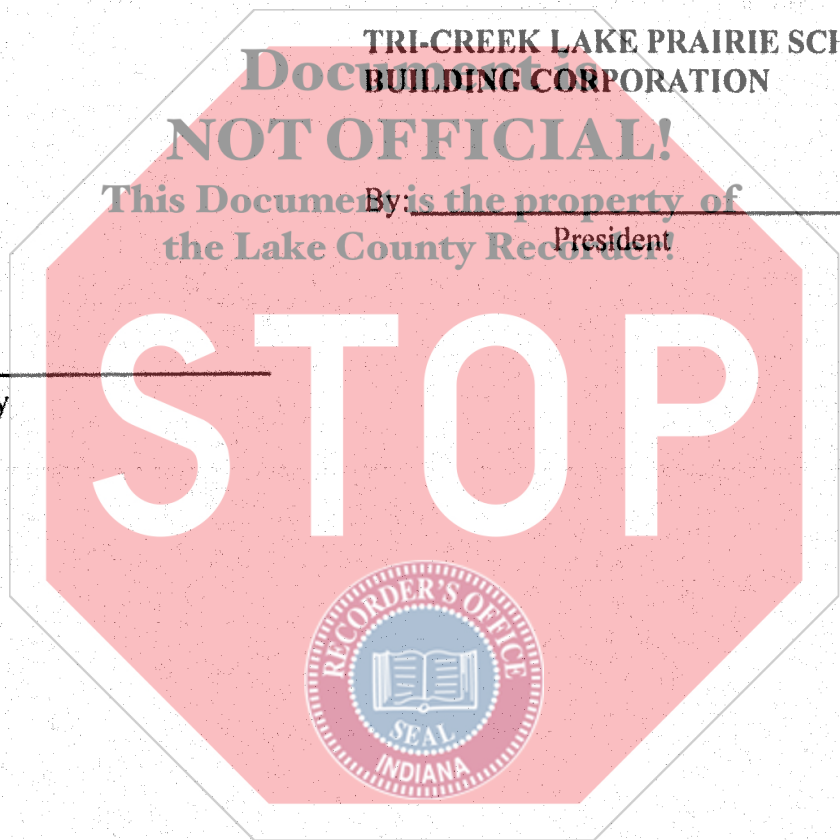
Modifications or alterations of the Indenture or any supplements thereto, may be made to the extent permitted by, and in accordance with, the Indenture. The Indenture contains provisions permitting the Trustee, with the consent of the registered owners of the Bonds of not less than 51% in aggregate principal amount of the Bonds at the time Outstanding, evidenced as provided in the Indenture, to execute Supplemental Indentures adding, changing or eliminating any of the provisions of the Indenture or any Supplemental Indenture or restricting in any manner the rights of the registered owners of the Bonds; provided, however, that no such Supplemental Indenture shall: (i) extend the maturity of the principal of or the interest on any of the Notes or reduce the Principal Amount of any Note or the Interest Rate per annum thereon, without the consent of the Registered Owner of each Note so affected; or (ii) reduce the aforesaid percentage of holders of Bonds required to approve any such Supplemental Indenture or permit the creation of any lien on the pledged properties prior to or on a parity with the lien of the Indenture, or deprive the holders of the Bonds of the lien created by the Indenture upon said properties, without the consent of the holders of all the Outstanding Bonds.

The Corporation and the Trustee may, without the consent of, or notice to, any of the registered owners of the Bonds, enter into a Supplemental Indenture or Supplemental Indentures for certain purposes, including but not limited to the authorization of the issuance of 1998 Bonds or Additional Bonds for the purpose of completing the Project or refunding Outstanding Bonds, as permitted by law.

Upon the occurrence of an event of default described in the Indenture, the Principal Amount hereof may be declared or may become due before the Maturity Date, together with interest accrued thereon, on the conditions and in the manner and at the time set forth in the Indenture.

If the School Corporation should default in its payments of rent under the Lease, the Trustee is required under the terms of the Indenture to immediately demand such payment under the terms of Indiana Code 20-5-4-10.

IN WITNESS WHEREOF, the Corporation, by its Board of Directors, has caused this Note to be executed by its President and attested by its Secretary, all as of the Original Issue Date identified above.



ATTEST:

Secretary

CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes issued and delivered pursuant to the provisions of the within mentioned Indenture.

MERCANTILE NATIONAL BANK OF INDIANA, as Trustee

By _____
Authorized Officer

The following abbreviations, when used in the inscription on the face of this Note, shall be construed as though they were written out in full according to applicable laws or regulations. Capitalized terms not otherwise defined herein are used as defined in the Indenture.

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF TRANS MIN ACT - _____ Custodian _____
(Cust) (Minor)

under Uniform Transfers to Minors Act _____
(State)

Additional abbreviations may also be used though not in the list above.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____

(Please print or typewrite name and address of Assignee)

(Please insert social security or other identifying number of Assignee)

(insert number for first named transferee if held by joint account)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ as attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

REGISTERED OWNER:

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever. When assignment is made by a guardian, trustee, executor or administrator, an officer of a corporation or anyone in a representative capacity, proof of authority to act must accompany this assignment.

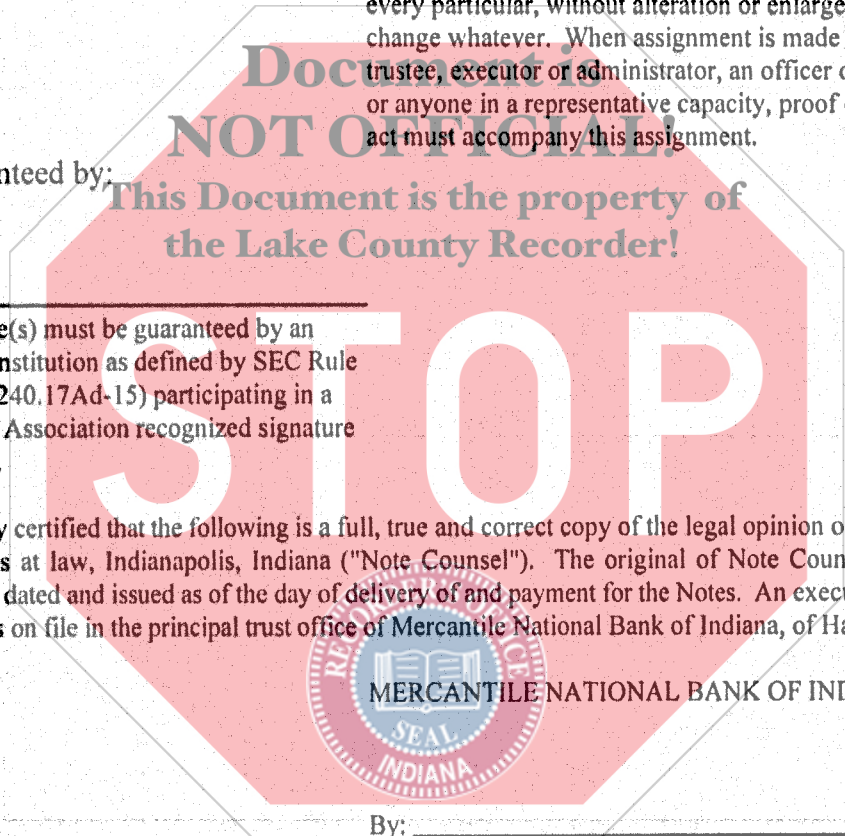
Signature guaranteed by: _____

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution as defined by SEC Rule 17Ad-15 (17 CFR 240.17Ad-15) participating in a Securities Transfer Association recognized signature guarantee program.

It is hereby certified that the following is a full, true and correct copy of the legal opinion of Bose McKinney & Evans, attorneys at law, Indianapolis, Indiana ("Note Counsel"). The original of Note Counsel's opinion was manually executed, dated and issued as of the day of delivery of and payment for the Notes. An executed copy of Note Counsel's opinion is on file in the principal trust office of Mercantile National Bank of Indiana, of Hammond, Indiana.



By: _____
Authorized Officer



TRI-CREEK LAKE PRAIRIE SCHOOL BUILDING CORPORATION
Fort Wayne, IN

TRI-CREEK SCHOOL CORPORATION
Lowell, IN

CITY SECURITIES CORPORATION
Fort Wayne, IN

MERCANTILE NATIONAL BANK OF INDIANA
Hammond, IN

Re: Tri-Creek Lake Prairie School Building Corporation
First Mortgage Notes, Series 1998

Ladies and Gentlemen:

We have acted as note counsel to Tri-Creek Lake Prairie School Building Corporation (the "Building Corporation") in connection with the issuance of its First Mortgage Notes, Series 1998, dated January 27, 1998 (the "Notes"), in the aggregate principal amount of \$460,000. In our capacity as note counsel, we have examined the law, including constitutions, statutes, regulations, published rulings and judicial decisions existing on the date of this opinion, the certified transcript of the proceedings relating to the issuance of the Notes (the "Transcript") and such other documents as we have deemed necessary to render this opinion.

The Notes are issued pursuant to Title 21, Article 5, Chapter 12 of the Indiana Code, as amended, and a Trust Indenture and Mortgage, dated as of January 1, 1998 (the "Indenture"), between the Building Corporation and Mercantile National Bank of Indiana, of Hammond, Indiana (the "Trustee"). The Notes will be secured, in part, by a Lease dated December 1, 1997, as amended by the Addendum to Lease dated January 21, 1998 (collectively, the "Lease"), between the Building Corporation and Tri-Creek School Corporation (the "School Corporation"). Under the Lease, the School Corporation has agreed to make certain payments, including semiannual rental payments (the "Annual Rent"), to the Building Corporation, which payments, together with other available funds, will be used to pay when due the principal of, premium, if any, and interest on the Notes. Such payments and other revenues under the Lease and the Indenture (collectively, the "Revenues"), the rights of the Building Corporation under the Lease, and the real estate (the "Real Estate") and personal property described therein are pledged and assigned by the Building Corporation as security for the Notes.

As to questions of fact material to our opinion, we have relied upon the Transcript and other certifications furnished to us, including tax covenants and representations of the School Corporation and the Building Corporation, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Building Corporation has been duly incorporated and is validly existing as a corporation under the laws of the State of Indiana. The Building Corporation has the power to execute and deliver the Lease and the Indenture, perform the agreements on its part contained therein and issue the Notes.
2. The Lease and the Indenture have been duly authorized, executed and delivered by the Building Corporation and constitute valid and binding obligations of the Building Corporation, enforceable in accordance with their respective terms upon the Building Corporation.
3. The Lease has been duly authorized, executed and delivered by the School Corporation and constitutes a valid and binding obligation of the School Corporation, enforceable in accordance with its terms upon the School Corporation.
4. Upon the recording of the Lease and the Indenture in the office of the Lake County Recorder (the "Recorder's Office") and the filing of the UCC-1 and UCC-2 Financing Statements executed by the Building Corporation as debtor in favor of the Trustee as secured party (the "Financing Statements") with the Secretary of State of the State of Indiana and the Recorder's Office, respectively, the Indenture and the Financing Statements will create valid and perfected liens in favor of the Trustee upon, and security interests in, the interest of the Building Corporation in the Real Estate and personal property described therein, securing payment of the indebtedness secured thereby, including the Notes, and no further action (other than the filing of continuation statements) will be required to perfect such liens and security interests. We express no opinion, however, with respect to title to the Real Estate, but instead note that Ticor Title Insurance will issue a title insurance policy on the date hereof with respect to the Real Estate. The exceptions and exclusions from coverage appearing in such policy fall within the definition of Permitted Encumbrances set forth in the Indenture.
5. The Notes have been duly authorized, executed and delivered by the Building Corporation and are valid and binding limited obligations of the Building Corporation, payable solely from the Revenues and other funds provided therefor in the Indenture. Those Revenues and other funds include the Annual Rent required to be paid by the School Corporation pursuant to the terms of the Lease. All taxable property in the territory of the School Corporation is subject to ad valorem taxation without limitation as to rate or amount to pay, when due, the Annual Rent under the Lease. The School Corporation is required by law to include in its annual tax levy

the Annual Rent coming due to the extent the necessary funds are not provided from other sources.

6. Interest on the Notes is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that, for the purpose of computing the alternative minimum tax imposed on certain corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. The opinion set forth in the preceding sentence is subject to the condition that the Building Corporation and the School Corporation comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), which must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Building Corporation and the School Corporation have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. Except as stated in paragraph 7, we express no opinion regarding other federal tax consequences arising with respect to the Notes.
7. The Building Corporation has designated the Notes as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.
8. The interest on the Notes is exempt from taxation in the State of Indiana for all purposes except for Indiana Inheritance Taxes and the Indiana Financial Institutions Tax imposed upon financial institutions pursuant to Title 6, Article 5.5 of the Indiana Code.

It is to be understood that the rights of the owners of the Notes and the enforceability of any document or instrument referred to or described in this opinion, including the Notes, may be limited: (i) by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by general principles of equity, whether considered at law or in equity; and (ii) by the valid exercise of the constitutional powers of the United States of America or the State of Indiana.

We were not engaged to and have not undertaken to review the accuracy, adequacy or completeness of the Official Statement or other offering material, if any, related to the Notes, and we express no opinion relating thereto.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law which may hereafter occur.

Very truly yours,

BOSE McKINNEY & EVANS

