

ADDENDA TO THE AGENDA

UNIVERSITY OF SOUTHERN INDIANA
BOARD OF TRUSTEES

May 13, 1988

SECTION I - GENERAL AND ACADEMIC MATTERS

E. APPROVAL OF EASEMENT

Exhibit I-A is an easement to the Evansville Water and Sewer Utility Department for a sewer line to connect to the trunk line on University property.

Approval of this easement in Exhibit I-A is recommended.

SECTION II - FINANCIAL MATTERS

L. APPROVAL OF RESOLUTION FOR CLASSROOM BUILDING CONTRACTS

WHEREAS, the Board of Trustees of the University of Southern Indiana wishes to enhance the completion of the Classroom Building on a timely basis, and

WHEREAS, the construction bids will be received on May 19, 1988, and the next scheduled meeting of the Board of Trustees is not until July 1988,

NOW, THEREFORE, BE IT RESOLVED THAT the Chairman of the Board is authorized to appoint a committee of Trustees to award the contracts after all bids have been received and reviewed by architects and university officials, and

FURTHER RESOLVED that the committee is authorized to award the contracts on behalf of the Board of Trustees, and

FURTHER RESOLVED that the committee will report its actions at the next scheduled meeting of the Board of Trustees.

Approval of the preceding resolution is recommended.

M. APPROVAL OF INTERIM FINANCING OF CLASSROOM BUILDING

WHEREAS, the Board of Trustees (the "Board") of the University of Southern Indiana (the "University") has determined that a necessity exists for the provision of interim and permanent financing for the construction of a classroom building on its campus in Vanderburgh County, Indiana (the "Project"); and

WHEREAS, the Board has full authority under and by virtue of the laws of the State of Indiana, including more particularly the provisions of I.C. 20-12-6 and Public Law 383 of the Acts of the Indiana General Assembly for 1987 (Special Session) to provide for the financing of the Project; and

WHEREAS, a proposal for the financing of the first \$1,000,000 of the Project has been prepared and submitted to this Board by the Trust Department of the Old National Bank in Evansville (the "Bank"); and

WHEREAS, the Board now desires to authorize the Treasurer of the Board to investigate, develop and evaluate with the Bank, Ice Miller Donadio and Ryan as Bond Counsel and such other banks or financial institutions as the Treasurer shall consider appropriate, a plan (the "Plan") for the provision of remaining interim financing and for permanent financing for the construction of the Project for submission to the Finance Committee of this Board;

NOW, THEREFORE, BE IT RESOLVED that

1. The Board hereby approves interim financing of the first \$1,000,000 of costs for the Project under the terms and conditions as set forth on Exhibit II-B hereto and hereby authorizes execution of a Loan Agreement and Promissory Note in substantially the forms set forth in Exhibit II-C with changes as are approved by the officers executing the same plus such other documents, certificates and agreements as are necessary to consummate the transaction.
2. The Treasurer is further authorized to investigate, develop and evaluate a Plan of financing and to present such Plan for approval to the Finance Committee of this Board.
3. The Board hereby authorizes the Finance Committee of this Board to approve said Plan upon its submission by the Treasurer and to approve the forms of all the financing documents as submitted by the Treasurer, in accordance with the terms and provisions hereof.
4. The Chairman and Vice Chairman of this Board, or either of them, are hereby authorized to execute and deliver the financing documents in substantially the form approved by the Finance Committee of this Board with such changes in form or substance as the officers executing such items shall approve, such approval to be conclusively evidenced by the execution thereof, and the Secretary or Assistant Secretary of this Board as hereby authorized to attest the signatures of said Chairman or Vice Chairman on said financing documents, as necessary, and to affix or imprint the seal of the University thereon as necessary.

Approval of this preceding resolution is recommended.

N. APPROVAL OF REQUEST FOR FUNDING FOR SECONDARY ELECTRICAL SERVICE

This request is for authorization for President Rice to seek approval of the Commission for Higher Education, the State Budget Agency, the State Budget Committee, and the Governor of the State of Indiana to spend \$109,000 from Academic Building Facilities fund reserves to install a secondary electrical feed to campus.

Approval of this request for funding for secondary electrical service is recommended.

EASEMENT

THIS INDENTURE WITNESSETH, That the Board of Trustees of University of Southern Indiana of Vanderburgh County, State of Indiana, hereby conveys and transfers to the EVANSVILLE WATER & SEWER UTILITY DEPARTMENT, for the public purpose of constructing, installing, improving, maintaining, repairing and reconditioning one or more water pipes or lines and all appurtenant and necessary structures to transmit water along, across and within the right-of-way over, along, across, within and upon the following described real estate situated in Vanderburgh County, Indiana, to-wit:

An Easement 14 feet in width being part of the Southeast Quarter of the Southwest Quarter of Section 29, Township 6 South, Range 11 West, Vanderburgh County, Indiana described as follows:

Beginning at a point on the East line of said quarter quarter section 61 feet North of the Southeast corner thereof, thence North along the East line 14 feet, thence West and parallel to the South line thereof a distance of 735 feet more or less to a point 20 feet West of an existing manhole, thence South 14 feet to the North edge of the existing pavement on Clark Lane, thence East and parallel with the said South line a distance of 735 feet more or less to the place of beginning.

IN WITNESS WHEREOF, the Grantor has hereunto set _____ hand(s) and seal(s) this _____ day of _____, 19 ____.

_____(SEAL) _____(SEAL)
Grantor Grantor

STATE OF _____) SS
COUNTY OF _____)

Before me, the undersigned, a Notary Public in and for said County and State, this _____ day of _____, 19____, personally appeared _____, Grantor(s) in the foregoing Easement and acknowledged the execution of the same to be _____ voluntary act and deed.

IN WITNESS WHEREOF: I have hereunto subscribed my name and affixed my official seal.

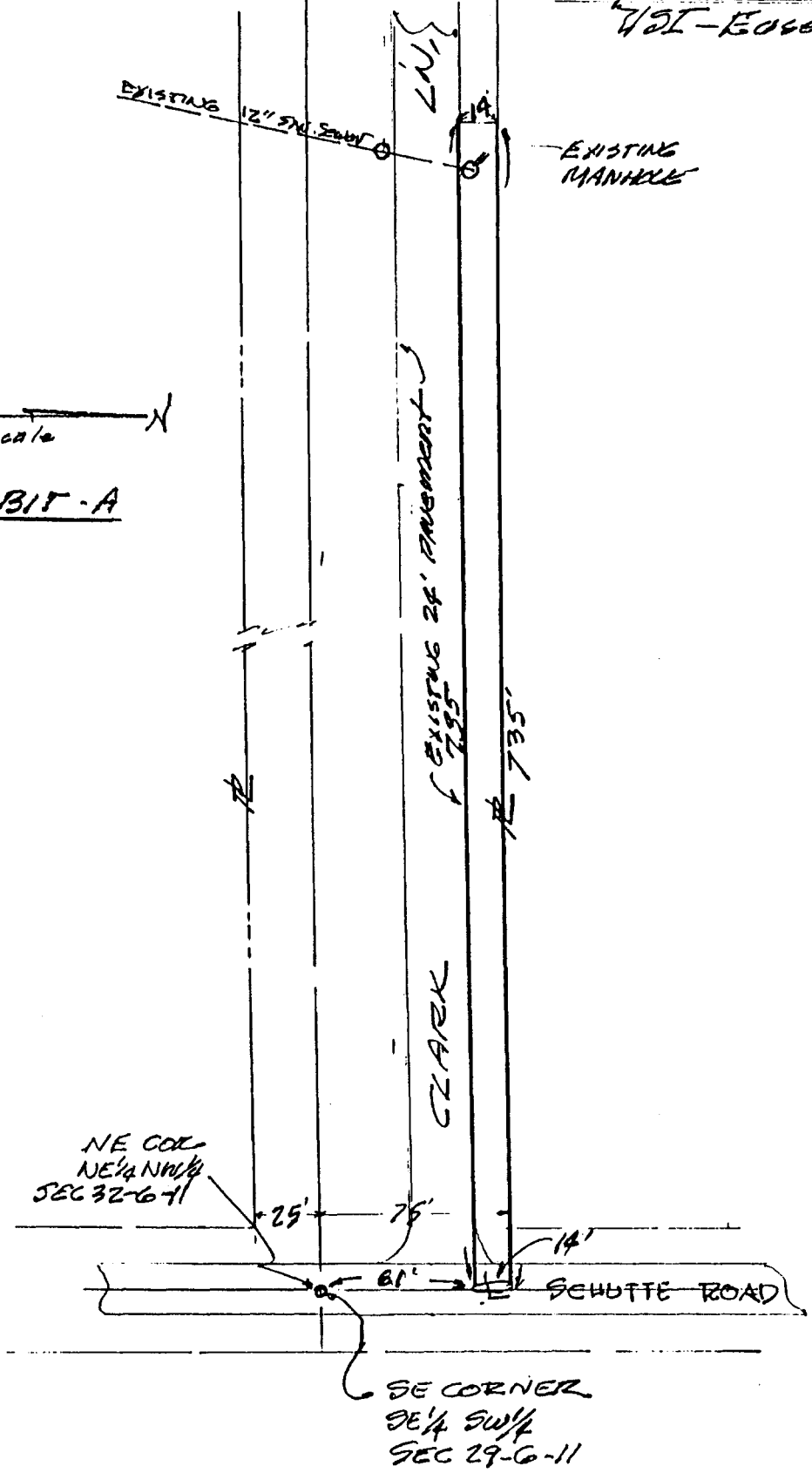
Notary Public

My Commission expires:

EXISTING 12" SWI SEWER
EXISTING MANHOLE

No scale

EXHIBIT - A



VNG

Veach, Nicholson, Griggs Assoc.
Consulting Engineers & Land Surveyors

JOB NO. 9-87-22
FILE NO. KEY WEST

Certified By Walter Veach LS

Date May 9 1988 Ind. L.S. No. 7964

Amount: \$1,000,000

Maturity: June 30, 1989

Payable: Interest payable the first day of each month commencing July 1, 1988 and at maturity. Principal payable at maturity.

Interest Rate: A rate per annum equal to one-half of prime rate as in effect from time to time, plus three-fourths of one percent per annum.

Other Conditions: A line of credit will be established with the Old National Bank in the amount of principal balance due plus interest due. No charge will be made for the line of credit. If the line of credit is used, the interest rate will be the prime interest rate of Old National Bank.

AGREEMENT

THIS AGREEMENT, dated the 1st day of May, 1986, by and between the University of Southern Indiana, a statutory body corporate organized under the laws of the State of Indiana (hereinafter referred to as the "University"), and Old National Bank in Evansville, Trust Division, as fiduciary for various accounts (including, but not limited to, trusts, estates, guardianships, conservatorships and agencies), and not individually (hereinafter referred to as "Old National").

WITNESSETH:

WHEREAS, the University has advised Old National that it anticipates that it will require One Million Forty Thousand Dollars (\$1,040,000) to be used by the University to provide for interim borrowing for the costs of constructing a building facility known as the HPER Building in Vanderburgh County, Indiana (said construction being hereinafter referred to as the "Project"); and

WHEREAS, the University has obtained specific authority from the State Budget Committee, the State Budget Agency and the Governor of the State of Indiana to issue bonds pursuant to Indiana Code 20-12-6 to fund the construction of such Project; and

WHEREAS, Old National is willing to make a loan or loans in the aggregate principal amount of \$1,040,000 in increments of not less than \$1,000 from such fiduciary accounts as it may from time to time select, all subject to the following terms, provisions and conditions:

NOW, THEREFORE,

1. Representations and Warranties. The University represents:

(a) The University has full power and authority under and by virtue of the laws of the State of Indiana, more particularly under the provisions of Indiana Code 20-12-6 and the acts amendatory thereof and supplemental thereto (the "Act"), to construct the Project at and in connection with the University of Southern Indiana and to provide for the cost thereof with loan proceeds evidenced by its promissory note or notes executed and delivered pursuant to the terms and conditions hereof.

(b) The principal amount of its promissory note or notes evidencing the indebtedness incurred hereunder, together with other indebtedness incurred pursuant to the Act, will not exceed the aggregate principal amount of bonds, as defined in such Act, which may be issued by the University.

(c) The University has, by resolution duly adopted, authorized the loan provided for herein, the proceeds of which will be used to finance the cost of constructing the Project.

(d) The University has, by resolution duly adopted, authorized its officers to execute and deliver to Old National this Agreement and its promissory note or notes in the form annexed hereto.

(e) The financing provided for in this Agreement has been approved by the State Budget Committee, the State Budget Agency and the Governor of the State of Indiana.

(f) The principal amount of the loan provided for in this Agreement, which will be used to provide for the cost of constructing the Project, will not exceed the total estimated cost of constructing thereof, including incidental expenses and financing costs.

(g) The University has determined that there is a need for the construction of the Project.

2. The Loans. The amount lent hereunder to the University by Old National shall not exceed One Million Forty Thousand Dollars (\$1,040,000) in principal amount and shall be evidenced by a note (referred to herein as the "note") substantially in the form attached hereto and marked "Exhibit A." All borrowings, payments and settlements made under this arrangement shall be made at the principal office of Old National. The note shall be dated as of the date of its issue and shall bear interest on the principal amount outstanding each day at the end of the day. (All borrowings will commence to bear interest on the day they are advanced and will bear interest through the day preceding the day of repayment.)

When used herein, the term "day" shall mean each actual natural, calendar day; the term "business day" shall mean each day that the principal office of Old National Bank in Evansville (the "Bank") is open to the public for the transaction of general banking business.

The interest on such note shall be at a rate equal to one-half (1/2) of the prime interest rate charged from time to time by the Bank plus three-fourths (3/4) of one percent (1%).

Whenever there is a change in the interest rate on the note, Old National's representative will telephone the University's representative and inform him of the new rate and of its effective date, effective on the date of notification. The University will receive written confirmation from Old National of such changes in the interest rate and of the effective date of such changes.

3. Change In Loan Amount.

(a) It shall be the obligation of the Bank to use its best efforts at all times, consistent with its fiduciary duties, to maintain participation in the loans by a sufficient number of its fiduciary accounts to enable it to keep the full committed principal amount of One Million Forty Thousand Dollars (\$1,040,000) in force. In the event the Bank is unable to do so in the exercise of its fiduciary duties, it shall promptly advise the University, as provided below, of any necessary decrease in the loan amount.

In the event that the loan amount has been decreased and it subsequently becomes possible for the Bank to do so, the Bank may make a corresponding increase in the principal amount of the loan (but not in excess of the amount stated above), it being the mutual intention of the parties that throughout the proposed term of this Agreement the University shall have use of the full principal loan amount to the greatest extent possible.

(b) A duly authorized representative of Old National, designated by Old National in writing, will from time to time before 10:00 A.M. of the day that any amount is to be lent pursuant hereto, notify the University's designated representative by telephone or otherwise of the total amount to be lent to the University, and, on receiving verbal approval from the University's representative, Old National's representative will enter such amount on the University's note as the "Amount Loaned" or the "Amount Repaid", and will make an adjustment in the "Balance Owing." However, if any increase or decrease is in excess of \$100,000.00 (one hundred thousand dollars), notice will be given to the University at least one business day prior to such increase.

The University will mail written confirmation of adjustments in the principal amount of the note to Old National on the same day that the University's representative gives its verbal approval. The entries made on the note by Old National's representative shall constitute prima facie evidence (except to the extent that error can be demonstrated) of the principal amount of the note outstanding at any time when Old National shall have received written confirmation of such entries from the University's authorized representative.

In the event Old National's notification to the University results in an increase in the total amount to be lent to the University hereunder, Old National shall cause the amount of said increase to be credited to the University's account with such bank as the University shall designate in writing.

In the event such verbal notification to the University results in a decrease in the total amount to be lent to the University, such notification shall constitute a demand for payment of the amount of such decrease. Contemporaneously with the verbal notification, Old National shall mail or otherwise personally deliver to the University a certificate executed by an officer of the Bank evidencing that the Bank and Old National have used their best efforts to maintain full participation of Old National's trust accounts in accordance with Section 3(a) hereof and that they have been unable to maintain such participation to the extent of the decrease. The University shall, on the same business day (or in the event of a decrease in excess of \$100,000, on the succeeding business day) pay the amount of the decrease to Old National in federal funds; such payment to be applied in reduction of the total outstanding and unpaid principal amount of the note. After any such payment by the University, Old National shall enter the new reduced principal balance on the note. The University will promptly send its written confirmation of the amount of any increase or decrease in the "Balance Owing" on the note. All payment to Old National of principal under this Paragraph 3 and of interest under Paragraph 4 shall be made by the University, in federal funds by wire or otherwise, to the Bank for the account of the Trust Division.

4. Payment of Interest. As of the last business day of each month, the University's representative will check with Old National's representative as to the amount of interest due through the next to the last business day of that month, and the University shall pay the amount due to Old National in federal funds. Such interest shall be paid for each calendar month on the last business day of the month.

5. Payment of Principal. It is understood and agreed that Old National shall have the right at any time to demand payment of all or any part of the principal amount then outstanding on the note or notes then held by Old National, together with interest to date of payment, subject to the notification provided in Paragraph 3, above, relating to

possible periodic increase or decreases in the amount of the loan. The University shall have the right at any time, upon advice to Old National by letter or telephone, to pay all or any part of the principal amount then outstanding on the note then held by Old National, together with interest to the date of payment, notwithstanding that Old National has not heretofore demanded such payment in accordance with the foregoing and with the note.

6. Source of Payment. The University will, on or before May 1, 1991, repay the note or in the alternative, issue permanent bonds or procure further interim financing from other sources, pursuant to the Act, the proceeds of which will be used to retire in full the indebtedness evidenced by the note or notes. The note or notes issued pursuant to this Agreement shall, except as hereinafter provided be payable solely from any one or more of the following sources:

- a. From the proceeds of the note or notes issued pursuant to this Agreement;
- b. From the proceeds of the permanent bonds issued to pay the cost of construction of the Project;
- c. From other short-term obligations issued to provide interim financing for the construction of the Project; or
- d. From the Line of Credit hereinafter described.

If the principal and interest on such note or notes or any part thereof remains unpaid at maturity on May 1, 1991, or upon demand, such principal and interest shall be additionally payable from student fees assessed against students attending the University, subject to the prior claim of the Trust Indenture dated as of November 1, 1985, between the University and The Merchants National Bank of Terre Haute providing for the issuance of University of Southern Indiana Student Fee Bonds from time to time and other prior indebtedness.

The University hereby covenants and agrees to charge and maintain its student fees in an amount sufficient in each year to pay principal of and interest on all indebtedness secured by such fees.

If the note or notes issued pursuant to this Agreement mature prior to the issuance of permanent bonds, the University will issue, sell and deliver other short-term obligations in an amount to pay, with other funds available therefor, the principal and interest on such note or notes.

The failure of the University to repay the note or to issue permanent bonds by May 1, 1991, shall in no way relieve the University of its obligations to repay the note or to issue such bonds. In no event shall the note or notes become an indebtedness of or liability against the State of Indiana.

After giving any required notice of demand under Section 3 hereof, Old National shall have the right to make demand for payment of the amount so demanded from the Bank as issuer of a Line of Credit (or any successor or issuer of a Line of Credit acceptable to Old National) under a Line of Credit dated concurrently herewith in the

form attached hereto as Exhibit B and in accordance with the terms and conditions thereof.

7. Total Indebtedness. In the event that Old National is unable to maintain the full principal amount of the loan in force for the entire term of this Agreement, the University shall be free to issue notes or other short-term obligations to provide replacement interim financing for the portion not maintained by Old National; but the aggregate principal amount of all interim financing for this project outstanding at any one time shall not exceed One Million Forty Thousand Dollars (\$1,040,000). All such notes and other short-term obligations issued within such amount for the purpose hereinabove described shall be of equal priority, and the University covenants that if it issues permanent bonds, or refinances, in an amount less than such outstanding notes and other short-term obligations, it will apply the proceeds thereof pro rata to the payment of principal and interest on all such notes and other short-term obligations outstanding. To the extent of its pro rata share of the proceeds of bonds which may be issued from time to time, each such note and other short-term obligations shall no longer be deemed to be outstanding.

8. Application of Proceeds. The University covenants and agrees that the proceeds of the note or notes shall be applied to the payment of the cost of construction of the Project, including the reimbursements of the University for any amounts advanced for such purpose.

9. Exchange of Notes. Upon Old National's request, the University shall issue and deliver to Old National without charge, a new note in exchange for the one then held by Old National in a principal amount equal to the then outstanding principal balance of the note surrendered in exchange.

Old National shall also have the right at any time to exchange the University's note then held by Old National for the University's separate demand notes payable to Old National's order as fiduciary for the various accounts administered by Old National which have advanced funds represented by the note (the separate note for each such account to be in a principal amount equal to the then outstanding loans by such account to the University) and the University shall immediately issue and deliver such separate demand notes to Old National, without charge, in exchange for the note. Such separate notes shall bear interest at the same rate or rates as the note in the same manner as though the note had not been exchanged.

10. Transfer of Notes. It is further understood and agreed that Old National shall not sell, pledge, assign, nor otherwise transfer any promissory note held by it pursuant to this Agreement without first having notified the University at least ten (10) days prior to the intended date of such sale, pledge, assignment or transfer of Old National's intention to do so.

11. Authorized Representatives. The Treasurer of the University, pursuant to authorization of the University of Southern Indiana Board of Trustees, has designated any one of the following individuals, as the University's representative, to receive notification of increases or decreases in the principal amount of the note, to give verbal approval thereof in person or by telephone, to sign written confirmations thereof and to verify the amount of interest due on the note from time to time. A specimen of the signature of each of these individuals appears following his or her name. Old National may rely upon the signatures and verbal authorizations of these individuals until notified, in writing, to the contrary.

<u>Name</u>	<u>Specimen Signature</u>
<u>BYRON WRIGHT</u>	<u>Byron Wright</u>
<u>Richard W. Schmidt</u>	<u>Richard W. Schmidt</u>
_____	_____
_____	_____

Old National hereby designates any one of the following individuals:

<u>Name</u>	<u>Specimen Signature</u>
<u>DONALD R. BALSEA</u>	<u>Donald R. Balsea</u>
<u>MARVIN H. SUNDERMAN</u>	<u>Marvin H. Sunderman</u>
<u>William B. Kelley</u>	<u>W. Kelley</u>
_____	_____

or any other individual or individuals who may be designated in writing by Old National's Chief Trust Officer, to enter on the note the total amount loaned by Old National from time to time, and to notify the University of changes in interest rates.

12. Addresses for Notice. Written confirmations of verbal approval shall be made to the appropriate representative at the following address:

If to Old National:

Old National Bank
in Evansville,
Trust Division
420 Main Street
P.O. Box 718
Evansville, Indiana 47705

If to the University:

University of Southern Indiana
Attention: Treasurer
8600 University Boulevard
Evansville, Indiana 47712

13. Condition Precedent. Prior to the initial loan hereunder, Old National shall have received from Ice Miller Donadio & Ryan, Indianapolis, Indiana, their favorable written opinion substantially to the effect that (which opinion may be subject in certain respects to timely publication of notice under Indiana Code 20-12-6-7(g)):

(a) This Agreement has been duly authorized, executed and delivered and constitutes the legal, valid and binding agreement of the University enforceable in accordance with its terms;

(b) The note or notes have been duly authorized and, when executed and delivered to evidence loans made hereunder, will constitute the legal, valid and binding obligations of the University, enforceable in accordance with their terms;

(c) The loans provided for in this Agreement have been authorized by resolutions duly adopted by the University;

(d) The note or notes issued pursuant to this Agreement have been sold in compliance with the negotiated sale requirements of Indiana Code 4-1-5; and

(e) The principal and interest of the note or notes are exempt under existing laws, regulations and rulings from the intangible tax, gross income tax and all other taxes in the State of Indiana, except the state inheritance tax, and under existing federal statutes, decisions, regulations and rulings, the interest thereon is excludable from gross income for federal income tax purposes.

14. Amendments. This Agreement may be amended only by an agreement in writing executed by the University, the Bank and Old National.

15. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together constitute one and the same instrument.

16. Registration; Persons Treated as Owners. So long as the note or notes shall remain outstanding, the University shall keep a register for the registration and transfer of the note or notes (herein referred to as the "Register").

The note or notes shall be transferable only on the Note Register at the principal office of the University, at the written request of the registered owner thereof or his attorney duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the University duly executed by the registered owner or his duly authorized attorney.

The University and any agent of the University may treat the person in whose name the note or notes is registered as the owner of the note or notes for the purpose of receiving payment of principal of and interest on the note or notes and for all other purposes whatsoever whether or not the note or notes is overdue, and neither the University nor any agent of the University shall be affected by notice to the contrary.

17. Exchange; Transfer. The registered note or notes, upon surrender thereof at the principal office of the University with a written instrument of transfer satisfactory to the University, duly executed by the registered owner or his duly authorized attorney, may at the option of the holder thereof, be exchanged for an equal aggregate principal amount of registered note or notes.

In all cases in which the privilege of exchanging notes or transferring registered notes is exercised, the University shall execute and deliver notes in accordance with the provisions of this Loan Agreement. For every exchange or transfer of notes the University 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. The University shall not be obliged to make any such exchange or transfer of notes during the 15 days next preceding an interest payment date on note or notes.

IN WITNESS WHEREOF, the University, the Bank and Old National have executed this Agreement the day and year first above written.

THE UNIVERSITY OF SOUTHERN INDIANA

By Byron C. Wright
Byron C. Wright, Treasurer

OLD NATIONAL BANK IN EVANSVILLE,
TRUST DIVISION, as Fiduciary for
Various Accounts, and Not Individually

By Donald R. Palmer
Senior Vice Pres. Trust Officer

OLD NATIONAL BANK IN EVANSVILLE
(the "Bank") solely with regard
to the obligations of the Bank
expressed in paragraph 3 hereof

By Donald R. Palmer
Senior Vice Pres. & Trust Officer

EXHIBIT A
PROMISSORY NOTE

SPECIMEN

For value received, the University of Southern Indiana will pay to Old National Bank in Evansville, Trust Division, as fiduciary for various accounts and not individually, on its demand, but no later than May 1, 1991, solely out of the funds hereinafter referred to, the principal sum set forth below as "Balance Owing" on the date of such demand at the office of Old National Bank in Evansville and will likewise pay to the order of said payee interest at the rate or rates provided for in the Agreement mentioned below. Said interest will be due and payable on the last business day of each month after the date of this note, or upon payment in full of the principal amount outstanding, and will be calculated on the average daily principal amount from time to time outstanding, as indicated below.

This note is issued pursuant to and subject to the terms and conditions of a certain Agreement dated May 1, 1986, by and between the University of Southern Indiana Board of Trustees and Old National Bank in Evansville, Trust Division, the terms of which are incorporated herein by reference.

This note is issued to provide interim borrowing for application to the cost of construction of the project as described in the above-mentioned Agreement, prior to the issuance by the University of Southern Indiana of permanent bonds pursuant to Indiana Code 20-12-6 ("Act") to provide funds for said project.

This note and the interest thereon shall be payable solely from any one or more of the following sources:

1. From the proceeds of the note or notes issued pursuant to the above-mentioned Agreement;
2. From the proceeds of the permanent bonds issued to pay the cost of construction of such project;
3. From other short-term obligations issued to provide interim financing for such project; or
4. From the Line of Credit described in the above mentioned agreement.

If the principal and interest on this note, or any part thereof, remains unpaid at maturity (May 1, 1991), or upon demand, as the case may be, such principal and interest shall be additionally payable from student fees assessed against students attending the the University of Southern Indiana, subject to liens and claims described in said Agreement. The University of Southern Indiana Board of Trustees covenant and agree to charge and maintain student fees in an amount sufficient in each year to pay principal of and interest on all indebtedness secured by such fees.

The University of Southern Indiana covenants that it will not issue notes or other short-term obligations to provide interim financing for the purpose hereinabove described in an aggregate amount outstanding at any one time exceeding One Million Forty Thousand Dollars (\$1,040,000), but all notes or other short-term obligations to provide interim financing issued within such amount for the purpose herein described shall be of

equal priority, and the University of Southern Indiana covenants that if it issues permanent bonds in an amount less than such outstanding notes and other short-term obligations, it will apply the proceeds thereof pro rata to the payment of principal and interest on all such notes and short-term obligations outstanding. To the extent of its pro rata share of the proceeds of bonds which may be issued from time to time, this note shall no longer be deemed to be outstanding.

This note is issued pursuant to the provisions of the Act, and, as provided for in such Act, the University of Southern Indiana shall not be obligated to pay this note or the interest thereon except from the funds and income as aforesaid, and no recourse shall be had for the payment of the principal or interest thereof against the State of Indiana or against the property or funds of the State of Indiana.

THE UNIVERSITY OF SOUTHERN
INDIANA

By Byron C. Wright
Treasurer

Evansville, Indiana

Dated: May 1, 1986

<u>Date</u>	<u>Amount Loaned</u>	<u>Amount Paid</u>	<u>Balance Owing</u>	<u>Authorized Initials</u>
May 29, 1986	\$1,040,000	\$0	\$1,040,000	

SPECIAL

PROMISSORY NOTE

For value received, the University of Southern Indiana will pay to Old National Bank in Evansville, Trust Division, as fiduciary for various accounts and not individually, on its demand, but no later than May 1, 1991, solely out of the funds hereinafter referred to, the principal sum set forth below as "Balance Owing" on the date of such demand at the office of Old National Bank in Evansville and will likewise pay to the order of said payee interest at the rate or rates provided for in the Agreement mentioned below. Said interest will be due and payable on the last business day of each month after the date of this note, or upon payment in full of the principal amount outstanding, and will be calculated on the average daily principal amount from time to time outstanding, as indicated below.

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This note and the interest thereon shall be payable solely from any one or more of the following sources:

1. From the proceeds of the note or notes issued pursuant to the above-mentioned Agreement;
2. From the proceeds of the permanent bonds issued to pay the cost of construction of such project;
3. From other short-term obligations issued to provide interim financing for such project; or
4. From the Line of Credit described in the above mentioned agreement.

If the principal and interest on this note, or any part thereof, remains unpaid at maturity (May 1, 1991), or upon demand, as the case may be, such principal and interest shall be additionally payable from student fees assessed against students attending the the University of Southern Indiana, subject to liens and claims described in said Agreement. The University of Southern Indiana Board of Trustees covenant and agree to charge and maintain student fees in an amount sufficient in each year to pay principal of and interest on all indebtedness secured by such fees.

The University of Southern Indiana covenants that it will not issue notes or other short-term obligations to provide interim financing for the purpose hereinabove described in an aggregate amount outstanding at any one time exceeding One Million Forty Thousand Dollars (\$1,040,000), but all notes or other short-term obligations to provide interim financing issued within such amount for the purpose herein described shall be of equal priority, and the University of Southern Indiana covenants that if it issues

SPECIMEN

permanent bonds in an amount less than such outstanding notes and other short-term obligations, it will apply the proceeds thereof pro rata to the payment of principal and interest on all such notes and short-term obligations outstanding. To the extent of its pro rata share of the proceeds of bonds which may be issued from time to time, this note shall no longer be deemed to be outstanding.

This note is issued pursuant to the provisions of the Act, and, as provided for in such Act, the University of Southern Indiana shall not be obligated to pay this note or the interest thereon except from the funds and income as aforesaid, and no recourse shall be had for the payment of the principal or interest thereof against the State of Indiana or against the property or funds of the State of Indiana.

THE UNIVERSITY OF SOUTHERN
INDIANA

By Byron C. Wright
Treasurer

Evansville, Indiana

Dated: May 1, 1986

<u>Date</u>	<u>Amount Loaned</u>	<u>Amount Paid</u>	<u>Balance Owing</u>	<u>Authorized Initials</u>
May <u>29</u> , 1986	\$1,040,000	\$0	\$1,040,000	