

Rod Roberson
Mayor



City Controller's Office
229 S. Second St
Elkhart, IN 46516

Jamie Arce
City Controller

574. 294.5471
elkhartindiana.org

March 18, 2024

Arvis Dawson, City Council President
APT 1
228 S Main St
Elkhart Indiana

Subject: Economic Development Loan Default - Lexington Business Center, Inc.

Council President Dawson,

This letter is to inform you of a recent development regarding the economic development loan awarded to Lexington Business Center, Inc for their event center project.

As you are aware, on September 12, 2018, the City Council approved ordinance 5683 which appropriated and provided an economic development loan of \$1,055,000 to Lexington Business Center, Inc. The purpose of the loan was to facilitate the development of an event space. This project was anticipated to support the revitalization of the River District, creating opportunities for the community to celebrate its milestones and major events downtown.

Unfortunately, the developer is currently in default on the loan. The last semi-annual payment the city received was for the payment due February 1, 2022, which was late and received August 10, 2022. Since that time the city has not received payment on the loan and the developer is currently four (4) semi-annual payments behind for a total balance due of \$138,255.66. We understand this is due, in part, to the untimely passing of Carl Tiedeman on May 14, 2022. As you may be aware he played a critical role in the project's leadership and operation of the event space.

The city recognizes the unforeseen circumstances that have contributed to this default. We have been committed to working collaboratively with the developer to find a solution. City staff have been in discussions with the remaining developer team and their representatives, to explore options for curing the default. These discussions have included restructuring the terms of the loan and other potential solutions.

As a result of the current state of default, please be aware that I have notified the Indiana State Board of Accounts due to the potential material loss of taxpayer funds to the city. Additionally, the default by the developer will also be included in our notes to the financial statements as part of the upcoming audit of our 2023 financial statements.

The intention of this letter is to be transparent that if a satisfactory resolution cannot be reached within a reasonable timeframe, the City may be forced to consider foreclosure on the property associated with the loan.

We will keep the City Council informed of all developments in this matter. In the meantime, we remain hopeful that by working together, we can find a path forward that protects the City's investment while still achieving the economic benefits envisioned for the Lexington Business Center.

Sincerely,



Jamie Arce, City Controller

Enclosures

CC:

Rod Roberson, Mayor
Elkhart Common Council
Elkhart Redevelopment Commission
John Espar, Corporation Counsel
Gary Boyn, Attorney to Redevelopment Commission
Mike Huber, Director of Development Services

ORDINANCE NO. 5683

AN ORDINANCE OF THE COMMON COUNCIL OF THE CITY OF ELKHART, INDIANA, APPROPRIATING A PORTION OF THE FUNDS IN THE ECONOMIC DEVELOPMENT INCOME TAX FUND, FOR THE PURPOSE OF PROVIDING MONEY TO FUND AN ECONOMIC DEVELOPMENT LOAN FOR THE LEXINGTON BUSINESS CENTRE, INC. RENOVATION PROJECT

WHEREAS, Lexington Business Centre, Inc. is considering a One Million Four Hundred Thirty Seven Thousand Dollar (\$1,437,000) renovation for property located at 530 E. Lexington Avenue to create event center space and other amenities, (the "Project"); and

WHEREAS, the Project will promote economic development and redevelopment within the territorial boundaries of the City of Elkhart ("Elkhart") and will be physically located in Allocation Area No. 1, of the Downtown Urban Renewal Area (the "Allocation Area") as created and designated by the City of Elkhart, Redevelopment Commission (the "Redevelopment Commission") pursuant to Indiana Code 36-14-7; and

WHEREAS, the City of Elkhart, as a political subdivision of the State of Indiana, ("City") and the Redevelopment Commission desire to foster economic development and redevelopment within Elkhart and the City's Redevelopment District, and the Project constitutes both an urban renewal and an economic development project within the purposes Indiana Code 36-7-14; and

WHEREAS, the payment of the costs of the completion of the Project, together with expenses incidental thereto are necessary and will be of general benefit to the City and its citizens; and

WHEREAS, to facilitate the completion of the Project, the City has determined to appropriate One Million One Hundred Thousand Dollars (\$1,100,000) from the Economic Development Income Tax Fund (the "Fund"); and

WHEREAS, the City and the Redevelopment Commission have insufficient funds available or provided for in the existing budgets or tax levies that may be applied to the costs of completion of the Project, together with expenses incidental thereto, as provided herein, and a necessity exists for making the additional appropriations set out herein; and

WHEREAS, the amount of One Million One Hundred Thousand Dollars (\$1,100,000) from the Fund to provide funds for the completion of the Project, has not been included in the regular budget of the City; and

WHEREAS, it is contemplated that the City will use the Funds appropriated hereunder to fund an Economic Development Loan to the Developer; and

WHEREAS, the Funds appropriated hereunder will be repaid to the City by the Redevelopment Commission and Developer as provided herein; and

WHEREAS, notice of a hearing on such additional appropriation has been published as required by law and such public hearing was held on such appropriation at which all taxpayers and interested persons had an opportunity to appear and express their views as to such additional appropriation.

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF ELKHART, INDIANA, AS FOLLOWS:

SECTION 1. The amount of One Million One Hundred Thousand Dollars (\$1,100,000) from the Economic Development Income Tax Fund shall be and the same is hereby appropriated to provide funds to support the \$1,055,000 Economic Development Loan to Lexington Business Centre, Inc. (the "Loan") for the completion of the Project as set forth herein, together with expenses incidental thereto. Such appropriation shall be in addition to all appropriations provided for in the existing budget and levy of the City, and shall continue in effect until the completion of the funding of the Project, together with expenses incidental thereto.

SECTION 2. The amount of One Million One Hundred Thousand Dollars (\$1,100,000) or such amounts actually used to fund the Loan, if less, from the Economic Development Income Tax Fund with interest at the per annum interest rate of four percent (4%), commencing on the date of the Note, shall be repaid by the Redevelopment Commission from tax increment revenues generated by the Project collected in the Allocation Area, which shall be pledged to the payment of the Loan and from private funds of the Developer.

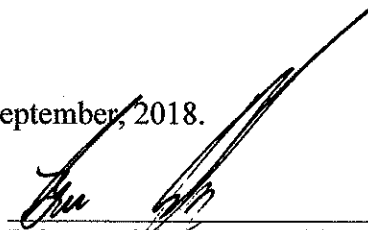
SECTION 3. The Mayor, the Controller and the Clerk of the City are, and each of them is, authorized to execute any instruments, certificates, agreements or documents as such officers deem necessary or appropriate to effectuate the provisions and purposes of this Ordinance.

SECTION 4. The Common Council of the City has fixed the 10th day September, 2018, at 7:00 p.m., in the Council Chambers, as the date, time, and place when the Common Council will consider and determine the appropriation, and the taxpayers of the City of Elkhart, Indiana, shall have then and there the right to be heard.

SECTION 5. A certified copy of this Ordinance shall be transmitted by the Controller of the City to the Indiana Department of Local Government Finance in accordance with Indiana Code 6-1.1-18-5.

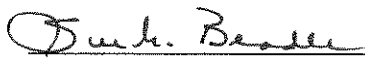
SECTION 6. This Ordinance shall be in full force and effect from and upon compliance with the procedures required by law.

PASSED AND ADOPTED this 10th day of September, 2018.



Brian J. Dickerson, President
Elkhart City Common Council

ATTEST:



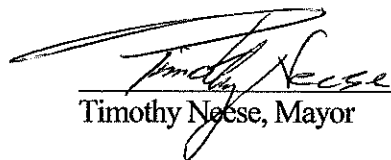
Sue M. Beadle, City Clerk

PRESENTED to the Mayor by me this 11th day of September, 2018.



Sue M. Beadle, City Clerk

APPROVED by me this 12th day of September, 2018.



Timothy Neese, Mayor

ATTEST:



Sue M. Beadle, City Clerk

SOURCES AND USES OF FUNDS

**Elkhart Redevelopment Commission
Lexington Event Center Project - Loan Schedule - \$1M PF**

Dated Date 09/01/2018
Delivery Date 09/01/2018

Sources:

Bond Proceeds:	
Par Amount	1,055,000.00
	<hr/>
	1,055,000.00

Uses:

Project Fund Deposits:	
Project Fund	1,000,000.00
Cost of Issuance:	
Other Cost of Issuance	55,000.00
	<hr/>
	1,055,000.00

BOND DEBT SERVICE

Elkhart Redevelopment Commission
Lexington Event Center Project - Loan Schedule - \$1M PFDated Date 09/01/2018
Delivery Date 09/01/2018

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2019			17,583.33	17,583.33	17,583.33
08/01/2019			21,100.00	21,100.00	
02/01/2020			21,100.00	21,100.00	42,200.00
08/01/2020	20,000	4.000%	21,100.00	41,100.00	
02/01/2021	20,000	4.000%	20,700.00	40,700.00	81,800.00
08/01/2021	20,000	4.000%	20,300.00	40,300.00	
02/01/2022	21,000	4.000%	19,900.00	40,900.00	81,200.00
08/01/2022	21,000	4.000%	19,480.00	40,480.00	
02/01/2023	22,000	4.000%	19,060.00	41,060.00	81,540.00
08/01/2023	22,000	4.000%	18,620.00	40,620.00	
02/01/2024	22,000	4.000%	18,180.00	40,180.00	80,800.00
08/01/2024	23,000	4.000%	17,740.00	40,740.00	
02/01/2025	23,000	4.000%	17,280.00	40,280.00	81,020.00
08/01/2025	24,000	4.000%	16,820.00	40,820.00	
02/01/2026	24,000	4.000%	16,340.00	40,340.00	81,160.00
08/01/2026	25,000	4.000%	15,860.00	40,860.00	
02/01/2027	25,000	4.000%	15,360.00	40,360.00	81,220.00
08/01/2027	26,000	4.000%	14,860.00	40,860.00	
02/01/2028	26,000	4.000%	14,340.00	40,340.00	81,200.00
08/01/2028	27,000	4.000%	13,820.00	40,820.00	
02/01/2029	27,000	4.000%	13,280.00	40,280.00	81,100.00
08/01/2029	28,000	4.000%	12,740.00	40,740.00	
02/01/2030	28,000	4.000%	12,180.00	40,180.00	80,920.00
08/01/2030	29,000	4.000%	11,620.00	40,620.00	
02/01/2031	30,000	4.000%	11,040.00	41,040.00	81,660.00
08/01/2031	30,000	4.000%	10,440.00	40,440.00	
02/01/2032	31,000	4.000%	9,840.00	40,840.00	81,280.00
08/01/2032	31,000	4.000%	9,220.00	40,220.00	
02/01/2033	32,000	4.000%	8,600.00	40,600.00	80,820.00
08/01/2033	33,000	4.000%	7,960.00	40,960.00	
02/01/2034	33,000	4.000%	7,300.00	40,300.00	81,260.00
08/01/2034	34,000	4.000%	6,640.00	40,640.00	
02/01/2035	35,000	4.000%	5,960.00	40,960.00	81,600.00
08/01/2035	35,000	4.000%	5,260.00	40,260.00	
02/01/2036	36,000	4.000%	4,560.00	40,560.00	80,820.00
08/01/2036	37,000	4.000%	3,840.00	40,840.00	
02/01/2037	38,000	4.000%	3,100.00	41,100.00	81,940.00
08/01/2037	38,000	4.000%	2,340.00	40,340.00	
02/01/2038	39,000	4.000%	1,580.00	40,580.00	80,920.00
08/01/2038	40,000	4.000%	800.00	40,800.00	
02/01/2039					40,800.00
	1,055,000		507,843.33	1,562,843.33	1,562,843.33

BOND SOLUTION

Elkhart Redevelopment Commission
Lexington Event Center Project - Loan Schedule - \$1M PF

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
02/01/2019		17,583	17,583		-17,583	
08/01/2019		21,100	21,100		-21,100	
02/01/2020		21,100	21,100		-21,100	
08/01/2020	20,000	41,100	41,100	15,684	-25,416	38.16122%
02/01/2021	20,000	40,700	40,700	15,684	-25,016	38.53627%
08/01/2021	20,000	40,300	40,300	15,684	-24,616	38.91876%
02/01/2022	21,000	40,900	40,900	15,684	-25,216	38.34782%
08/01/2022	21,000	40,480	40,480	15,684	-24,796	38.74570%
02/01/2023	22,000	41,060	41,060	15,684	-25,376	38.19839%
08/01/2023	22,000	40,620	40,620	15,684	-24,936	38.61216%
02/01/2024	22,000	40,180	40,180	15,684	-24,496	39.03499%
08/01/2024	23,000	40,740	40,740	15,684	-25,056	38.49843%
02/01/2025	23,000	40,280	40,280	15,684	-24,596	38.93808%
08/01/2025	24,000	40,820	40,820	15,684	-25,136	38.42298%
02/01/2026	24,000	40,340	40,340	15,684	-24,656	38.88017%
08/01/2026	25,000	40,860	40,860	15,684	-25,176	38.38536%
02/01/2027	25,000	40,360	40,360	15,684	-24,676	38.86090%
08/01/2027	26,000	40,860	40,860	15,684	-25,176	38.38536%
02/01/2028	26,000	40,340	40,340	15,684	-24,656	38.88017%
08/01/2028	27,000	40,820	40,820	15,684	-25,136	38.42298%
02/01/2029	27,000	40,280	40,280	15,684	-24,596	38.93808%
08/01/2029	28,000	40,740	40,740	15,684	-25,056	38.49843%
02/01/2030	28,000	40,180	40,180	15,684	-24,496	39.03499%
08/01/2030	29,000	40,620	40,620	15,684	-24,936	38.61216%
02/01/2031	30,000	41,040	41,040	15,684	-25,356	38.21701%
08/01/2031	30,000	40,440	40,440	15,684	-24,756	38.78403%
02/01/2032	31,000	40,840	40,840	15,684	-25,156	38.40416%
08/01/2032	31,000	40,220	40,220	15,684	-24,536	38.99617%
02/01/2033	32,000	40,600	40,600	15,684	-24,916	38.63118%
08/01/2033	33,000	40,960	40,960	15,684	-25,276	38.29165%
02/01/2034	33,000	40,300	40,300	15,684	-24,616	38.91876%
08/01/2034	34,000	40,640	40,640	15,684	-24,956	38.59316%
02/01/2035	35,000	40,960	40,960	15,684	-25,276	38.29165%
08/01/2035	35,000	40,260	40,260	15,684	-24,576	38.95743%
02/01/2036	36,000	40,560	40,560	15,684	-24,876	38.66928%
08/01/2036	37,000	40,840	40,840	15,684	-25,156	38.40416%
02/01/2037	38,000	41,100	41,100	15,684	-25,416	38.16122%
08/01/2037	38,000	40,340	40,340	15,684	-24,656	38.88017%
02/01/2038	39,000	40,580	40,580	15,684	-24,896	38.65022%
08/01/2038	40,000	40,800	40,800	15,684	-25,116	38.44181%
	1,055,000	1,562,843	1,562,843	580,318	-982,526	

BOND PRICING

Elkhart Redevelopment Commission
Lexington Event Center Project - Loan Schedule - \$1M PF

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	08/01/2020	20,000	4.000%	4.000%	100.000
	02/01/2021	20,000	4.000%	4.000%	100.000
	08/01/2021	20,000	4.000%	4.000%	100.000
	02/01/2022	21,000	4.000%	4.000%	100.000
	08/01/2022	21,000	4.000%	4.000%	100.000
	02/01/2023	22,000	4.000%	4.000%	100.000
	08/01/2023	22,000	4.000%	4.000%	100.000
	02/01/2024	22,000	4.000%	4.000%	100.000
	08/01/2024	23,000	4.000%	4.000%	100.000
	02/01/2025	23,000	4.000%	4.000%	100.000
	08/01/2025	24,000	4.000%	4.000%	100.000
	02/01/2026	24,000	4.000%	4.000%	100.000
	08/01/2026	25,000	4.000%	4.000%	100.000
	02/01/2027	25,000	4.000%	4.000%	100.000
	08/01/2027	26,000	4.000%	4.000%	100.000
	02/01/2028	26,000	4.000%	4.000%	100.000
	08/01/2028		4.000%	4.000%	100.000
	02/01/2029		4.000%	4.000%	100.000
	08/01/2029		4.000%	4.000%	100.000
	02/01/2030		4.000%	4.000%	100.000
	08/01/2030		4.000%	4.000%	100.000
	02/01/2031		4.000%	4.000%	100.000
	08/01/2031		4.000%	4.000%	100.000
	02/01/2032		4.000%	4.000%	100.000
	08/01/2032		4.000%	4.000%	100.000
	02/01/2033		4.000%	4.000%	100.000
	08/01/2033		4.000%	4.000%	100.000
	02/01/2034		4.000%	4.000%	100.000
	08/01/2034		4.000%	4.000%	100.000
	02/01/2035		4.000%	4.000%	100.000
	08/01/2035		4.000%	4.000%	100.000
	02/01/2036		4.000%	4.000%	100.000
	08/01/2036		4.000%	4.000%	100.000
	02/01/2037		4.000%	4.000%	100.000
	08/01/2037		4.000%	4.000%	100.000
	02/01/2038		4.000%	4.000%	100.000
	08/01/2038		4.000%	4.000%	100.000
		364,000			
Term Bond due 2038:					
	08/01/2028	27,000	4.000%	4.000%	100.000
	02/01/2029	27,000	4.000%	4.000%	100.000
	08/01/2029	28,000	4.000%	4.000%	100.000
	02/01/2030	28,000	4.000%	4.000%	100.000
	08/01/2030	29,000	4.000%	4.000%	100.000
	02/01/2031	30,000	4.000%	4.000%	100.000
	08/01/2031	30,000	4.000%	4.000%	100.000
	02/01/2032	31,000	4.000%	4.000%	100.000
	08/01/2032	31,000	4.000%	4.000%	100.000
	02/01/2033	32,000	4.000%	4.000%	100.000
	08/01/2033	33,000	4.000%	4.000%	100.000
	02/01/2034	33,000	4.000%	4.000%	100.000
	08/01/2034	34,000	4.000%	4.000%	100.000
	02/01/2035	35,000	4.000%	4.000%	100.000

BOND PRICING

Elkhart Redevelopment Commission
Lexington Event Center Project - Loan Schedule - \$1M PF

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Term Bond due 2038:					
	08/01/2035	35,000	4.000%	4.000%	100.000
	02/01/2036	36,000	4.000%	4.000%	100.000
	08/01/2036	37,000	4.000%	4.000%	100.000
	02/01/2037	38,000	4.000%	4.000%	100.000
	08/01/2037	38,000	4.000%	4.000%	100.000
	02/01/2038	39,000	4.000%	4.000%	100.000
	08/01/2038	40,000	4.000%	4.000%	100.000
		<u>691,000</u>			
		1,055,000			

Dated Date	09/01/2018	
Delivery Date	09/01/2018	
First Coupon	02/01/2019	
Par Amount	1,055,000.00	
Original Issue Discount		
Production	1,055,000.00	100.000000%
Underwriter's Discount		
Purchase Price	1,055,000.00	100.000000%
Accrued Interest		
Net Proceeds	1,055,000.00	



August 16, 2018

Elkhart Common Council
Elkhart Municipal Building
229 South Second Street
Elkhart, IN 46516

RE: River District Loan Summary

Dear Common Council Members,

Project: Lexington Event Center – redevelopment of the existing building at 530 East Lexington Avenue to provide an event center. Construction is underway and should be completed no later than December 31, 2018. This project supports the revitalization of the River District and will create opportunities for our community to celebrate its milestones and major events our downtown.

Total Project Costs: \$1,437,000

Loan Request: \$1,055,000

Loan terms: 4% interest with a 20-year amortization schedule and 10-year balloon. The Loan will be issued by the City Economic Development Commission, with funding appropriated by the Elkhart Common Council for River District Projects from the Capital Outlay Fund. The loan is collateralized by a first mortgage on 530 East Lexington Avenue with an estimated post renovation value of \$

The TIF income generated from the project will be pledged to help repay the loan, that is expected to be approximately \$30,000 per year. The pledged TIF revenue for this loan is only that which will be created from the Project, not from a general pledge of TIF generated in Allocation Area No. 1.

The total loan payment is roughly \$80,000 per year so the borrower will have to add about \$50,000 out of his own pocket to cover the loan as a semiannual payment. The first three payments will be interest only.

The balloon payment of \$691,000 by Borrower at end of 10 years (see attached schedule).

Additional Information:

Burl Troyer, who is a former banker and manager of both the Gateway Mile and Arora Capital Development Corporation Loan programs has reviewed the financial statements that support the loan request.

This property is located in the flood plain but was not damaged by recent floods and has received a variance for construction in a floodplain. But if the property owner were to take out a conventional loan for the project they would still be required to pay flood insurance with an approximate annual premium of \$45,000. Once the dam is removed from the Elkhart River the property is expected to be out of the flood plain so this expense is unnecessary and a barrier to this project.

Proposed Loan Approval Timeline:

Common Council - Introduced August 20 and go to 2nd and 3rd reading September 10.

Redevelopment Commission - meeting to pledge the TIF revenue to loan on September 11.

Economic Development Commission – meeting to approve loan on September 11.

I appreciate your support of this request and am available to answer any questions at 294-5471 x 1023 or crystal.welsh@coei.org.

Sincerely,

A handwritten signature in cursive script, appearing to read "Crystal Welsh".

Crystal Welsh, Development Services

AMENDED AND RESTATED
BORROWER'S PROMISSORY NOTE

Principal Amount: \$1,055,000

Date of this Amended Note: June 9, 2020

Maturity Date: August 1, 2029

FOR VALUE RECEIVED, the undersigned, Lexington Business Centre, Inc., an Indiana corporation (the "Borrower"), hereby promises to pay to the order of City of Elkhart, Indiana (the "City"), in immediately available funds, the principal sum of One Million Fifty-five Thousand Dollars (\$1,055,000) and interest thereon, as set forth herein, provided however, that the Borrower's payments under this Note shall be offset by the credits described in **Section 4.1** of that certain Financing and Loan Agreement (the "Loan Agreement") dated as of September 13, 2018, between the City and the Borrower.

Borrower shall pay interest only from the date of this Note in semiannual payments on February 1 and August 1 of each year, the first of such payment being due on February 1, 2019, through and including the payment due on August 1, 2021, in the following amounts:

February 1, 2019	\$17,583
August 1, 2019	\$21,100
February 1, 2020	\$21,100
August 1, 2020	\$15,825
February 1, 2021	\$15,825
August 1, 2021	\$15,825

Borrower shall pay principal and interest payments on this Note semi-annually, on each August 1 and February 1, commencing on February 1, 2022, in the following amounts:

February 1, 2022	\$ 36,825	
August 1, 2022	\$ 36,510	
February 1, 2023	\$ 37,195	
August 1, 2023	\$ 41,820	
February 1, 2024	\$ 41,380	
August 1, 2024	\$ 41,940	
February 1, 2025	\$ 41,480	
August 1, 2025	\$ 42,020	
February 1, 2026	\$ 41,540	
August 1, 2026	\$ 42,060	
February 1, 2027	\$ 41,560	
August 1, 2027	\$ 42,060	
February 1, 2028	\$ 41,540	
August 1, 2028	\$ 35,020	
February 1, 2029	\$ 34,620	
August 1, 2029	\$725,220	(Balloon Payment)

Interest shall accrue on the outstanding principal balance of this Note at the rate of Four Percent (4%) per annum from the date of this Note calculated on a 30 day month, 360 day year, except that the interest rate from February 1, 2020 to February 1, 2023 shall be Three Percent (3%) per annum. Borrower shall pay accrued interest semi-annually, on each August 1 and February 1. Borrower's final payment due August 1, 2029, will be for all principal and all accrued interest not yet paid. Unless otherwise agreed or required by applicable law, payments will be applied first to any unpaid collection costs, then to any accrued unpaid interest and then to principal. Borrower will pay the City at the City's address set forth in the Loan Agreement or at such other place as the City may designate in writing.

This Note is issued pursuant to and secured by the Loan Agreement, and is entitled to the benefits, and is subject to the conditions thereof. The obligations of the Borrower to make the payments required hereunder shall be absolute and unconditional without any defense or right of set-off, counterclaim or recoupment by reason of any default by the City under the Loan Agreement or under any other agreement between the Borrower and the City or out of any indebtedness or liability at any time owing to the Borrower by the City or for any other reason. Reference is hereby made to the Loan Agreement for a description of the property thereby secured, the nature and extent of the security for this Note and the rights of the holder thereof, the Borrower and the City in respect thereof, and the provisions for amending the Loan Agreement, to all of which the holder hereof, by its acceptance hereof, assents.

Borrower shall have the right to prepay this Note in full or in part at any time without penalty.

The Borrower hereby unconditionally waives diligence, presentment, protest, notice of dishonor and notice of default of the payment of any amount at any time payable to the City under or in connection with this Note. All amounts payable hereunder are payable with reasonable attorney's fees and costs of collection and without relief from valuation and appraisal laws.

In any case where the date of payment hereunder shall be a Saturday, Sunday or a legal holiday or a day on which banking institutions in Indianapolis, Indiana are authorized by law to close, then such payment shall be made on the next preceding business day with the same force and effect as if made on the date of payment hereunder.

All terms used in this Note which are defined in the Loan Agreement shall have the meanings assigned to them in the Loan Agreement.

SIGNATURE PAGE OF BORROWERS PROMISSORY NOTE

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed and attested by its duly authorized Member all as of the date first written above.

Lexington Business Centre, Inc.

By:



A. Carl Tiedemann, President