

CATHOLIC INSTITUTE of GREENSBURG, PA, INC.
PROMISSORY NOTE
LINE OF CREDIT

Borrower: (Name/Address)

Bishop Bosco Center
One Main Street
North Huntingdon, PA 15642

Lender:

Catholic Institute of Greensburg, PA, Inc.
723 East Pittsburgh Street
Greensburg, PA 15601

Co-Borrowers:

St. Agnes
11400 St. Agnes Lane
North Huntingdon, PA 15642

Percent:

Thirty-one percent (31%)

St. Barbara
34 Raymaley Road
Harrison City, PA 15636-1300

Twenty-seven percent (27%)

Immaculate Conception
305 Second Street
Irwin, PA 15642

Twenty-six percent (26%)

St. Elizabeth Ann Seton
200 Leger Road
North Huntingdon, PA 15642

Sixteen percent (16%)

Line of Credit Limit: \$500,000 plus accrued interest

Inception Date: July 26, 2005

Term of Loan: 10 years

Interest Rate at Inception: 5.25 %

1. BORROWER'S PROMISE TO PAY / COVENANTS

Borrower promises to pay to the order of The Catholic Institute of Greensburg, PA, ("Lender") interest on the principal amount on a quarterly basis.

Interest will be at the rate of five and one quarter percent (5.25 %) per annum until the following June 30. The interest rate may be adjusted once a year, effective July 1, and may be raised or lowered by no more than two percent during the term of the loan.

Borrower agrees to the following covenants:

- (a) Submit budget versus actual financial reports to the Lender as requested, but not less than once annually.
- (b) Meet annually, during the month of March to review the Bishop Bosco Center budget and Queen of Angels School budget with representatives of the Lender.
- (c) Allow the Lender to review any decision, including the addition of staff, that will have the effect of increasing the operating budget by \$25,000 or more prior to those decisions being finalized.

2. PAYMENTS

Payments are due by the 15th of the month following the end of the quarter. Borrower will receive a statement each quarter and agrees to make payments without notice or demand by Lender, and Lender hereby gives notice to Borrower that payment reminders will not be given to Borrower unless payments are delinquent.

Upon receipt of quarterly payments, Lender will apply the amount paid to interest before principal. If any amount of interest or principal remains unpaid at the end of the Term of this Loan, Borrower has the responsibility to either:

- (a) pay the balance in full upon end of the Term or
- (b) contact the Lender to request payment terms.

3. PRINCIPAL PAYMENT RIGHTS of BORROWER

Borrower has the right to make payments of principal before end of the Term of this Loan. When a payment of principal is made, Borrower shall notify the Lender in writing.

The Lender will use payments to reduce the amount of principal under this Promissory Note. There will be no changes in the due date of the next due quarterly interest payment.

Should the Borrower wish to establish a payment schedule for the outstanding principal balance, Borrower shall notify the Lender in writing and terms for amortizing the outstanding principal will be established at that time. Such terms shall not exceed ten years and shall be consistent with other Catholic Institute loans being issued at that time.

4. VARIABLE RATE of INTEREST

Borrower acknowledges that the interest rate at inception of this loan is the interest rate declared for all Catholic Institute loans as of that date. It is a variable rate.

July 26, 2005

Borrower acknowledges that interest rates may be adjusted upwards or downwards during the term of a loan only if a new rate is declared for all Catholic Institute loans in existence, and the effective date will be the July 1 following the date of declaration of a new rate.

Borrower will be notified of any changes in interest rates and will be given a revised payment schedule. New interest rates will apply to the total principal and interest balance remaining on the loan as of the date of declaration.

5. BORROWER'S FAILURE to PAY AS REQUIRED

(A) Default

Borrower will be in default if the full amount of each quarterly interest payment is not paid on the date it is due.

(B) Notice of Default

If Borrower is in default, the Lender will send a written notice to all those executing this Promissory Note (Item 6) requesting the overdue amount by a certain date.

(C) Remedies for Default

If Borrower is in default: 1) any extraordinary gifts to the Borrower are to be applied toward the loan, unless the donor has restricted the funds for another purpose, and, 2) any proceeds from the sale of Borrower's property must be applied toward the loan. If Borrower fails to remedy a default a Notice of Default will be given to the Borrower and Co-borrowers. Borrower and Co-borrowers acknowledge and accept that they will attend meetings with representatives from the Catholic Institute and will otherwise follow the procedures for default as outlined herein.

6. EXECUTION of the PARTIES

Intending to bind the Borrowers and Lender to the Terms of this Promissory Note, the signatures below are given on the dates shown:

Borrower: BISHOP BOSCO CENTER

Sign: Michael J. De Felice _____ 9-30-05
Print: MICHAEL J De FELICE Date

THE MOST REVEREND LAWRENCE E. BRANDT, TRUSTEE

Sign: Lawrence E. Brandt _____ October 3, 2005
Date

Lender: CATHOLIC INSTITUTE, FINANCIAL OFFICER

Sign: Sheila R Murray 9/21/05
Print: SHEILA R MURRAY Date

CATHOLIC INSTITUTE, BOARD of TRUSTEES

Sign: Michael J. McGee 9/21/05
Print: Michael J. McGee Date

Co-Borrowers: St. Agnes Parish, North Huntingdon:

Sign: RT J K 7-26-05
The Reverend Thaddeus J. Kaczmarek Date

CHAIR FINANCE COUNCIL

Sign: William J. McEneaney 7/28/05
Print: WILLIAM J. M'ENEANEY Date

St. Barbara, Harrison City:

Sign: V. Paul Fitzmaurice 8-3-05
The Reverend Monsignor V. Paul Fitzmaurice Date

CHAIR FINANCE COUNCIL

Sign: William Nera 8/30/05
Print: William Nera Date

Immaculate Conception Parish, Irwin:

Sign: Rev John A Moineau Aug 5, 2005
The Reverend Monsignor Conway Date
The Rev John A. Moineau

CHAIR FINANCE COUNCIL

Sign: Barbara Balcerak Aug. 5, 2005
Print: BARBARA BALCERAK Date

St. Elizabeth Ann Seton, North Huntingdon:

Sign: Rev Richard J. Kosisko 8-1-05
The Reverend Richard J. Kosisko Date

CHAIR FINANCE COUNCIL

Sign: MARIE NUSS 8-1-05
Print: MARIE NUSS

Sign: _____ *Date* _____
Print: _____