

THE THOMAS MORE COLLEGE OF LIBERAL ARTS

FACSIMILE TRANSMITTAL SHEET

TO:	FROM:
Edward O'Connor	Pete Ciaravino
COMPANY:	DATE:
Exertus Partners LLC	11/19/2007
FAX NUMBER:	TOTAL NO. OF PAGES, INCLUDING COVER:
(203) 306-3206	13
PHONE NUMBER:	SENDER'S PHONE NUMBER:
(203) 606-3991	(603) 880-8308
RE:	SENDER'S FAX NUMBER:
DCU Loan documentation	(603) 880-9280

URGENT FOR REVIEW PLEASE COMMENT PLEASE REPLY PLEASE RECYCLE

NOTES/COMMENTS:

Edward,

Attached is the DCU Loan documentation you requested. Please contact me with any questions.

Thanks,

Pete

**Settlement Statement
Transactions without Sellers**

**U.S. Department of Housing
and Urban Development**

**OMB Approval No. 2502-0265
(expires 11/30/2009)**

Name and Address of Borrower: The Thomas More College of Liberal Arts, Inc. 6 Manchester Road Merrimack, NH 03054		(See Addendum) Name and Address of Lender: Digital Federal Credit Union 220 Donald Lynch Boulevard Marlborough, MA 01752	
Property Location (if different from above): 6 Manchester Road Merrimack, NH 03054		Settlement Agent: Law Offices of John L. Allen 82 Palomino Lane, Suite 602, Bedford, NH 03110 Place of Settlement: 82 Palomino Lane, Suite 602 Bedford, NH 03110	
Loan Number:		Settlement Date: 11/02/2007 Funding Date: 11/02/2007	
L. SETTLEMENT CHARGES		M. DISBURSEMENT TO OTHERS	
800. ITEMS PAYABLE IN CONNECTION WITH LOAN		1501. St. Mary's Bank	
801. Loan Origination Fee \$			
802. Loan Discount \$			125,861.75
803. Appraisal Fee to		1502. St. Mary's Bank	
804. Credit report to			75,818.00
805. Inspection Fee		1503.	
806. Mortgage Insurance Application Fee to			
807. Mortgage Broker Fee		1504.	
808. Appraisal Fee	2,000.00		
809. Environmental Report	1,750.00		
810. Funding Holdback	640,495.75		
811. Total from addendum lines (See Addendum)	209.00		
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE		1505.	
901. Interest from		1506.	
902. Mortgage Insurance Premium for		1507.	
903. Hazard insurance Premium for			
904.			
905. (See Addendum)			
1000. RESERVES DEPOSITED WITH LENDER		1508.	
1001. Hazard insurance		1509.	
1002. Mortgage insurance		1510.	
1003. City Property Taxes			
1004. County Property Taxes			
1005. Annual assessments			
1006.			
1007.			
1008. Aggregate Accounting Adjustment	0.00		
1100. TITLE CHARGES		1511.	
1101. Settlement or closing fee to		1512.	
1102. Abstract or title search to John Allen & Assoc.	300.00		
1103. Title Examination to		1513.	
1104. Title insurance binder to			
1105. Document preparation to		1514.	
1106. Notary fees to			
1107. Attorney's fees to John Allen & Assoc. (includes above line numbers:	3,500.00		
1108. Title Insurance to Commonwealth Land Title (includes above line numbers:	1,687.50		
1109. Lender's coverage \$ 1,000,000.00		1515.	
1110. Owner's coverage \$			
1111. Doc-U-Search	384.00		
1112. Courier	50.00		
1113. Overnight - DHL (See Addendum)	30.00	From line 1516 to 1519 (See Addendum)	
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES		1520.	
1201. Recording fees: ESTIMATED	400.00	TOTAL DISBURSED (enter on line 1603) 201,679.75	
1202. City/cnty tax/stamps:		N. NET SETTLEMENT	
1203. State tax/stamps:		1600. Loan Amount	
1204. Copy charges at HCRD	14.00	1,000,000.00	
1205. (See Addendum)			
1300. ADDITIONAL SETTLEMENT CHARGES		1601. PLUS Cash/Check from Borrower	
1301. Survey to		2,500.00	
1302. Pest inspection to		1602. MINUS Total Settlement Charges (line 1400) 650,820.25	
1303. Architectural/engineering services to		1603. MINUS Total Disbursements to others (line 1520) 201,679.75	
1304. Building permit to			
1305.			
1306.			
1307. (See Addendum)		1604. EQUALS Disbursement to Borrower (after expiration of any applicable rescission period required by law) 150,000.00	
1400. TOTAL SETTLEMENT CHARGES (enter on line 1602)	650,820.25		

The undersigned hereby acknowledges receipt of a completed copy of this document. To the best of my knowledge the HUD-1A ref. RESPA Settlement Statement is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.

Settlement Agent Law Offices of John L. Allen

Borrower The Thomas More College of Liberal Arts, Inc.
(See Addendum)

Disbursement Date
Form: HUD-1A ref. RESPA (2/94)

Borrower



Digital Federal Credit Union

220 Donald Lynch Boulevard Marlborough, MA 01752 800-328-8797

October 31, 2007

Mr. Jeffrey Nelson, President
Thomas More College
6 Manchester Road
Merrimack, NH 03054

Re: Revised - \$1,000,000 Non-Revolving Line of Credit/Permanent Commercial Real Estate Mortgage to Thomas More College (the "Loan")

Dear Mr. Nelson:

I am pleased to inform you that the Digital Federal Credit Union (hereinafter "Lender" or "DCU") has approved your request for financing (the "Loan"). The financing will be subject to the following terms and conditions:

COMMERCIAL MORTGAGE LOAN (the "Mortgage Loan")

Borrower:	Thomas More College
Guarantor(s):	None; Thomas More College is a 501(c)3 entity and as such has no owners.
Loan Amount:	\$1,000,000 (One Million Dollars)
Purpose:	Proceeds used to pay-off existing lien's/mortgage to St. Mary's Bank for approximately \$210,000 in total and the rest shall be used for general working capital.
Type of Credit Facility:	Non-revolving line of credit for two year, converting to permanent 1st mortgage loan thereafter for balance of loan term.
Interest Rate:	The interest rate will be fixed for a period of ten (10) years at 7.00% per annum.
Commitment Fee:	Waived; In Lieu of paying a commitment fee, the Borrower will be required to transfer all deposit accounts to DCU.
Payment Terms:	Interest only payments based upon the amount of principal balance from time to time outstanding for initial two (2) years, then converting to principal and interest. The outstanding balance will be amortized over 23 years upon conversion date from Non-Revolving Line of Credit to Commercial Real Estate Mortgage. Upon the Maturity Date the entire principal balance of the loan, plus unpaid interest, fees and expenses and other charges shall be paid in full.

Term/Maturity: Loan shall mature in 10 years from the close of the loan.

Prepayment Penalty: None

**Borrower
Collateral;**

A first position mortgage and security agreement, along with a collateral assignment of leases and rents on the commercial real estate, including all land, buildings and other improvements located at 6 Manchester Road, Merrimack, NH (the "Real Property").
recommendations.

Source & Use of Funds:

Source of Funds

Loan:	\$1,000,000.00
Total Sources:	\$1,000,000.00

Use of Funds:

Pay-Off Mortgage	\$210,000.00
Program and Marketing	\$400,000.00
Working Capital	\$390,000.00
Total Uses:	\$1,000,000.00

Junior Liens:

At closing or throughout the life of the Loans no junior mortgages, encumbrances or liens on the Collateral will be allowed without DCU's prior written consent.

**Cross-Defaulted &
Cross-Collateralized**

The Loans shall be cross-defaulted and/or cross-collateralized with any other loan(s) from DCU to the Borrower.

Appraisal Requirement:

A real estate appraisal will be conducted on the Real Property in accordance with DCU's requirements at the Borrower's sole cost and expense. The final estimate of value of the Real Property, as determined by the appraisal and DCU, must provide DCU with a loan-to-value of not more than 70%. The estimated fee for the appraisal is \$2,500. Adjustments for the actual appraisal fee verses the estimated appraisal fee will be made at closing, with all additional fees to be paid by the Borrower. In no case will the appraisal fee be returned to the Borrower.

**Escrow Agreement/ Environmental
Holdback on Line Availability:**

The Lender will hold in reserve \$75,000 on the line of credit until such time as issues identified by its agent/Enstrat, Inc. environmental consulting firm have been satisfactorily addressed regarding drinking

water and underground storage tanks on the site. The Borrower will be required to remedy said issues at their expense and in an expeditious manner - but in any event not longer than a two year time frame to maintain good standing with the Lender.

More specifically, post closing, the underground storage tanks are to be pressure tested to insure they do not pose a health risk of contamination of any imminent nature. Within a two year time frame, the Borrower agrees to satisfactorily address Lender's engineering firm's (Enstrat, Inc.) concerns regarding results of testing on said tanks and well water. The remedial action will likely include but not necessarily be limited to removal and/or replacement with new underground storage tanks or above ground storage tanks.

Additional, testing of on-site drinking water to determine if there is a public health risk of any sort as well as registering the well with New Hampshire Dept. of Environmental Safety along with all on site UST's. If results of both these testing (drinking water wells and UST's is satisfactory), Lender will reduce hold back to \$25,000 until such time as compliance is achieved by Borrower with Engineer's

Environmental Site Assessment:

DCU will hire an environmental engineering firm at the Borrower's sole cost and expense to complete a database review/transaction screen environmental site evaluation as deemed appropriate by the environmental engineering firm and DCU. Based on the results of the initial environmental site evaluation additional environmental investigation may be required. Such evaluation shall indicate no presence or threat of release of oil or other hazardous materials as defined under the General Laws of the State in which the Real Property is located. The estimated fee for the environmental site evaluation is \$1,200 and is required to be paid by the Borrower with the signed commitment letter. Adjustments for the actual fee verses the estimated fee will be made at closing, with all additional fees to be paid by the Borrower. In no case will the fee be returned to the Borrower.

Environmental Indemnity:

The Borrower will indemnify and hold DCU harmless from and against any and all cost, loss, damage, liability and expense, including attorney's fees, suffered or incurred by DCU in connection with the Loan, at any time, whether before, during or after enforcement of its rights and remedies upon default, on account of any release of hazardous materials at, upon, under, or within the Real Property, or resulting from the presence of asbestos or asbestos-containing materials, PCB's, radon gas, lead paint, or UREA formaldehyde foam insulation and the like at the Real Property, including with respect to (i) the imposition by any governmental authority of any lien or so-called "super priority lien" upon the Real Property, (ii) clean up costs, (iii) liability for personal injury or property damage to the environment, and (iv) fines, penalties and punitive damages.

Hazard Insurance:

The Borrower will maintain appropriate hazard insurance policies on the Collateral satisfactory to DCU. The Borrower must submit evidence of all risks hazard insurance on the Collateral from a company and in a form acceptable to DCU, with extended coverage in amounts at all times sufficient to prevent it from becoming a co-insurer within the terms of the applicable policy, but in any event such insurance shall be maintained in an amount equal to the full insurable value of the Collateral and with deductibles acceptable to DCU. The term "full insurable value" as used herein shall mean the actual replacement cost of the Collateral (without taking into account any depreciation, and exclusive of excavations, footings and foundations, landscaping and paving). The policy must name DCU as mortgagee and loss payee, as-its-interest may appear, with a non-cancellation provision without twenty (20) days prior written notice to DCU. Borrower will evidence the insurance through a certificate of insurance (ACORD 27 or ACORD 28) from the appropriate insurance company fifteen (15) days prior to Loan closing.

Liability Insurance:

Borrower shall maintain comprehensive general liability insurance, including bodily injury, death and property damage liability, dram shop coverage (if applicable) and umbrella liability insurance against any and all claims, including all legal liability to the extent insurable imposed upon DCU and all court costs and attorneys' fees and expenses, arising out of or connected with the possession, use, leasing, operation, maintenance or condition of the Real Property in such amounts as DCU may reasonably require. In addition Borrower shall maintain statutory workers' compensation insurance (to the extent the risks to be covered thereby are not already covered by other policies of insurance maintained by it), for any employees with respect to any work on, about or regarding the Real Property. Such policies shall contain a non-cancellation provision without twenty (20) days prior written notice to DCU. Borrower will evidence the insurance through a certificate of insurance (ACORD 25) from the appropriate insurance company fifteen (15) days prior to Loan closing.

Flood Insurance:

If any of the Collateral is located in an area defined by the Department of Housing and Urban Development as having specific flood hazards, the Borrower must obtain, and maintain for the life of the Loan, flood insurance in an amount equal to the lesser of the amount of the Loan or the maximum amount of coverage available under the Flood Disaster Protection Act of 1973. DCU will order, at Borrower's cost and expense, a Flood Plain search.

The title to all Collateral for the subject Loan must be in a form satisfactory to DCU. With regard to real estate secured loans DCU will require a specimen lender's title insurance policy on a standard American Land Title Association (ALTA) form insuring DCU in an amount not less than the amount of the Loan and in form and substance acceptable to DCU. A title insurance company satisfactory to DCU shall issue the policy. The policy shall contain only those exceptions approved by DCU. The policy shall insure DCU against mechanic and material-men's liens and shall include such additional

endorsements as DCU shall require, and if an ALTA survey is not provided, then such other satisfactory documentation shall be provided sufficient to delete the survey exception from the policy.

Title to Collateral:

Borrower may not sell, assign, encumber, or otherwise transfer title to the Collateral during the term of the Loan. Borrower represents that it owns, or will at the time of closing, own the Collateral in fee simple, free and clear of liens, restrictions and encumbrances, except as approved by DCU prior to closing.

Survey/Plot Plan:

With regard to real estate secured loans, prior to closing, the Borrower shall provide DCU with a certified plot plan or engineers survey on the Real Property. If for any reason such requirement is waived by DCU, then such other documentation acceptable to DCU, its legal counsel, and/or the title insurance company shall be provided for purposes of deleting the survey exception from the lender's title insurance policy.

Subordination of Leases:

With regard to real estate secured loans, all written lease agreements relating to the Real Property shall provide that the lease and the tenants interest therein is subordinate to any and all present and future mortgages of the Real Property. DCU, as a condition to closing the Loan, may require from the Borrower independent subordination, non-disturbance and attornment agreement(s), in form and substance satisfactory to DCU, to be signed by all such third-party tenants under written leases at the Real Property.

Certification of Leases:

If DCU and/or Borrower anticipate that the source for repayment of the Loan shall in whole or in part be generated from rental payments made to the Borrower from third-party tenants at the Real Property, then DCU, as a condition to closing the Loan, may require lease estoppel certificates or lease certification agreements, in form and substance satisfactory to DCU, to be signed by all such third-party tenants at the Real Property.

Landlord's Consent and Waiver:

If any Collateral for the Loan consisting of tangible or intangible personal property is located on leased premises, the landlord, as a condition to closing the Loan, will be required to waive any claim against or lien upon the Collateral in which DCU holds a security interest, and also agree to the entry of DCU for purposes of removing and/or liquidating its Collateral in the event of default by the Borrower and/or Guarantor in its obligations to DCU.

Required Financial Reporting:

- Each year, within 120 days of calendar year end, signed copies of the Borrower's CPA prepared Audited Financial Statements, with all supporting Notes to Financial Statements.
- The Borrower must also provide additional financial information when reasonably requested by DCU in a timely manner such as interim financial reporting if so desired by the Lender.

Financial Covenant(s):

During the term of the Loans, the Borrower must maintain a Debt Service Coverage Ratio of not less than 1.20x, tested annually based on the year end audited financial statements and calculated based on Net Operating Income divided by Annual Debt Service, as follows:

+ Cashflow from Operations/Increase in Unrestricted Net Assets
+ Depreciation and Amortization
+ Interest
- Unfinanced portion of the purchase of new fixed assets
= Net Operating Income (NOI)

Annual Debt Service = All Principal and interest payments

Debt Service Coverage Ratio = NOI/All Debt Service (annualized)

Entity Documentation:

If the Borrower or Guarantor is a corporation, limited liability company, partnership, trust or other entity, DCU shall have received, in form and substance satisfactory to DCU, copies of all agreements or documents, and all amendments thereto, relating to the formation, existence, power, authority and governance of Borrower and/or Guarantor, as applicable, together with copies of all certificates which are required to be, or may be, filed in connection with the creation of Borrower and/or Guarantor, as applicable. DCU will also be furnished with appropriate authorizing resolutions regarding the Loan.

Legal Opinion:

Borrower will furnish an opinion of Borrowers' legal counsel that all documents in connection with the Loan have been duly authorized, executed and delivered by Borrower and Guarantor, as appropriate. Such opinion shall cover such other matters as may be deemed necessary or desirable by DCU, or its legal counsel, including but not limited to compliance with any applicable wetland, zoning, subdivision and other governmental laws and regulations.

Disclosure:

Borrower and Guarantor represent that they have disclosed all facts material to the Collateral, their business operations, and/or personal finances to DCU.

DCU Deposit Accounts:

The Borrower shall maintain deposit accounts with DCU for the life of the Loans. Loans' payments will be automatically deducted from the DCU checking account.

DCU Membership:

The Borrower and each Guarantor shall become member of DCU. They can accomplish this by becoming a member of the American Association of Disabled People. DCU will pay the membership fee for the first year. The enclosed membership applications must be returned at least one week prior to closing.

Attorney for DCU:

DCU may hire an attorney to prepare all necessary documents and instruments for the closing of the Loans at the Borrowers' expense.

Closing Documents:

All closing documents will be in form and substance satisfactory

to DCU and DCU's legal counsel. The closing documents shall be executed by the Borrower, Guarantor, and any other parties designated by DCU, and shall include, but not be limited to, promissory notes, loan agreements, mortgages, security agreements, debt subordination agreement, environmental indemnification agreements, landlord waivers, lease subordinations, lease certifications, and guaranty agreements. In addition to those legal documents specified herein, Borrower and/or Guarantor will furnish such additional documents, certifications, and opinions as DCU or our legal counsel may reasonably require.

**Satisfaction and Survival
Of Terms and Conditions:**

The terms and conditions of this commitment must be satisfied on or before the closing. The terms and conditions of this commitment will also survive any closing of the Loans and any failure by the Borrower and/or Guarantor to abide by the terms and conditions of this commitment after the closing will permit DCU to declare the Loans and all amounts otherwise due from the Borrower to DCU (including and without limitation under any other loan) to be immediately due and payable. However, to the extent a document executed by the Borrower, Guarantor and/or DCU after the acceptance of this commitment, contains any terms and conditions which are expressly inconsistent with the terms and conditions of this commitment, the terms and conditions of the later document shall control with respect to those terms.

Termination:

DCU shall have no obligation to close the Loans in the event of (i) any bankruptcy, receivership or similar proceeding with respect to Borrower or Guarantor; (ii) the proving false of any information provided to DCU in connection with the application for the Loans or this commitment; (iii) any material adverse change in the financial condition of Borrower or Guarantor; (iv) failure of Borrower or Guarantor to comply with the terms and conditions of this commitment letter; or (v) any Collateral offered for the Loans or any documents, instruments, agreements or information furnished to DCU pursuant to this commitment are not in all respects in form and substance satisfactory to DCU.

Closing Date:

The closing date of the Loans will occur on or before November 30, 2007. If the Loans do not close on or before that date, DCU may withdraw this commitment without any further obligation on its part or DCU may change the terms and interest rate of the Loans upon application by the Borrower for an extension of this commitment.

Costs and Expenses:

Whether or not the Loans is closed, the Borrower or Guarantor will pay all costs and expenses incurred by DCU in connection with the making of this commitment, the Loans, and its administration and enforcement, including, but not limited to, reasonable attorney fees, UCC search fees and recordings, title searches, title insurance and recordings, appraisal fees, engineering studies, environmental site assessments, surveys, recording fees, documentary stamps, taxes, and all other necessary costs.

- Other terms and conditions:** In addition to terms and conditions set forth in this commitment, the final Closing Documents will include such additional terms and conditions as are required by DCU or its legal counsel.
- Modifications:** This commitment may be amended only in writing executed by Borrower and DCU.
- No Material Adverse Change:** All representations and warranties made by the Borrower and/or Guarantor in connection with the Loans shall be true in all material respects as of the closing date and, during the period of this commitment's effectiveness. There shall have been no material adverse change in the financial condition of the Borrower and/or Guarantor or in the condition of the business or Collateral.

IN ADDITION TO THE TERMS OUTLINED IN THIS LETTER, THIS COMMITMENT IS CONTINGENT UPON THE FOLLOWING:

1. Current Appraisal indicating a Loan to Value of 70% or less
2. Update Environmental Transaction Screen & DEP file review

By acceptance of this letter, Borrower acknowledges that DCU may not have completed a full business, credit, and legal analysis of Borrower and the transaction contemplated by this commitment. As a result of further investigation and analysis by Lender, DCU may become aware of information, which may require restructuring or other modification of the transaction contemplated by this commitment.

This letter supersedes all prior oral or written agreements or discussions between Borrower and DCU. No officer of DCU or other person is authorized to make any oral commitments with respect to these Loans. This letter represents the maximum scope of the commitment offered to you by DCU. If at any time you seek an extension or modification of this commitment, you must submit a written application. If your application for an extension or modification is accepted, you will receive a written commitment reflecting any extension or modification agreed to, signed by a duly authorized officer of DCU. No other procedure for an extension or modification of this commitment is authorized by DCU.

This letter may not be assigned by you and may not be relied upon by any third party. It may not be disclosed to any third party other than your counsel, your accountant, and persons employed by you.

Please acknowledge your acceptance of this commitment and its requirements by signing the original copy of this letter where indicated below and return it to DCU along with a check for \$1,200 representing the following required fees:

Appraisal:	\$2,500 (Non-refundable)
Environmental:	\$1,200 (Non Refundable)
Total:	\$3,700

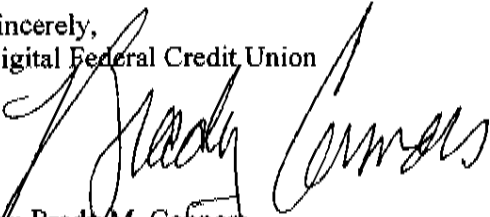
Less Credits:	
Application Fee	<u>(\$2,500)</u> (Credit for funds already paid upon execution of Term Sheet)
Net Total Due:	\$1,200

Adjustments for the actual fees and expenses versus the estimated fee will be made at closing, with all additional fees to be paid by the Borrower.

DCU reserves the right to withdraw this commitment if a signed copy, together with any amounts due, is not received by us on or before closed of business on Friday, October 26, 2007.

We look forward to doing business with you.

Sincerely,
Digital Federal Credit Union


A handwritten signature in black ink, appearing to read "Brady Connors". The signature is written in a cursive style with a large, sweeping initial "B".

By: Brady M. Connors
Title: Senior Commercial Loan Officer

Acceptance of Terms:

The undersigned hereby accepts this commitment and agrees to the terms and conditions hereof this
2ND day of November 2007.

Borrower: Thomas More College


Authorized Signatory:

DATE Signed: 11-02-07

By: JEFFREY O. NELSON Its: President
(Please Print)

Please list below the attorney, if any, who will be representing you in this transaction.

Attorney's Name: Greg E. Michael, Esquire
Attorney's Firm: Wiggins & Nourie, PC
Address: P.O. Box 808 Manchester, NH 03105-0808
Telephone: 603-629-4549

Counsel for Lender:

Attorney's Name: John Allen, Esquire
Attorney's Firm: Law Offices of John L. Allen & Associates, P.C.
Address: 82 Palomino Lane, Suite 602
Bedford, New Hampshire 03110
(603) 666-9966 (phone)
(603)-668-7750 (fax)