INVESTMENT AGENCY AGREEMENT

On this 15th day of January, 2015, Carroll Education Foundation, ("Principal") and First Merchants Trust Company, a division of First Merchants Bank, N.A. ("Merchants") hereby agree as follows:

1. **Appointment.** Principal appoints Merchants as Principal's agent for the purposes and upon the terms set forth in this agreement.

2. **Property.** Principal is delivering certain assets and may deliver additional assets to Merchants for investment management under the terms of this agreement. Principal represents that the assets transferred are Principal's separate property or, if community property, that Principal has the authority to transfer such assets to Merchants and to enter into this Agreement. Principal may withdraw assets held under this agreement upon its written direction delivered to Merchants.

3. **Investments.** (a) **Merchants' Powers and Duties.** Merchants shall, without the prior or subsequent approval of Principal, retain, purchase and sell the assets administered by it in such manner and in such property, as Merchants shall determine to be prudent based upon Principal's investment goals and objectives at the establishment of this account or as subsequently amended. Permissible investments shall include common or preferred stocks, bonds, notes, or debentures of any association or corporation organized or located in any State or Territory of the United States or any foreign country; interests in investment trusts; or other property, real or personal. Such investments shall be upon such terms and for such lengths of time and in such amounts as Merchants shall, in its sole discretion, deem to be in Principal's best interest. Merchants is specifically authorized to invest funds in certificates of deposit, savings accounts and money market instruments, such as repurchase agreements, in its banking department or that of its affiliates. Merchants is specifically authorized to invest in open-end investment companies, including investment companies from which
Merchants and/or its affiliates may receive fees. Merchants shall purchase and sell
shares of First Merchants Corporation only in accordance with Principal's instructions,
and shall retain any such shares it receives until Principal otherwise instructs.
Merchants shall provide no investment management advice concerning shares of First
Merchants Corporation. Merchants may establish investment guidelines after
consulting with Principal and, in such cases, shall review investment policies specific
holdings, and account performance with Principal at Principal's request. Merchants
shall exercise its investment powers under this agreement consistently with applicable
fiduciary standards. Merchants shall have no discretionary or fiduciary duties under this
Agreement other than those specifically set forth herein.

(b) **Receipt of Confirmations.** Principal has the legal right to receive transaction
confirmations, or in the case of money market sweep transactions, monthly statements, unless
Principal waives the issuance of such confirmations. Principal waives the right to receive such
confirmations unless, by Principal's initials placed below, Principal has indicated a wish to
receive confirmations of, respectively:

Money market sweep transactions (or monthly statements) [Initials]

All other confirmations [Initials]

4. **No Federal Deposit Insurance.** The Federal Deposit Insurance Corporation
does not insure this account.

5. **Collection of Income and Other Payments.** Merchants shall advise Principal
of any right, exchange or conversion privilege and any other matters of a similar nature
respecting the assets. Merchants shall follow Principal's written, oral or electronic mail
directions with respect to such matters that are optional and, in the absence of direction,
Merchants shall take no action. Merchants shall collect and account for all income from the
assets and for the proceeds upon sale, redemption or maturity of the assets. Merchants shall
distribute income, principal, or take such other action regarding the assets, as Principal directs.

6. **Nominee Registration.** Certificates for shares of stock and other registered
securities will be registered in Merchants' name or Merchants' nominee name unless the parties
otherwise agree in writing. Merchants may maintain qualifying assets in any registered clearing agency, Federal Reserve Bank, or custodian bank, and may permit such assets to be registered in the name of such custodian or its nominee on the records of such custodian. Merchants is authorized to receive and open all communications addressed to Principal and to endorse and collect in Principal's name and on Principal's behalf, all checks and remittances and to give receipts therefore.

7. **Periodic Accounting, Records and Reports.** Merchants shall furnish Principal with statements of assets, receipts and disbursements on either a monthly or quarterly basis, as Principal shall prefer. Merchants will not forward annual, interim or special company reports unless Principal so requests. All assets and records relating to this agreement shall be maintained at Merchants' principal office. Such records shall be open to Principal's inspection during Merchants' normal business hours.

8. **Merchants' Compensation and Expenses.** Merchants shall receive compensation according to its schedule of fees in effect when its services are rendered. In addition, Merchants shall receive reimbursement for the expenses incurred in the performance of its duties, including necessary legal fees.

9. **Termination.** This Agreement shall continue until terminated by either party upon written notice to the other. Upon such written notice, Merchants will deliver all assets then held as directed. This Agreement shall also terminate upon Principal's disability or death. Upon such termination, Merchants will deliver the assets as directed in writing by Principal's duly designated and empowered attorney-in-fact, guardian, conservator, or personal representative, as the case may be.

10. **Proxies.** Merchants will vote proxies unless directed otherwise in writing by Principal. Merchants will forward Principal all proxies of First Merchants Corporation, any other companies in which Merchants or its affiliates have an interest as issuer or investment advisor and any other excepted securities.

11. **Arbitration.** All controversies arising under this agreement shall be determined by arbitration before a panel of independent arbitrators designated by the AMERICAN ARBITRATION ASSOCIATION or as the parties otherwise agree. The costs of such panel and its proceedings will be borne equally by the parties but with each party bearing
its costs of representation. The parties acknowledge that arbitration is final and binding and that they waive the right to seek remedies in court including the right to trial by jury. The parties further acknowledge that pre-arbitration discovery is more limited than that allowed in court proceedings and that an arbitrator's award is not required to include factual findings or legal reasoning. Any party's right to appeal or to seek modification of an arbitrator's ruling is strictly limited.

12. **Merchants' Liability.** Merchants' liability under this agreement shall not extend to indirect or consequential damages.

13. **Entire and Binding Agreement.** This Agreement contains the entire agreement and understanding of the parties with respect to the subject matter of this agreement. This Agreement shall be binding upon and shall inure to the benefit of the parties, their heirs, successors and assigns. This Agreement shall be governed and construed under Indiana law so that the invalidity or unenforceability of one or more of the provisions shall not affect the remainder of this Agreement. The paragraph headings in this Agreement are for convenience and ease of reference and do not in any way explain, modify or amplify, or affect the provisions of this agreement.

First Merchants Trust Company,  
a division of First Merchants Bank, N.A.  

By ____________________________  
Its ____________________________

Principal

By Katriona K. Scagnoli

By Jay Bent

By Beth A. Stephenson

By Dan C. Pfeifer

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Carroll Education Foundation
Investment Policy Statement

Introduction:

The Carroll Education Foundation is a 501(c) (3) nonprofit organization. The Foundation's mission is to enhance educational programs offered within Carroll Consolidated School Corporation by raising money to fund immediate needs, establishing and maintaining perpetual funding sources, and increasing community involvement in the Carroll Schools. In order to provide appropriate stewardship of the different types of funds received, the Board of Directors of the Carroll Education Foundation desires to establish this Investment Policy Statement.

In brief, the funds received by the Foundation can be grouped into three categories.

Category 1: Endowment Funds

The purpose of the Endowment Fund is to provide a perpetual source of revenue for designated educational programs and the administration of the Foundation. These funds are to be invested utilizing a Total Return Concept with a goal to increase the real value of the endowment principal and its distributions over the long-term while funding current needs at an appropriate level. Under the Total Return Concept, interest and dividend income along with any market value appreciation or depreciation is considered in determining the available dollars for each year's distribution. This amount will be calculated as defined in the Spending Policy which will be reviewed annually by the Board of Directors.

Category 2: Program and Grant Funds

The funds in this category are temporarily restricted by the education purpose or time as designated by donors, granting agencies, or the Board, and which will be expended as the designated conditions are met. These funds are to be invested in short term instruments that do not have market risk, for example: FDIC insured checking, savings, money market accounts, or certificates of deposit. They should be sufficiently liquid so that funds are available without penalty when needed.

Category 3: Operational Funds

The funds in this category are unrestricted as to purpose and may be used for operations of the Foundation or for any educational program if operational needs have been satisfied. These funds are to be invested in checking, savings, or money market accounts that have FDIC insurance coverage and are liquid for use as needed.
The primary focus of this Policy will be on goals, objectives and strategies relating to the long term investment of Endowment Funds set forth in Category 1.

Category 1: Endowment Funds

A. Responsibility and Authority

The Carroll Education Foundation Board of Directors has responsibility for managing the assets of the organization. The Board believes it can best meet this responsibility by:

a. Defining objectives and goals
b. Hiring competent outside investment management
c. Establishing investment guidelines and monitoring the Investment manager’s compliance with them; and
d. Periodically reviewing the Investment Manager’s performance.

The Board will not be responsible for making specific investment decisions, this being the responsibility of the Investment Manager. The Investment Manager will provide the following services:

a. Implementation of the investment of the portfolio in compliance with the policy guidelines and goals established by the Board of Directors.
b. Ongoing oversight and management of the investment portfolio.
c. Distributions as directed by the Board of Directors.
d. Strategy recommendations.
e. Quarterly written reports including performance, holdings, and transactions.
f. Face to face meetings as requested and no less than annually.

B. Investment Objectives:

The Investment Objectives for the Endowment Fund are to provide a perpetual stream of revenue utilizing a total return investment concept. The goals are long term in nature and the Foundation is willing to assume more risk for potentially higher returns. The risk/reward trade off is understood and market fluctuations are tolerated. Assets will be invested using the “Prudent Investor Rule” utilizing diversification as a method to reduce the risk of large losses.
Return Objective:

The return should provide for growth and dividend income to offset inflation through a diversified portfolio of investment asset classes. The returns should be monitored against appropriate benchmarks for long term performance goals. The Investment Manager’s primary measurement is real total return. Due to the inevitability of short-term market fluctuations, it is intended that the Investment Manager will achieve performance objectives based on a five-year rolling period.

Benchmarks:

1) Total Return
2) Large Cap Equity
3) Mid Cap Equity
4) Small Cap Equity
5) International Equity
6) Taxable Fixed Income
7) Cash & Cash Equiv

Weighted Average of the component benchmarks
Standard & Poor’s 500 Index
Standard & Poor’s Mid Cap 400 Index
Russell 2000 Small cap Index
MSCI EAFE Index
Barclay’s Capital Intermediate Government/Credit
Lipper Average Money Market

Time Frame:

For the purpose of investment planning, the Foundation’s time horizon for these investments is to be 7-10 years. The Foundation does anticipate withdrawing a portion of the funds utilizing a spending policy to be reviewed annually.

Spending Policy:

Longer term, the Foundation will consider utilizing an annual withdrawal rate of 3-5% based upon an average of the quarter end market values over the last 12 quarterly periods ending 3/31, 6/30, 9/31 and 12/31. The rate of withdrawal will be determined annually by the board of directors. Given that 2015 is the first year of the investment management relationship for the Foundation, the initial spending policy rate will be set at up to 2% of the market value of the initial funded balance of the investment management account.

Tax Policy:

The Foundation is a non-profit, tax exempt organization.

Risk Tolerance:

Carroll Education Foundation
Investment Policy
A conservative growth investor can withstand significant fluctuations in market value and understands that in an unfavorable market, the potential recovery period could exceed five years.

**Asset Allocation:**

The asset allocation will be reviewed annually. The allocation should reflect the following structure, but may be amended from time to time. These percentages are and shall be based upon the stated investment objectives and risk tolerance:

**Conservative Growth Allocation:**

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Range</th>
<th>Strategic Norm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>55-75%</td>
<td>60-65%</td>
</tr>
<tr>
<td>Cash and Fixed Income</td>
<td>25-45%</td>
<td>35-40%</td>
</tr>
</tbody>
</table>

**Historical Rolling Period Real Returns (Jan 1950 – June 2014)**

70% Equity/30% Cash & Fixed Income

<table>
<thead>
<tr>
<th></th>
<th>Rolling 1 Yr Period</th>
<th>Rolling 5 Yr Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best</td>
<td>49.5%</td>
<td>24.8%</td>
</tr>
<tr>
<td>Worst</td>
<td>-28.8%</td>
<td>-3.2%</td>
</tr>
</tbody>
</table>

| Percent of Periods with Negative Returns | 18% | 1% |

*Stocks: S&P 500 Stock Index, Bonds: 5 Yr Treas Bonds:
Inflation: Consumer Price Index
Source: Crandall, Peirce & Co.

**Allowable Assets:**

All investments will be evaluated and selected based on sound investment principles, research, and strategies consistent with the information contained in this Investment Policy Statement.
Cash and Equivalent Guidelines:

The goal for the cash equivalents portion of the portfolio is to achieve a competitive rate of return consistent with the preservation of principal and necessary liquidity.

Investment vehicles considered appropriate for use to accomplish this objective include high quality money market instruments which are considered short-term (that is they usually mature in 365 days or less). These would include U.S. Treasury Bills, Notes or Bonds, U.S. Government Obligations; Certificates of Deposit with FDIC insured institutions, Commercial Paper of corporations which carry a rating of A-1, P-1. In addition, Money Market Mutual Funds which are regulated under the Securities and Exchange Commission’s (SEC) Investment Company Act of 1940 and which invest in short term debt securities are permissible.

Fixed Income Guidelines:

The purpose of the fixed income portfolio is to provide stability, to limit volatility within the portfolio, and to provide income and total return.

All fixed income instruments will be consistent with the money manager’s approved list of monitored mutual funds, Exchange Traded Funds or will meet the quality standards of investment grade or higher for individual bond holdings.

Equity Guidelines:

The purpose of the equity portion of the portfolio is to provide capital appreciation.

All equity investments will be consistent with the money manager’s approved and monitored list of stocks, mutual funds and Exchange Traded Funds.

Noted Exceptions:
Adoption:

This Investment Policy of the Carroll Education Foundation is adopted by and through resolution of the Board of Directors on this the 15th day of Jan., 2015. This Investment Policy is subject to change at any time by action of the Foundation's Board of Directors.

By: Katina K. Seagard
    Jan C. Taylor
    Beth A. Stephens
    Jay Zurfl
<table>
<thead>
<tr>
<th>Category/Account Description</th>
<th>Additional Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Category 1: Endowment Funds</strong></td>
<td></td>
</tr>
<tr>
<td>General Endowment</td>
<td>An Annual Spending Policy amount will be expended at the discretion of the Board of Directors.</td>
</tr>
<tr>
<td><strong>Category 2: Program and Grant Funds</strong></td>
<td></td>
</tr>
<tr>
<td>Money Market Account</td>
<td>Account for program/grant funds prior to disbursement.</td>
</tr>
<tr>
<td>Memorial Scholarship Fund</td>
<td>Given in memory of __<strong><strong><strong><strong><strong>, the money is to be used to fund scholarships for students graduating from Carroll Jr/Sr High School. Scholarships are not to exceed $</strong></strong></strong></strong></strong> per person, per year, but this is not a true endowment. It is expected that the principal will be consumed.</td>
</tr>
<tr>
<td><strong>Category 3: Operational Funds</strong></td>
<td></td>
</tr>
<tr>
<td>Money market Account</td>
<td>Account for operational funds prior to payment of expenses.</td>
</tr>
<tr>
<td>Checking Account</td>
<td>A nominal balance of $200 is kept to cover periodic bank charges. As needed, transfers are made from the Money Market Account to fund programs and pay operating expenses.</td>
</tr>
</tbody>
</table>

It is the intent of the Foundation that any donated property will be liquidated and the monies generated will be included in one of the above categories of funds as specified by the donor or as otherwise determined by the Board of Directors. The Foundation may also assess administrative costs up to 5% upon receipt of any donation and up to 15% of all income from investments at the end of the fiscal year, prior to making these monies available for intended programs.