

EXTRACT OF MINUTES of the regular public meeting of the President and Board of Trustees of the Village of Vernon Hills, Lake County, Illinois, held at Village Hall, 290 Evergreen Drive, in said Village, at 7:00 p.m., on the 15th day of June, 2021.

The President Pro Tem called the meeting to order and directed the Village Clerk to call the roll.

Upon the roll being called, the President Pro Tem and the following Trustees answered physically present at said location: Koch, Marquardt, Forster, Oppenheim, Takaoka, and Schenk. President Byrne was absent, and Trustee Koch was appointed President Pro Tem for the meeting by a unanimously approved motion by the Board.

The following Trustees were allowed by a majority of the Trustees in accordance with and to the extent allowed by rules adopted by the President and Board of Trustees to attend the meeting by video or audio conference: None

No Trustee was not permitted to attend the meeting by video or audio conference.

The following Trustees were absent and did not participate in the meeting in any manner or to any extent whatsoever: None

The following were absent: President Byrne

The President Pro Tem and Board of Trustees then discussed the Village's ongoing redevelopment project for its Hawthorn Mall Redevelopment Project Area and considered an ordinance providing for the issuance of Tax Increment Financing Revenue Notes (Hawthorn Mall Redevelopment Project) of the Village, and providing for the execution of a trust indenture and note orders in connection with the issuance of such notes.

Thereupon, The Village Manager presented and explained in full the following ordinance, which was before the President and Board of Trustees and made available to any person requesting one in words and figures as follows:

ORDINANCE NUMBER 2021-095

AN ORDINANCE providing for the issuance of not to exceed \$43,000,000 Tax Increment Financing Revenue Notes (Hawthorn Mall Redevelopment Project), of the Village of Vernon Hills, Lake County, Illinois, and providing for the execution of a trust indenture and note orders in connection therewith.

Adopted by the President and Board
of Trustees on the 15th day of
June, 2021.

Published in Pamphlet Form by
Authority of said Corporate
Authorities on the 15th day of June,
2021

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ORDINANCE NUMBER 2021-095

AN ORDINANCE providing for the issuance of not to exceed \$43,000,000 Tax Increment Financing Revenue Notes (Hawthorn Mall Redevelopment Project), of the Village of Vernon Hills, Lake County, Illinois, and providing for the execution of a trust indenture and note orders in connection therewith.

WHEREAS, the Village of Vernon Hills, Lake County, Illinois (the "*Village*"), is a duly organized and existing municipality created under the provisions of the law of the State of Illinois (the "*State*"), and is now operating under the provisions of the Illinois Municipal Code, as amended (the "*Municipal Code*"), including the Tax Increment Allocation Redevelopment Act, as supplemented and amended (the "*TIF Act*"), the Local Government Debt Reform Act of the State, as amended (the "*Debt Reform Act*"), the other Omnibus Bond Acts of the State, each as amended, and the powers of the Village as a home rule unit of government authorized to exercise any power or perform any function pertaining to its government and affairs, including, but not limited to, the power to tax and incur debt (the "*Home Rule Powers*" and, collectively with the Municipal Code, the TIF Act, the Debt Reform Act and the other Omnibus Bonds Acts, the "*Act*"); and

WHEREAS, in accordance with the Act, on the 4th day of November, 2020, the President and Board of Trustees of the Village (the "*Corporate Authorities*") adopted (A) Ordinance No. 2020-126, approving a redevelopment plan (the "*Redevelopment Plan*") and project for the Hawthorn Mall Redevelopment Project Area (as legally described in the Redevelopment Agreement (as hereinafter defined), the "*Redevelopment Project Area*"), (B) Ordinance No. 2020-127, designating the Redevelopment Project Area, and (C) Ordinance No. 2020-128, adopting tax increment allocation financing for the Redevelopment Project Area and creating a special tax allocation fund therefor (the "*Special Tax Allocation Fund*"); and

WHEREAS, on the 18th day of May, 2021, the Corporate Authorities adopted Ordinance Number 2021-086, authorizing the execution of that certain Redevelopment Agreement by, between and among the Village and Hawthorn, L.P., Hawthorn SP, LLC, Hawthorn CP, LLC, and USEF Centennial FA Hawthorn Owner LLC (collectively, the "*Owners*") (the "*Redevelopment Agreement*"); and

WHEREAS, pursuant to the Redevelopment Agreement the Owners have agreed to assemble real property or rights therein on a site within the Redevelopment Project Area (as legally described in the Redevelopment Agreement, the "*Property*"), and to construct on the Property certain retail, commercial and office improvements (including all electrical, engineering, financial, legal and other related services and expenditures, collectively, the "*Redevelopment Project*"), as described in the Redevelopment Agreement; and

WHEREAS, the Village has heretofore determined that it is advisable and necessary and in the best interests of the Village that the costs of the Redevelopment Project now be reimbursed, and, to that effect, the Village wishes to provide in this Ordinance for the execution of a Trust Indenture (as hereinafter defined), for the issuance of the hereinafter defined Notes, and for the continuation and operation of the Special Tax Allocation Fund and the accounts therein; and

WHEREAS, all of the costs of the Redevelopment Project to be financed with the proceeds of the Notes constitute eligible "redevelopment project costs" under the TIF Act and have been approved by the Corporate Authorities in the Redevelopment Plan; and

WHEREAS, the Village has insufficient cash on hand and lawfully available to pay the costs of the Redevelopment Project and does hereby determine that it is necessary and advisable at this time to borrow money, and in evidence thereof issue various series of revenue notes of the Village in the aggregate principal amount of not to exceed \$43,000,000 to pay the same; and

WHEREAS, it is necessary and advisable that the Village authorize the execution of an Indenture of Trust (the "*Trust Indenture*"), by and between the Village and a bank or trust company authorized to do business in the State as set forth in a Note Order (as hereinafter defined) (the "*Trustee*"), in order to provide for the security of the Notes; and

WHEREAS, the Corporate Authorities hereby determine that it is advisable to provide for the issuance of the Notes secured by either the Incremental Property Tax Revenues (as hereinafter defined) or the Village Pledge Revenues (as hereinafter defined) and to establish the priority of liens therefrom:

NOW, THEREFORE, Be It Ordained by the President and Board of Trustees of the Village of Vernon Hills, Lake County, Illinois, in the exercise of its home rule powers, as follows:

Section 1. Incorporation of Preambles. The Corporate Authorities hereby find that all of the recitals contained in the preambles to this Ordinance are true, correct and complete and do incorporate them into this Ordinance by this reference.

Section 2. Definitions. The following words and terms used in this Ordinance shall have the following meanings unless the context or use clearly indicates another or different meaning is intended. Words and terms used in this Ordinance but not defined herein shall have the meanings set forth in the Trust Indenture.

A. The following words and terms are as defined in the preambles hereto.

- Act
- Corporate Authorities
- Debt Reform Act
- Home Rule Powers
- Municipal Code
- Owners
- Property
- Redevelopment Agreement
- Redevelopment Plan
- Redevelopment Project
- Redevelopment Project Area

Special Tax Allocation Fund
State
TIF Act
Trustee
Trust Indenture
Village

B. The following words and terms are defined as set forth.

“Annual Sales Tax Deficiency” means the amount determined pursuant to Section 11(E) of the Redevelopment Agreement.

“Authorized Denominations” means \$1 and increments of \$1 in excess thereof, or such other denominations as set forth in a Note Order.

“Bond Counsel” means Chapman and Cutler LLP, Chicago, Illinois, or any other nationally recognized bond counsel acceptable to the Village.

“Code” means the Internal Revenue Code of 1986, as amended.

“County” means The County of Lake, Illinois.

“County Clerk” means the County Clerk of the County.

“Current Debt Service Requirement” means, for any Note Year, the aggregate Interest Requirement and Principal Requirement for the Note.

“Current Interest” means interest when due.

“Deferred Accrued Interest” means accrued interest recorded by the Trustee as deferred and unpaid.

“Designated Officers” means the President, Clerk, Village Manager, Treasurer, or Director of Finance of the Village, or any two of them acting together, and successors or assigns.

“Final Maturity” means (A) the date on which the Village has made provision for or payment in full of all principal of and interest on a series of the Notes, or (B) the Final Maturity Date.

"Final Maturity Date" means the date which is the earlier of (i) 20 years from the date of the issuance of a series of the Notes or (ii) December 31, 2043.

"Governmental Payments" means any amounts that are required to be paid from the Incremental Property Tax Revenues to the units of government within the boundaries of which the Mall Property is located in accordance with Section 6 of the Redevelopment Agreement.

"Home Rule Sales Tax" means the sales tax imposed on all gross receipts from sale of tangible personal property at retail in the Village pursuant to: (i) the Village's Home Rule Municipal Retailers' Occupation Tax (Village Code Chapter 21, Article IX); (ii) the Home Rule Municipal Retailers' Occupation Tax Act (65 ILCS 5/8-11-1); (iii) the Village's Home Rule Municipal Service Occupation Tax (Village Code Chapter 21, Article X); and (iv) the Home Rule Municipal Service Occupation Tax Act (65 ILCS 5/8-11-5).

"Home Rule Sales Tax Revenues" means the revenues collected and received by the Village as a result of the imposition of the Home Rule Sales Tax on the retailers located within the Taxable Portions. The Home Rule Sales Tax Revenues shall equal, but not exceed, one-quarter of one percent (0.25%) of the amount of all taxable sales on the retailers located within the Taxable Portions, regardless of the actual Home Rule Sales Tax the Village may impose and collect from time to time.

"Incremental Property Tax Revenues Notes" means, together, the Senior Lien Notes and the Junior Lien Notes.

"Incremental Property Tax Revenues" means the revenues received by the Village from the ad valorem taxes, if any, arising from the taxes levied upon the parcels listed on Exhibit B-3 of the Redevelopment Agreement by any and all taxing districts or municipal corporations having the power to tax real property in the Redevelopment Project Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot,

block, tract or parcel of real property in the Redevelopment Project Area over and above the total Initial Equalized Assessed Value of each such piece of property, all as determined by the County Clerk, all as provided in the TIF Act, excluding any taxes levied by the Village.

"Initial Equalized Assessed Value" means the equalized assessed value of each of the parcels listed on Exhibit B-3 of the Redevelopment Agreement as last equalized or assessed by the Department of Revenue of the State of Illinois for State and County taxes, all as determined by the County Clerk in accordance with the TIF Act.

"Interest Payment Date" means February 1 of each year.

"Interest Rate" means 6.00% per annum.

"Interest Requirement" means for any Note Year the aggregate amount of first, Deferred Accrued Interest then due, and next, the Current Interest on the Notes having a Stated Maturity during such Note Year.

"Junior Lien Note and Interest Subaccount" means the fund created in Section 10(C) hereof for the payment of principal and interest on the Junior Lien Notes.

"Junior Lien Notes" means, together, the Phase I Junior Lien Incremental Property Tax Revenues Notes and the Phase III Junior Lien Incremental Property Tax Revenues Notes.

"Municipal Sales Tax Pledged Funds" means, together, 40% of the State Sales Tax Revenues received by the Village and 40% of the Home Rule Sales Tax Revenues received by the Village which (i) first, are available for the payment of the Annual Sales Tax Deficiency, if any, and (ii) second, are available for deposit to the Village Pledge Revenues Account of the Special Tax Allocation Fund in the amount determined to be Village Pledge Revenues for such year.

"Note Order" means the written note order signed by the Designated Officers either setting forth certain details of a series of the Notes as described in Section 11 hereof or a Village Pledge Deficiency as described in Section 4(i) hereof.

"Note Register" means the books of the Village kept by the Trustee, as Note Registrar, to evidence the registration and transfer of the Notes.

"Note Registrar" means the Trustee, acting as Note Registrar under this Ordinance and the Trust Indenture, or a successor thereto.

"Note Year" means that 12 calendar month period beginning on February 2 of any calendar year and ending on February 1 of the following calendar year.

"Noteholder" or *"holder"* means the registered owner of a Note.

"Notes" means, collectively, the Senior Lien Notes, the Junior Lien Notes and the Village Pledge Revenues Notes.

"Ordinance" means this Ordinance, numbered 2021-____ and passed by the Corporate Authorities on the 15th day of June, 2021.

"Outstanding" when used with reference to Notes, or *"Notes Outstanding"* means all Notes which have been authenticated and delivered by the Trustee, except the following:

- (a) Notes canceled or delivered to the Trustee for cancellation.
- (b) Notes that have become due (at maturity, on redemption, or otherwise) and for the payment, including interest accrued to the due date, of which sufficient moneys are held by the Trustee.
- (c) Notes deemed paid in accordance with the Trust Indenture.
- (d) Notes in lieu of which others have been authenticated under Section 2.03 (relating to registration and exchange of Notes) or 2.04 (relating to mutilated, lost, stolen or destroyed Notes) of the Trust Indenture.

“Phase I Junior Lien Incremental Property Tax Revenues Notes” means the Taxable Notes issued on the Phase I Note Issuance Date for purposes of reimbursing a portion of the costs of the Phase I Project, payable from the Incremental Property Tax Revenues. The Phase I Junior Lien Incremental Property Tax Revenues Notes constitute Phase I Taxable TIF Note 1 as described in the Redevelopment Agreement.

“Phase I Note Issuance Date” means the date on which the Phase I Senior Lien Incremental Property Tax Revenues Notes, Phase I Junior Lien Incremental Property Tax Revenues Notes and Phase I Village Pledge Revenues Notes are issued in accordance with the Redevelopment Agreement.

“Phase I Project” means the portion of the Redevelopment Project defined as the Phase I Project in the Redevelopment Agreement.

“Phase I Senior Lien Incremental Property Tax Revenues Notes” means the Tax-Exempt Notes issued on the Phase I Note Issuance Date for purposes of reimbursing a portion of the costs of the Phase I Project, payable from the Incremental Property Tax Revenues. The Phase I Senior Lien Incremental Property Tax Revenues Notes constitute the Phase I Tax-Exempt TIF Notes as described in the Redevelopment Agreement.

“Phase I Village Pledge Revenues Notes” means the Taxable Notes issued on the Phase I Note Issuance Date for the purposes of reimbursing a portion of the costs of the Phase I Project, payable from the Village Pledge Revenues. The Phase I Village Pledge Revenues Notes constitute Phase I Taxable TIF Note 2 as described in the Redevelopment Agreement.

“Phase III Junior Lien Incremental Property Tax Revenues Notes” means the Taxable Notes issued on the Phase III Note Issuance Date for purposes of reimbursing a portion of the costs of the Phase III Project, payable from the Incremental Property Tax Revenues. The Phase

III Junior Lien Incremental Property Tax Revenues Notes constitute Phase III Taxable TIF Note 1 as described in the Redevelopment Agreement.

"Phase III Note Issuance Date" means the date on which the Phase III Senior Lien Incremental Property Tax Revenues Notes, Phase III Junior Lien Incremental Property Tax Revenues Notes and Phase III Village Pledge Revenues Notes are issued in accordance with the Redevelopment Agreement.

"Phase III Project" means the portion of the Redevelopment Project defined as the Phase III Project in the Redevelopment Agreement.

"Phase III Senior Lien Incremental Property Tax Revenues Notes" means the Tax-Exempt Notes issued on the Phase III Note Issuance Date for purposes of reimbursing a portion of the costs of the Phase III Project, payable from the Incremental Property Tax Revenues. The Phase III Senior Lien Incremental Property Tax Revenues Notes constitute the Phase III Tax-Exempt TIF Notes as described in the Redevelopment Agreement.

"Phase III Village Pledge Revenues Notes" means the Taxable Notes issued on the Phase III Note Issuance Date for the purposes of reimbursing a portion of the costs of the Phase III Project, payable from the Village Pledge Revenues. The Phase III Village Pledge Revenues Notes constitute Phase III Taxable TIF Note 2 as described in the Redevelopment Agreement.

"Principal Requirement" means for any Note Year the aggregate principal amount of the Note having a Stated Maturity during such Note Year. For any Note Year the Principal Requirement shall expressly include the amount of principal determined by the Trustee as provided in Section 5(a) of this Ordinance to be subject to mandatory redemption.

"Program Expense Requirement" means, for any Note Year, the actual amount of any Trust Indenture Administration Expenses (as defined herein) and, with respect to the

Administrative Allocation (as defined herein), an amount not to exceed \$30,000 annually, such amount to be increased annually by three percent.

“Program Expenses” means any costs incurred by the Village related to (A) any fees related to the administration of the Trust Indenture, including (i) the sum necessary to pay all costs and expenses of any Trustee, registrar or paying agent for any series of Notes and (ii) fees related to the calculation or verification of any required payment to the United States of America pursuant to Section 148(f) of the Code (together, the *“Trust Indenture Administration Expenses”*) and (B) administration of, or provision of governmental services to, the Redevelopment Project Area, the Redevelopment Project and the Redevelopment Agreement in compliance with the TIF Act, including costs of audits, legal review and staff time for preparation of annual reports (the *“Administrative Allocation”*).

“Record Date” means January 15 of each calendar year with respect to any regularly scheduled Interest Payment Date and the fifteenth day prior to any Interest Payment Date caused by a redemption of Notes on other than a regularly scheduled Interest Payment Date.

“Retailers’ Occupation Tax Act” means the Illinois Retailers’ Occupation Tax Act, as the same has been, and may, from time-to-time hereafter, be amended.

“Sales Taxes Revenues” means the Home Rule Sales Tax Revenues and the State Sales Tax Revenues.

“Senior Lien Debt Service Reserve Requirement” means that amount set forth in any Note Order for a series of the Senior Lien Notes.

“Senior Lien Notes” means, together, the Phase I Senior Lien Incremental Property Tax Revenues Notes and the Phase III Senior Lien Incremental Property Tax Revenues Notes.

“Service Occupation Tax Act” means the Illinois Service Occupation Tax Act, as the same has been, and may, from time-to-time hereafter, be amended.

“Stated Maturity” when used with respect to any Notes or any interest thereon means the date specified in the Notes as the fixed date on which the principal of the Notes or such interest is due and payable, whether by maturity, mandatory redemption, or otherwise.

“State Sales Tax Revenues” means the revenues collected and received by the Village as a result of the imposition of taxes by the State and received by the Village pursuant to the Retailer’s Occupation Tax Act and the Service Occupation Tax Act on the retailers located within the Taxable Portions, and any other “sales tax” or successor tax that may be enacted by the State that the Village is able to verify as being generated from the retailers located within the Taxable Portions.

“Taxable Notes” means, collectively, all series of Notes which are not issued as Tax-Exempt, specifically the Junior Lien Notes and the Village Pledge Notes.

“Taxable Portions” means the portions of the Property that are owned by the Owners or Persons (as defined in the Redevelopment Agreement) Controlled (as defined in the Redevelopment Agreement) by one or more of the Owners or the Persons that Control Owners.

“Tax-Exempt” means, with respect to Notes, the status of interest accrued, paid and received thereon as excludable from the gross income of the owners thereof under the Code for federal income tax purposes.

“Tax-Exempt Notes” means, collectively, all series of Notes issued as Tax-Exempt, specifically the Senior Lien Notes.

“Taxable Notes” means any Notes issued hereunder on other than a Tax Exempt basis, specifically the Junior Lien Notes and the Village Pledge Revenues Notes.

“Village Pledge Revenues Notes” means, together, the Phase I Village Pledge Revenues Notes and the Phase III Village Pledge Revenues Notes.

"Village Pledge Revenues" means the amount the Village must annually deposit into the TIF Fund pursuant to Section 11-74.4-8 of the TIF Act as a result of the generation of Incremental Property Tax Revenues by the parcels set forth in the Redevelopment Agreement, limited to the amount of the Municipal Sales Tax Pledged Funds remaining after payment of any Annual Sales Tax Deficiency for such year.

Section 3. Determination to Issue Notes. It is necessary and in the best interests of the Village to borrow money and issue the Notes to reimburse a portion of the costs of the Redevelopment Project as enumerated in the preambles hereto, and all related costs and expenses incidental thereto, including, if necessary, an initial deposit to the Senior Lien Debt Service Reserve Subaccount to pay interest on the Senior Lien Notes (*"Capitalized Interest"*). It is hereby expressly found and determined that such borrowings are authorized pursuant to the Act, is a proper public purpose for the Village, and is further authorized pursuant to the home rule authority of the Village.

Section 4. Note Details . (a) General. For the purposes specified in Section 3 there shall be issued to the Developer Parties (as defined in the Redevelopment Agreement), in reimbursement of Eligible Costs (as defined in the Redevelopment Agreement) incurred thereby, as determined in accordance with the Redevelopment Agreement, the various series of Notes described in paragraphs (b) through (g) of this Section. In the aggregate, the principal amount of all Notes issued hereunder, upon issuance, shall not exceed \$43,000,000, with each series of the Notes being also subject to the separate, respective principal limitations set forth in said subsections (b) through (g). The Notes shall be issued pursuant to this Ordinance, a Note Order with respect to each series of Notes to be issued, and the Trust Indenture, and shall be issued upon the incurrence of Eligible Costs by a Developer Party which has been certified to the

Village by issuance of a Certificate of Expenditure (as defined in the Redevelopment Agreement), all in accordance with the provisions of the Redevelopment Agreement.

(b) *The Phase I Senior Lien Incremental Property Tax Revenues Notes.* The Phase I Senior Lien Incremental Property Tax Revenues Notes shall be issued on the Phase I Note Issuance Date in a principal amount not to exceed \$23,220,000, shall be designated "Phase I Senior Lien Incremental Property Tax Revenues Notes, Series 20__ (Hawthorn Mall Redevelopment Project)" with such additional titles or designations as shall be deemed necessary to properly identify the Phase I Senior Lien Incremental Property Tax Revenues Notes, shall be dated the date of the issuance thereof and shall also bear the date of authentication thereof all as set forth in a Note Order. The Phase I Senior Lien Incremental Property Tax Revenues Notes shall be Senior Lien Notes with respect to the Incremental Property Tax Revenues as provided in the Trust Indenture, shall be Tax-Exempt Notes, shall be in fully registered form, shall be in Authorized Denominations, or such other denominations as shall be set forth in the applicable Note Order, shall be numbered consecutively in such fashion as shall be determined by the Trustee, and shall bear interest at the Interest Rate. The principal of and interest on the Phase I Senior Lien Incremental Property Tax Revenues Notes will be payable annually on February 1 of each year commencing on February 1 of the year following the Phase I Note Issuance Date (or such later date as set forth in a Note Order) in accordance with an amortization schedule for the Phase I Senior Lien Incremental Property Tax Revenues Notes to be issued by the Village on the Phase I Note Issuance Date and included in the Note Order for the Phase I Senior Lien Incremental Property Tax Revenues Notes, *provided, however,* that the final maturity of the Phase I Senior Lien Incremental Property Tax Revenues Notes pursuant to such amortization schedule shall be not later than the Final Maturity Date.

(c) *The Phase I Junior Lien Incremental Property Tax Revenues Notes.* The Phase I Junior Lien Incremental Property Tax Revenues Notes shall be issued on the Phase I Note Issuance Date in a principal amount not to exceed \$32,250,000, shall be designated “Taxable Phase I Junior Lien Incremental Property Tax Revenues Notes, Series 20__ (Hawthorn Mall Redevelopment Project)” with such additional titles or designations as shall be deemed necessary to properly identify the Phase I Junior Lien Incremental Property Tax Revenues Notes, shall be dated the date of the issuance thereof, and shall also bear the date of authentication thereof all as set forth in a Note Order. The Phase I Junior Lien Incremental Property Tax Revenues Notes shall be Junior Lien Notes with respect to the Incremental Property Tax Revenues as provided in the Trust Indenture, shall be Taxable Notes, shall be in fully registered form, shall be in Authorized Denominations, or such other denominations as shall be set forth in the applicable Note Order, shall be numbered consecutively in such fashion as shall be determined by the Trustee, and shall bear interest at the Interest Rate. Interest on the Phase I Junior Lien Incremental Property Tax Revenues Notes shall be payable in annual installments on each Interest Payment Date until paid, commencing on the first February 1 which occurs following the date of the issuance of the Phase I Junior Lien Incremental Property Tax Revenues Notes and on which there are any funds available on deposit in the Junior Lien Note and Interest Subaccount of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund, and be subject to mandatory redemption prior to maturity as provided in Section 5(a) with a final installment of principal and interest coming due at Final Maturity.

(d) *The Phase I Village Pledge Revenues Notes.* The Phase I Village Pledge Revenues Notes shall be issued on the Phase I Note Issuance Date in a principal amount not to exceed \$3,225,000, shall be designated “Taxable Phase I Village Pledge Revenues Notes, Series 20__ (Hawthorn Mall Redevelopment Project)” with such additional titles or designations as shall be

deemed necessary to properly identify the Phase I Village Pledge Revenues Notes, shall be dated the date of the issuance thereof, and shall also bear the date of authentication thereof all as set forth in a Note Order. The Phase I Village Pledge Revenues Notes shall be issued as provided in the Trust Indenture, shall be Taxable Notes, shall be in fully registered form, shall be in Authorized Denominations, or such other denominations as shall be set forth in the applicable Note Order, shall be numbered consecutively in such fashion as shall be determined by the Trustee, and shall bear interest at the Interest Rate. Interest on the Phase I Village Pledge Revenues Notes shall be payable in annual installments on the Interest Payment Dates until paid, commencing on the first February 1 which occurs following the date of the issuance of the Phase I Village Pledge Revenues Notes and on which there are any funds available on deposit in the Village Pledge Note and Interest Subaccount of the Village Pledge Revenues Account of the Special Tax Allocation Fund, and be subject to mandatory redemption prior to maturity as provided in Section 5(a) hereof with a final installment of principal and interest coming due at Final Maturity.

(e) *The Phase III Senior Lien Incremental Property Tax Revenues Notes.* The Phase III Senior Lien Incremental Property Tax Revenues Notes shall be issued on the Phase III Note Issuance Date in a principal amount not to exceed \$39,850,000, shall be designated “Phase III Senior Lien Incremental Property Tax Revenues Notes, Series 20__ (Hawthorn Mall Redevelopment Project)” with such additional titles or designations as shall be deemed necessary to properly identify the Phase III Senior Lien Incremental Property Tax Revenues Notes, shall be dated the date of the issuance thereof and shall also bear the date of authentication thereof all as set forth in a Note Order. The Phase III Senior Lien Incremental Property Tax Revenues Notes shall be Senior Lien Notes with respect to the Incremental Property Tax Revenues as provided in the Trust Indenture, shall be Tax-Exempt Notes, shall be in fully registered form, shall be in

Authorized Denominations, or such other denominations as shall be set forth in the applicable Note Order, shall be numbered consecutively in such fashion as shall be determined by the Trustee, and shall bear interest at the Interest Rate. The principal of and interest on the Phase III Senior Lien Incremental Property Tax Revenues Notes will be payable annually on February 1 of each year commencing on February 1 of the year following the Phase III Note Issuance Date in accordance with an amortization schedule with respect to the Phase III Senior Lien Incremental Property Tax Revenue Notes to be issued by the Village on the Phase III Note Issuance Date and included in the Note Order for the Phase III Senior Lien Incremental Property Tax Revenues Notes, *provided, however*, that the final maturity of the Phase III Senior Lien Incremental Property Tax Revenues Notes pursuant to such amortization schedule shall be not later than the Final Maturity Date.

(f) *The Phase III Junior Lien Incremental Property Tax Revenues Notes.* The Phase III Junior Lien Incremental Property Tax Revenues Notes shall be issued on the Phase III Note Issuance Date in a principal amount not to exceed \$43,000,000, shall be designated “Taxable Phase III Junior Lien Incremental Property Tax Revenues Notes, Series 20__ (Hawthorn Mall Redevelopment Project)” with such additional titles or designations as shall be deemed necessary to properly identify the Phase III Junior Lien Incremental Property Tax Revenues Notes, shall be dated the date of the issuance thereof and shall also bear the date of authentication thereof all as set forth in a Note Order. The Phase III Junior Lien Incremental Property Tax Revenues Notes shall be Junior Lien Notes with respect to the Incremental Property Tax Revenues as provided in the Trust Indenture, shall be Taxable Notes, shall be in fully registered form, shall be in Authorized Denominations, or such other denominations as shall be set forth in the applicable Note Order, shall be numbered consecutively in such fashion as shall be determined by the Trustee, and shall bear interest at the Interest Rate. Interest on the Phase III Junior Lien

Incremental Property Tax Revenues Notes shall be payable in annual installments on Interest Payment Dates until paid, commencing on the first February 1 which occurs following the date of the issuance of the Phase III Junior Lien Incremental Property Tax Revenues Notes and on which there are any funds available on deposit in the Junior Lien Note and Interest Subaccount of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund, and be subject to mandatory redemption prior to maturity as provided in Section 5(a) hereof with a final installment of principal and interest coming due at Final Maturity.

(g) *The Phase III Village Pledge Revenues Notes.* The Phase III Village Pledge Revenues Notes shall be issued on the Phase III Note Issuance Date in a principal amount not to exceed \$1,250,000, shall be designated "Taxable Phase III Village Pledge Revenues Notes, Series 20__ (Hawthorn Mall Redevelopment Project)" with such additional titles or designations as shall be deemed necessary to properly identify the Phase III Village Pledge Revenues Notes, shall be dated the date of the issuance thereof and shall also bear the date of authentication thereof all as set forth in a Note Order. The Phase III Village Pledge Revenues Notes shall be issued as provided in the Trust Indenture, shall be Taxable Notes, shall be in fully registered form, shall be in Authorized Denominations, or such other denominations as shall be set forth in the applicable Note Order, shall be numbered consecutively in such fashion as shall be determined by the Trustee, and shall bear interest at the Interest Rate. Interest on the Phase III Village Pledge Revenues Notes shall be payable in annual installments on the Interest Payment Dates until paid, commencing on the first February 1 which occurs following the date of the issuance of the Phase III Village Pledge Revenues Notes and on which there are any funds available on deposit in the Village Pledge Note and Interest Subaccount of the Village Pledge Revenues Account of the Special Tax Allocation Fund, and be subject to mandatory redemption

prior to maturity as provided in Section 5(a) hereof with a final installment of principal and interest coming due at Final Maturity.

(h) *Additional Provisions.* Each Note shall bear interest from the later of its date of issuance as provided herein or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal amount of such Notes are paid or duly provided for. Interest when due shall be paid as hereinafter provided from (i) with respect to the Senior Lien Notes, the Senior Lien Notes and Interest Subaccount of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund, (ii) with respect to the Junior Lien Notes, the Junior Lien Notes and Interest Subaccount of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund or (iii) with respect to the Village Pledge Revenues Notes, the Village Pledge Revenues Notes and Interest Subaccount of the Village Pledge Revenues Account of the Special Tax Allocation Fund, and if funds on deposit in such respective subaccounts and to the credit thereof are insufficient for such purpose, such failure to pay shall not in and of itself constitute an event of default, but such interest shall thereupon be recorded by the Trustee as Deferred Accrued Interest. Deferred Accrued Interest shall compound annually at the Interest Rate. The order of payment of interest on the Notes until Stated Maturity shall be first Deferred Accrued Interest, second Current Interest and third, (i) with respect to each series of the Senior Lien Notes, the amount of principal due and owing pursuant to the respective amortization schedule attached to the respective Note Order for such series, and (ii) with respect to the Junior Lien Notes and the Village Pledge Revenues Notes, mandatory redemption of principal as hereinafter set forth. By acceptance of any Notes, each Noteholder accepts that there may be Deferred Accrued Interest on the Note, that is, that Current Interest may not have been paid, without any special notation having been made upon the Note itself. Deferred Accrued Interest shall be payable, prior to Final Maturity, only upon Interest Payment Dates to the

Noteholder otherwise entitled to Current Interest on the Interest Payment Date that such Deferred Accrued Interest is paid.

Failure to pay when due any installment of Current Interest or any amount of Deferred Accrued Interest or Outstanding Principal Amount due to insufficiency of the Incremental Property Tax Revenues, with respect to the Incremental Property Tax Revenues Notes, or the Village Pledge Revenues, with respect to the Village Pledge Revenues Notes, whether at Stated Maturity, Final Maturity or otherwise, shall in no event be deemed to be an event of default on the Notes, unless such insufficiency is caused by a default by the Village under the Redevelopment Agreement. It is hereby expressly provided that in the event that there is an insufficiency of the respective revenues pledged to the payment of a series of the Notes to pay any amount of Deferred Accrued Interest, Current Interest or Outstanding Principal Amount at Final Maturity for such Notes, any such amount of Deferred Accrued Interest, Current Interest or Outstanding Principal Amount shall be extinguished and shall not be deemed to be owing and unpaid, it being the express intent of the Village that the Notes and all obligations arising thereunder shall be fully released upon Final Maturity, unless such insufficiency is caused by a default by the Village under the Redevelopment Agreement.

Interest on each Note shall be paid by check or draft of the Trustee, payable upon presentation thereof in lawful money of the United States of America, to the person in whose name such Note is registered at the close of business on the Record Date, and mailed to the registered owner of the Note as shown in the Note Registrar or at such other address furnished in writing by such Registered Owner. The principal of or redemption price due on the Notes shall be payable in lawful money of the United States of America upon presentation thereof at the principal office maintained for the purpose by the Note Registrar.

(i) *Reductions in Principal Amount of Notes Pursuant to Redevelopment Agreement.*

In accordance with the provisions of Section 9(E)(1)(c) of the Redevelopment Agreement, the Outstanding principal amount of the Notes shall be reduced upon the occurrence of a Village Pledge Deficiency as of any Accounting (as hereinafter defined). A "Village Pledge Deficiency" shall occur whenever, after any Accounting, the Municipal Sales Tax Pledged Funds are insufficient to provide for the Village's annual deposit of the Village Pledge Revenues to the Village Pledge Revenues Account of the Special Tax Allocation Fund. Upon the occurrence of a Village Pledge Deficiency, the Outstanding principal amount of the Notes shall be reduced in the following order: (a) first, the principal balance of the Phase I Junior Lien Incremental Property Tax Revenues Notes shall be reduced until none of the Phase I Junior Lien Incremental Property Tax Revenues Notes are Outstanding (the amount of such reduction in principal amount for each Phase I Junior Lien Incremental Property Tax Revenue Note to be determined on a pro rata basis among all Phase I Junior Lien Incremental Property Tax Revenues Notes then Outstanding), (b) second, the principal balance of the Phase I Village Pledge Revenues Notes shall be reduced until none of the Phase I Village Pledge Revenues Notes are Outstanding (the amount of such reduction in principal amount for each Phase I Village Pledge Revenues Note to be determined on a pro rata basis among all Phase I Village Pledge Revenues Notes then Outstanding), (c) third, the principal balance of the Phase III Junior Lien Incremental Property Tax Revenues Notes shall be reduced until none of the Phase III Junior Lien Incremental Property Tax Revenues Notes are Outstanding (the amount of such reduction in principal amount for each Phase III Junior Lien Incremental Property Tax Revenue Note to be determined on a pro rata basis among all Phase III Junior Lien Incremental Property Tax Revenues Notes then Outstanding), and (b) fourth, the principal balance of the Phase III Village Pledge Revenues Notes shall be reduced until none of the Phase III Village Pledge Revenues Notes are Outstanding (the amount of such reduction in

principal amount for each Phase III Village Pledge Revenues Note to be determined on a pro rata basis among all Phase III Village Pledge Revenues Notes then Outstanding). Furthermore, upon the occurrence of a Village Pledge Deficiency, the Village shall notify the Trustee of the reduction in the principal balance of each of the series of Notes reduced as a result thereof by execution and delivery of a Note Order and, upon receipt of such Note Order, the Trustee shall cancel the original Note and shall authenticate and deliver a replacement Note for such series to the holder thereof bearing the current Outstanding principal amount thereof. Such additional provisions shall be added to the Trust Indenture as necessary to effectuate the provisions of this subsection.

Section 5. Redemption. (a) Mandatory Redemption of the Junior Lien Notes and the Village Pledge Revenues Notes. Each series of the Junior Lien Notes and the Village Pledge Revenues Notes shall be issued as term notes and shall be subject to mandatory redemption by operation of (i) with respect to the Junior Lien Notes, the Junior Lien Notes and Interest Subaccount of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund and (ii) with respect to the Village Pledge Revenues Notes, the Village Pledge Revenues Notes and Interest Subaccount of the Special Tax Allocation Fund, at a price of par plus accrued interest without premium, on any Interest Payment Date and upon the terms as follows: Whenever as of any Accounting the Trustee shall have determined that the aggregate amount of (i) with respect to the Junior Lien Notes, Incremental Property Tax Revenues on hand in the Junior Lien Notes and Interest Subaccount of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund or (ii) with respect to the Village Pledge Revenues Notes, Village Pledge Revenues on hand in the Village Pledge Revenues Notes and Interest Subaccount of the Special Tax Allocation Fund, is in excess of the amount required to pay the respective Interest Requirement (all Deferred Accrued Interest and all Current Interest) on the

respective series of Notes, the Trustee shall make provision for the mandatory redemption of such Notes to the fullest extent practicable therefrom, in amounts not less than \$1,000 of Outstanding Principal Amount. The Note shall be mandatorily redeemed in the amount of not less than \$1,000 as aforesaid.

The Village covenants that it will cause the Trustee to redeem the Notes pursuant to the mandatory redemption required for the Notes. Proper provision for mandatory redemption having been made, the Village covenants that the Outstanding Principal Amount thereof to be redeemed shall be payable at Stated Maturity.

(b) *Optional Redemption.* The Senior Lien Notes are subject to redemption prior to maturity at the option of the Village, in whole or in part, from any available funds, on the date which is five years after the date of the issuance of such Senior Lien Notes, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date. The Junior Lien Notes and the Village Pledge Revenues Notes are subject to redemption prior to maturity at the option of the Village, in whole or in part, from any available funds, on any date, at the redemption price of par plus accrued interest to the redemption date.

Section 6. Redemption Procedure. The Notes subject to redemption shall be identified and paid and redeemed and notice given pursuant to the procedures as follows:

A. Notice to Trustee. The Village shall, at least 30 days prior to the redemption date (unless a shorter time period shall be satisfactory to the Trustee), notify the Trustee of such redemption date and of the maturities and principal amounts of Notes to be redeemed.

B. Selection of Notes within a Maturity. For purposes of any redemption of less than all of the Notes, the particular Notes or portions of Notes to be redeemed shall be selected by lot not more than 30 days prior to the redemption date by such method of

lottery as the Trustee shall deem fair and appropriate; *provided*, that such lottery shall provide for the selection for redemption of Notes or portions thereof so that any Note or portion of a Note shall be as likely to be called for redemption as any other such Note or portion, provided that no Note shall be redeemed in a portion which results in a Note of less than an Authorized Denomination. The Trustee shall make such selection upon the earlier of the irrevocable receipt of funds sufficient to pay the redemption price of the Notes to be redeemed or the time of the giving of official notice of redemption.

C. *Official Notice of Redemption.* The Trustee shall promptly notify the Village in writing of the Notes or portions of Notes selected for redemption and, in the case of any Note selected for partial redemption, the principal amount thereof to be redeemed. Unless waived by the registered owner of Notes to be redeemed, official notice of any such redemption shall be given by the Trustee on behalf of the Village by mailing the redemption notice by first class U.S. mail not less than 20 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Note or Notes to be redeemed at the address shown on the Note Register or at such other address as is furnished in writing by such registered owner to the Trustee.

All official notices of redemption shall include at least the information as follows:

- (1) the redemption date;
- (2) the redemption price;
- (3) if less than all of the Outstanding Notes of a particular maturity are to be redeemed, the identification (and, in the case of partial redemption of Notes within such maturity, the respective principal amounts) of the Notes to be redeemed;
- (4) a statement that on the redemption date the redemption price will become due and payable upon each such Note or portion thereof called for redemption and that interest thereon shall cease to accrue from and after said date; and

(5) the place where such Notes are to be surrendered for payment of the redemption price, which place of payment shall be the principal office maintained for the purpose by the Trustee.

D. Conditional Redemption. Unless moneys sufficient to pay the redemption price of the Notes to be redeemed shall have been received by the Trustee prior to the giving of such notice of redemption, such notice may, at the option of the Village, state that said redemption shall be conditional upon the receipt of such moneys by the Trustee on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the Village shall not redeem such Notes, and the Trustee shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Notes will not be redeemed.

E. Notes Shall Become Due. Subject to the stated condition in paragraph D immediately preceding, official notice of redemption having been given as aforesaid, the Notes or portions of Notes so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in the payment of the redemption price) such Notes or portions of Notes shall cease to bear interest. Upon surrender of such Notes for redemption accordance with said notice, said Notes shall be paid by the Trustee at the redemption price. The procedure for payment of interest due as part of the redemption price shall be as herein provided for payment of interest otherwise due.

F. Insufficiency in Notice Not Affecting Other Notes. Neither the failure to mail such redemption notice, nor any defect in any notice so mailed, to any particular registered owner of a Note, shall affect the sufficiency of such notice with respect to other registered owners. Notice having been properly given, failure of a registered owner of a Note to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or redemption action described in the notice. Such notice may be waived in

writing by a registered owner of a Note entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by registered owners shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

G. New Note in Amount Redeemed. Upon surrender for any partial redemption of any Note, there shall be prepared for the registered owner a new Note or Notes of like tenor, of Authorized Denominations, of the same maturity, and bearing the same rate of interest in the amount of the unpaid principal.

H. Effect of Nonpayment upon Redemption. If any Note or portion of a Note called for redemption shall not be so paid upon surrender thereof for redemption, the principal and premium (if any) shall, until paid or duly provided for, bear interest from the redemption date at the rate borne by the Note or portion of Note so called for redemption.

I. Notes to be Cancelled. All Notes which have been redeemed shall be cancelled and destroyed by the Trustee and shall not be reissued.

Section 7. Execution; Authentication; Indenture. *A. Execution.* The Notes shall be executed on behalf of the Village by the manual or facsimile signature of its President and be attested by the manual or facsimile signature of its Village Clerk, as they may determine, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the Village. In case any such officer whose signature shall appear on any Note shall cease to be such officer before the delivery of such Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

B. Authentication. All Notes shall have thereon a certificate of authentication, substantially in the form hereinafter set forth, duly executed by the Trustee as authenticating

agent of the Village and showing the date of authentication. No Note shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance or the Trust Indenture unless and until such certificate of authentication shall have been duly executed by the Trustee by manual signature, and such certificate of authentication upon any such Note shall be conclusive evidence that such Note has been authenticated and delivered under this Ordinance. The certificate of authentication on any Note shall be deemed to have been executed by it if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Notes issued hereunder.

C. *Indenture.* For the benefit of the registered owners of the Notes and to the better securing of same the Village agrees to execute the Trust Indenture. The Trust Indenture will be executed in connection with the first issuance of Notes hereunder on or before the Phase I Note Issuance Date.

The Trust Indenture shall be executed on behalf of the Village by the President of the Village and shall be attested by the Clerk of the Village, and shall be in substantially the form attached hereto as *Exhibit A*, subject, however, to such modifications as may be deemed necessary or advisable by the officers executing the Trust Indenture, their signatures on the Trust Indenture constituting their approval of any such modifications and to be deemed conclusive and binding approval hereunder as to the Village and the Corporate Authorities.

Section 8. Registration of Notes; Identity of Owners. The Village hereby directs the Note Register to be kept at the principal office maintained for the purpose by the Trustee in Chicago, Illinois, which is hereby constituted and appointed the Note Registrar of the Village for the Notes. The Notes shall be registered and exchanged as provided in the Trust Indenture.

Section 9. Form of the Notes. The Notes shall be in substantially the form set forth in the Trust Indenture, attached hereto as *Exhibit A*, with such changes as may be required to reflect

the requirements of the Trust Indenture, the applicable Note Order and the Redevelopment Agreement.

Section 10. Incremental Property Tax Revenues and Village Pledge Revenues Pledged; Flow of Funds .

A. *Incremental Property Tax Revenues and Village Pledge Revenues Pledged.* For the prompt payment of principal of and interest on the Notes when due, the Village hereby pledges (i) the Incremental Property Tax Revenues on hand in the Senior Lien Note and Interest Subaccount to the Senior Lien Notes, (ii) the Incremental Property Tax Revenues on hand in the Junior Lien Note and Interest Subaccount to the Junior Lien Notes and (iii) the Village Pledge Revenues to the Village Pledge Revenues Notes, in the priority of lien and as otherwise in this Ordinance and the Trust Indenture provided. The Notes, together with the interest thereon are limited obligations of the Village, payable solely and only from (i) with respect to the Senior Lien Notes, the Incremental Property Tax Revenues on hand in the Senior Lien Note and Interest Subaccount, (ii) with respect to the Junior Lien Notes, the Incremental Property Tax Revenues on hand in the Junior Lien Note and Interest Subaccount, and (iii) with respect to the Village Pledge Revenues Notes, the Village Pledge Revenues and the amounts on deposit in and pledged to the various funds and accounts as provided herein and in the Trust Indenture. NO NOTEHOLDER SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE VILLAGE FOR PAYMENT OF PRINCIPAL THEREOF OR INTEREST ON THE NOTES. THE NOTES DO NOT CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE OR A LOAN OF CREDIT THEREOF WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL LIMITATION. FAILURE TO PAY WHEN DUE ANY INTEREST ON OR PRINCIPAL OF THE NOTES DUE TO INSUFFICIENCY OF (I) WITH RESPECT TO THE INCREMENTAL PROPERTY TAX REVENUES NOTES, THE INCREMENTAL PROPERTY TAX REVENUES OR (II) WITH RESPECT TO THE VILLAGE PLEDGE REVENUES NOTES, THE VILLAGE PLEDGE

REVENUES, ON DEPOSIT IN THE APPLICABLE SUBACCOUNT, WHETHER AT STATED MATURITY, FINAL MATURITY OR OTHERWISE, SHALL IN NO EVENT BE DEEMED TO BE AN EVENT OF DEFAULT ON THE NOTES, UNLESS SUCH INSUFFICIENCY IS CAUSED BY A DEFAULT BY THE VILLAGE UNDER THE REDEVELOPMENT AGREEMENT.

B. *Operation of Special Tax Allocation Fund.* The Village covenants and agrees that all Incremental Property Tax Revenues and Village Pledge Revenues required to be deposited into the Special Tax Allocation Fund shall be deposited into the Special Tax Allocation Fund as provided in the Trust Indenture and the Redevelopment Agreement. Under the Trust Indenture there are expressly created (or authorized to be created) two accounts: (i) the Incremental Property Tax Revenues Account and (ii) the Village Pledge Revenues Account. As further provided in the Trust Indenture, the Senior Lien Notes are secured by a pledge of all of the moneys on deposit in the Senior Lien Note and Interest Subaccount and the Senior Lien Debt Service Reserve Subaccount of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund, the Junior Lien Notes are secured by a pledge of all of the moneys on deposit in the Junior Lien Note and Interest Subaccount of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund and the Village Pledge Revenues Notes are secured by a pledge of all of the moneys on deposit in the Village Pledge Revenues Note and Interest Subaccount of the Village Pledge Revenues Account of the Special Tax Allocation Fund, all in the priorities specified in the Trust Indenture and this Ordinance, and such pledges are irrevocable until the obligations of the Village are discharged under this Ordinance, the Trust Indenture and the Redevelopment Agreement.

C. *Operation of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund.* As provided in the Trust Indenture, the Incremental Property Tax Revenues are to be paid by the officers of the County who collect or receive the same to the Treasurer. On

December 15 of each year, the Treasurer shall deliver all Incremental Property Tax Revenues which have been received by the Treasurer to the Trustee for deposit into the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund for deposit to the separate accounts thereof as hereinafter created.

Under the Trust Indenture there are expressly created (or authorized to be created) within the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund the following subaccounts: the "Governmental Payments Subaccount", the "Program Expenses Subaccount," the "Senior Lien Note and Interest Subaccount," the "Senior Lien Debt Service Reserve Subaccount," the "Junior Lien Note and Interest Subaccount" and the "General Subaccount." The Trustee shall hold the Governmental Payments Subaccount, the Program Expenses Subaccount, the Senior Lien Note and Interest Subaccount, the Senior Lien Debt Service Reserve Subaccount, and the Junior Lien Note and Interest Subaccount. The Village shall hold the General Subaccount. Each such Subaccount shall be held separate and segregated from all other funds of the Village.

On or before each February 1, commencing with the February 1 following the Phase I Note Issuance Date, the Trustee shall conduct an accounting (each, an "*Accounting*") to determine the amounts, if any, to be deposited in and shall transfer said amounts into the following Subaccounts in the order in which hereinafter mentioned, as follows:

(a) *Governmental Payments Subaccount.* The Trustee shall first transfer any amount of Incremental Property Tax Revenues necessary to satisfy the Governmental Payments required by Section 6 of the Redevelopment Agreement into the Incremental Property Tax Revenues Subaccount. The amount of Governmental Payments required at the time of any Accounting shall be determined by the Village. The Trustee shall disburse the funds on hand in the Governmental Payments Subaccount in accordance with directions provided by the Village to satisfy the requirements of said Section 6 of the Redevelopment Agreement.

(b) *Program Expenses Subaccount.* The Trustee shall next transfer any amount of Incremental Property Tax Revenues in the amount of the Program Expense

Requirement to the Program Expenses Subaccount. Moneys on deposit in the Program Expenses Subaccount shall be used to pay or reimburse Program Expenses for the then current and the next succeeding Note Year.

(c) *Senior Lien Note and Interest Subaccount.* The Trustee shall next credit to and shall immediately transfer for deposit into the Senior Lien Note and Interest Subaccount the amount of Incremental Property Tax Revenues necessary to pay the Current Debt Service Requirement for the Senior Lien Notes. If upon any Accounting there are Incremental Property Tax Revenues in the Senior Lien Note and Interest Subaccount in excess of the amount necessary to pay such Current Debt Service Requirement, such funds shall first be transferred by the Trustee to the Senior Lien Debt Service Reserve Subaccount as described below.

Except as hereinafter or in any Note Order or Supplemental Indenture provided, moneys to the credit of the Senior Lien Note and Interest Subaccount shall be used solely and only for the purpose of paying principal of and premium, if any, and interest on the Senior Lien Notes as the same become due upon maturity or redemption prior to maturity.

(d) *Senior Lien Debt Service Reserve Subaccount.* The Trustee shall next credit the balance of the Incremental Property Tax Revenues to a separate and special account to maintain a debt service reserve for the outstanding Senior Lien Notes, to be known as the Senior Lien Debt Service Reserve Subaccount. The Trustee shall credit Incremental Property Tax Revenues to the Senior Lien Debt Service Reserve Subaccount until the amount to the credit of the Senior Lien Debt Service Reserve Subaccount aggregates the Senior Lien Debt Service Reserve Requirement. Thereafter no such payments shall be made by the Trustee into the Senior Lien Debt Service Reserve Subaccount except that when any money is paid out of said Subaccount payments shall be resumed and continued until such account has been restored to an aggregate amount equal to the Senior Lien Debt Service Reserve Requirement.

Moneys on deposit in the Senior Lien Debt Service Reserve Subaccount may be used to redeem Senior Lien Notes and shall be transferred by the Trustee to the Senior Lien Note and Interest Subaccount as may be necessary from time to time to prevent or to remedy a default in the payment of principal of or interest or premium, if any, on the Senior Lien Notes. Moneys on deposit in the Senior Lien Debt Service Reserve Subaccount may be pledged to pay principal of any specified Senior Lien Notes under a related Note Order.

Whenever the Trustee has credited to and deposited into the Senior Lien Debt Service Reserve Subaccount an amount of Incremental Property Tax Revenues sufficient to maintain a balance to the credit of said Subaccount equal to the Senior Lien Debt Service Reserve Requirement, and subject to the provisions of and in any order of priority as provided in any Note Order executed in connection with Junior Lien Notes or a Supplemental Indenture, the Trustee shall then remit remaining funds to the credit of the Special Tax Allocation Fund into the Junior Lien Note and Interest Subaccount.

(e) *Junior Lien Note and Interest Subaccount.* The Trustee shall next credit to and shall immediately transfer for deposit into the Junior Lien Note and Interest Subaccount all of the remaining Incremental Property Revenues. Said deposits will continue until the amount on hand in the Junior Lien Note and Interest Subaccount is equal to the sum of the principal of all Junior Lien Notes then Outstanding plus any interest then accrued and unpaid on any of the Outstanding Junior Lien Notes, as determined by an Accounting. Incidental to each Accounting and as may be further provided in a Note Order, the Trustee shall determine the amount necessary to pay the Current Debt Service Requirement, if any, for Junior Lien Notes and to determine the amount, if any, on deposit in and to the credit of the Junior Lien Note and Interest Subaccount. If upon any Accounting and such application of funds, there are Incremental Property Tax Revenues on deposit in the Junior Lien Note and Interest Subaccount in excess of the amount necessary or pledged to pay such Current Debt Service Requirement, such Incremental Property Tax Revenues shall be transferred to the General Subaccount as described below.

(f) *General Subaccount.* All moneys remaining to the credit of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund, after crediting the required amounts to the respective accounts hereinabove provided for, shall be transmitted by the Trustee to the Treasurer for credit to the General Subaccount. Moneys on deposit in the General Subaccount shall be transferred by the Treasurer first, if necessary, to the Trustee to remedy any deficiencies in any prior accounts in the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund; second, to the hereinafter-created Rebate Fund as needed to maintain the Tax-Exempt status of any Tax-Exempt Notes; and thereafter at the further discretion of the Corporate Authorities, as follows, in any order of priority mentioned:

(i) for the purpose of paying any costs of the Redevelopment Project, including any expenses of the Trustee and any expenses of the Village relating specifically to the administration of, or provision of governmental services to, the Redevelopment Project Area and the Redevelopment Project;

(ii) for the purpose of redeeming any Incremental Property Tax Revenues Notes;

(iii) for the purpose of purchasing any Incremental Property Tax Revenues Notes at a price not in excess of par and accrued interest and applicable redemption premium to the date of purchase;

(iv) for the purpose of refunding or prepaying any Incremental Property Tax Revenues Notes;

(v) for the purpose of establishing such additional reserves as may be deemed necessary by the Corporate Authorities;

(vi) for the purpose of paying principal of or premium or interest on any obligations of the Village issued to pay costs of the Redevelopment Project, whether or not secured by a pledge of monies on deposit in the Special Tax Allocation Fund;

(vii) for the purpose of reimbursing the Village for any transfers made from any lawfully available funds of the Village;

(viii) for the purpose of distributing such funds to the taxing districts or municipal corporations having the power to tax real property in the Redevelopment Project Area in accordance with Section 11-74.4-7 of the TIF Act, *provided, however*, that the Village expressly covenants and warrants that while any Senior Lien Notes remain outstanding, no such distribution shall occur; or

(ix) for any other purpose related to the Redevelopment Project Area or the Redevelopment Project pursuant to the TIF Act.

Notes may be issued secured solely by Incremental Property Tax Revenues held in and to the credit of the General Subaccount, and such Notes shall be in all respects subordinate in right of payment and lien and junior to the Senior Lien Notes and Junior Lien Notes.

Except as otherwise provided in any Note Order, as of any Accounting, any date of deposit of Incremental Property Tax Revenues to the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund, and at such other times as the Village may determine, (i) funds to the credit of the Senior Lien Debt Service Reserve Subaccount in excess of the Senior Lien Debt Service Reserve Requirement shall be transferred by the Trustee to the Senior Lien Note and Interest Subaccount and (ii) funds to the credit of the General Subaccount shall be transferred by the Treasurer to the Trustee to remedy any deficiency in a prior account on any date and as requested by the Trustee.

When all Incremental Property Tax Revenues Notes and related Redevelopment Project costs to be paid by the Incremental Property Tax Revenues have been paid or provided for, all moneys remaining in the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund may be used by the Village for any lawful purpose under the TIF Act.

D. *Operation of the Village Pledge Revenues Account of the Special Tax Allocation Fund.* As provided in the Trust Indenture, the Village Pledge Revenues are to be paid by the Treasurer to the Trustee on or before February 1 of each calendar year. The Trustee will deposit the Village Pledge Revenues into the Village Pledge Revenues Account of the Special Tax Allocation Fund for deposit to the separate accounts thereof as hereinafter created.

Under the Trust Indenture there are expressly created (or authorized to be created) within the Village Pledge Revenues Account of the Special Tax Allocation Fund the following subaccounts: the the "Program Expenses Subaccount," the "Village Pledge Revenues Note and Interest Subaccount," and the "General Subaccount." The Trustee shall hold the Program Expenses Subaccount, and the Village Pledge Revenues Note and Interest Subaccount. The Village shall hold the General Subaccount. Each such Subaccount shall be held separate and segregated from all other funds of the Village.

On or before each February 1, commencing with the February 1 following the Phase I Note Issuance Date, the Trustee shall conduct an Accounting to determine the amounts, if any, to be deposited in and shall transfer said amounts into the following Subaccounts in the order in which hereinafter mentioned, as follows:

(a) *Program Expenses Subaccount.* The Trustee shall first transfer an amount of Village Pledge Revenues equal to the Program Expense Requirement, less the amount deposited to the Program Expenses Subaccount of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund in such year, to the Program Expenses Subaccount. Moneys on deposit in the Program Expenses Subaccount shall be used to pay or reimburse Program Expenses for the then current and the next succeeding Note Year.

(b) *The Senior Lien Note and Interest Subaccount.* The Trustee shall next credit to and shall immediately transfer for deposit into the Village Pledge Revenues Note and Interest Subaccount all of the remaining Village Pledge Revenues. Said deposits will continue until the amount on hand in the Village Pledge Revenues Note and Interest Subaccount is equal to the sum of the principal of all Village Pledge Revenue Notes then Outstanding plus any interest then accrued and unpaid on any of the Outstanding Village Pledge Revenue Notes, as determined by an Accounting. Incidental

to each Accounting and as may be further provided in a Note Order, the Trustee shall determine the amount necessary to pay the Current Debt Service Requirement, if any, for Village Pledge Revenues Notes and to determine the amount, if any, on deposit in and to the credit of the Village Pledge Revenues Note and Interest Subaccount. If upon any Accounting and such application of funds, there are Village Pledge Revenues on deposit in the Village Pledge Revenues Note and Interest Subaccount in excess of the amount necessary or pledged to pay such Current Debt Service Requirement, such Village Pledge Revenues shall be transferred to the General Subaccount as described below.

Except as hereinafter or in any Note Order or Supplemental Indenture provided, moneys to the credit of the Village Pledge Revenues Note and Interest Subaccount shall be used solely and only for the purpose of paying principal of and premium, if any, and interest on the Village Pledge Revenues Notes as the same become due upon maturity or redemption prior to maturity.

(c) *The General Subaccount.* All moneys remaining to the credit of the Village Pledge Revenues Account of the Special Tax Allocation Fund, after crediting the required amounts to the respective accounts hereinabove provided for, shall be transmitted by the Trustee to the Treasurer for credit to the General Subaccount. Moneys on deposit in the General Subaccount shall be transferred by the Treasurer first, if necessary, to the Trustee to remedy any deficiencies in any prior accounts in the Village Pledge Revenues Account of the Special Tax Allocation Fund; and thereafter at the further discretion of the Corporate Authorities, as follows, in any order of priority mentioned:

(i) for the purpose of paying any costs of the Redevelopment Project, including any expenses of the Trustee and any expenses of the Village relating specifically to the administration of, or provision of governmental services to, the Redevelopment Project Area and the Redevelopment Project;

(ii) for the purpose of redeeming any Village Pledge Revenue Notes;

(iii) for the purpose of purchasing any Village Pledge Revenue Notes at a price not in excess of par and accrued interest and applicable redemption premium to the date of purchase;

(iv) for the purpose of refunding or prepaying any Village Pledge Revenues Notes;

(v) for the purpose of establishing such additional reserves as may be deemed necessary by the Corporate Authorities;

(vi) for the purpose of paying principal of or premium or interest on any obligations of the Village issued to pay costs of the Redevelopment Project, whether or not secured by a pledge of monies on deposit in the Special Tax Allocation Fund;

(vii) for the purpose of reimbursing the Village for any transfers made from any lawfully available funds of the Village;

(viii) for the purpose of distributing such funds to the taxing districts or municipal corporations having the power to tax real property in the Redevelopment Project Area in accordance with Section 11-74.4-7 of the TIF Act; or

(ix) for any other purpose related to the Redevelopment Project Area or the Redevelopment Project pursuant to the TIF Act.

Notes may be issued secured solely by Village Pledge Revenues held in and to the credit of the General Subaccount, and such Notes shall be in all respects subordinate in right of payment and lien and junior to the Village Pledge Revenues Notes.

Except as otherwise provided in any Note Order, as of any Accounting, any date of deposit of Village Pledge Revenues to the Village Pledge Revenues Account of the Special Tax Allocation Fund, and at such other times as the Village may determine, funds to the credit of the General Subaccount shall be transferred by the Treasurer to the Trustee to remedy any deficiency in a prior account on any date and as requested by the Trustee.

When all Village Pledge Revenues Notes and related Redevelopment Project costs to be paid by the Village Pledge Revenues Notes have been paid or provided for, all moneys remaining in the Village Pledge Revenues Account of the Special Tax Allocation Fund may be used by the Village for any lawful purpose under the TIF Act.

E. *The Rebate Account.* The Trustee is hereby authorized to establish within the Rebate Fund a "Senior Lien Tax Increment Revenue Notes Rebate [or Penalty, if applicable] Account" (the "*Senior Lien Rebate Account*") for the Notes, and the Designated Officers are hereby directed, not less frequently than annually, to cause to be transferred to the Senior Lien Rebate Account the amount determined to be the accrued liability under the Code. The Designated Officers shall cause to be paid to the U.S., without further order or direction from the Corporate Authorities, from time to time as required, amounts sufficient to meet the requirements of the Code.

Section 11. Delivery of the Notes, Execution of Note Order. The Designated Officers are hereby authorized to proceed, without any further authorization or direction whatsoever from the Corporate Authorities, to deliver the Notes as directed in the Redevelopment Agreement. The officers of the Village are hereby authorized to proceed, without any further official authorization or action by the Corporate Authorities, to approve or execute, or both, such documents as shall be necessary to effectuate the issuance and delivery of the Notes, with such insertions, deletions, additions, modifications or changes as they shall reasonably determine to be desirable, necessary and in the best interests of the Village, their approval or execution thereof to constitute ratification by the Corporate Authorities of any such insertion, deletion, addition, modification or change with no further official action, authorization or determination of the Corporate Authorities. The agreements in the Redevelopment Agreement for the sale of the Notes to the Developer Parties is hereby ratified, approved and confirmed, it being hereby expressly found that no person holding any office of the Village either by election or appointment is in any manner financially interested, either directly in his own name or indirectly in the name of any other person, association, trust or corporation, in said agreement with any of the Developer Parties for the purchase of the Notes.

Officers of the Village as may be necessary are hereby further authorized to execute such documents, including, specifically, such closing documents and certifications as shall be required by Bond Counsel to render their opinion relating to the validity of the Tax-Exempt Notes and the treatment of interest thereon for federal income taxation purposes.

In connection with the issuance of each series of the Notes, the Designated Officers shall prepare a Note Order, which shall include the pertinent details of the Notes as required hereby and by the Trust Indenture including, specifically, the principal amount of such series of Notes, the amount of the Senior Lien Debt Service Reserve Requirement, if applicable, the amount of

proceeds of any Senior Lien Notes which will be used to pay Capitalized Interest, and the name of the Developer Party or Developer Parties to which such Notes shall be issued. The Note Order shall be made available to all Corporate Authorities members at the next public meeting thereof, but such action shall be for information purposes only, it being the express intent of the Corporate Authorities that the Designated Officers shall be fully authorized and directed to sell, execute and deliver the Notes as herein provided without further official action of the Corporate Authorities. The Note Order shall be delivered, along with the the typewritten Notes executed by the Village as provided in this Ordinance, to the Trustee and shall provide the Trustee with the direction necessary to authenticate the Notes in accordance with the Trust Indenture.

Section 12. Creation and Maintenance of Funds; Appropriations; Investments. The performance by the Owners of their obligations pursuant to the Redevelopment Agreement shall be deemed to be consideration for the issuance of the Notes. To that end the Designated Officers are hereby expressly directed to issue the Notes as herein authorized and as provided and pursuant to the conditions set forth in the Redevelopment Agreement, upon delivery from time to time to the Village of such evidence of performance as required by the Redevelopment Agreement, without further official action or direction by the Corporate Authorities. All proceeds of a series of the Notes shall be deemed fully expended upon the date of the issuance of a series of the Notes.

Section 13. Village Covenants. The Village covenants and agrees that (i) all Incremental Property Tax Revenues shall be deposited into the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund and (ii) all Village Pledge Revenues shall be deposited into the Village Pledge Revenues Account of the Special Tax Allocation Fund.

The Village covenants and agrees with the holders of the Notes that, so long as any Notes remain outstanding and unpaid:

(a) The Village will punctually pay or cause to be paid from the Senior Lien Note and Interest Subaccount of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund the principal of and interest on the Senior Lien Notes in strict conformity with the terms of the Senior Lien Notes, the Redevelopment Agreement, the Trust Indenture and this Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof.

(b) The Village will punctually pay or cause to be paid from the Junior Lien Note and Interest Subaccount of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund the principal of and interest on the Junior Lien Notes in strict conformity with the terms of the Junior Lien Notes, the Redevelopment Agreement, the Trust Indenture and this Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof.

(c) The Village will punctually pay or cause to be paid from the Village Pledge Revenues Note and Interest Subaccount of the Village Pledge Revenues Account of the Special Tax Allocation Fund the principal of and interest on the Village Pledge Revenues Notes in strict conformity with the terms of the Village Pledge Revenues Notes, the Redevelopment Agreement, the Trust Indenture and this Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof.

(d) The Village will pay and discharge, or cause to be paid and discharged, from the Special Tax Allocation Fund any and all lawful claims which, if unpaid, might become a lien or charge upon the Incremental Property Tax Revenues or the Village Pledge Revenues, or any part thereof, or which might impair the security of any of the Notes. Nothing herein contained shall require the Village to make any such payment so long as the Village in good faith shall contest the validity of said claims.

(e) The Village will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Village, in which complete and correct entries shall be made of all transactions relating to the Redevelopment Project Area, the Redevelopment Plan, the Redevelopment Project, the Redevelopment Project, the Incremental Property Tax Revenues and the Village Pledge Revenues. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Noteholders of not less than ten per cent (10%) of the principal amount of the Notes then outstanding, or their representatives authorized in writing.

(f) The Village will preserve and protect the security of the Notes and the rights of the Noteholders.

(g) The Village will continue to implement the Redevelopment Project with all practicable dispatch in accord with its stated objectives and purposes in conformity with the Redevelopment Plan and the TIF Act, if and when necessary, and will timely convene the joint review board for the Redevelopment Project Area and timely make available and file such information and reports as shall be required by the TIF Act while the Notes or any portion thereof remain outstanding.

(f) The Village will adopt, make, execute and deliver any and all such further ordinances, resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of, this Ordinance and the Redevelopment Agreement, and for the better assuring and confirming unto the Noteholders of the Notes of the rights and benefits provided in this Ordinance and the Redevelopment Agreement.

(g) So long as any portion of any Note remains outstanding, the Village will take no action, nor will the Village omit to take any action, which act or omission will in any way adversely affect the ability of the Village to collect the Incremental Property Tax Revenues and the Village and its officers will comply with all present and future applicable laws in order to assure that the Incremental Property Tax Revenues and Village Pledge Revenues will be collected, allocated and deposited in the funds and accounts as herein provided.

Section 14. Additional Notes. While any of the Notes issued hereunder are Outstanding, the Village may not issue any additional notes (i) senior in lien with respect to the Incremental Property Tax Revenues to the Senior Lien Notes, (ii) on parity with the Senior Lien Notes with respect to the Incremental Property Tax Revenues without the written consent of the Noteholders of all of the Outstanding Senior Lien Notes and the Junior Lien Notes, (iii) on parity with the Junior Lien Notes with respect to the Incremental Property Tax Revenues without the written consent of the Noteholders of all of the Outstanding Junior Lien Notes, (iv) senior in lien to the Village Pledge Revenues Notes with respect to the Village Pledge Revenues, or (v) on parity with the Village Pledge Revenues Notes without the written consent of the Noteholders of all of the Outstanding Village Pledge Revenues Notes.

The Village reserves the right to issue additional notes subordinate to the Incremental Property Tax Revenues Notes payable from the Incremental Property Tax Revenues and to issue additional notes subordinate to the Village Pledge Revenues Notes with respect to the Village Pledge Revenues.

Section 15. Restrictions on Transfer. The Notes may only be assigned, transferred or pledged in accordance with this paragraph. Any of the Notes may be assigned to or pledged as collateral to any lender providing financing for the Redevelopment Project in accordance with

the Redevelopment Agreement. The Notes may be sold or assigned only to (i) a Qualified Institutional Buyer (as defined in Rule 144A promulgated by the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended), (ii) a purchaser of the Phase (as defined in the Redevelopment Agreement) of the Redevelopment Project for which such Note was issued (being either Phase I or Phase III as described in the Redevelopment Agreement), (iii) another Developer Party, (iv) a Person that Controls that Developer Party, or (v) a Person in which the majority equity interest in such Person is Controlled by one or more Persons that have a majority equity interest in that Developer Party (collectively, parties constituting one of (i) through (v) begin referred to herein as an "*Allowable Holder*"), *provided, however,* that in connection with any transfer or assignment of the Notes pursuant to this paragraph, the proposed purchaser or assignee shall certify its qualification as an Allowable Holder to the Trustee prior to such sale or assignment (a "*Sale Certification*"). Any such transfer of the Notes pursuant to this Section shall not be effective until the Trustee has received a Sale Certification in connection therewith.

Section 16. Non-Arbitrage and Tax Exemption. The Village hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Tax-Exempt Notes) if taking, permitting or omitting to take such action would cause any of the Tax-Exempt Notes to be an arbitrage bond or a private activity bond within the meaning of the Code, or would otherwise cause the interest on the Tax-Exempt Notes to be included in the gross income of the recipients thereof for federal income tax purposes. The Village acknowledges that, in the event of an examination by the Internal Revenue Service ("*IRS*") of the exemption from federal income taxation for interest paid on the Tax-Exempt Notes, under present rules, the Village may be treated as a "taxpayer" in such examination and agrees that it

will respond in a commercially reasonable manner to any inquiries from the IRS in connection with such an examination.

The Village also agrees and covenants with the purchasers and Noteholders of the Tax-Exempt Notes from time to time outstanding that, to the extent possible under Illinois law, it will comply with whatever federal tax law is adopted in the future which applies to the Tax-Exempt Notes and affects the tax-exempt status of the Tax-Exempt Notes.

The Corporate Authorities hereby authorize and direct the Designated Officers to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Tax-Exempt Notes to be arbitrage bonds and to assure that the interest in the Tax-Exempt Notes will be exempt from federal income taxation. In connection therewith, the Village and the Corporate Authorities further agree: (a) through their officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the Tax-Exempt Notes and to comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Tax-Exempt Notes; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by their officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the Village in such compliance.

Section 17. Record-Keeping Policy and Post Issuance Compliance Matters. It is necessary and in the best interest of the Village to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the Notes and other debt obligations of the Village, the interest on which is excludable from "gross income" for federal income tax purposes or which enable the Village or the holder to receive federal tax benefits, including, but not limited to, qualified tax credit bonds and other

specified tax credit bonds (including the Tax-Exempt Notes, the "*Tax Advantaged Obligations*"). Further, it is necessary and in the best interest of the Village that (i) the Corporate Authorities adopt policies with respect to record-keeping and post issuance compliance with the Village's covenants related to its Tax Advantaged Obligations and (ii) the Compliance Officer (as hereinafter defined) at least annually review the Village's Contracts (as hereinafter defined) to determine whether the Tax Advantaged Obligations comply with the federal tax requirements applicable to each issue of the Tax Advantaged Obligations. The Corporate Authorities and the Village hereby adopt the following Record-Keeping Policy:

(a) *Compliance Officer Is Responsible for Records.* The Director of Finance of the Village (the "*Compliance Officer*") is hereby designated as the keeper of all records of the Village with respect to each issue of the Tax Advantaged Obligations, and such officer shall report to the Corporate Authorities at least annually that he or she has all of the required records in his or her possession, or is taking appropriate action to obtain or recover such records.

(b) *Closing Transcripts.* For each issue of Tax Advantaged Obligations, the Compliance Officer shall receive, and shall keep and maintain, a true, correct and complete counterpart of each and every document and agreement delivered in connection with the issuance of the Tax Advantaged Obligations, including without limitation (i) the proceedings of the Village authorizing the Tax Advantaged Obligations, (ii) any offering document with respect to the offer and sale of the Tax Advantaged Obligations, (iii) any legal opinions with respect to the Tax Advantaged Obligations delivered by any lawyers, and (iv) all written representations of any person delivered in connection with the issuance and initial sale of the Tax Advantaged Obligations.

(c) *Arbitrage Rebate Liability.* The Compliance Officer shall review the agreements of the Village with respect to each issue of Tax Advantaged Obligations and shall prepare a report for the Corporate Authorities stating whether or not the Village has any rebate liability to the U.S. Treasury, and setting forth any applicable exemptions that each issue of Tax Advantaged Obligations may have from rebate liability. Such report shall be updated annually and delivered to the Corporate Authorities.

(d) *Recommended Records.* The Compliance Officer shall review the records related to each issue of Tax Advantaged Obligations and shall determine what requirements the Village must meet in order to maintain the tax-exemption of interest paid on its Tax Advantaged Obligations, its entitlement to direct payments by the United States Treasury of the applicable percentages of each interest payment due and owing on its Tax Advantaged Obligations, and applicable tax credits or other tax benefits arising

from its Tax Advantaged Obligations. The Compliance Officer shall then prepare a list of the contracts, requisitions, invoices, receipts and other information that may be needed in order to establish that the interest paid on the Tax Advantaged Obligations is entitled to be excluded from "gross income" for federal income tax purposes, that the Village is entitled to receive from the United States Treasury direct payments of the applicable percentages of interest payments coming due and owing on its Tax Advantaged Obligations, and the entitlement of holders of any Tax Advantaged Obligations to any tax credits or other tax benefits, respectively. Notwithstanding any other policy of the Village, such retained records shall be kept for as long as the Tax Advantaged Obligations relating to such records (and any obligations issued to refund the Tax Advantaged Obligations) are outstanding, plus three years, and shall at least include:

(i) complete copies of the transcripts delivered when any issue of Tax Advantaged Obligations is initially issued and sold;

(ii) copies of account statements showing the disbursements of all Tax Advantaged Obligation proceeds for their intended purposes, and records showing the assets and other property financed by such disbursements;

(iii) copies of account statements showing all investment activity of any and all accounts in which the proceeds of any issue of Tax Advantaged Obligations has been held or in which funds to be used for the payment of principal of or interest on any Tax Advantaged Obligations has been held, or which has provided security to the holders or credit enhancers of any Tax Advantaged Obligations;

(iv) copies of all bid requests and bid responses used in the acquisition of any special investments used for the proceeds of any issue of Tax Advantaged Obligations, including any swaps, swaptions, or other financial derivatives entered into in order to establish that such instruments were purchased at *fair market value*;

(v) copies of any subscriptions to the U.S. Treasury for the purchase of State and Local Government Series (SLGS) obligations;

(vi) any calculations of liability for *arbitrage rebate* that is or may become due with respect to any issue of Tax Advantaged Obligations, and any calculations prepared to show that no arbitrage rebate is due, together, if applicable, with account statements or cancelled checks showing the payment of any rebate amounts to the U.S. Treasury together with any applicable IRS Form 8038-T; and

(vii) copies of all contracts and agreements of the Village, including any leases (the "*Contracts*"), with respect to the use of any property owned by the Village and acquired, constructed or otherwise financed or refinanced with the proceeds of the Tax Advantaged Obligations effective at any time when such Tax

Advantaged Obligations are, will or have been outstanding. Copies of contracts covering no more than 50 days of use and contracts related to Village employees need not be retained.

(e) *IRS Examinations or Inquiries.* In the event the IRS commences an examination of any issue of Tax Advantaged Obligations or requests a response to a compliance check, questionnaire or other inquiry, the Compliance Officer shall inform the Corporate Authorities of such event, and is authorized to respond to inquiries of the IRS, and to hire outside, independent professional counsel to assist in the response to the examination or inquiry.

(f) *Annual Review.* The Compliance Officer shall conduct an annual review of the Contracts and other records to determine for each issue of Tax Advantaged Obligations then outstanding whether each such issue complies with the federal tax requirements applicable to such issue, including restrictions on private business use, private payments and private loans. The Compliance Officer is expressly authorized, without further official action of the Corporate Authorities, to hire outside, independent professional counsel to assist in such review. To the extent that any violations or potential violations of federal tax requirements are discovered incidental to such review, the Compliance Officer may make recommendations or take such actions as the Compliance Officer shall reasonably deem necessary to assure the timely correction of such violations or potential violations through remedial actions described in the United States Treasury Regulations, or the Tax Exempt Bonds Voluntary Closing Agreement Program described in Treasury Notice 2008-31 or similar program instituted by the IRS.

(g) *Training.* The Compliance Officer shall undertake to maintain reasonable levels of knowledge concerning the rules related to tax-exempt bonds (and build America bonds and tax credit bonds to the extent the Village has outstanding build America bonds or tax-credit bonds) so that such officer may fulfill the duties described in this Section. The Compliance Officer may consult with counsel, attend conferences and presentations of trade groups, read materials posted on various web sites, including the web site of the Tax Exempt Bond function of the IRS, and use other means to maintain such knowledge. Recognizing that the Compliance Officer may not be fully knowledgeable in this area, the Compliance Officer may consult with outside counsel, consultants and experts to assist him or her in exercising his or her duties hereunder. The Compliance Officer will endeavor to make sure that the Village's staff is aware of the need for continuing compliance. The Compliance Officer will provide copies of this Ordinance and the Tax Exemption Certificate and Agreement or other applicable tax documents for each series of Tax Advantaged Obligations then currently outstanding (the "*Tax Agreements*") to staff members who may be responsible for taking actions described in such documents. The Compliance Officer should assist in the education of any new Compliance Officer and the transition of the duties under these procedures. The Compliance Officer will review this Ordinance and each of the Tax Agreements periodically to determine if there are portions that need further explanation and, if so, will attempt to obtain such explanation from counsel or from other experts, consultants or staff.

(h) *Amendment and Waiver.* The procedures described in this Section are only for the benefit of the Village. No other person (including an owner of a Tax Advantaged Obligation) may rely on the procedures included in this Section. The Village may amend this Section and any provision of this Section may be waived, without the consent of the holders of any Tax Advantaged Obligations and as authorized by passage of a resolution by the Corporate Authorities. Additional procedures may be required for Tax Advantaged Obligations the proceeds of which are used for purposes other than capital governmentally owned projects or refundings of such, including tax increment financing bonds, bonds financing output facilities, bonds financing working capital, or private activity bonds. The Village also recognizes that these procedures may need to be revised in the event the Village enters into any derivative products with respect to its Tax Advantaged Obligations

Section 18. Publication of Ordinance. A full, true and complete copy of this Ordinance shall be published within ten days after passage in pamphlet form by authority of the Corporate Authorities.

Section 19. Superseder and Effective Date. All ordinances, resolutions and orders, or parts thereof, in conflict herewith are to the extent of such conflict hereby superseded; and this Ordinance shall be in full force and effect immediately upon its passage, approval and publication.

Section 20. Severability. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

AYES: 6 – Marquardt, Forster, Oppenheim, Koch, Takaoka, Schenk

NAYS: 0 - None

ABSENT: 1 - Byrne

APPROVED: this 15th day of June, 2021.

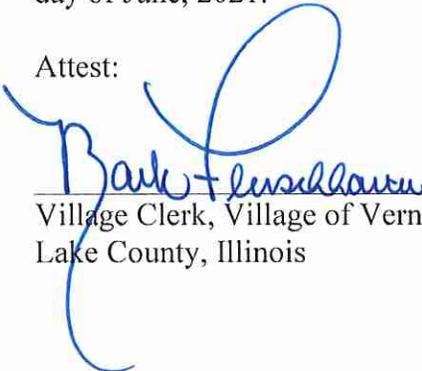


President Pro Tem

Recorded in Village Records: this 15th day of June, 2021.

Published in pamphlet form by authority of the President and Board of Trustees at on the 15th day of June, 2021.

Attest:



Village Clerk, Village of Vernon Hills
Lake County, Illinois



EXHIBIT A

FORM OF TRUST INDENTURE

Trustee Marquardt moved and Trustee Forster seconded the motion that the ordinance as presented be adopted.

After discussion thereof, which discussion included a public recital by the Village Manager as to the nature of the matters set forth in the ordinance, including statements that (1) the ordinance provides for the issuance of tax increment allocation revenue notes for the purpose of reimbursing costs in the Hawthorn Mall Redevelopment Project Area, (2) the Notes are issuable without referendum pursuant to the home rule powers of the Village and the provisions of the Tax Increment Allocation Redevelopment Act of the State of Illinois, as amended (the "*TIF Act*"), and as supplemented by the Omnibus Bond Acts, as amended, (3) the ordinance provides for the pledge of certain incremental property taxes derived from said redevelopment project area and the Village's pledge pursuant to the TIF Act to pay, as provided therein, the principal of and applicable premium and interest on the Notes, and (4) the ordinance provides many details of the Notes, including tax-exempt covenants, as applicable, provisions for terms and form of the Notes, authority for the execution of a trust indenture and note orders, the President directed that the roll be called for a vote upon the motion to adopt the ordinance.

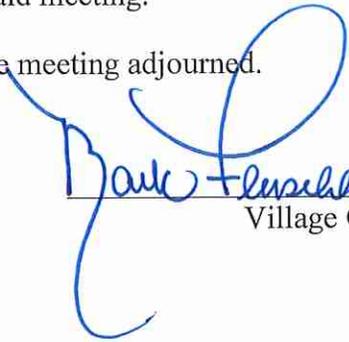
Upon the roll being called, the following Trustees voted AYE: Marquardt, Forster, Oppenheim, Koch, Takaoka, Schenk

and the following Trustees voted NAY: None.

WHEREUPON, the President Pro Tem declared the motion carried and the ordinance adopted, and henceforth did approve and sign the same in open meeting, and did direct the Village Clerk to record the same in full in the records of the President and Board of Trustees of the Village of Vernon Hills, Lake County, Illinois, which was done.

Other business was duly transacted at said meeting.

Upon motion duly made and carried, the meeting adjourned.



Paul Fleschman
Village Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

CERTIFICATION OF MINUTES AND ORDINANCE

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Vernon Hills, Lake County, Illinois (the "*Village*"), and as such official I am the keeper of the official journal of proceedings, books, records, minutes and files of the Village and of the President and Board of Trustees (the "*Board*") thereof.

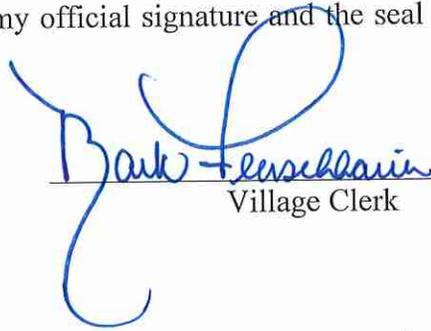
I do further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Board held on the 15th day of June, 2021, insofar as the same relates to the adoption of an ordinance, numbered 2021-095 and entitled:

AN ORDINANCE providing for the issuance of not to exceed \$43,000,000 Tax Increment Financing Revenue Notes (Hawthorn Mall Redevelopment Project), of the Village of Vernon Hills, Lake County, Illinois, and providing for the execution of a trust indenture and note orders in connection therewith.

a true, correct and complete copy of which said ordinance as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the Board on the adoption of said ordinance were conducted openly, that the vote on the adoption of said ordinance was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Board at least 96 hours in advance of the holding of said meeting, that at least one copy of said agenda was continuously available for public review during the entire 96-hour period preceding said meeting, that said agenda contained a separate specific item concerning the proposed adoption of said ordinance, a true, correct and complete copy of the agenda as so posted being attached hereto as *Exhibit A*, that said meeting was called and held in strict compliance with the provisions the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the Illinois Municipal Code, as amended, and that the Board has complied with all of the applicable provisions of said Act and said Code and its procedural rules in the adoption of said ordinance.

IN WITNESS WHEREOF I hereunto affix my official signature and the seal of the Village,
this 15th day of June, 2021.



Village Clerk

(SEAL) VILLAGE CLERK TO ATTACH AGENDA



STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

CERTIFICATE OF PUBLICATION IN PAMPHLET FORM

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Vernon Hills, Lake County, Illinois (the "*Village*"), and as such official I am the keeper of the official journal of proceedings, books, records, minutes, and files of the Village and of the President and Board of Trustees (the "*Corporate Authorities*") thereof.

I do further certify that on the 15th day of June, 2021, there was published in pamphlet form, by authority of the Corporate Authorities, a true, correct and complete copy of Ordinance Number 2021-095 of the Village providing for the issuance of not to exceed \$43,000,000 tax increment revenue notes (Hawthorn Mall Redevelopment Project), of the Village and that said ordinance as so published was on said date readily available for public inspection and distribution, in sufficient number to meet the needs of the general public, at my office as Village Clerk located in the Village.

IN WITNESS WHEREOF I have affixed hereto my official signature and the seal of the Village, this 15th day of June, 2021.


Village Clerk

(SEAL)



INDENTURE OF TRUST

dated as of _____ 1, 20__

by and between

VILLAGE OF VERNON HILLS, LAKE COUNTY, ILLINOIS

and

as trustee

INDENTURE OF TRUST

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EXHIBIT A FORM OF NOTE

INDENTURE OF TRUST dated as of _____ 1, 20__, by and between the VILLAGE OF VERNON HILLS, LAKE COUNTY, ILLINOIS, an Illinois municipal corporation (the "*Village*"), and _____, a banking corporation duly organized, existing and authorized to accept trusts of the character herein set out under and by virtue of the laws of the United States of America (the "*Trustee*"), as trustee.

RECITALS

The Tax Increment Allocation Redevelopment Act, as supplemented and amended (the "*TIF Act*"), and particularly as supplemented and amended by the Local Government Debt Reform Act, as amended, and the other Omnibus Bond Acts, as amended, and as further supplemented, and where necessary, superseded, by Section 6 of Article VII of the 1970 Constitution of the State of Illinois (collectively, the "*Act*"), empowers the Village to issue its bonds or other obligations for the purposes specified in the Act.

On the 4th day of November, 2020, the President and Board of Trustees of the Village (the "*Corporate Authorities*") adopted (A) Ordinance No. 2020-126, approving a redevelopment plan (the "*Redevelopment Plan*") and project (the "*Redevelopment Project*") for the Hawthorn Mall Redevelopment Project Area (as legally described in the Redevelopment Agreement, the "*Redevelopment Project Area*"), (B) Ordinance No. 2020-127, designating the Redevelopment Project Area, and (C) Ordinance No. 2020-128, adopting tax increment allocation financing for the Redevelopment Project Area and creating a special tax allocation fund therefor (the "*Special Tax Allocation Fund*").

On the 18th day of May, 2021, the Corporate Authorities adopted Ordinance Number 2021-086, authorizing the execution of that certain Redevelopment Agreement, dated _____, 2021, by, between and among the Village and Hawthorn, L.P., Hawthorn SP, LLC, Hawthorn CP, LLC, and USEF Centennial FA Hawthorn Owner LLC (collectively, the "*Owners*") (the "*Redevelopment Agreement*").

Pursuant to the Redevelopment Agreement the Owners have agreed to assemble real property or rights therein on a site within the Redevelopment Project Area (as legally described in the Redevelopment Agreement, the "*Property*"), and to construct on the Property certain retail, commercial and office improvements (including all electrical, engineering, financial, legal and other related services and expenditures, collectively, the "*TIF Project*").

The Village has heretofore determined that it is advisable and necessary and in the best interests of the Village that the costs of the TIF Project now be paid or reimbursed, and, to that effect, the Village wishes to provide in this Indenture of Trust for the issuance of the hereinafter defined Notes and to provide for the continuation and operation of the Special Tax Allocation Fund and the accounts therein.

On the 1st day of June, 2021, the Corporate Authorities adopted Ordinance No. 2021-__ authorizing the issuance of the Notes and the execution of this Indenture of Trust.

Accordingly, the Village and the Trustee agree as follows for the benefit of the other and for the benefit of the holders of the Outstanding Notes issued pursuant to and secured by this Indenture of Trust.

All terms used in the following Granting Clauses shall have the meanings set forth in Article I hereof.

GRANTING CLAUSE

To secure the payment of the Notes, the Village assigns to the Trustee and grants to the Trustee a security interest in all right, title and interest of the Village in and to (a) all Incremental Property Tax Revenues, (b) Village Pledge Revenues and (c) all moneys and securities held from time to time by the Trustee under this Indenture of Trust as provided in this Indenture of Trust for the equal and proportionate benefit of all holders of the Notes without priority or distinction as to lien or otherwise of any Notes over any other Notes, *provided* that (i) the Rebate Fund shall be held for the sole and exclusive benefit of the United States of America as provided in Section 5.03 hereof, (ii) the Senior Lien Note and Interest Subaccount and the Senior Lien Debt Service Reserve Subaccount shall be held for the sole and exclusive benefit of the holders of the Senior Lien Notes as provided in Section 4.05 hereof, (iii) the Junior Lien Note and Interest Subaccount shall be held for the sole and exclusive benefit of the holders of the Junior Lien Notes as provided in Section 4.05 hereof, and (iv) the General Subaccount of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund and the General Subaccount of the Village Pledge Revenues Account of the Special Tax Allocation Fund shall be held for the sole and exclusive use of the Village as provided in Sections 4.03 and 4.05 hereof; and except as otherwise specifically provided in this Indenture of Trust or in any Supplemental Indenture.

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.01. Definitions. For all purposes of this Indenture of Trust, unless the context requires otherwise, the following terms shall have the following meanings:

“*Accounting*” shall have the meaning ascribed to such term in the Redevelopment Agreement.

“*Act*” is defined in the Recitals hereto.

“*Annual Sales Tax Deficiency*” means the amount determined pursuant to Section 11(E) of the Redevelopment Agreement.

"Bond Counsel" means Chapman and Cutler LLP. Chicago, Illinois, or any other nationally recognized bond counsel acceptable to the Village.

"Business Day" means any day (a) other than a Saturday, Sunday or day on which banks in New York, New York, in the City of Chicago, Illinois, or in the city of the Trustee's designated corporate trust office are required or authorized by law or executive order to close and (b) on which the New York Stock Exchange is not closed.

"Code" means the Internal Revenue Code of 1986, as amended.

"Corporate Authorities" is defined in the Recitals hereto.

"County" means The County of Lake, Illinois.

"County Clerk" means the County Clerk of the County.

"Current Debt Service Requirement" means, for any Note Year, the aggregate Interest Requirement and Principal Requirement for the Note.

"Current Interest" means interest when due.

"Deferred Accrued Interest" means accrued interest recorded by the Trustee as deferred and unpaid.

"Designated Officers" means the President, Clerk, Village Manager, Treasurer, or Director of Finance of the Village, or any two of them acting together, and successors or assigns.

"Event of Default" means an event of default specified in Section 8.01 of this Indenture.

"Final Maturity" means (A) the date on which the Village has made provision for or payment in full of all principal of and interest on a series of the Notes, or (B) the Final Maturity Date.

"Final Maturity Date" means the date which is the earlier of (i) 20 years from the date of the issuance of a series of the Notes or (ii) December 31, 2043.

"Governmental Payments" means any amounts that are required to be paid from the Incremental Property Tax Revenues to the units of government within the boundaries of which the Property is located in accordance with Section 6 of the Redevelopment Agreement.

"Home Rule Sales Tax" means the sales tax imposed on all gross receipts from sale of tangible personal property at retail in the Village pursuant to: (i) the Village's Home Rule Municipal Retailers' Occupation Tax (Village Code Chapter 21, Article IX); (ii) the Home Rule Municipal Retailers' Occupation Tax Act (65 ILCS 5/8-11-1); (iii) the Village's Home Rule Municipal Service Occupation Tax (Village Code Chapter 21, Article X); and (iv) the Home Rule Municipal Service Occupation Tax Act (65 ILCS 5/8-11-5).

"Home Rule Sales Tax Revenues" means the revenues collected and received by the Village as a result of the imposition of the Home Rule Sales Tax on the retailers located within the Taxable Portions. The Home Rule Sales Tax Revenues shall equal, but not exceed, one-quarter of one percent (0.25%) of the amount of all taxable sales on the retailers located within the Taxable Portions, regardless of the actual Home Rule Sales Tax the Village may impose and collect from time to time.

"Incremental Property Tax Revenue Notes" means, together, the Senior Lien Notes and the Junior Lien Notes.

"Incremental Property Tax Revenues" means the revenues received by the Village from the ad valorem taxes, if any, arising from the taxes levied upon the parcels listed on Exhibit B-3 of the Redevelopment Agreement by any and all taxing districts or municipal corporations having the power to tax real property in the Redevelopment Project Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the total Initial Equalized Assessed Value of each such piece of property, all as determined by the County Clerk, all as provided in the TIF Act, excluding any taxes levied by the Village.

"Indenture" means this Indenture of Trust, as it may be amended or supplemented from time to time in accordance with its terms by and between the Village and the Trustee.

"Initial Equalized Assessed Value" means the equalized assessed value of each of the parcels listed on Exhibit B-3 of the Redevelopment Agreement as last equalized or assessed by the Department of Revenue of the State of Illinois for State and County taxes, all as determined by the County Clerk in accordance with the TIF Act.

"Interest Requirement" means for any Note Year the aggregate amount of *first*, Deferred Accrued Interest then due, and *next*, the Current Interest on the Notes having a Stated Maturity during such Note Year.

"Junior Lien I Note and Interest Subaccount" means the fund created in Section 4.05 hereof and any fund of that name referred to in the Note Ordinance authorizing the issuance of a Series of Junior Lien Notes.

"Junior Lien Notes" means, together, the Phase I Junior Lien Incremental Property Tax Revenues Notes and the Phase III Junior Lien Incremental Property Tax Revenues Notes.

"Municipal Sales Tax Pledged Funds" means, together, 40% of the State Sales Tax Revenues received by the Village and 40% of the Home Rule Sales Tax Revenues received by the Village which (i) first, are available for the payment of the Annual Sales Tax Deficiency, if any, and (ii) second, are available for deposit to the Village Pledge Revenues Account of the Special Tax Allocation Fund in the amount determined to be Village Pledge Revenues for such year.

“Note Order” means a written note order signed by the Designated Officers as authorized in the Note Ordinance and setting forth the final details of a series of Notes or a Village Pledge Deficiency as described in Section 4(i) of the Note Ordinance.

“Note Ordinance” means the ordinance of the Village authorizing the issuance of Notes pursuant to this Indenture and specifically includes Ordinance 2021-___, adopted by the Corporate Authorities on the 15th day of June, 2021.

“Noteholder” or *“holder”* means the registered owner of a Note of any Series.

“Notes” means, collectively, the Senior Lien Notes, the Junior Lien Notes and the Village Pledge Revenues Notes.

“Note Register” means the books of the Village kept by the Trustee, as Note Registrar, to evidence the registration and transfer of the Notes.

“Note Registrar” means the Trustee, acting as Note Registrar under the Note Ordinance and this Indenture, or a successor thereto.

“Note Year” means that 12 calendar month period beginning on February 2 of any calendar year and ending on February 1 of the following calendar year.

“Opinion of Counsel” means a written opinion of counsel who is acceptable to the Trustee. The counsel may be an employee of or counsel to the Village or the Trustee.

“Opinion of Tax Counsel” means an Opinion of Counsel experienced in matters relating to the tax exemption of interest on obligations issued by states and their political subdivisions.

“Outstanding” when used with reference to Notes, or *“Notes Outstanding”* means all Notes which have been authenticated and delivered by the Trustee, except the following:

- (a) Notes canceled or delivered to the Trustee for cancellation.
- (b) Notes that have become due (at maturity, on redemption, or otherwise) and for the payment, including interest accrued to the due date, of which sufficient moneys are held by the Trustee.
- (c) Notes deemed paid by Section 6.01.
- (d) Notes in lieu of which others have been authenticated under Section 2.03 (relating to registration and exchange of Notes) or 2.04 (relating to mutilated, lost, stolen or destroyed Notes).

“Owners” is defined in the Recitals hereto.

"Phase I Junior Lien Incremental Property Tax Revenues Notes" means the Taxable Notes issued on the Phase I Note Issuance Date for purposes of reimbursing a portion of the costs of the Phase I Project, payable from the Incremental Property Tax Revenues. The Phase I Junior Lien Incremental Property Tax Revenues Notes constitute Phase I Taxable TIF Note 1 as described in the Redevelopment Agreement.

"Phase I Note Issuance Date" means the date on which the Phase I Senior Lien Incremental Property Tax Revenues Notes, Phase I Junior Lien Incremental Property Tax Revenues Notes and Phase I Village Pledge Revenues Notes are issued in accordance with the Redevelopment Agreement.

"Phase I Project" means the portion of the TIF Project defined as the Phase I Project in the Redevelopment Agreement.

"Phase I Senior Lien Incremental Property Tax Revenues Notes" means the Tax-Exempt Notes issued on the Phase I Note Issuance Date for purposes of reimbursing a portion of the costs of the Phase I Project, payable from the Incremental Property Tax Revenues. The Phase I Senior Lien Incremental Property Tax Revenues Notes constitute the Phase I Tax-Exempt TIF Notes as described in the Redevelopment Agreement.

"Phase I Village Pledge Revenues Notes" means the Taxable Notes issued on the Phase I Note Issuance Date for the purposes of reimbursing a portion of the costs of the Phase I Project, payable from the Village Pledge Revenues. The Phase I Village Pledge Revenues Notes constitute Phase I Taxable TIF Note I as described in the Redevelopment Agreement.

"Phase III Junior Lien Incremental Property Tax Revenues Notes" means the Taxable Notes issued on the Phase III Note Issuance Date for purposes of reimbursing a portion of the costs of the Phase III Project, payable from the Incremental Property Tax Revenues. The Phase III Junior Lien Incremental Property Tax Revenues Notes constitute the Phase III Taxable TIF Note 1 as described in the Redevelopment Agreement.

"Phase III Note Issuance Date" means the date on which the Phase III Senior Lien Incremental Property Tax Revenues Notes, Phase III Junior Lien Incremental Property Tax Revenues Notes and Phase III Village Pledge Revenues Notes are issued in accordance with the Redevelopment Agreement.

"Phase III Project" means the portion of the TIF Project defined as the Phase III Project in the Redevelopment Agreement.

"Phase III Senior Lien Incremental Property Tax Revenues Notes" means the Tax-Exempt Notes issued on the Phase III Note Issuance Date for purposes of reimbursing a portion of the costs of the Phase III Project, payable from the Incremental Property Tax Revenues. The Phase III Senior Lien Incremental Property Tax Revenues Notes constitute the Phase III Tax-Exempt TIF Notes as described in the Redevelopment Agreement.

"Phase III Village Pledge Revenues Notes" means the Taxable Notes issued on the Phase III Note Issuance Date for the purposes of reimbursing a portion of the costs of the Phase III Project, payable from the Village Pledge Revenues. The Phase III Village Pledge Revenues Notes constitute Phase III Taxable TIF Note 2 as described in the Redevelopment Agreement.

"Principal Requirement" means for any Note Year the aggregate principal amount of the Note having a Stated Maturity during such Note Year. For any Note Year the Principal Requirement shall expressly include the amount of principal determined by the Trustee as provided in Section 5(a) of the Note Ordinance to be subject to mandatory redemption.

"Program Expense Requirement" means, for any Note Year, the actual amount of any Trust Indenture Administration Expenses (as defined herein) and, with respect to the Administrative Allocation (as defined herein), an amount not to exceed \$30,000 annually, such amount to be increased annually by three percent.

"Program Expenses" means any costs incurred by the Village related to (A) any fees related to the administration of this Indenture, including (i) the sum necessary to pay all costs and expenses of any Trustee, registrar or paying agent for any series of Notes and (ii) fees related to the calculation or verification of any required payment to the United States of America pursuant to Section 148(f) of the Code (together, the *"Trust Indenture Administration Expenses"*) and (B) administration of, or provision of governmental services to, the Redevelopment Project Area, the Redevelopment Project and the Redevelopment Agreement in compliance with the TIF Act, including costs of audits, legal review and staff time for preparation of annual reports (the *"Administrative Allocation"*).

"Property" is defined in the Recitals hereto.

"Rebate Fund" means the fund of that name created in Section 5.03 hereof.

"Redevelopment Agreement" is defined in the Recitals hereto.

"Redevelopment Plan" is defined in the Recitals s hereto.

"Redevelopment Project" is defined in the Recitals hereto.

"Redevelopment Project Area" is defined in the Recitals hereto.

"Reserve Fund" means the Senior Lien Debt Service Reserve Subaccount or any fund designated a Reserve Fund which is established under the Note Ordinance.

"Retailers' Occupation Tax Act" means the Illinois Retailers' Occupation Tax Act, as the same has been, and may, from time-to-time hereafter, be amended.

"Responsible Officer" means the Chairman of the Board of Directors, the President, a Vice President or any other officer or assistant officer of the Trustee within the corporate trust office

specified in Section 10.01(b) hereof assigned by the Trustee to administer its corporate trust matters.

"Sales Taxes Revenues" means the Home Rule Sales Tax Revenues and the State Sales Tax Revenues.

"Senior Lien Debt Service Reserve Subaccount" means the fund created in Section 4.03 hereof.

"Senior Lien Debt Service Reserve Requirement" means an amount equal to the aggregate of each Senior Lien Debt Service Reserve Requirement as defined in the Note Ordinance and the related Note Orders for the Senior Lien Notes and as referred to in Section 4.03(d) hereof.

"Senior Lien Incremental Property Tax Revenues Notes" means, together, the Phase I Senior Lien Incremental Property Tax Revenues Notes and the Phase III Senior Lien Incremental Property Tax Revenues Notes.

"Senior Lien Note and Interest Subaccount" means the fund created in Section 4.03 hereof and any fund so referred to in a Note Ordinance authorizing the issuance of a Series of Senior Lien Notes.

"Senior Lien Notes" means, together, the Phase I Senior Lien Incremental Property Tax Revenues Notes and the Phase III Senior Lien Incremental Property Tax Revenues Notes.

"Series" means any series of Notes so designated by a Note Ordinance.

"Service Occupation Tax Act" means the Illinois Service Occupation Tax Act, as the same has been, and may, from time-to-time hereafter, be amended.

"Special Tax Allocation Fund" is defined in the Recitals hereto.

"State" means the State of Illinois.

"Stated Maturity" when used with respect to any Notes or any interest thereon means the date specified in the Notes as the fixed date on which the principal of the Notes or such interest is due and payable, whether by maturity, mandatory redemption, or otherwise.

"State Sales Tax Revenues" means the revenues collected and received by the Village as a result of the imposition of taxes by the State and received by the Village pursuant to the Retailer's Occupation Tax Act and the Service Occupation Tax Act on the retailers located within the Taxable Portions, and any other "sales tax" or successor tax that may be enacted by the State that the Village is able to verify as being generated from the retailers located within the Taxable Portions.

"Supplemental Indenture" means any supplement to this Indenture pursuant to Article IX hereof.

"Tax Agreement" means the Section 103 (Tax Exemption) Certificate and Agreement of the Village dated the date that any Tax-Exempt Notes are initially issued and sold, as amended from time to time.

"Taxable Notes" means, collectively, all series of Notes which are not issued as Tax-Exempt, specifically the Junior Lien Notes and the Village Pledge Notes.

"Tax-Exempt" means, with respect to Notes, the status of interest accrued, paid and received thereon as excludable from the gross income of the owners thereof under the Code for federal income tax purposes.

"Tax-Exempt Notes" means, collectively, all series of Notes issued as Tax-Exempt, specifically the Senior Lien Notes.

"Taxable Notes" means, collectively, all series of Notes which are not issued as Tax-Exempt, specifically the Junior Lien Notes and the Village Pledge Revenues Notes.

"Taxable Portions" means the portions of the Property that are owned by the Owners or Persons (as defined in the Redevelopment Agreement) Controlled (as defined in the Redevelopment Agreement) by one or more of the Owners or the Persons that Control Owners.

"TIF Act" is defined in the Recitals hereto.

"TIF Project" is defined in the Recitals hereto.

"Treasurer" means the Treasurer of the Village.

"Trust Estate" means the property conveyed to the Trustee pursuant to the Granting Clauses of this Indenture.

"Trustee" means the entity identified as such in the heading of this Indenture and its successors under this Indenture.

"U.S. Government Obligations" is defined in Section 6.01.

"Village Pledge Revenues Notes" means, together, the Phase I Village Pledge Revenues Notes and the Phase III Village Pledge Revenues Notes.

"Village Pledge Revenues" means the amount the Village must annually deposit into the TIF Fund pursuant to Section 11-74.4-8 of the TIF Act as a result of the generation of Incremental Property Tax Revenues by the parcels set forth in the Redevelopment Agreement, limited to the amount of the Municipal Sales Tax Pledged Funds remaining after payment of any Annual Sales Tax Deficiency for such year.

Section 1.02. Rules of Construction. Unless the context otherwise requires,

- (a) an accounting term not otherwise defined has the meaning assigned to it in accordance with generally accepted accounting principles, and
- (b) references to Articles and Sections are to the Articles and Sections of this Indenture.

ARTICLE II

THE NOTES

Section 2.01. Terms of the Notes. The terms of each series of the Notes are set forth in the Note Ordinance, which will be supplemented at the time of the issuance of any series of the Notes by a Note Order with respect to that series which will provide additional terms for such Notes, and a certified copy of such Note Order will be filed with the Trustee on the date of the issuance of any Notes, along with the typewritten Notes for authentication. In accordance with the Note Ordinance and the Redevelopment Agreement, all of the Notes related to (i) the Phase I Project, the same being the Phase I Senior Lien Incremental Property Tax Revenues Notes, the Phase I Junior Lien Incremental Property Tax Revenues Notes and the Phase I Village Pledge Revenues Notes, will be issued on the Phase I Note Issuance Date, and (ii) the Phase III Project, the same being the Phase III Senior Lien Incremental Property Tax Revenues Notes, the Phase III Junior Lien Incremental Property Tax Revenues Notes and the Phase III Village Pledge Revenues Notes, will be issued on the Phase III Note Issuance Date. The Trustee will authenticate any series of the Notes and deliver the Notes to the applicable Developer Party or Developer Parties (as defined in the Redevelopment Agreement) upon receipt from the Village of a Note Order with respect to such Notes.

In accordance with the provisions of Section 9(E)(1)(c) of the Redevelopment Agreement and the Note Ordinance, the Outstanding principal amount of the Notes shall be reduced upon the occurrence of a Village Pledge Deficiency as of any Accounting. A "Village Pledge Deficiency" shall occur whenever, after any Accounting, the Municipal Sales Tax Pledged Funds are insufficient to provide for the Village's annual deposit of the Village Pledge Revenues to the Village Pledge Revenues Account of the Special Tax Allocation Fund. Upon the occurrence of a Village Pledge Deficiency, the Outstanding principal amount of the Notes shall be reduced in the following order: (a) first, the principal balance of the Phase I Junior Lien Incremental Property Tax Revenues Notes shall be reduced until none of the Phase I Junior Lien Incremental Property Tax Revenues Notes are Outstanding (the amount of such reduction in principal amount for each Phase I Junior Lien Incremental Property Tax Revenue Note to be determined on a pro rata basis among all Phase I Junior Lien Incremental Property Tax Revenues Notes then Outstanding), (b) second, the principal balance of the Phase I Village Pledge Revenues Notes shall be reduced until none of the Phase I Village Pledge Revenues Notes are Outstanding (the amount of such reduction in principal amount for each Phase I Village Pledge Revenues Note to be determined on a pro rata basis among all Phase I Village Pledge Revenues Notes then Outstanding), (c) third, the principal balance of the Phase III Junior Lien Incremental Property Tax Revenues Notes shall be reduced until none of the Phase III Junior Lien Incremental Property Tax Revenues Notes are Outstanding

(the amount of such reduction in principal amount for each Phase III Junior Lien Incremental Property Tax Revenue Note to be determined on a pro rata basis among all Phase III Junior Lien Incremental Property Tax Revenues Notes then Outstanding), and (b) fourth, the principal balance of the Phase III Village Pledge Revenues Notes shall be reduced until none of the Phase III Village Pledge Revenues Notes are Outstanding. Upon the occurrence of a Village Pledge Deficiency, the Village will certify to the Trustee in a Note Order the occurrence and amount of the Village Pledge Deficiency, and the Trustee shall effectuate the reduction in the principal balance of each of the series of Notes (the amount of such reduction in principal amount for each Phase III Village Pledge Revenues Note to be determined on a pro rata basis among all Phase III Village Pledge Revenues Notes then Outstanding). Upon receipt of such Note Order, the Trustee shall cancel the original Note and shall authenticate and deliver a replacement Note for such series to the holder thereof bearing the current Outstanding principal amount thereof.

Section 2.02. Note Register. Notes may be presented at the office maintained for the purpose by the Trustee for registration, transfer and exchange, and Notes may be presented at that office for payment. The Trustee shall keep the Note Register and a record of the transfer and exchange of the Notes.

Section 2.03. Registration and Exchange of Notes; Persons Treated as Owners; Restriction on Transfer. Notes may be transferred only on the Note Register. Upon surrender for transfer of any Note to the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the holder or the holder's attorney duly authorized in writing, the Trustee will authenticate a new Note or Notes of the same Series in an equal total principal amount and of the same maturity and registered in the name of the transferee.

Notes may be exchanged for an equal total principal amount of Notes of the same Series and of the same maturity of different authorized denominations. The Trustee will authenticate and deliver Notes that the Noteholder making the exchange is entitled to receive, bearing numbers not then outstanding.

The Trustee will not be required to transfer or exchange any Note called for redemption or during the period beginning 15 days before the mailing of notice calling the Notes or any portion of the Notes for mandatory purchase or for redemption and ending on the mandatory purchase date or the redemption date, as the case may be.

The Trustee shall deliver to the transferee any applicable notice of redemption or mandatory tender for purchase when it effects a transfer or exchange of any Note after the mailing of notice calling the Note or any portion of the Note for redemption or mandatory tender for purchase.

The registered owner of a Note shall be the absolute owner of the Note for all purposes, and payment of principal or interest shall be made only to or upon the written order of the holder or the holder's legal representative.

The Trustee will require the payment by a Noteholder requesting exchange or transfer of any tax or other governmental charge required to be paid in respect of the exchange or transfer but will not impose any other charge.

The Notes may only be assigned, transferred or pledged in accordance with this paragraph. Any of the Notes may be assigned to or pledged as collateral to any lender providing financing for the Redevelopment Project in accordance with the Redevelopment Agreement. The Notes may be sold or assigned only to (i) a Qualified Institutional Buyer (as defined in Rule 144A promulgated by the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended), (ii) a purchaser of the Phase (as defined in the Redevelopment Agreement) of the TIF Project for which such Note was issued (being either Phase I or Phase III as described in the Redevelopment Agreement), (iii) another Developer Party, (iv) a Person that Controls that Developer Party, or (v) a Person in which the majority equity interest in such Person is Controlled by one or more Persons that have a majority equity interest in that Developer Party (collectively, parties constituting one of (i) through (v) begin referred to herein as an "*Allowable Holder*"), *provided, however*, that in connection with any transfer or assignment of the Notes pursuant to this paragraph, the proposed purchaser or assignee shall certify its qualification as an Allowable Holder to the Trustee prior to such sale or assignment (a "*Sale Certification*"). Any such transfer of the Notes pursuant to this Section shall not be effective until the Trustee has received a Sale Certification in connection therewith.

Section 2.04. Mutilated, Lost, Stolen or Destroyed Notes. If any Note is mutilated, lost, stolen or destroyed, the Trustee will authenticate a new Note of the same Series and of the same maturity of the same denomination if any mutilated Note shall first be surrendered to the Trustee, and if, in the case of any lost, stolen or destroyed Note, there shall first be furnished to the Village and the Trustee evidence of such loss, theft or destruction, together with an indemnity, satisfactory to them. If the Note has matured, instead of issuing a duplicate Note, the Trustee may with the consent of the Village pay the Note without requiring surrender of the Note (except in the case of a mutilated Note) and make such requirements as the Trustee deems fit for its protection, including a lost instrument bond. The Village and the Trustee may charge their reasonable fees and expenses in this connection.

Section 2.05. Cancellation of Notes. Whenever a Note is delivered to the Trustee for cancellation (upon payment, redemption or otherwise), or for transfer, exchange or replacement pursuant to Section 2.03 or 2.04, the Trustee will promptly cancel and destroy the Note and issue a certificate of destruction to the Village.

Section 2.06. Temporary Notes. Until definitive Notes are ready for delivery, the Village may execute and the Trustee will authenticate temporary Notes substantially in the form of the definitive Notes, with appropriate variations. The Village will, without unreasonable delay, prepare and the Trustee will authenticate definitive Notes in exchange for the temporary Notes. Such exchange shall be made by the Trustee without charge.

Section 2.07. Escrowed Notes. If so provided in any Note Ordinance or a Note Order, a Series of Notes may be deposited by the Village with the Trustee to be held in escrow by the Trustee, pending delivery thereof to a purchaser. Said Notes when so deposited shall be deemed

to be “Escrowed Notes” hereunder. The Trustee shall authenticate, release and deliver Escrowed Notes and Escrowed Notes shall be deemed to have been issued by the Village only upon the delivery of a relevant Note Order to the Trustee, together with the written confirmation by the Village that (i) the purchase price or consideration for the issuance by the Village of such Escrowed Notes shall have been received by the Village; (ii) such documentation, representations, certifications and covenants as may have been required by the Village and Tax Counsel as a precondition to such authentication, release and delivery by the Trustee and issuance by the Village shall have been executed or received, which shall at a minimum include a Tax Agreement and an Opinion of Bond Counsel for Escrowed Notes issued on a Tax-Exempt basis; (iii) the relevant Note Ordinance and Note Order for such Escrowed Notes are in full force and effect and have not been repealed or rescinded; and (iv) no Event of Default hereunder has occurred and is continuing and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute an Event of Default. The Trustee shall be entitled to rely upon such written confirmation, in substantially the form attached hereto as *Exhibit B*, of the Village in determining to authenticate, deliver and release Escrowed Notes.

ARTICLE III

REDEMPTION

Notes shall be subject to redemption as provided in the Note Ordinance, as supplemented by one or more Note Orders.

ARTICLE IV

REIMBURSEMENT AND PAYMENT OF NOTES

Section 4.01. Reimbursement. The performance by the Owners of their obligations under the Redevelopment Agreement shall be deemed to be consideration for the issuance of the Notes. The Notes are being issued to reimburse the Developer Parties for such performance and, as such, the Village will not receive cash proceeds upon the issuance of any of the Notes.

Section 4.02. Special Tax Allocation Fund. There is hereby continued the “Hawthorn Mall Redevelopment Project Area Special Tax Allocation Fund” heretofore created by Ordinance Number 2020-128, adopted by the Corporate Authorities on the 4th day of November, 2020 (the “*Special Tax Allocation Fund*”), which is a trust fund established under the TIF Act for the purpose of carrying out the covenants, terms and conditions imposed upon the Village by the TIF Act, this Indenture, and any Note Ordinance.

There are hereby expressly created within the Special Tax Allocation Fund two accounts: (i) the Incremental Property Tax Revenues Account and (ii) the Village Pledge Revenues Account. The Incremental Property Tax Revenues Account shall provide for the disbursement of the Incremental Property Tax Revenues to the payment of the Incremental Property Tax Revenues Notes, which Incremental Property Tax Revenues Notes are secured, in the priority of lien and as otherwise herein provided, by a pledge of the Incremental Property Tax Revenues on deposit in

the Incremental Property Tax Revenues Account, and the Village Pledge Revenues Account shall provide for the disbursement of the Village Pledge Revenues to the payment of the Village Pledge Notes, which Village Pledge Revenues Notes are secured, in the priority of lien and as otherwise herein provided, by a pledge of the Village Pledge Revenues on deposit in the Village Pledge Revenues Account. The pledges described in the previous sentence are irrevocable until the obligations of the Village are discharged under this Indenture, any Supplemental Indenture and the Note Ordinance.

Section 4.03. Incremental Property Tax Revenues Account. The Incremental Property Tax Revenues are to be paid by the officers of the County who collect or receive the same to the Treasurer. On December 15 of each year, the Treasurer will transmit all Incremental Property Tax Revenues which have been received by the Treasurer to the Trustee for deposit into the Incremental Property Tax Revenues Account.

There are hereby expressly created within the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund the following subaccounts: the "Governmental Payments Subaccount", the "Program Expenses Subaccount," the "Senior Lien Note and Interest Subaccount," the "Senior Lien Debt Service Reserve Subaccount," the "Junior Lien Note and Interest Subaccount" and the "General Subaccount." The Trustee shall hold the Governmental Payments Subaccount, the Program Expenses Subaccount, the Senior Lien Note and Interest Subaccount, the Senior Lien Debt Service Reserve Subaccount, and the Junior Lien Note and Interest Subaccount. The Village shall hold the General Subaccount. Each such Subaccount shall be held separate and segregated from all other funds of the Village.

On or before each February 1, commencing on February 1, 20__, the Trustee shall conduct an Accounting to determine the amounts, if any, to be deposited in and shall transfer said amounts into the following Subaccounts in the order in which hereinafter mentioned, as follows:

(a) *Governmental Payments Subaccount.* The Trustee shall first transfer any amount of Incremental Property Tax Revenues necessary to satisfy the Governmental Payments required by Section 6 of the Redevelopment Agreement into the Incremental Property Tax Revenues Subaccount. The amount of Governmental Payments required at the time of any Accounting shall be determined by the Village. The Trustee shall disburse the funds on hand in the Governmental Payments Subaccount in accordance with directions provided by the Village to satisfy the requirements of said Section 6 of the Redevelopment Agreement.

(b) *Program Expenses Subaccount.* The Trustee shall next transfer any amount of Incremental Property Tax Revenues in the amount of the Program Expense Requirement to the Program Expenses Subaccount. Moneys on deposit in the Program Expenses Subaccount shall be used to pay or reimburse Program Expenses for the then current and the next succeeding Note Year.

(c) *Senior Lien Note and Interest Subaccount.* The Trustee shall next credit to and shall immediately transfer for deposit into the Senior Lien Note and Interest Subaccount the amount of Incremental Property Tax Revenues necessary to pay the

Current Debt Service Requirement for Senior Lien Notes. If upon any Accounting there are Incremental Property Tax Revenues in the Senior Lien Note and Interest Subaccount in excess of the amount necessary to pay such Current Debt Service Requirement, such funds shall first be transferred by the Trustee to the Senior Lien Debt Service Reserve Subaccount as described below.

Except as hereinafter or in any Note Order or Supplemental Indenture provided, moneys to the credit of the Senior Lien Note and Interest Subaccount shall be used solely and only for the purpose of paying principal of and premium, if any, and interest on the Senior Lien Notes as the same become due upon maturity or redemption prior to maturity.

(d) *Senior Lien Debt Service Reserve Subaccount.* The Trustee shall next credit the balance of the Incremental Property Tax Revenues to a separate and special account to maintain a debt service reserve for the outstanding Senior Lien Notes, to be known as the Senior Lien Debt Service Reserve Subaccount. The Trustee shall credit Incremental Property Tax Revenues to the Senior Lien Debt Service Reserve Subaccount until the amount to the credit of the Senior Lien Debt Service Reserve Subaccount aggregates the Senior Lien Debt Service Reserve Requirement. Thereafter no such payments shall be made by the Trustee into the Senior Lien Debt Service Reserve Subaccount except that when any money is paid out of said Subaccount payments shall be resumed and continued until such account has been restored to an aggregate amount equal to the Senior Lien Debt Service Reserve Requirement.

Monies on deposit in the Senior Lien Debt Service Reserve Subaccount may be used to redeem Senior Lien Notes and shall be transferred by the Trustee to the Senior Lien Note and Interest Subaccount as may be necessary from time to time to prevent or to remedy a default in the payment of principal of or interest or premium, if any, on the Senior Lien Notes. Monies on deposit in the Senior Lien Debt Service Reserve Subaccount may be pledged to pay principal of any specified Senior Lien Notes under a related Note Order.

Whenever the Trustee has credited to and deposited into the Senior Lien Debt Service Reserve Subaccount an amount of Incremental Property Tax Revenues sufficient to maintain a balance to the credit of said Subaccount equal to the Senior Lien Debt Service Reserve Requirement, and subject to the provisions of and in any order of priority as provided in any Note Order executed in connection with Junior Lien Notes or a Supplemental Indenture, the Trustee shall then remit remaining funds to the credit of the Special Tax Allocation Fund into the Junior Lien Note and Interest Subaccount.

(e) *Junior Lien Note and Interest Subaccount.* The Trustee shall next credit to and shall immediately transfer for deposit into the Junior Lien Note and Interest Subaccount all of the remaining Incremental Property Revenues. Said deposits will continue until the amount on hand in the Junior Lien Note and Interest Subaccount is equal to the sum of the principal of all Junior Lien Notes then Outstanding plus any interest then accrued and unpaid on any of the Outstanding Junior Lien Notes, as determined by an Accounting. Incidental to each Accounting and as may be further provided in a Note Order, the Trustee shall determine the amount necessary to pay the Current Debt Service

Requirement, if any, for Junior Lien Notes and to determine the amount, if any, on deposit in and to the credit of the Junior Lien Note and Interest Subaccount. If upon any Accounting and such application of funds, there are Incremental Property Tax Revenues on deposit in the Junior Lien Note and Interest Subaccount in excess of the amount necessary or pledged to pay such Current Debt Service Requirement, such Incremental Property Tax Revenues shall be transferred to the General Subaccount as described below.

Except as hereinafter or in any Note Order or Supplemental Indenture provided, moneys to the credit of the Junior Lien Note and Interest Subaccount shall be used solely and only for the purpose of paying principal of and premium, if any, and interest on the Junior Lien Notes as the same become due upon maturity or redemption prior to maturity.

(f) *General Subaccount.* All moneys remaining to the credit of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund, after crediting the required amounts to the respective accounts hereinabove provided for, shall be transmitted by the Trustee to the Treasurer for credit to the General Subaccount. Moneys on deposit in the General Subaccount shall be transferred by the Treasurer first, if necessary, to the Trustee to remedy any deficiencies in any prior accounts in the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund; second, to the hereinafter-created Rebate Fund as needed to maintain the Tax-Exempt status of any Tax-Exempt Notes; and thereafter at the further discretion of the Corporate Authorities, as follows, in any order of priority mentioned:

(i) for the purpose of paying any costs of the Redevelopment Project, including any expenses of the Trustee and any expenses of the Village relating specifically to the administration of, or provision of governmental services to, the Redevelopment Project Area and the Redevelopment Project;

(ii) for the purpose of redeeming any Incremental Property Tax Revenue Notes;

(iii) for the purpose of purchasing any Incremental Property Tax Revenue Notes at a price not in excess of par and accrued interest and applicable redemption premium to the date of purchase;

(iv) for the purpose of refunding or prepaying any Incremental Property Tax Revenue Notes;

(v) for the purpose of establishing such additional reserves as may be deemed necessary by the Corporate Authorities;

(vi) for the purpose of paying principal of or premium or interest on any obligations of the Village issued to pay any costs of the Redevelopment Project, whether or not secured by a pledge of monies on deposit in the Special Tax Allocation Fund;

(vii) for the purpose of reimbursing the Village for any transfers made from any lawfully available funds of the Village;

(viii) for the purpose of distributing such funds to the taxing districts or municipal corporations having the power to tax real property in the Redevelopment Project Area in accordance with Section 11-74.4-7 of the TIF Act; *provided, however,* that the Village expressly covenants and warrants that while any Senior Lien Notes remain outstanding, no such distribution shall occur; or

(ix) for any other purpose related to the Redevelopment Project Area or the Redevelopment Project pursuant to the TIF Act.

Notes may be issued secured solely by Incremental Property Tax Revenues held in and to the credit of the General Subaccount, and such Notes shall be in all respects subordinate in right of payment and lien and junior to Senior Lien Notes and Junior Lien Notes.

Except as otherwise provided in any Note Order, as of any Accounting, any date of deposit of Incremental Property Tax Revenues to the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund, and at such other times as the Village may determine, (i) funds to the credit of the Senior Lien Debt Service Reserve Subaccount in excess of the Senior Lien Debt Service Reserve Requirement shall be transferred by the Trustee to the Senior Lien Note and Interest Subaccount and (ii) funds to the credit of the General Subaccount shall be transferred by the Treasurer to the Trustee to remedy any deficiency in a prior account on any date and as requested by the Trustee.

When all Incremental Property Tax Revenues Notes and related costs of the Redevelopment Project to be paid by the Incremental Property Tax Revenues Notes have been paid or provided for, all moneys remaining in the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund may be used by the Village for any lawful purpose under the TIF Act.

Section 4.04. Payments of the Incremental Tax Revenues Notes. (a) The Trustee will make payments of principal of, premium, if any, and interest on the Senior Lien Notes from moneys deposited in the Senior Lien Note and Interest Subaccount. As described in Section 4.03 hereof, the Trustee will deposit in the Senior Lien Note and Interest Subaccount all moneys available to the Trustee for the purpose of paying principal of, premium, if any, and interest on the Senior Lien Notes. Moneys in the Senior Lien Note and Interest Subaccount shall be used solely to pay principal of, premium, if any, and interest on the Senior Lien Notes and the holders of the Junior Lien Notes, the Village Pledge Revenues Notes or any other Notes shall not have any interest in said moneys.

(b) The Trustee will make transfers as needed to the credit of the Senior Lien Note and Interest Subaccount of moneys deposited in the Senior Lien Debt Service Reserve Subaccount. As described in Section 4.03 hereof, the Trustee will deposit in the Senior Lien Debt Service Reserve Subaccount all moneys available to the Trustee to make deposits to the Senior Lien Debt Service Reserve Subaccount. Anything in this Indenture to the contrary notwithstanding, moneys in the

Senior Lien Debt Service Reserve Subaccount shall be used solely and only to pay principal of, premium, if any, and interest on Senior Lien Notes, and the holders of the Junior Lien Notes, the Village Pledge Revenues Notes or any other Notes shall not have any interest in said moneys.

(c) The Trustee will make payments of principal of, premium, if any, and interest on the Junior Lien Notes from moneys deposited in the Junior Lien Note and Interest Subaccount. As described in Section 4.03 hereof, the Trustee will deposit in the Junior Lien Note and Interest Subaccount all moneys available to the Trustee for the purpose of paying principal of, premium, if any, and interest on the Junior Lien Notes. Except as provided in any Note Order or Supplemental Indenture, moneys in the Junior Lien Note and Interest Subaccount shall be used solely to pay principal of, premium, if any, and interest on Junior Lien Notes and the holders of the Senior Lien Notes, the Village Pledge Revenues Notes or any other Notes shall not have any interest in said moneys.

(d) In accordance with the terms of the Senior Lien Notes, on February 1 of each year, the Trustee shall apply all amounts on hand in the Senior Lien Note and Interest Subaccount to the payment of the amounts then due on the Senior Lien Notes pursuant to the Amortization Schedules, on a pro rata basis based on the principal amount of each series of Senior Lien Notes then Outstanding. Amounts on hand in the Senior Lien Note and Interest Subaccount shall be applied first to accrued and unpaid interest, then to Current Interest, then to principal then due.

(e) In accordance with the terms of the Junior Lien Notes, on February 1 of each year, the Trustee shall apply all amounts on hand in the Junior Lien Note and Interest Subaccount to the payment of the Junior Lien Notes. The Incremental Property Tax Revenues on hand in the Junior Lien Note and Interest Subaccount shall be applied to each series of the Junior Lien Notes then Outstanding on a pro rata basis based on the principal amount of each series of the Junior Lien Notes then Outstanding. Amounts on hand in the Junior Lien Note and Interest Subaccount shall be applied first to accrued and unpaid interest, then to Current Interest, then to Outstanding principal on the Junior Lien Notes.

(f) The proceeds of investments of any such moneys may be used to the same extent as the moneys invested could be used had they not been invested.

Section 4.05. Village Pledge Revenues Account. The Village Pledge Revenues are to be paid by the Treasurer to the Trustee on or before February 1 of each calendar year. The Trustee will deposit the Village Pledge Revenues into the Village Pledge Revenues Account.

There are hereby expressly created within the Village Pledge Revenues Account of the Special Tax Allocation Fund the following subaccounts: the "Program Expenses Subaccount," the "Village Pledge Revenues Note and Interest Subaccount," and the "General Subaccount." The Trustee shall hold the Program Expenses Subaccount and the Village Pledge Revenues Note and Interest Subaccount. The Village shall hold the General Subaccount. Each such Subaccount shall be held separate and segregated from all other funds of the Village.

On or before each February 1, commencing on February 1, 20___, the Trustee shall conduct an Accounting to determine the amounts, if any, to be deposited in and shall transfer said amounts into the following Subaccounts in the order in which hereinafter mentioned, as follows:

(a) *Program Expenses Subaccount.* The Trustee shall first transfer any amount of Village Pledge Revenues equal to the Program Expense Requirement, less the amount deposited to the Program Expenses Subaccount of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund in such year, to the Program Expenses Subaccount. Moneys on deposit in the Program Expenses Subaccount shall be used to pay or reimburse Program Expenses for the then current and the next succeeding Note Year.

(b) *The Village Pledge Revenues Note and Interest Subaccount.* The Trustee shall next credit to and shall immediately transfer for deposit into the Village Pledge Revenues Note and Interest Subaccount all of the remaining Village Pledge Revenues. Said deposits will continue until the amount on hand in the Village Pledge Revenues Note and Interest Subaccount is equal to the sum of the principal of all Village Pledge Revenue Notes then Outstanding plus any interest then accrued and unpaid on any of the Outstanding Village Pledge Revenue Notes, as determined by an Accounting. Incidental to each Accounting and as may be further provided in a Note Order, the Trustee shall determine the amount necessary to pay the Current Debt Service Requirement, if any, for Village Pledge Revenues Notes and to determine the amount, if any, on deposit in and to the credit of the Village Pledge Revenues Note and Interest Subaccount. If upon any Accounting and such application of funds, there are Village Pledge Revenues on deposit in the Village Pledge Revenues Note and Interest Subaccount in excess of the amount necessary or pledged to pay such Current Debt Service Requirement, such Village Pledge Revenues shall be transferred to the General Subaccount as described below.

Except as hereinafter or in any Note Order or Supplemental Indenture provided, moneys to the credit of the Village Pledge Revenues Note and Interest Subaccount shall be used solely and only for the purpose of paying principal of and premium, if any, and interest on the Village Pledge Revenues Notes as the same become due upon maturity or redemption prior to maturity.

(c) *The General Subaccount.* All moneys remaining to the credit of the Village Pledge Revenues Account of the Special Tax Allocation Fund, after crediting the required amounts to the respective accounts hereinabove provided for, shall be transmitted by the Trustee to the Treasurer for credit to the General Subaccount. Moneys on deposit in the General Subaccount shall be transferred by the Treasurer first, if necessary, to the Trustee to remedy any deficiencies in any prior accounts in the Village Pledge Revenues Account of the Special Tax Allocation Fund; second, to the hereinafter-created Rebate Fund as needed to maintain the Tax-Exempt status of any Tax-Exempt Notes; and thereafter at the further discretion of the Corporate Authorities, as follows, in any order of priority mentioned:

(i) for the purpose of paying any Redevelopment Project costs, including any expenses of the Trustee and any expenses of the Village relating specifically to

the administration of, or provision of governmental services to, the Redevelopment Project Area and the Redevelopment Project;

- (ii) for the purpose of redeeming any Village Pledge Revenue Notes;
- (iii) for the purpose of purchasing any Village Pledge Revenue Notes at a price not in excess of par and accrued interest and applicable redemption premium to the date of purchase;
- (iv) for the purpose of refunding or prepaying any Village Pledge Revenue Notes;
- (v) for the purpose of establishing such additional reserves as may be deemed necessary by the Corporate Authorities;
- (vi) for the purpose of paying principal of or premium or interest on any obligations of the Village issued to pay Redevelopment Project costs, whether or not secured by a pledge of monies on deposit in the Special Tax Allocation Fund;
- (vii) for the purpose of reimbursing the Village for any transfers made from any lawfully available funds of the Village;
- (viii) for the purpose of distributing such funds to the taxing districts or municipal corporations having the power to tax real property in the Redevelopment Project Area in accordance with Section 11-74.4-7 of the TIF Act; or
- (ix) for any other purpose related to the Redevelopment Project Area or the Redevelopment Project pursuant to the Act.

Notes may be issued secured solely by Village Pledge Revenues held in and to the credit of the General Subaccount, and such Notes shall be in all respects subordinate in right of payment and lien and junior to the Village Pledge Revenues Notes.

Except as otherwise provided in any Note Order, as of any Accounting, any date of deposit of Village Pledge Revenues to the Village Pledge Revenues Account of the Special Tax Allocation Fund, and at such other times as the Village may determine, funds to the credit of the General Subaccount shall be transferred by the Treasurer to the Trustee to remedy any deficiency in a prior account on any date and as requested by the Trustee.

When all Village Pledge Revenues Notes and related Redevelopment Project costs to be paid by the Village Pledge Revenues Notes have been paid or provided for, all moneys remaining in the Village Pledge Revenues Account of the Special Tax Allocation Fund may be used by the Village for any lawful purpose under the TIF Act.

Section 4.06. Payment of the Village Pledge Revenues Notes. (a) The Trustee will make payments of principal of, premium, if any, and interest on the Village Pledge Revenues Notes from

moneys deposited in the Village Pledge Revenues Note and Interest Subaccount. As described in Section 4.05 hereof, the Trustee will deposit in the Village Pledge Revenues Note and Interest Subaccount all moneys available to the Trustee for the purpose of paying principal of, premium, if any, and interest on the Village Pledge Revenues Notes. Except as provided in any Note Order or Supplemental Indenture, moneys in the Village Pledge Revenues Note and Interest Subaccount shall be used solely to pay principal of, premium, if any, and interest on Village Pledge Revenues Notes and the holders of the Senior Lien Notes, the Junior Lien Notes or any other Notes shall not have any interest in said moneys.

(b) In accordance with the terms of the Village Pledge Revenues Notes, on February 1 of each year, the Trustee shall apply all amounts on hand in the Village Pledge Revenues Note and Interest Subaccount to the payment of the Village Pledge Revenues Notes. The Village Pledge Revenues on hand in the Village Pledge Revenues Note and Interest Subaccount shall be applied to each series of the Village Pledge Revenues Notes then Outstanding on a pro rata basis based on the principal amount of each series of the Village Pledge Revenues Notes then Outstanding. Amounts on hand in the Village Pledge Revenues Note and Interest Subaccount shall be applied first to accrued and unpaid interest, then to Current Interest, then to Outstanding principal on the Village Pledge Revenues Notes.

(c) The proceeds of investments of any such moneys may be used to the same extent as the moneys invested could be used had they not been invested.

Section 4.07. Investment of Moneys. To the extent permitted by law, the Trustee will invest and reinvest moneys held by it under this Indenture as directed by an officer of the Village in any investment authorized by the Note Ordinance or a relevant Note Order and, for any Tax-Exempt Notes, as permitted by the relevant Tax Agreement. The Trustee may conclusively rely upon such instructions as to both the suitability and legality of the directed investments. The Trustee may make any and all such investments and such investments through its own investment department or that of its affiliates or subsidiaries.

Investments will be made in instruments maturing, or which may be redeemed at the option of the holder, on or prior to the date or dates that the Trustee anticipates that moneys from the investments or the proceeds thereof will be required to make payments of principal of or interest on Notes. Investments will be registered in the name of the Trustee or in the Trustee's nominee name and held by or under the control of the Trustee. The Trustee will sell and reduce to cash a sufficient amount of investments whenever the cash held by the Trustee is insufficient to pay principal of and premium, if any, and interest on the Notes, *provided, however*, that absent its negligence or willful misconduct, the Trustee shall not be held liable for any investment losses incurred in connection with such investments. The Village agrees for the benefit of holders of any Tax-Exempt Notes that moneys held by the Trustee in connection with such Tax-Exempt Notes, whether or not such moneys were derived from the proceeds of the sale of such Tax-Exempt Notes, will not be used in a manner which will cause such Notes to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code. Pursuant to such agreement, the Village will comply with the requirements of that Section. The Village and the Trustee each agree for the benefit of the holders of any Tax-Exempt Notes that it will comply with those provisions of the Tax Agreement which impose duties or obligations upon it.

Although the Village recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Village hereby agrees that confirmations of permitted investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

Section 4.08. Moneys Held in Trust. The Trustee will hold in trust for the benefit of the Noteholders all moneys held by it for any payment on the Notes.

ARTICLE V

COVENANTS

Section 5.01. Payment of Notes. The Village will promptly pay the principal of applicable premium, if any, and interest on the Notes on the dates and in the manner provided in the Notes, the Note Ordinance and this Indenture, but only from the sources and in the priority of lien as described herein and therein.

Section 5.02. Further Assurances. The Village will execute and deliver such supplemental indentures and such further instruments, and do such further acts, as the Trustee may reasonably require for the better assuring, assigning and confirming to the Trustee the amounts assigned under this Indenture for the payment of the principal of and applicable premium, if any, and interest on the Notes.

Section 5.03. Rebate Fund. (a) The Trustee shall establish and maintain a fund separate from any other fund established and maintained under this Indenture designated as the "*Rebate Fund*". Within the Rebate Fund, the Trustee shall maintain such accounts as shall be necessary in order to comply with the terms and requirements of the Tax Agreement. Subject to the transfer provisions provided in paragraph (e) below, all money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required pursuant to any relevant Tax Agreement, for payment to the federal government of the United States of America, and neither the Village nor the owner of any Notes shall have any rights or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section, by Section 5.04 and by any relevant Tax Agreement.

(b) Upon the Village's written direction, an amount shall be deposited to the Rebate Fund by the Trustee from deposits by the Village or from available investment earnings on amounts held under this Indenture and available for this purpose, if and to the extent required, so that the balance of the amount on deposit thereto shall be equal to the amount required by any relevant Tax Agreement. Computations of the amount required to be deposited into the Rebate Fund shall be furnished by or on behalf of the Village in accordance with any relevant Tax Agreement.

(c) The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section, other than from moneys held in the funds and accounts created under this Indenture or from other moneys provided to it by the Village.

(d) The Trustee, upon direction from the Village, shall invest all amounts held in the Rebate Fund as set forth in any relevant Tax Agreement. Money shall not be transferred from the Rebate Fund except as provided in paragraph (e) below.

(e) Upon receipt of the Village's written directions, the Trustee shall remit part or all of the balances in the Rebate Fund to the United States, as so directed. In addition, if the Village so directs, the Trustee will deposit moneys into or transfer moneys out of the Rebate Fund from or into such accounts or funds as directed by the Village's written directions. Any funds remaining in the Rebate Fund after redemption and payment of all of the Notes and payment and satisfaction of any amount required to be paid pursuant to any relevant Tax Agreement, or provision made therefor satisfactory to the Trustee, shall be withdrawn and remitted to the Village.

(f) Notwithstanding any other provision of this Indenture, including in particular Article VI, the obligation to remit the amounts required to be paid pursuant to any relevant Tax Agreement to the United States and to comply with all other requirements of this Section and Section 5.04 and the Tax Agreement shall survive the discharge of the lien of this Indenture or payment in full of the Notes.

Section 5.04. Tax Covenants. The Village covenants for the benefit of the holders of any Tax-Exempt Notes that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the excludability of the interest on such Tax-Exempt Notes from federal gross income.

Without limiting the generality of the foregoing, the Village agrees that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to any Tax-Exempt Notes from time to time. This covenant shall survive payment in full of any Tax-Exempt Notes or the discharge of the lien of this Indenture. The Village specifically covenants to pay or cause to be paid to the United States at the times and in the amounts determined under Section 5.03 the amounts required under any relevant Tax Agreement.

The Village will comply with the yield restrictions of amounts held under this Indenture as set forth in any relevant Tax Agreement.

Notwithstanding any provision of this Section and Section 5.03, if the Village provides to the Trustee an Opinion of Tax Counsel to the effect that any action required under this Section and Section 5.03 is no longer required, or to the effect that some further action is required, to maintain the excludability of interest on any Tax-Exempt Notes from federal gross income, the Trustee and the Village may conclusively rely on such opinion in complying with the provisions of this Indenture, and the covenants under this Indenture shall be deemed to be modified to that extent.

Section 5.05. Discharge of Liens. The Village will pay and discharge, or cause to be paid and discharged, from the Incremental Property Tax Revenues Account or the Village Pledge Revenues Account of the Special Tax Allocation Fund any and all lawful claims which, if unpaid, might become a lien or charge upon the Incremental Property Tax Revenues or the Village Pledge Revenues, or any part thereof, or upon any funds in the hands of the Trustee, or which might impair

the security of the Notes. Nothing herein contained shall require the Village to make any such payment so long as the Village in good faith shall contest the validity of said claims.

Section 5.06. Records. The Village will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Village, in which complete and correct entries shall be made of all transactions relating to the Redevelopment Project, the Incremental Property Tax Revenues and the Village Pledge Revenues. The Village is further authorized pursuant to the Redevelopment Agreement to review, audit and copy certain books and records of the Developer (as provided to the Village, the "*Developer Records*"). The Village hereby covenants and agrees to make available such books of record and accounts and such Developer Records at all times during business hours for the inspection of the holders of not less than \$1,000,000 of principal amount of any Series of Notes then outstanding, or their representatives authorized in writing. The Village shall treat the Developer Records, including all books, records, and agreements, and the information they contain, as confidential and proprietary business information under the Illinois Freedom of Information Act, the disclosure of which would cause competitive harm to the businesses of the Owners and the Developer Parties.

Section 5.07. Warranty and Defense. The Village will preserve and protect the security of the Notes and the rights of the Noteholders, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Notes by the Village, the Notes shall be incontestable by the Village.

Section 5.08. Deposit of Incremental Property Tax Revenues and Village Pledge Revenues. As long as any Notes are outstanding, the Village will continue to deposit the Incremental Property Tax Revenues and the Village Pledge Revenues to the Special Tax Allocation Fund. The Village covenants and agrees with the Incremental Property Tax Revenues Noteholders that so long as any Incremental Property Tax Revenues Notes remain outstanding, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to allocate or collect the Incremental Property Tax Revenues. The Village and its officers will comply with the TIF Act and with all present and future applicable laws in order to assure that such taxes may be collected and deposited as provided herein.

Section 5.09. Reporting. The Village covenants and agrees with the Noteholders that so long as any Notes remain outstanding, it will timely comply with all notice, meeting and reporting requirements imposed under the TIF Act and relating to the Special Tax Allocation Fund, the Redevelopment Project, the Redevelopment Project Area, the Incremental Property Tax Revenues and the Village Pledge Revenues as are now or may be hereafter required by the laws of the State.

ARTICLE VI

DISCHARGE OF INDENTURE

Section 6.01. Notes Deemed Paid; Discharge of Indenture. Any Note will be deemed paid for all purposes of this Indenture when (a) payment of the principal of and interest on the Note to the due date of such principal and interest (whether at maturity, upon redemption or otherwise) either (1) has been made in accordance with the terms of the Notes or (2) has been provided for by

depositing with the Trustee or with another institution having trust powers (A) moneys sufficient to make such payment and/or (B) U.S. Government Obligations maturing as to principal and interest in such amounts and at such times as will insure, without reinvestment, the availability of sufficient moneys to make such payment and/or (C) obligations (herein, "*Refunded Obligations*") of any state, territory or possession of the United States, or any political subdivision thereof, the timely payment of the principal of and interest on which is fully provided for by the deposit in trust or irrevocable escrow of cash or noncallable direct obligations of the United States, the principal of and interest on which Refunded Obligations will be sufficient timely to make such payment (and, as to A, B or C hereof, which shall be evidenced by a certificate, in form satisfactory to the Trustee, of a firm of independent certified public accountants acceptable to the Trustee) and (b) all compensation and expenses of the Trustee pertaining to each Note in respect of which such deposit is made have been paid or provided for to the Trustee's satisfaction. When a Note is deemed paid, it will no longer be secured by or entitled to the benefits of this Indenture or be an obligation of the Village, except for payment from moneys or U.S. Government Obligations under (a)(2) above and except that it may be transferred, exchanged, registered or replaced as provided in Article II.

"*U.S. Government Obligations*" means obligations which are not subject to redemption or prepayment prior to maturity and which are (i) direct obligations of the United States for which its full faith and credit are pledged, (ii) direct obligations of a person controlled or supervised by and acting as an agency or instrumentality of the United States, the full and timely payment of principal and interest on which is unconditionally guaranteed as a full faith and credit obligation of the United States, or (iii) certificates or receipts evidencing direct ownership interests in future principal and interest payments on obligations described in (i) and (ii).

Notwithstanding the foregoing, no deposit under clause (a)(2) of the first paragraph of this Section shall be made until the Village has furnished the Trustee an Opinion of Tax Counsel stating that the deposit of such cash or U.S. Government Obligations will not cause any Tax-Exempt Notes to become "arbitrage bonds" under Section 148 of the Code.

Also, if the Note is to be redeemed prior to maturity, notice of redemption of the Note must be given in accordance with the Note Ordinance in order for such deposit to be deemed a payment of such Note. If the Note is not to be redeemed or paid within the next 60 days, the Village must give the Trustee, in form satisfactory to the Trustee, irrevocable instructions (i) to provide notice, as soon as practicable, in accordance with the Note Ordinance, that the deposit required by (a)(2) above has been made with the Trustee and that the Note is deemed to be paid under this Article and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of the Note, and, (ii) unless the Note matures in 60 days or less, to give notice of redemption not less than 30 nor more than 60 days prior to the redemption date for such Note.

When all outstanding Notes (including Notes held by the Village) are deemed paid under the foregoing provisions of this Section, the Trustee will upon request acknowledge the discharge of the lien of this Indenture, *provided, however*, that the obligations under Article II in respect of the transfer, exchange, registration, replacement and payment (from moneys or U.S. Government Obligations as described in the first paragraph of this Section) of Notes shall survive the discharge of the lien of this Indenture.

No deposit will be made or accepted and no use made of any such deposit which would cause any Tax-Exempt Notes to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code.

Section 6.02. Application of Trust Money. The Trustee shall hold in trust money or U. S. Government Obligations deposited with it pursuant to the preceding Section and shall apply the deposited money and the money from the U.S. Government Obligations in accordance with this Indenture only to the payment of principal of and interest on the Notes.

ARTICLE VII

TRUSTEE

Section 7.01. Duties of Trustee. (a) If any Event of Default under this Indenture shall have occurred and be continuing, the Trustee shall exercise its rights and powers and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) The Trustee, prior to an Event of Default and after the curing of all Events of Default, undertakes to perform only those duties that are specifically set forth in this Indenture and no others. In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine the certificates and opinions to determine whether they conform to the requirements of this Indenture.

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that

(1) this paragraph does not limit the effect of paragraph (b) of this Section,

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts,

(3) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Every provision of this Indenture that in any way relates to the Trustee is subject to all the paragraphs of this Section.

(e) The Trustee may refuse to perform any duty or exercise any right or power, excluding, however, the duty to make any payment on any Note to any holder of such Note, unless it receives indemnity satisfactory to it against any loss, liability or expense.

(f) The Trustee shall not be liable for interest on any cash held by it except as the Trustee may agree with the Village.

(g) The Trustee will cooperate with the Village and its auditors in complying with provisions of the TIF Act relating to reporting requirements with respect to Incremental Property Tax Revenues, the Village Pledge Revenues and the Special Tax Allocation Fund.

(h) The Trustee hereby covenants and agrees to provide not less frequently than monthly, commencing the first Business Day following the delivery of any Series of Notes, to the Treasurer, the Underwriter and the holders of not less than \$1,000,000 of principal amount of any Series of Notes then outstanding, or their representatives authorized in writing, a statement itemizing all moneys received by it and all payments made by it under the provisions of this Indenture during the preceding calendar month. The Village hereby expressly agrees that (a) confirmations of Permitted Investments are not required to be issued by the Trustee for each month in which a monthly statement is tendered and (b) no statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

Section 7.02. Rights of Trustee. Subject to the foregoing Section:

(a) The Trustee may rely on any document believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require a certificate of an appropriate officer or officers of the Village or an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the certificate or Opinion of Counsel.

(c) The Trustee may act through agents or co-trustees and shall not be responsible for the misconduct or negligence of any agent or co-trustee appointed with due care.

(d) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful default.

(e) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder (except failure by the Village to cause to be made any of the payments to the Trustee required to be made by Article IV) unless the Trustee shall be specifically notified in writing of such default by the Village or by the owners of at least 25% in aggregate principal amount of all Notes then outstanding, and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the corporate trust office of the Trustee, and in the absence of

such notice so delivered the Trustee may conclusively assume there is no default except as aforesaid.

(f) The Trustee agrees to accept and act upon facsimile transmission of written instructions or directions pursuant to this Indenture, provided, however, that (a) the Village, subsequent to such facsimile transmission of written instructions, shall provide the originally executed instructions or directions to the Trustee in a timely manner, (b) such originally executed instructions or directions shall be signed by a person as may be designated and authorized to sign for the Village or in the name of the Village, (c) the Village shall provide to the Trustee an incumbency certificate listing such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing, and (d) the Trustee may conclusively rely upon such instructions or directions as to both the suitability and legality thereof.

Section 7.03. Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Village with the same rights it would have if it were not Trustee. Any paying agent may do the same with like rights.

Section 7.04. Trustee's Disclaimer. The Trustee makes no representation as to the validity or adequacy of this Indenture or the Notes; it shall not be accountable for the Village's use of the proceeds from the Notes paid to the Village, and it shall not be responsible for any statement in the Notes other than its certificate of authentication. The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Notes, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Notes.

Section 7.05. Eligibility of Trustee. This Indenture shall always have a Trustee that is a commercial bank with trust powers or a trust company organized and doing business under the laws of the United States or any state or the District of Columbia, is authorized under such laws and the laws of the State to exercise corporate trust powers, has an office in the State, is subject to supervision or examination by United States or State authority, and has a combined capital and surplus of at least \$10,000,000 as set forth in its most recent published annual report of condition. If at any time the Trustee ceases to be eligible in accordance with this Section, the Trustee shall resign immediately as set forth in Section 7.06.

Section 7.06. Replacement of Trustee. The Trustee may resign with thirty (30) days written notice to the Village, effective upon the execution, acknowledgment and delivery by a successor Trustee to the Village of appropriate instruments of succession. Provided that no Event of Default shall have occurred and be continuing, the Village may remove the Trustee and appoint a successor Trustee at any time by an instrument or concurrent instruments in writing delivered to the Trustee; *provided, however,* that the holders of 55% in aggregate principal amount of Notes outstanding at the time may at any time remove the Trustee and appoint a successor Trustee by an instrument or concurrent instrument in writing signed by such Noteholders, and further provided that any conflict between the Village and such holders regarding such removal and appointment shall be resolved

in favor of such holders. Such successor Trustee shall be a corporation authorized under applicable laws to exercise corporate trust powers and may be incorporated under the laws of the United States or of the State. Such successor Trustee shall in all respects meet the requirements set forth in Section 7.05 hereof.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Village shall promptly appoint a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Village. Immediately thereafter, the retiring Trustee shall transfer all property held by it as Trustee to the successor Trustee; the resignation or removal of the retiring Trustee shall then (but only then) become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Village or the holders of 55% in principal amount of the Notes then outstanding may petition any court of competent jurisdiction for the appointment of a successor Trustee.

Section 7.07. Successor Trustee by Merger. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its assets (or, in the case of a bank or trust company, its corporate trust assets) to, another corporation, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

Section 7.08 Compensation. The Village shall pay the Trustee reasonable compensation for its services hereunder including reasonable compensation for all attorneys or agents reasonably employed by it, and also its reasonable expenses and disbursement. If the Village defaults in respect of the foregoing obligations, the Trustee may deduct the amounts owing to it from any moneys coming into its hands and payable to the Village. No provisions of this Indenture shall require the Trustee to expend or to risk its own funds or otherwise to incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

ARTICLE VIII

EVENTS OF DEFAULT; REMEDIES

Section 8.01. Definition of Events of Default; Remedies. If one or more of the following events, herein called "Events of Default", shall happen, that is to say, in case:

- (i) the Village shall default in the due and punctual performance of any of the covenants, conditions, agreements and provisions contained in the Notes, or Note

Ordinance or in this Indenture on the part of the Village to be performed, and such default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Village by the Trustee (which may give such notice whenever it determines that such a default is subsisting and shall give such notice at the written request of the holders of not less than a majority in principal amount of the Notes then outstanding); or

(ii) the Village shall (1) commence a voluntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law (2) make an assignment for the benefit of its creditors, (3) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property, or (4) be adjudicated a bankrupt or have entered against it any order for relief in respect of an involuntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law and such order continue in effect for a period of 60 days without stay or vacation; or

(iii) a court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver of the Village, or of the whole or any substantial part of its property, or approving a petition seeking reorganization of the Village under the Federal bankruptcy laws or any other applicable Federal or state law or statute and such order, judgment or decree shall not be vacated or set aside or stayed within 60 days from the date of the entry thereof; or

(vi) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Village or of the whole or any substantial part of its property, and such custody or control shall not be terminated or stayed within 60 days from the date of assumption of such custody or control;

then in each and every such case the Trustee may, and upon the written request of the holders of 65% in principal amount of the Notes affected by the Event of Default and then outstanding hereunder shall, proceed to protect and enforce its rights and the rights of the holders of the Notes by a suit, action or special proceeding in equity or at law, by mandamus or otherwise, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for any enforcement of any proper legal or equitable remedy as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce the rights aforesaid.

During the continuance of an Event of Default, all monies received by the Trustee under this Indenture from the Village or from any other source shall be applied by the Trustee in accordance with the terms of Section 8.09 of this Indenture.

Section 8.02. Notices of Default. Promptly after the occurrence of an Event of Default or the occurrence of an event which, with the passage of time or the giving of notice or both, would constitute an Event of Default (and in any event with 5 days after the occurrence of an Event of Default or such event), the Trustee shall mail to the Noteholders at the address shown on the Note

Register and to the Developer notice of all Events of Default or such events known to the Trustee unless such defaults or prospective defaults shall have been cured before the giving of such notice.

Section 8.03. Termination of Proceedings by Trustee. In case any proceedings taken by the Trustee on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Village, the Trustee and the Noteholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

Section 8.04. Right of Noteholders to Control Proceedings. Anything in this Indenture to the contrary notwithstanding, the holders of 65% in principal amount of the Notes then outstanding shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder in respect of the Notes; *provided* that such direction shall not be otherwise than in accordance with law and the Trustee shall be indemnified to its satisfaction against the costs, expenses and liabilities to be incurred therein or thereby.

Section 8.05. Right of Noteholders to Institute Suit. No holder of any of the Notes shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder, or for any other remedy hereunder or on the Notes unless such holder previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided, and unless also the holder, or holders, of 65% in principal amount of the Notes then outstanding shall have made written request of the Trustee after the right to exercise such powers, or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its name; and unless, also, there shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture or for any other remedy hereunder; it being understood and intended that no one or more holders of the Notes shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all holders of the outstanding Notes.

Nothing in this Section contained shall, however, affect or impair the right of any Noteholder, which is absolute and unconditional, to enforce the payment of the principal of and redemption premium, if any, and interest on his Notes out of the Special Tax Allocation Fund or special funds and accounts provided for such payment, or the obligation of the Village to pay the same, out of said Special Tax Allocation Fund or special funds and accounts, at the time and place in the Notes expressed.

Section 8.06. Suits by Trustee. All rights of action under this Indenture, or under any of the Notes, enforceable by the Trustee, may be enforced by it without the possession of any of the Notes or the production thereof at the trial or other proceeding relative thereto, and any such suit, or proceeding, instituted by the Trustee shall be brought in its name for the ratable benefit of the holders of the Notes affected by such suit or proceeding, subject to the provisions of this Indenture.

Section 8.07. Remedies Cumulative. No remedy herein conferred upon or reserved to the Trustee or to the Noteholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 8.08. Waiver of Default. No delay or omission of the Trustee or of any Noteholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Section to the Trustee and the Noteholders, respectively, may be exercised from time to time, and as often as may be deemed expedient.

Section 8.09. Application of Monies After Default. The Village covenants that if an Event of Default shall happen and shall not have been remedied, the Trustee shall apply all monies, securities and funds received by the Trustee pursuant to any right given or action taken under the provisions of this Article as follow:

(1) First, to the payment of all costs and expenses of collection, fees, and other amounts due to the Trustee hereunder; and thereafter,

(2) All Incremental Property Tax Revenues on hand and received shall be applied as follows:

(A) first, to the payment to the persons entitled thereto of all installments of interest on Senior Lien Notes then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

(B) second, to the payment to the persons entitled thereto of the unpaid principal, as the case may be, of any of the Senior Lien Notes which shall have become due (other than Senior Lien Notes called for redemption for the payment of which monies are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest upon such Senior Lien Notes from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Senior Lien Notes due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal ratably according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference;

(C) third, to the payment of the redemption premium, if any, on and the principal of any Senior Lien Notes called for redemption pursuant to the provisions of this Indenture; and

(D) fourth, to the payment to the persons entitled thereto of all installments of interest on Junior Lien Notes then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

(E) fifth, to the payment to the persons entitled thereto of the unpaid principal, as the case may be, of any of the Junior Lien Notes which shall have become due (other than Junior Lien Notes called for redemption for the payment of which monies are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest upon such Junior Lien Notes from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Junior Lien Notes due on any particular date, together with such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal due on such date, to the persons entitled thereto without any discrimination or preference;

(F) sixth, to the payment of the redemption premium, if any, on and the principal of any Junior Lien Notes called for redemption pursuant to the provisions of this Indenture; and

(G) seventh, to the payment of any notes payable solely from the General Subaccount of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund in such order of priority as set forth in the Note Ordinance.

(3) All Village Pledge Revenues on hand and received shall be applied as follows:

(A) first, to the payment to the persons entitled thereto of all installments of interest on Village Pledge Revenue Notes then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

(B) second, to the payment to the persons entitled thereto of the unpaid principal, as the case may be, of any of the Village Pledge Revenues Notes which shall have become due (other than Village Pledge Revenues Notes called for redemption for the payment of which monies are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest upon such Village Pledge Revenues Notes from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Village Pledge

Revenues Notes due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal ratably according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference;

(C) third, to the payment of the redemption premium, if any, on and the principal of any Village Pledge Revenues Notes called for redemption pursuant to the provisions of this Indenture;

(D) fourth, to the payment of any Notes payable solely from the General Subaccount of the Village Pledge Revenues Account of the Special Tax Allocation Fund in such order of priority as set forth in the Note Ordinance.

Whenever monies are to be applied by the Trustee pursuant to the provisions of this paragraph, such monies shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such monies available for application and the likelihood of additional monies becoming available for such application in the future. The deposit of such monies with the paying agents, or otherwise setting aside such monies, in trust for the proper purpose, shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Village, to any Noteholder or to any other person for any delay in applying any such funds, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such funds, it shall fix the date (which shall be an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and of the endorsement to be entered on each Note on which payment shall be made, and shall not be required to make payment to the holder of any unpaid Note until such Note shall be presented to the Trustee for appropriate endorsement, or some other procedure deemed satisfactory by the Trustee.

ARTICLE IX

AMENDMENTS OF AND SUPPLEMENTS TO INDENTURE

Section 9.01. Without Consent of Noteholders. The Village and the Trustee may amend or supplement this Indenture or the Notes without notice to or consent of any Noteholder:

- (a) to cure any ambiguity, inconsistency or formal defect or omission,
- (b) to grant to the Trustee for the benefit of the Noteholders additional rights, remedies, powers or authority,

(c) to subject to this Indenture additional collateral or to add other agreements of the Village,

(d) to modify this Indenture or the Notes to permit qualification under the Trust Indenture Act of 1939 or any similar Federal statute at the time in effect, or to permit the qualification of the Notes for sale under the securities laws of any state of the United States,

(e) to evidence the succession of a new Trustee or the appointment by the Trustee or the Village of a co-trustee,

(f) to make any change that does not materially adversely affect the rights of any Noteholder, or

(g) to make any change that the Village deems necessary or desirable in connection with the issuance and sale of any Notes issued subordinate in lien to the Senior Lien Notes, the Junior Lien Notes or the Village Pledge Revenues Notes.

Anything in this Indenture to the contrary notwithstanding, the provisions of (i) Sections 4.03 and 4.04 of this Indenture may be amended by the Village without the consent of the Trustee or the consent of the owners of the Village Pledge Revenues Notes, (ii) Sections 4.05 and 4.06 of this Indenture may be amended by the Village without the consent of the Trustee or the consent of the owners of the Incremental Property Tax Revenues Notes, and (iii) Section 4.04(c) and 4.04(e) of this Indenture may be amended by the Village without the consent of the Trustee or the consent of the owners of the Senior Lien Notes; *provided* that no such amendment as set forth in (iii) shall impair the security of the Senior Lien Notes and the rights of the Senior Lien Noteholders; and *further provided* that notice of any such amendment as set forth in (iii) shall be provided to the Trustee and the owners of the Senior Lien Notes. Notwithstanding the foregoing, no amendment to this Indenture which expands or otherwise affects the duties of the Trustee hereunder shall be made except with the prior written approval of the Trustee.

Section 9.02. With Consent of Noteholders. If an amendment of or supplement to this Indenture or the Notes without any consent of Noteholders is not permitted by the preceding Section, the Village and the Trustee may enter into such amendment or supplement upon not more than 60 and not less than 30 days' notice to Noteholders and with the consent of the holders of a majority in principal amount of each of the Senior Lien Notes, the Junior Lien Notes and the Village Pledge Revenues Notes then Outstanding, considered individually, and a majority in principal amount of any subordinate lien Notes then outstanding, but, in each case, only to the extent the rights of such class of Noteholders are affected by such amendment or supplement. However, without the consent of each Noteholder affected, no amendment or supplement may (a) extend the maturity of the principal of, or interest on, any Note, (b) reduce the principal amount of, or rate of interest on, any Note, (c) effect a privilege or priority of any Note or Notes of any Series over any other Note or Notes of such Series, (d) reduce the percentage of the principal amount of the Notes required for consent to such amendment or supplement, (e) impair the exclusion of interest on the Notes from the Federal gross income of the owner of any Note issued on a Tax-Exempt basis, (f) eliminate any mandatory redemption of the Notes or call for mandatory redemption or reduce the redemption price of such Notes, (g) create a lien ranking prior to or on a

parity with the lien of this Indenture on the property described in the Granting Clause of this Indenture or (h) deprive any Noteholder of the lien created by this Indenture on such property. In addition, if moneys, U.S. Government Obligations or other obligations have been deposited or set aside with the Trustee pursuant to Article VI for the payment of Notes and those Notes shall not have in fact been actually paid in full, no amendment to the provisions of that Article shall be made without the consent of the holder of each of those Notes affected.

Section 9.03. Effect of Consents. After an amendment or supplement becomes effective, it will bind every Noteholder. For purposes of determining the total number of Noteholders' consents, each Noteholder's consent will be effective with respect to the Noteholder who consented to it and each subsequent holder of a Note or portion of a Note evidencing the same debt as the consenting holder's Note.

Section 9.04. Notation on or Exchange of Notes. If an amendment or supplement changes the terms of a Note, the Trustee may require the holder to deliver it to the Trustee. The Trustee may place an appropriate notation on the Note about the changed terms and return it to the holder. Alternatively, if the Trustee and the Village determine, the Village in exchange for the Note will issue and the Trustee will authenticate a new Note that reflects the changed terms.

Section 9.05. Signing by Trustee of Amendments and Supplements. The Trustee will sign any amendment or supplement to the Indenture or the Notes authorized by this Article if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may, but need not, sign it. In signing an amendment or supplement, the Trustee will be entitled to receive and (subject to Section 7.01) will be fully protected in relying on an Opinion of Counsel stating that such amendment or supplement is authorized by this Indenture.

Section 9.06. Supplemental Indentures. Subject to the provisions of this Article IX, funds, accounts or subaccounts may be added to or deleted from the Special Tax Allocation Fund as provided in a supplement to this Indenture.

ARTICLE X

MISCELLANEOUS

Section 10.01. Notices. (a) Any notice, request, direction, designation, consent, acknowledgment, certification, appointment, waiver or other communication required or permitted by this Indenture or the Notes must be in writing except as expressly provided otherwise in this Indenture or the Notes.

(b) Any notice or other communication shall be sufficiently given and deemed given when delivered by hand or mailed by first-class mail, postage prepaid, addressed as follows: if to the Village, to Village of Vernon Hills, 290 Evergreen Drive, Vernon Hills, Illinois 60061, Attention: Village Manager; if to the Trustee, to _____, _____, Attention: Corporate Trust Administration. Any addressee may designate additional or different addresses for purposes of this Section.

Section 10.02. Noteholders' Consents. Any consent or other instrument required by this Indenture to be signed by Noteholders may be in any number of concurrent documents and may be signed by a Noteholder or by the holder's agent appointed in writing. Proof of the execution of such instrument or of the instrument appointing an agent and of the ownership of Notes, if made in the following manner, shall be conclusive for any purposes of this Indenture with regard to any action taken by the Trustee under the instrument:

(a) The fact and date of a person's signing an instrument may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within that jurisdiction that the person signing the writing acknowledged before the officer the execution of the writing, or by an affidavit of any witness to the signing.

(b) The fact of ownership of Notes, the amount or amounts, numbers and other identification of such Notes and the date of holding shall be proved by the registration books kept pursuant to this Indenture.

Any action, consent or other instrument shall be irrevocable and shall bind any subsequent owner of such Note or any Note delivered in substitution therefor.

Section 10.03. Limitation of Rights. Nothing expressed or implied in this Indenture or the Notes shall give any person other than the Trustee, Village and the Noteholders any right, remedy or claim under or with respect to this Indenture.

Section 10.04. Severability. If any provision of this Indenture shall be determined to be unenforceable, that shall not affect any other provision of this Indenture.

Section 10.05. Payments Due on Non-Business Days. If a payment date is not a Business Day at the place of payment, then payment may be made at that place on the next Business Day, and no interest shall accrue for the intervening period.

Section 10.06. Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State.

Section 10.07. Captions. The captions in this Indenture are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Indenture.

Section 10.08. No Recourse Against Village Officers. No officer, agent, employee or member of the Village shall be individually or personally liable for any payment on the Notes or be subject to any personal liability or accountability by reason of the issuance of the Notes, but this Section shall not relieve an officer, agent, employee or member of the Village from the performance of any official duty provided by law or this Indenture.

Section 10.09. Counterparts. This Indenture may be signed in several counterparts. Each will be an original, but all of them together constitute the same instrument.

VILLAGE OF VERNON HILLS, LAKE
COUNTY, ILLINOIS

By Tom Koch
President Pro Tem

(SEAL)

Attest:

By Mark Fuschbauer
Clerk



(SEAL)

Attest:

Title: _____

_____, as
Trustee

By
Title: _____

EXHIBIT A

FORM OF NOTES

REGISTERED
No. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF LAKE
VILLAGE OF VERNON HILLS

[TAXABLE] [PHASE _] [SENIOR] [JUNIOR] LIEN [INCREMENTAL PROPERTY TAX] [VILLAGE
PLEDGE] REVENUES NOTE, SERIES 20[]
(HAWTHORN MALL REDEVELOPMENT PROJECT)

Interest
Rate: 6.00%

Final Maturity
Date: _____, 20__

Dated
Date: _____, 20__

Registered Owner:

Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS that the Village of Vernon Hills, Lake County, Illinois, a municipality, home rule unit and political subdivision of the State of Illinois (the "Village"), hereby acknowledges itself to owe and for value received promises to pay (subject to [mandatory and] optional redemption as hereinafter provided) to the Registered Owner identified above, or registered assigns as hereinafter provided, the Outstanding Principal Amount of this Note in accordance with that certain Ordinance adopted by the President and Board of Trustees of the Village (the "Corporate Authorities") on the 15th day of June, 2021, as supplemented by a related Note Order (the "Note Ordinance"), that certain Indenture of Trust, dated as of _____ 1, 20__, by and between the Village and _____, Chicago, Illinois, as trustee (the "Trustee") (the "Trust Indenture"), and that Redevelopment Agreement, dated _____, 2021, by, between and among the Village and Hawthorn, L.P., an Illinois limited partnership, Hawthorn SP, LLC, a Delaware limited liability company, Hawthorn CP, LLC, a Delaware limited liability company, and USEF Centennial FA Hawthorn Owner LLC, a Delaware limited liability company (collectively, the "Owners") (the "Redevelopment Agreement"), as hereinafter

described, and interest on such Outstanding Principal Amount at the Interest Rate set forth above (computed on the basis of a 360-day year of twelve 30-day months) in annual installments of principal and interest on February of each year (each February 1 being an “*Interest Payment Date*”) until paid, [in accordance with the amortization schedule attached hereto (the “*Amortization Schedule*”)] [commencing on the February 1 following the Dated Date on which funds are available and on deposit in the hereinafter defined [Junior Lien Note and Interest Subaccount of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund held by the Trustee pursuant to the Trust Indenture] [Village Pledge Revenues Note and Interest Subaccount of the Village Pledge Revenues Account of the Special Tax Allocation Fund held by the Trustee pursuant to the Trust Indenture]], with the final installment of principal and interest coming due on the Final Maturity Date. “*Final Maturity Date*” means the date which is the earlier of (i) 20 years from the date of the issuance of the Notes or (ii) December 31, 2043. Capitalized terms used herein and not defined shall have the meanings ascribed to such terms in the Note Ordinance. [Interest due on the Notes on February 1, 20__, and February 1, 20__, shall be paid from Capitalized Interest on hand in the Senior Note and Interest Subaccount of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund.]

Interest when due (“*Current Interest*”) shall be paid from the later of the Dated Date or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal amount of the Note is paid or duly provided for, as provided from the [Senior Lien Note and Interest Subaccount of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund] [Junior Lien Note and Interest Subaccount of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund] [Village Pledge Revenues Note and Interest Subaccount of the Village Pledge Revenues Account of the Special Tax Allocation Fund] held by the Trustee pursuant to the Trust Indenture, and if funds on deposit

therein and to the credit thereof are insufficient for such purpose, such failure to pay shall not in and of itself constitute an event of default, but such interest shall thereupon be recorded by the Trustee as Deferred Accrued Interest (“*Deferred Accrued Interest*”). Deferred Accrued Interest which is owing and unpaid shall bear interest at the Interest Rate. The order of payment of interest on this Note shall be *first*, Deferred Accrued Interest, *second*, Current Interest, and *next*, [Outstanding Principal Amount in accordance with the Amortization Schedule] [mandatory redemption of the Outstanding Principal Amount]. Failure to pay when due any installment of Current Interest or any amount of Outstanding Principal Amount due to insufficiency of the [Incremental Property Tax Revenues] [Village Pledge Revenues], whether at a regular Interest Payment Date, at Stated Maturity, Final Maturity or otherwise, shall in no event be deemed to be an event of default hereon, unless such insufficiency is caused by a default by the Village under the Redevelopment Agreement. The Registered Owner of this Note, by acceptance hereof, hereby expressly agrees and acknowledges that there may be Deferred Accrued Interest hereon, that is, that Current Interest may not have been paid, without any special notation having been made upon this Note.

The principal of this Note shall be payable by check of draft in lawful money of the United States of America upon presentation at the principal office maintained for the purpose by the Trustee under the Trust Indenture, by and between the Village and the Trustee. Interest on this Note shall be paid to the Registered Owner hereof as shown on the Register at the close of business on the Record Date. Interest hereon shall be paid by check or draft of the Trustee, payable upon presentation thereof in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on the Register or at such other address furnished to the Trustee in writing or as directed by such Registered Owner, all as provided in the hereinafter defined Ordinance.

This Note is issued pursuant to Division 74.4 of Article 11 of the Illinois Municipal Code (the "*TIF Act*"), and all laws amendatory thereof and supplemental thereto, and specifically as supplemented by the Local Government Debt Reform Act, as amended, and the other Omnibus Bond Acts, as amended and as supplemented, and, where necessary, superseded, by the home rule powers of the Village under Section 6 of Article VII of the 1970 Constitution of Illinois, and the principal of and interest, and premium, if any, hereon are payable solely and only from [the Incremental Property Tax Revenues on deposit in the Senior Lien Note and Interest Subaccount of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund and amounts on hand in the Senior Lien Debt Service Reserve Subaccount of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund] [[the Incremental Property Tax Revenues on deposit in the Junior Lien Note and Interest Subaccount of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund] [[the Village Pledge Revenues on deposit in the Village Pledge Revenues Note and Interest Subaccount of the Village Pledge Revenues Account of the Special Tax Allocation Fund], all in accordance with the provisions of the Note Ordinance, the Trust Indenture and the Redevelopment Agreement. This Note is being issued for the purposes of reimbursing the Registered Owner for certain Eligible Costs it has incurred in constructing a Phase of the Redevelopment Project on behalf of the Village. The cost of such construction shall be deemed to be a disbursement of the proceeds of this Note.

[This Note is subject to mandatory redemption by operation of the [Junior Lien Note and Interest Subaccount] [Village Pledge Revenues Note and Interest Subaccount] at a price of par plus accrued interest without premium, on any date, whenever an annual Accounting shall demonstrate that the aggregate amount of [Incremental Property Tax Revenues] [Village Pledge Revenues] on deposit therein is in excess of the amount required to pay all Deferred Accrued Interest and to pay Current Interest due and payable during the Note Year commencing on the

February 1 next succeeding such Accounting. The Trustee shall make provision for the mandatory redemption of this Note to the fullest extent practicable from the [Incremental Property Tax Revenues] [Village Pledge Revenues], in amounts of not less than \$1,000 of Outstanding Principal Amount.]

This Note is also subject to redemption prior to maturity, at the option of the Village, in whole or in part, from any available funds, on [_____], and on any date thereafter,] [on any date], at the redemption price of par plus accrued interest to the date fixed for redemption, and as further provided in the Note Ordinance.

Upon surrender hereof at the principal office maintained for the purpose by the Trustee, accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by the Registered Owner or an attorney for such owner duly authorized in writing, the Trustee shall register this Note in the name of the new Registered Owner on the registration grid provided herein, and shall also enter the name and address of the new registered owner in the Note Register.

The person in whose name this Note is registered on the Note Register shall be deemed and regarded as the absolute owner hereof for all purposes, and payment of the principal of or interest hereon shall be made only to or upon the order of the Registered Owner hereof or the owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon this Note to the extent of the sum or sums so paid.

This Note, together with the interest thereon, is a limited obligation of the Village, payable solely from [the Incremental Property Tax Revenues on deposit in the Senior Lien Note and Interest Subaccount of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund and amounts on hand in the Senior Lien Debt Service Reserve Subaccount of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund] [the Incremental

Property Tax Revenues on deposit in the Junior Lien Note and Interest Subaccount of the Incremental Property Tax Revenues Account of the Special Tax Allocation Fund] [[the Village Pledge Revenues on deposit in the Village Pledge Revenues Note and Interest Subaccount of the Village Pledge Revenues Account of the Special Tax Allocation Fund] as provided in the Note Ordinance, the Trust Indenture and the Redevelopment Agreement. For the prompt payment of this Note, both principal and interest, as aforesaid, at maturity, such [Incremental Property Tax Revenues] [Village Pledge Revenues] are hereby irrevocably pledged. THIS NOTE DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NO HOLDER OF THIS NOTE SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE VILLAGE FOR PAYMENT OF PRINCIPAL HEREOF OR INTEREST HEREON. FAILURE TO PAY WHEN DUE ANY INSTALLMENT OF CURRENT INTEREST OR ANY AMOUNT OF DEFERRED ACCRUED INTEREST OR OUTSTANDING PRINCIPAL AMOUNT DUE TO INSUFFICIENCY OF THE [INCREMENTAL PROPERTY TAX REVENUES] [VILLAGE PLEDGE REVENUES] ON DEPOSIT IN SAID SUBACCOUNT, WHETHER AT STATED MATURITY, FINAL MATURITY OR OTHERWISE, SHALL IN NO EVENT BE DEEMED TO BE AN EVENT OF DEFAULT ON THIS NOTE, UNLESS SUCH INSUFFICIENCY IS CAUSED BY A DEFAULT BY THE VILLAGE UNDER THE REDEVELOPMENT AGREEMENT.

[The principal amount of this Note may be reduced in accordance with the provisions of the Note Ordinance, the Trust Indenture and the Redevelopment Agreement upon the occurrence of a Village Pledge Deficiency.]

This Note may not be offered, sold, pledged or otherwise transferred except to an Allowable Holder (as defined in the Trust Indenture). In connection with the transfer or assignment of this Note, the purchaser or assignee shall certify its qualification as an Allowable Holder to the Trustee prior to such sale or assignment (a "*Sale Certification*"). Any sale, pledge

or transfer of the Notes shall not be effective until the Trustee has received a Sale Certification in connection therewith.

The Village shall be obligated to make payments under this Note even if a Developer Event of Default or a Village Event of Default under the Redevelopment Agreement has occurred. Such rights shall survive any transfer of this Note.

It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Note did exist, have happened, been done and performed in regular and due form and time as required by law, and the Village hereby covenants and agrees that it has made provision for the segregation of the [Incremental Property Tax Revenues] [Village Pledge Revenues] and that it will properly account for said taxes and will comply with all the covenants of and maintain the funds and accounts as provided by the Note Ordinance, the Trust Indenture and the Redevelopment Agreement.

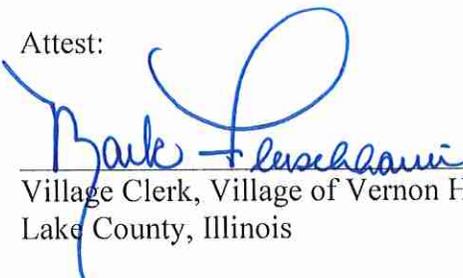
This Note shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF the Village has caused this Note to be signed by the manual or duly authorized facsimile signatures of its President and Village Clerk and its corporate seal or a facsimile thereof to be hereunto affixed, all as of the date of delivery hereof, to wit, the ___ day of _____, 20__.



President Pro Tem, Village of Vernon Hills, Lake County, Illinois

Attest:



Village Clerk, Village of Vernon Hills
Lake County, Illinois

(SEAL)

Date of Authentication: _____

CERTIFICATE

OF

AUTHENTICATION

This Note is one of the Notes described in the within-mentioned Note Ordinance and is one of the _____, Series 20__ (Hawthorn Mall Redevelopment Project), having a Dated Date of _____, 20__, of the Village of Vernon Hills, Lake County, Illinois.

Trustee, Note Registrar and Paying Agent:

Chicago, Illinois

as Trustee, Note Registrar and Paying Agent

By _____
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

the within Note and does hereby irrevocably constitute and appoint _____ as attorney to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature guaranteed: _____

NOTICE: The signature to this transfer and assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

[AMORTIZATION SCHEDULE]

EXHIBIT B
FORM OF CERTIFICATION TO RELEASE ESCROWED NOTES