

**Item #11:**  
**Ordinance Providing For Issuance Of \$5M TIF Bonds**

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**VILLAGE OF LONG GROVE,  
LAKE COUNTY  
STATE OF ILLINOIS**

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**ORDINANCE NUMBER \_\_\_\_\_**

**AN ORDINANCE PROVIDING FOR THE ISSUANCE OF  
NOT TO EXCEED \$5,000,000 OF  
LIMITED OBLIGATION TAX INCREMENT REVENUE BONDS  
(SUNSET GROVE PROJECT),  
SERIES 2010, OF THE VILLAGE OF LONG GROVE,  
LAKE COUNTY, ILLINOIS,**

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**ADOPTED BY THE  
PRESIDENT AND BOARD OF TRUSTEES  
VILLAGE OF LONG GROVE,  
LAKE COUNTY  
STATE OF ILLINOIS**

The \_\_\_\_ day of June, 2010

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Published in pamphlet form by authority of the President and Board of Trustees of the Village of Long Grove, Lake County, Illinois, this \_\_\_\_ day of June, 2010.

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SERIES 2010, OF THE VILLAGE OF LONG GROVE,  
LAKE COUNTY, ILLINOIS**

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**WHEREAS**, on February 26, 2008, pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, as supplemented and amended (the “**TIF Act**”), the Village President and the Board of Trustees (the “**Corporate Authorities**”) of the Village of Long Grove, Illinois (the “**Village**”) adopted Ordinance No. 2008-O-4, being “An Ordinance Approving a Tax Increment Redevelopment Plan and Project for the Downtown/IL Rte. 83 Redevelopment Project Area,” which approved a redevelopment plan and project (the “**Redevelopment Plan and Project**”) for an area generally including the downtown business district and the Route 83 Corridor South of Aptakisic Road and other nearby areas for appropriate commercial development (the “**Redevelopment Project Area**”); and

**WHEREAS**, the Redevelopment Plan and Project, including the Redevelopment Project Area as provided therein, were the subject of (i) extensive consideration by a properly convened Joint Review Board and (ii) a public hearing held on January 15, 2008; and

**WHEREAS**, on February 26, 2008, the Corporate Authorities also adopted Ordinance No. 2008-O-5, being “An Ordinance Designating the Downtown/IL Rte. 83 Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act”, which designated the Redevelopment Project Area as the Downtown/IL Rte. 83 Redevelopment Project Area pursuant to the TIF Act; and

**WHEREAS**, on February 26, 2008, the Corporate Authorities also adopted Ordinance No. 2008-O-6, being “An Ordinance Adopting Tax Increment Allocation Financing for the Downtown/IL Rte. 83 Redevelopment Project Area” (collectively, Ordinance No. 2008-O-4, Ordinance No. 2008-O-5 and Ordinance No. 2008-O-6 are hereinafter referred to as the “**Original TIF Ordinances**”); and

**WHEREAS**, on March 25, 2008, pursuant to law and the ordinances approving the TIF District, the Corporate Authorities passed Resolution No. 2008-O-10, being “A Resolution Approving Redevelopment Agreement and Economic Incentive Agreement for Sunset Grove Project,” to advance the objectives of the Redevelopment Plan and Project and to ensure that redevelopment activities proceed expeditiously within the Redevelopment Project Area, which resolution approved the “Redevelopment Agreement between the Village of Long Grove and Sunset Grove Development Project Corp. (Sunset Grove Project)” dated March 25, 2008, (“**Redevelopment Agreement**”); and

**WHEREAS**, certain minor boundary inconsistencies were identified in the legal description and map included in the Original TIF Ordinances and the Village determined to undertake the process outlined in the TIF Act to amend the Original TIF Ordinances; and

**WHEREAS**, pursuant to Section 11-74.4-5 of the TIF Act, on January 16, 2009 a Report Regarding An Amendment to the Tax Increment Redevelopment Plan and Project for the Downtown/IL Rte. 83 Redevelopment Project Area (the “**Report**”) was placed on file and made available for public inspection; and

**WHEREAS**, pursuant to Section 11-74.4-5 of the TIF Act, on January 27, 2009 the Village adopted Resolution 2009-R-1, being “A Resolution Setting Time and Place for a Public Hearing on a Proposed Amendment to the Downtown/IL Rte. 83 Redevelopment Project Area”; and

**WHEREAS**, pursuant to Section 11-74.4-5 of the TIF Act, on February 20, 2009, pursuant to notice given in accordance with the TIF Act, the Joint Review Board (“**JRB**”) of the TIF District convened to consider the Report; and

**WHEREAS**, the Village Board received from the JRB on March 24, 2009 the “Report of the Joint Review Board of the Village of Long Grove Downtown/IL Rte. 83 Redevelopment Plan and Project under the Tax Increment Allocation Redevelopment Act,” (the “**JRB Report**”), which JRB Report recommended that the Village approve the Report; and

**WHEREAS**, pursuant to Section 11-74.4-5 of the TIF Act, on March 24, 2009 the Village held a public hearing to consider certain amendments to the Original TIF Ordinances; and

**WHEREAS**, on April 14, 2009, the Village adopted (i) Ordinance No. 2009-O-16 being “An Ordinance Amending Ordinance No. 2008-O-04 to Include Revised Legal Description and Revised Map”; (ii) Ordinance No. 2009-O-17 being “An Ordinance Amending Ordinance No. 2008-O-5 to Include Revised Legal Description and Revised Map”; and (iii) Ordinance No. 2009-O-18 being “An Ordinance Amending Ordinance No. 2008-O-6 to Include Revised Legal Description and Revised Map” (collectively, the “**TIF Amending Ordinances**”) which ordinances amended the Original TIF Ordinances to correct minor boundary inconsistencies in the legal description and map included in the Original TIF Ordinances (the Original TIF Ordinances as amended by the TIF Amending Ordinances are hereinafter collectively referred to as the “**TIF Ordinances**”); and

**WHEREAS**, the Redevelopment Plan and Project contemplates the Village will incur certain “redevelopment project costs”, as defined in the TIF Act, which redevelopment project costs may include, but are not limited to, public works and improvements including (i) streets, sidewalks, utilities, and parking, (ii) landscaping, (iii) stormwater management facilities, (iv) sewage treatment facilities, and (v) water system facilities (the “**Costs of the Public Improvements**”), in connection with the designation of the Redevelopment Project Area and the implementation of the Redevelopment Plan and Project; and

**WHEREAS**, pursuant to Ordinance No. 2010-O-05 adopted by the Corporate Authorities of the Village on March 9, 2010 and Ordinance No. 2010-O-06 adopted by the Corporate Authorities of the Village on March 9, 2010 (collectively, the “**Business District Ordinances**”) and in accordance with the Illinois Business District Development and Redevelopment Act, 65 ILCS 5/11-74-2-1 et seq. as amended (the “**Act**”), the Village designated the IL. Rte. 83

Business District – Phase I (the “**Business District**”) consisting of a portion of the property included within the Redevelopment Project Area; approved a development plan and project for such Business District; and imposed a one percent (1.0%) retailers’ occupation tax and one percent (1.0%) service occupation tax on businesses located within the Business District which shall be collected by the Village and enforced by Illinois Department of Revenue (the “**Business District Taxes**”); and

**WHEREAS**, pursuant to Ordinance No. 2006-O-15 adopted by the Corporate Authorities of the Village of June 27, 2006, and in accordance with the Non-Home Rule Municipal Retailers Occupation Tax Act, 65 ILCS 5/8-11-1.3 and the Non-Home Rule Municipal Service Occupation Tax Act, 65 ILCS 5/8-11-1.4, the Village has imposed a one percent (1.0%) retailers occupation tax and a one percent (1.0%) service occupation tax (collectively, the “**Municipal Sales Taxes**”) on businesses located within the Village; and

**WHEREAS**, under the authority of the TIF Act, the Corporate Authorities have determined that it is advisable, necessary and in the best interests of the Village to issue its Limited Obligation Tax Increment Revenue Bonds, Series 2010 (Sunset Grove Project) (the “**Bonds**”), to provide for the payment of certain redevelopment project costs constituting public improvements within the Redevelopment Project Area in an amount not to exceed \$5,000,000 and to fund necessary reserves and costs of issuance in connection with such Bonds; and

**WHEREAS**, the Village desires to pledge a portion of the Business District Taxes and the Municipal Sales Taxes and the 1.0% Local Portion (as defined herein) of certain Sales Tax Revenues to the payment of the Bonds as further described herein.

**NOW, THEREFORE**, Be It Ordained by the President and the Board of Trustees of the Village of Long Grove, Lake County, Illinois, as follows:

Section 1. Adoption of Preambles. The preambles of this Ordinance are hereby incorporated into this text as if fully set forth herein.

Section 2. Issuance of Bonds. The Village shall borrow the sum of not to exceed \$5,000,000 by issuing the Bonds as provided in this Ordinance. The Bonds which shall be designated “Village of Long Grove, Lake County, Illinois Limited Obligation Tax Increment Revenue Bonds, Series 2010 (Sunset Grove Project),” shall be issued for the purpose of providing a portion of the funds needed for the Costs of the Public Improvements. The Bonds shall be issued pursuant to the powers of the Village pursuant to the TIF Act and the Local Government Debt Reform Act, 30 ILCS 350/1 et seq. (the “**Debt Act**”).

Section 3. Approval of Documents. There have been submitted to the Corporate Authorities forms of the following documents relating to the issuance of the Bonds:

- (a) a form of Trust Indenture (the “**Indenture**”) between the Village and Amalgamated Bank of Chicago, as Trustee, to be dated as of June 1, 2010, which form of Indenture is attached as Exhibit A to this Ordinance;
- (b) a form of Bond Purchase Agreement (the “**Bond Purchase Agreement**”) among the Village, William Blair & Company, L.L.C., as Underwriter (the

“**Underwriter**”), and [Sunset Grove Development Corp.] (the “**Developer**”) to be dated as of the date the offer of the Underwriter to purchase the Bonds is accepted by the Village, which form of Bond Purchase Agreement is attached as Exhibit B to this Ordinance;

(c) a form of the preliminary Limited Offering Memorandum (the “**Limited Offering Memorandum**”) used by the Underwriter in its initial offering of the Bonds, which form of Limited Offering Memorandum is attached as Exhibit C to this Ordinance.

Such documents are approved as to form and substance and the Village President and the Village Clerk are authorized and directed to execute and deliver and/or authorize the use of such documents on behalf of the Village in the forms submitted with such additions, deletions and completions of the same (including the establishment of the terms of the Bonds within the parameters set forth in this Ordinance) as the Village President and the Village Clerk deem appropriate; and when each such document is executed, attested, sealed and delivered on behalf of the Village, as provided herein, each such document will be binding on the Village; from and after the execution and delivery of each such document, the officers, employees and agents of the Village are hereby authorized, empowered and directed to do all such acts and things and to execute all such additional documents as may be necessary to carry out, comply with and perform the provisions of each such document as executed; and each such document shall constitute, and hereby is made, a part of this Ordinance, and a copy of each such document shall be placed in the official records of the Village, and shall be available for public inspection at the office of the Village Clerk. Either the Village President or the Village Clerk is authorized and directed, subject to the terms of the Bond Purchase Agreement as executed, to execute the final Limited Offering Memorandum in substantially the form of the preliminary Limited Offering Memorandum presented hereto with such changes, additions or deletions as they deem appropriate to reflect the final terms of the Bonds, the Indenture and other matters.

Section 4. Bond Terms. The Bonds shall be issued as provided in the Indenture and shall be issued in the principal amount of not to exceed \$5,000,000, shall be dated the date of their issuance, shall mature not later than 20 years from their date of issuance, shall bear interest at the rates (not to exceed in any year nine percent (9.0%) per annum) and shall be subject to redemption at the times and prices as set forth in the Indenture, and shall be sold to the Underwriter at a purchase price of not less than 98% of the principal amount of the Bonds with an original issue discount or original issue premium of not to exceed 2% of the principal amount of the Bonds, all as set forth in the Bond Purchase Agreement. The execution and delivery of the Bond Purchase Agreement by the Village President and the Village Clerk shall evidence their approval of the terms of the Bonds set forth above.

Section 5. Execution and Delivery of Bonds. The Village President and the Village Clerk are authorized and directed to execute and deliver the Bonds and, together with other Authorized Officers (as defined in the Indenture), to take all necessary action with respect to the issuance, sale and delivery of the Bonds, all in accordance with the terms and procedures specified in this Ordinance and the Indenture. The Bonds shall be delivered to the Trustee who is directed to authenticate the Bonds and deliver the Bonds to the Underwriter upon receipt of the purchase price for the Bonds.

The Bonds shall be in substantially the form set forth in the Indenture. Each Bond shall be executed by the manual or facsimile signature of the Village President and the manual or facsimile signature of the Village Clerk and shall have the corporate seal of the Village affixed to it (or a facsimile of that seal printed on it). The Village President and the Village Clerk (if they have not already done so) are authorized and directed to file with the Illinois Secretary of State their manual signatures certified by them pursuant to the Uniform Facsimile Signatures of Public Officials Act, as amended, which shall authorize the use of their facsimile signatures to execute the Bonds. Each Bond so executed shall be as effective as if manually executed. In case any officer of the Village whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such officer before authentication and delivery of any of the Bonds, that signature or facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

No Bond shall be valid for any purpose unless and until a certificate of authentication on that Bond substantially in the form set forth in the bond form in the Indenture shall have been duly executed by the Trustee. Execution of that certificate upon any Bond shall be conclusive evidence that the Bond has been authenticated and delivered under this Ordinance.

Section 6. Bonds are Limited Obligations; Sales Taxes; Pledge of Revenues. The Bonds shall constitute limited obligations of the Village, payable solely from a pledge of (i) the Sunset Grove Incremental Property Taxes (as defined below) received by the Village each year, (ii) the Sunset Grove Business District Taxes (as defined below) received by the Village each year, (iii) the Sunset Grove Sales Taxes (as defined below) received by the Village each year, and (iv) the Sunset Grove Public Infrastructure Sales Taxes (as defined below) received by the Village each year, as provided below and as set forth in the Indenture. The Bonds shall not constitute the general obligations of the Village and neither the full faith and credit nor the unlimited taxing power of the Village shall be pledged as security for payment of the Bonds.

**“Sunset Grove Incremental Property Taxes”** means 100% of the ad valorem taxes, if any, arising from the taxes levied upon taxable real property in the Redevelopment Project Area from the Sunset Grove Property 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 from the Sunset Grove Property over and above the total Initial Equalized Assessed Value of each such piece of property constituting the Sunset Grove Property, all as determined by the County Clerk of the County of Lake, Illinois, in accordance with Section 11.74.4.9 of the Act and as determined by the Treasurer of the Village.

**“Special Tax Allocation Fund”** means the Special Tax Allocation Fund, which is a special tax allocation fund for the Area continued pursuant to Section 4.1 of the Indenture.

**“Initial Equalized Assessed Value”** means, with respect to the Redevelopment Project Area, the equalized assessed value of taxable real property as last equalized or assessed by the Department of Revenue of the State of Illinois for State of Illinois and County of Lake taxes for the year \_\_\_\_, all as determined by the County Clerk of the County of Lake, Illinois, in accordance with the Act and with respect to the Sunset Grove Property being \$\_\_\_\_\_.

**“Sunset Foods”** means the Sunset Foods Store located on the Sunset Grove Property.

**“Sunset Grove Property”** means those parcels of real property within the Redevelopment Project Area currently identified by the following PINs 15-30-200-030; 15-30-200-031; and 15-30-200-032 and legally described in Exhibit D hereto.

The Sunset Grove Incremental Property Taxes shall be deposited to the Sunset Grove Incremental Taxes Account created pursuant to the Indenture and are appropriated to and are irrevocably pledged to and shall be used as set forth in Article IV of the Indenture.

The Business District Taxes imposed and collected as provided in the Business District Ordinance shall be deposited in the Illinois Route 83 Business District Phase I Tax Allocation Fund created pursuant to Ordinance No. 2010-O-07 adopted by the Corporate Authorities on May 9, 2010 and 60% of such Business District Taxes collected from sales originating from businesses located within the Sunset Grove Property (the **“Sunset Grove Business District Taxes”**) shall be deposited to the Sunset Grove Business District Tax Account of the Revenue Fund created pursuant to the Indenture and are appropriated to and are irrevocably pledged to and shall be used only for the purposes set forth in Article IV of the Indenture.

Pursuant to the authority granted in the Debt Reform Act the Village hereby pledges to the payment of the Bonds (i) 60% of the Sales Tax Revenues (as defined below) received by the Village from sales arising from businesses located within the Sunset Grove Property, other than sales arising from Sunset Foods, and 100% of the Sales Tax Revenues arising from the first \$1,000,000.00 in Sales Tax Revenues attributable to Sunset Foods and thereafter 60% of the Sales Tax Revenues from sales attributable to Sunset Foods (the **“Sunset Grove Sales Taxes”**) and (ii) 60% of the Public Infrastructure Sales Tax Revenues (as defined below) received by the Village from sales arising from businesses located on the Sunset Grove Property (the **“Sunset Grove Public Infrastructure Sales Taxes”**) such pledged taxes to be deposited into the Sunset Grove Sales Tax Account of the Revenue Fund created pursuant to the Indenture and which are appropriated to and irrevocably pledged to and shall be used only for the purposes set forth in Article IV of the Indenture.

**“Sales Tax Revenues”** means all revenues that the Village receives from the 1.0% sales tax levied by the State of Illinois and allocated to the Village by the Department of Revenue pursuant to the Illinois Retailers Occupation Tax Act, 35 ILCS 120/1 et seq. and the Illinois Service Occupation Tax Act, 35 ILCS 115/1 et seq. (the **“1.0% Local Portion”**), and such other authority as shall be applicable pursuant to any successor statutes that result from retail sales of all businesses located within the Sunset Grove Property within the Redevelopment Project Area.

**“Public Infrastructure Sales Taxes”** means all revenues that the Village receives from the 1.0% sales tax imposed by the Village for expenditures on “Public Infrastructure” as defined in Section 8-11-1.2 of the Illinois Municipal Code and pursuant to the Non-Home Rule Municipal Retailers Occupation Tax Act (65 ILCS 5/8-11-1.3), the Non-Home Rule Municipal Service Occupation Tax Act (65 ILCS 5/8-11-1.4) and such other authority as shall be applicable pursuant to any successor statutes that result from taxes imposed to pay Public Infrastructure on retail sales of all businesses located within the Sunset Grove Property.

Section 7. Special Covenants. The Village covenants with the holders of the Bonds from time to time outstanding that it (i) will take all actions which are necessary to be taken (and avoid any actions which it is necessary to avoid being taken) so that interest on the Bonds will not be or become included in gross income for federal income tax purposes under existing law, including without limitation the Internal Revenue Code of 1986, as amended (the “Code”); (ii) will take all actions reasonably within its power to take which are necessary to be taken (and avoid taking any actions which are reasonably within its power to avoid taking and which are necessary to avoid) so that the interest on the Bonds will not be or become included in gross income for federal income tax purposes under the federal income tax laws as in effect from time to time; and (iii) will take no action or permit any action in the investment of the proceeds of the Bonds, amounts held under the Indenture or any other funds of the Village which would result in making interest on the Bonds subject to federal income taxes by reason of causing the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code, or direct or permit any action inconsistent with the regulations under the Code as promulgated and as amended from time to time and as applicable to the Bonds. The Village President, the Village Clerk, the Village Treasurer and other Authorized Officers of the Village are authorized and directed to take all such actions as are necessary in order to carry out the issuance and delivery of the Bonds including, without limitation, to make any representations and certifications they deem proper pertaining to the use of the proceeds of the Bonds and other moneys held under the Indenture in order to establish that the Bonds shall not constitute arbitrage bonds as so defined.

The Village further covenants with the holders of the Bonds from time to time outstanding that:

(a) it will take all actions, if any, which shall be necessary in order further to provide for the collection of the Sunset Grove Incremental Property Taxes, the Sunset Grove Business District Taxes, the Sunset Grove Sales Taxes and the Sunset Grove Public Infrastructure Sales Taxes imposed and/or pledged by or pursuant to this Ordinance or the Business District Ordinance;

(b) it will not take any action which would adversely affect the imposition and collection of the Sunset Grove Incremental Property Taxes, the Sunset Grove Business District Taxes, the Sunset Grove Sales Taxes and the Sunset Grove Public Infrastructure Sales Taxes;

(c) it will comply with all present and future laws concerning the imposition and collection of the Sunset Grove Incremental Property Taxes, the Sunset Grove Business District Taxes, Sunset Grove Sales Taxes and the Sunset Grove Public Infrastructure Sales Taxes; in each case so that the Village shall be able to pay the principal of and interest on the Bonds as they come due and replenish the Reserve Fund to the Reserve Requirement and it will take all actions necessary to assure the timely collection of the Sunset Grove Incremental Property Taxes, the Sunset Grove Business District Taxes, Sunset Grove Sales Taxes and the Sunset Grove Public Infrastructure Sales Taxes.

(d) it will deposit Incremental Property Taxes into the Special Tax Allocation Fund; it will deposit the Sunset Grove Business District Taxes to the Sunset Grove

Business District Tax Account of the Revenue Fund and will deposit the Sunset Grove Sales Taxes and Sunset Grove Public Infrastructure Sales Taxes to the Sunset Grove Sales Tax Account created and established pursuant to the Indenture. The Village covenants and agrees with the Bondholders that so long as any Bonds remain outstanding, the Village will not take any action or fail to take any action which in any way would adversely affect the ability of the Village to allocate or collect such taxes. The Village and its officers will comply with the TIF Act and the Act and with all present and future applicable laws in order to assure that such taxes may be collected and deposited as provided herein and in the Indenture.

Section 8. Additional Authority. The Village President, the Village Clerk and the other officers of the Village are authorized to execute and deliver on behalf of the Village such other documents, agreements and certificates and to do such other things consistent with the terms of this Ordinance as such officers and employees shall deem necessary or appropriate in order to effectuate the intent and purposes of this Ordinance, including, without limitation, to make any representations and certifications they deem proper pertaining to the use of the proceeds of the Bonds in order to establish that the Bonds shall not constitute arbitrage bonds as defined in Section 7 above.

Section 9. Severability. If any section, paragraph, clause or provision of this Ordinance (including any section, paragraph, clause or provision of any exhibit to this Ordinance) shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other sections, paragraphs, clauses or provisions of this Ordinance (or of any of the exhibits to this Ordinance).

Section 10. Repealer; Effect of Ordinance. All ordinances, resolutions and orders or parts of ordinances, resolutions and orders in conflict with this Ordinance are repealed to the extent of such conflict. The Village Clerk shall cause this Ordinance to be published in pamphlet form. This Ordinance shall be effective upon its passage and publication as provided by law.

PASSED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LONG GROVE, LAKE COUNTY, ILLINOIS this \_\_\_\_ day of \_\_\_\_\_, 2010.

VOTING AYE: \_\_\_\_\_  
VOTING NAY: \_\_\_\_\_  
ABSENT: \_\_\_\_\_  
ABSTAINED: \_\_\_\_\_  
NOT VOTING: \_\_\_\_\_

APPROVED:

\_\_\_\_\_  
Village President

ATTEST:

\_\_\_\_\_  
Village Clerk

Exhibit A

**[Form of Trust Indenture]**

Exhibit B

**[Form of Bond Purchase Agreement]**

Exhibit C

**[Form of Limited Offering Memorandum]**

Exhibit D

**Legal Description of the IL Rte. 83 Business District Area – Phase I**

PARCEL 15-30-200-030:

THE SOUTH 389.18 FEET OF THE NORTH 718.31 FEET (AS MEASURED ON THE EAST AND WEST LINES THEREOF) OF THE NORTH HALF OF THE WEST HALF OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 43 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF THE EAST LINE OF ROUTE 83 (EXCEPT THAT PART TAKEN FOR ROAD PURPOSES IN CASE NUMBER 91 ED 43) IN LAKE COUNTY, ILLINOIS.

PARCEL 15-30-200-031:

THE SOUTH 389.17 FEET OF THE NORTH 1107.48 FEET (AS MEASURED ON THE EAST AND WEST LINES THEREOF) OF THAT PART OF THE NORTH HALF OF THE WEST HALF OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 43 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF THE EAST LINE OF ROUTE 83 (EXCEPT THAT PART TAKEN FOR ROAD PURPOSES IN CASE NUMBER 91 ED 42) IN LAKE COUNTY, ILLINOIS.

PARCEL 15-30-200-032:

THE WEST 2-1/2 ACRES OF THE NORTH 5 ACRES OF THE EAST HALF OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 30, TOWNSHIP 43 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN LAKE COUNTY, ILLINOIS.

# 9516938\_v3



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**VILLAGE OF LONG GROVE**

**AND**

**AMALGAMATED BANK OF CHICAGO,  
AS TRUSTEE,**

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**TRUST INDENTURE**

**DATED AS OF June 1, 2010**

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**SECURING**

**VILLAGE OF LONG GROVE  
LIMITED OBLIGATION TAX INCREMENT REVENUE BONDS  
(SUNSET GROVE PROJECT) SERIES 2010**

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THIS TRUST INDENTURE, dated as of June 1, 2010 (the "Indenture"), is by and between the VILLAGE OF LONG GROVE, a municipal corporation and non-home rule unit of local government organized and existing under the laws of the State of Illinois and located in Lake County, Illinois (the "Village"), and Amalgamated Bank of Chicago, a banking corporation duly organized, existing and authorized to accept and execute trusts of the character set out in this Indenture under and by virtue of the laws of the State of Illinois with its principal corporate trust office located in Chicago, Illinois, as trustee (said banking corporation, and any successor or successors as trustee under this Indenture, are referred to as the "Trustee"),

WITNESSETH:

WHEREAS, the Village is a municipal corporation and a non-home rule unit of local government organized and existing under the laws of the State of Illinois and located in Lake County, Illinois; and

WHEREAS, pursuant to an ordinance duly adopted by the President and Board of Trustees of the Village of Long Grove (the "Corporate Authorities") on \_\_\_\_\_, 2010 (the "Bond Ordinance"), the Village authorized the issuance of its Limited Obligation Tax Increment Revenue Bonds (Sunset Grove Project), Series 2010 (the "Bonds") in an aggregate principal amount of not to exceed \$5,000,000 for the purpose of paying a portion of the Costs of the Public Improvements (as hereinafter defined) pertaining to the Project (as hereinafter defined); and

WHEREAS, pursuant to the Bond Ordinance, the Village is authorized to enter into this Indenture and to do or cause to be done all the acts and things provided or required in this Indenture to be done; and

WHEREAS, all things necessary to make the Bonds, when executed by the Village, authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the Village according to the import of the Bonds, and to constitute this Indenture a valid pledge of and grant of a lien on the Pledged Revenues (as hereinafter defined) to secure the payment of the principal of, premium, if any, and interest on the Bonds have been done and performed, in due form and time, as required by law; and

WHEREAS, the execution and delivery of the Bonds and this Indenture have in all respects been duly authorized;

GRANTING CLAUSES

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:

That in order to secure the payment of the principal of, premium, if any, and interest on all Bonds issued and to be issued under this Indenture, according to the import of this Indenture, and the performance and observance of each and every covenant and condition in this Indenture and in the Bonds, and for and in consideration of the premises and of the acceptance by the Trustee of the trusts created by this Indenture, and of the purchase and acceptance of the Bonds by the respective Owners (as defined below), and for other good and valuable consideration, the sufficiency of which is acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Bonds shall be issued, authenticated, delivered, secured and accepted

by all persons who shall from time to time be or become their Owners, the Village pledges and grants a lien upon the following Trust Estate to the Trustee and its successors in trust and assigns, to the extent provided in this Indenture:

(a) The Pledged Revenues.

(b) All moneys and securities and earnings on them in all Funds and Accounts (except the Program Expenses Account, the Rebate Fund, and the General Account) established pursuant to this Indenture subject to the provisions of this Indenture.

(c) Any and all other moneys, securities and property furnished from time to time to the Trustee by the Village or on behalf of the Village or by any other persons to be held by the Trustee under the terms of this Indenture and specifically pledged for such purpose.

BUT IN TRUST NEVERTHELESS, for the equal and proportionate benefit and security of the Bonds issued and to be issued under and secured by this Indenture, without preference, priority or distinction as to participation in the lien, benefit and protection of this Indenture of any one Bond over any other Bond by reason of priority in their issue or negotiation or by reason of the date or dates of their maturity, or for any other reason whatsoever (except as expressly provided in this Indenture), so that each and all of such Bonds shall have the same right, lien and privilege under and shall be equally secured by this Indenture, with the same effect as if the same had all been made, issued and negotiated upon the delivery of this Indenture (all except as expressly provided in this Indenture).

PROVIDED, HOWEVER, that these presents are upon the condition that, if the Village, or its successors, shall well and truly pay or cause to be paid or shall provide for the payment of all principal, premium, if any, and interest due or to become due on the Bonds, at the times and in the manner stipulated in the Bonds and in this Indenture, then this Indenture and the rights granted by it shall cease, terminate and be void, but shall otherwise be and remain in full force.

AND IT IS COVENANTED AND AGREED by and among the Village, the Trustee and the Owners from time to time of the Bonds, that the terms and conditions upon which the Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become their Owners, and the trusts and conditions upon which the moneys and securities pledged by this Indenture are to be held and disposed of, which trusts and conditions the Trustee accepts, are as follows:

## ARTICLE I

### DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions. The terms defined in the preambles shall, for all purposes of this Indenture and of any amendment or supplement to it, have the meanings there ascribed to them, unless a different meaning clearly appears from the context. The following terms shall, for all purposes of this Indenture and of any amendment or supplement to this Indenture, have the following meanings unless a different meaning clearly appears from the context:

“Account” means any of the accounts created pursuant to this Indenture.

“Act” means the Tax Increment Allocation Redevelopment Act of the State of Illinois, Division 74.4 of Article 11 of the Illinois Municipal Code, 65 ILCS 5/11-74.4-1 et seq., as amended and supplemented from time to time.

“Annual Debt Service Requirement” means, with respect to any calendar year the aggregate of the interest and the principal including sinking fund installments, owing on such Bonds for such calendar year.

“Authorized Denominations” means, \$100,000 or any integral multiple of \$5,000 in excess of that amount.

“Authorized Officer” means the Village President, the Village Clerk or, the Village Treasurer and any other officer or employee of the Village authorized to perform specific acts or duties under this Indenture by ordinance or resolution duly adopted by the Corporate Authorities.

“Bond” or “Bonds” means the Village of Long Grove Limited Obligation Tax Increment Revenue Bonds (Sunset Grove Project) Series 2010 and any Refunding Bonds, authenticated and delivered under and pursuant to Section 2.1(b) of this Indenture.

“Bondholder” means the registered owner of any Bond.

“Bond Ordinance” has the meaning set forth in the Preambles to this Indenture.

“Bond Year” means the initial period beginning on June \_\_, 2010 and ending on the next succeeding January 1, and thereafter each 12-month period commencing on January 2 of each calendar year and ending on January 1 of the next succeeding calendar year.

“Business Day” means any day which is not a Saturday, a Sunday, a legal holiday, or a day on which banks and trust companies in the city where the principal corporate trust office of any Fiduciary is located are authorized or required by law, regulation or executive order to remain closed (and such Fiduciary is in fact closed).

“Business District Tax Allocation Fund” has the meaning set forth in Section 4.4 of this Indenture.

“Business District Taxes” means the one percent (1.0%) retailers’ occupation tax and one percent (1.0%) service occupation tax imposed by the Village, and to be collected by the Village and enforced by Illinois Department of Revenue, on retail sales within the IL Rte. 83 Business District designated pursuant to Ordinance No. 2010-O-05 adopted by the Corporate Authorities of the Village on March 9, 2010 and in accordance with the Illinois Business District Development and Redevelopment Act, 65 ILCS 5/11-74-2-1 et seq. as amended (the “Act”).

“Calendar Year” means the period January 1 through December 31 of the same year.

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

“Code and Regulations” means the Code and the Income Tax Regulations.

“Costs of the Public Improvements” means those redevelopment project costs as defined in the TIF Act consisting of the Public Improvements identified in Exhibit B hereto, and any other public improvements substituted for such improvements by Ordinance of the Village.

“Counsel’s Opinion” means an opinion signed by an attorney or firm of attorneys of recognized standing in the area of law to which the opinion relates, who may be counsel to the Village.

“Current Funds” means moneys which are immediately available in the hands of the payee at the place of payment.

“Date of Issuance” means \_\_\_\_\_, 2010, the date of original issuance and delivery of the Bonds.

“Debt Service Reserve Requirement” means \$\_\_\_\_\_, which is an amount equal to the lesser of: (a) ten percent (10.0%) of the original principal amount of the Bonds, (b) maximum annual principal and interest requirements of the Bonds, or (c) one hundred twenty-five percent (125.0%) of average annual principal and interest requirements of the Bonds.

“Defeasance Obligations” means (i) cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (ii) of this definition), or (ii) direct obligations of the United States of America (including obligations issued in book-entry form on the books of the Department of the Treasury) and obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

“Depository” means any bank, national banking association or trust company having capital stock, surplus and retained earnings aggregating at least \$1,000,000, selected by an Authorized Officer as a depository of moneys and securities held under the provisions of this Indenture, and may include the Trustee.

“Depository” means The Depository Trust Company, a New York limited trust company, its successor or a successor depository qualified to clear securities under applicable state and federal law.

“Escrow Agent” means, with respect to any Bonds refunded after the date of execution and delivery of this Indenture, any trust company, bank or national banking association duly appointed to act in that capacity.

“Event of Default” means any event so designated and specified in Section 7.1.

“Fiduciary” or “Fiduciaries” means the Trustee, the Registrar, the Paying Agents, and any Depository, or any or all of them, as may be appropriate.

“Fiscal Year” means the Fiscal Year of the Village which as of the Closing Date is the period commencing May 1 and ending on April 30 of the next succeeding year, or such other period as the Village adopts as its fiscal year for accounting purposes.

“Fund” means any of the Funds created pursuant to this Indenture.

“Government Obligations” means securities that are obligations described in clause (ii) of the definition of “Defeasance Obligations”.

“Income Tax Regulations” means the regulations proposed or promulgated under the Internal Revenue Code of 1986, as amended, as such regulations may be in effect from time to time.

“Incremental Taxes” means the ad valorem taxes, if any, arising from the tax levies upon taxable real property in the Redevelopment Project Area 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 Initial Equalized Assessed Value of each such piece of property.

“Indenture” means this Trust Indenture, dated as of June 1, 2010, between the Village and the Trustee, as from time to time amended and supplemented by Supplemental Indentures executed and delivered by the Village and the Trustee in accordance with Article IX.

“Independent” when used with respect to any specified Person means a Person who is in fact independent and is not connected with the Village as an officer, employee, underwriter, or Person performing a similar function. Whenever it is provided in this Indenture or any Supplemental Indenture that the opinion or report of any Independent Person shall be furnished, such Person shall be appointed by the Village, and such opinion or report shall be signed by such Person and shall state that the signer has read this definition and that the signer is Independent within its meaning.

“Initial Equalized Assessed Value” means, with respect to the Redevelopment Project Area, the sum of \$\_\_\_\_\_, representing the “total initial equalized assessed value” (as defined in the Act) of the taxable real property within the Redevelopment Project Area that was designated as a “redevelopment project area” under the Act by Ordinance No. 2008-O-05 adopted by the Corporate Authorities on February 26, 2008 as amended by Ordinance No. 2009-O-17 adopted by the Corporate Authorities on April 14, 2009, as certified by the Clerk of The County of Lake, Illinois, in accordance with Section 11-74.4-9 of the Act and with respect to the Sunset Grove Property means \$\_\_\_\_\_.

“Interest Payment Date” means January 1 and July 1 of each year, commencing January 1, 2011.

“Interest Period” means the period from the date of the Bonds to and including the day immediately preceding the first Interest Payment Date and thereafter shall mean each period from and including an Interest Payment Date to and including the day immediately preceding the next Interest Payment Date.

“Investment Securities” means any of the following securities authorized by law as permitted investments of Village funds at the time of their purchase:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America;

(b) trust receipts or other certificates of ownership evidencing an ownership interest in the principal of or interest on, or both principal of and interest on, obligations described in clause (a) of this definition, which obligations are held in trust by a bank described in clause (d) of this definition, provided that such bank holds such obligations separate and segregated from all other funds and accounts of the Village and of such bank and that a perfected first security interest under the Illinois Uniform Commercial Code, or under book entry procedures prescribed at 31 C.F.R. 306.0 *et seq.* or 31 C.F.R. 350.0 *et seq.* (or other similar book entry procedures similarly prescribed by federal law or regulations adopted after the date of adoption of this Ordinance), has been created in such obligations for the benefit of the applicable account or fund created under this Indenture or, to the extent permitted, in any irrevocable trust or escrow established to make provision for the payment and discharge of the indebtedness on any obligations that are payable from Pledged Revenues;

(c) obligations of Fannie Mae or of any agency or instrumentality of the United States of America now existing or hereafter created, including but not limited to the United States Postal Service, the Government National Mortgage Association, the Federal Financing Bank and the Federal Home Loan Mortgage Corporation;

(d) negotiable or non-negotiable time deposits evidenced (i) by certificates of deposit issued by any bank, trust company, national banking association or savings and loan association that has capital of not less than \$100,000,000 or (ii) by certificates of deposit that are continuously and fully insured by (A) any agency of the United States of America or (B) an insurer that at the time of issuance of the policy securing such deposits has been assigned a credit rating on its long-term unsecured debt within one of the two highest rating categories, without regard to any refinement or gradation of rating category by numerical modifier or otherwise, from at least two Rating Agencies;

(e) repurchase agreements with banks described in clause (d) of this definition or with government bond dealers reporting to, trading with, and recognized as primary dealers by a Federal Reserve Bank, provided (i) that the underlying securities are obligations described in clauses (a) or (c) of this definition and are required to be continuously maintained at a market value not less than the amount so invested, (ii) the Village has received an opinion of counsel to the effect that a custodian for the Village has possession of the underlying securities as collateral and has a perfected first security interest in the collateral, and (iii) the collateral is in the opinion of such counsel free and clear of claims by third parties;

(f) obligations of any state of the United States of America or any political subdivision of a state or any agency or instrumentality of a state or political subdivision that are, at the time of purchase, rated by at least two Rating Agencies in one of their two

highest respective long-term rating categories, without regard to any refinement or gradation of rating category by numerical modifier or otherwise (if not rated by at least two Rating Agencies then a rating by one Rating Agency shall be satisfactory) for comparable types of debt obligations;

(g) bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by any corporation that are, at the time of purchase, rated by at least two Rating Agencies in their highest long-term rating category, without regard to any refinement or gradation of rating category by numerical modifier or otherwise (if not rated by at least two Rating Agencies then a rating by one Rating Agency shall be satisfactory), for comparable types of debt obligations;

(h) repurchase agreements and investment agreements (including forward purchase agreements pursuant to which the Village agrees to purchase securities of the type described in clauses (a), (b), (c), and (f) of this definition of "Investment Securities"), with any bank, trust company, national banking association (which may include the Bond Registrar, any trustee or a Depository), insurance company or any other financial institution that at the date of the agreement has an outstanding, unsecured, uninsured and unguaranteed debt issue rated by at least two Rating Agencies in one of the three highest long-term rating agency categories, without regard to any refinement or gradation of rating category by numerical modifier or otherwise, or if such institution is not so rated, that the agreement is secured by such securities as are described in clauses (a) through (d) above, inclusive, having a market value at all times (exclusive of accrued interest, other than accrued interest paid in connection with the purchase of such securities) at least equal to the principal amount invested pursuant to the agreement, provided that (i) a custodian for the Village (which custodian is not the entity with which the Village has the repurchase or investment agreement) has a perfected first security interest in the collateral and the Village has received an opinion of counsel to that effect, (ii) the custodian or an agent of the custodian (which agent is not the entity with which the Village has the repurchase or investment agreement) has possession of the collateral, and (iii) such obligations are in the opinion of such counsel free and clear of claims by third parties;

(i) prime commercial paper of a corporation incorporated under the laws of any state of the United States of America, rated by at least one Rating Agency in its highest short-term rating category, without regard to any refinement or gradation of rating category by numerical modifier or otherwise;

(j) certificates of deposit of national banks that are either fully collateralized at least 110 percent by marketable U.S. government securities marked to market at least monthly or secured by a corporate surety bond issued by an insurance company licensed to do business in Illinois and having a claims-paying rating in the top rating category, without regard to any refinement or gradation of rating category by numerical modifier or otherwise, as rated by at least one Rating Agency and maintaining such rating during the term of such investment; and

(k) shares of a money market fund registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933.

“Maximum Annual Debt Service Requirement” means, as of any date of calculation, the largest Annual Debt Service Requirement occurring in the then current and all succeeding calendar years.

“Outstanding,” when used as of any date with reference to Bonds, means all Bonds previously or then being authenticated and delivered under this Indenture except:

(i) Any Bonds canceled by the Trustee at or prior to such date;

(ii) Bonds (or portions of Bonds) for the payment or redemption of which moneys and/or Defeasance Obligations, equal to their principal amount or Redemption Price, as the case may be, with interest to the date of maturity or date fixed for redemption, are held in trust under this Indenture and set aside for such payment or redemption (whether at or prior to the maturity or redemption date); provided, that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given as in Article II provided or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article II; and

(iv) Bonds deemed to have been paid as provided in Section 11.1(b).

“Owner” means any Person who shall be the registered owner of any Bond or Bonds.

“Paying Agent” means any bank, national banking association or trust company designated by an Authorized Officer as paying agent for the Bonds, and any successor or successors appointed by an Authorized Officer under this Indenture.

“Payment Date” means any Interest Payment Date or Principal Payment Date.

“Person” means and includes an association, an unincorporated organization, a corporation, a partnership, a limited liability company, a joint venture, a business trust, a government or one of its agencies or political subdivisions, or any other public or private entity, or a natural person.

“Pledged Revenues” means the Sunset Grove Incremental Property Taxes received by the Village in each Calendar Year, the Sunset Grove Business District Taxes received by the Village in each Calendar Year, the Sunset Grove Sales Taxes received by the Village in each Calendar Year and the Sunset Grove Public Infrastructure Sales Taxes received by the Village in each Calendar Year and any other revenues from any source whatsoever designated to pay principal of, premium, if any, or interest on the Bonds, including, without limitation, amounts on deposit in and pledged to various funds and accounts (other than the Program Expenses Account, the Rebate Fund, and the General Account) as provided in this Indenture, together with interest earnings on such moneys.

“Principal and Interest Account” means the Principal and Interest Account established in Section 4.2 of this Indenture.

“Principal Payment Date” means the date upon which the principal of any Bond is stated to mature or upon which the principal of any Term Bond is subject to redemption in satisfaction of a Sinking Fund Installment.

“Principal Requirement” as to any calendar year and as applied to the Bonds, means an amount of money equal to the aggregate of the principal amount of Outstanding Bonds which mature or are payable through Sinking Fund Installments during such calendar year.

“Program Expenses” means, in any calendar year, all initial and ongoing administrative expenses related to or incurred in connection with the Bonds and (in the case of (iv) below) the Redevelopment Project Area, including, specifically, (i) the sum necessary to pay all costs and expenses of any Trustee, registrar or paying agent (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, (iii) auditing fees incurred in connection with the preparation of the financial statements required pursuant to this Indenture, and (iv) to the extent not included in (iii) above, all fees and expenses incurred in preparing and compiling the information which Section 11-74.4-5(d) of the Act requires the Village to submit to the State Comptroller, the joint review board and the taxing districts overlapping the Redevelopment Project Area; but (except as provided in (iii) and (iv) above and other payments to third parties) excluding expenses of the Village relating specifically to the administration of the Project.

“Program Expenses Account” means the Program Expenses Account established in Section 4.2 of this Indenture.

“Project” means the redevelopment project approved by the Redevelopment Plan.

“Project Costs” means those costs of the Project included in the definition of “Redevelopment Project Costs” in the Act as in effect on the effective date of this Indenture and which constitute Costs of the Public Improvements; in no event, however, shall the removal of a cost from the definition of “Redevelopment Project Costs” from and after the effective date of this Indenture cause such cost not to be a “Project Cost” within the meaning of this Indenture.

“Project Fund” means the Project Fund established in Section 4.2 of this Indenture.

“Rating Agency” means any one of Moody’s Investors Service Inc., Standard & Poor’s, a Division of the McGraw-Hill Companies, or Fitch Ratings, Inc.

“Rebate Fund” means the Rebate Fund established in Section 4.2 of this Indenture.

“Redemption Price” means, with respect to any Bond, the principal of such Bonds plus the applicable redemption premium, if any, payable upon the date fixed for their redemption.

“Redevelopment Agreement”) means that certain “Redevelopment Agreement between the Village of Long Grove and Sunset Grove Development Project Corp. (Sunset Grove Project)” dated March 25, 2008, as may be amended from time to time.

“Redevelopment Plan” means the Tax Increment Finance Village of Long Grove Downtown/Illinois Rt. 83 Redevelopment Plan and Project for the Redevelopment Project Area dated as of November 2007 that was approved by the Village pursuant to Ordinance No. 2008-O-4 as amended by Ordinance No. 2009-O-16.

“Redevelopment Project Area” means the Downtown/IL. Rte. 83 Redevelopment Project Area that was designated as a “redevelopment project area” under the Act by Ordinance No. 2008-0-5 adopted by the Corporate Authorities on February 26, 2008 as amended by Ordinance No. 2009-0-17 adopted by the Corporate Authorities on April 14, 2009.

“Refunding Bonds” means all Bonds subsequently issued pursuant to this Indenture to refund Outstanding Bonds.

“Registrar” means any bank, national banking association or trust company appointed by an Authorized Officer under this Indenture and designated as registrar for the Bonds, and its successor or successors.

“Regular Record Date” means the 15th day of the month next preceding any regularly scheduled Interest Payment Date and, in the event of a payment occasioned by redemption on other than a regularly scheduled Interest Payment Date, means the 15th day next preceding such payment date.

“Reserve Fund” means the Reserve Fund created pursuant to Section 4.2 of this Indenture.

“Sales Tax Revenues” means (i) all revenues that the Village receives from the 1.0% sales tax levied by the State of Illinois and allocated to the Village by the Department of Revenue pursuant to the Illinois Retailers Occupation Tax Act, 35 ILCS 120/1 et seq. and the Illinois Service Occupation Tax Act, 35 ILCS 115/1 et seq. (the “1.0% Local Portion”), and such other authority as shall be applicable pursuant to any successor statutes that result from retail sales of all businesses located within the Sunset Grove Property within the Redevelopment Project Area.

“Serial Bonds” means Bonds which are stated to mature in annual installments.

“Sinking Fund Installment” means with respect to the Term Bonds, each principal amount of Bonds scheduled to be redeemed through sinking fund redemption provisions as set forth in Section 2.5 hereof by the application of amounts on deposit in the Principal and Interest Account.

“SLG’s” means United States Treasury Certificates of Indebtedness, Notes and Bonds State and Local Government Series.

“Special Tax Allocation Fund” means the Downtown/IL Rte. 83 Redevelopment Project Area Special Tax Allocation Fund of the Village, a special tax allocation fund for the Redevelopment Project Area established pursuant to Section 11-74.4-8 of the Act and originally created by an ordinance of the Village adopted on June \_\_, 2010, as continued and further described in this Indenture.

“Sunset Foods” means Sunset Foods Store located on the Sunset Grove Property.

“Sunset Grove Business District Taxes” means 60% of the Business District Taxes collected from sales originating from businesses located within the Sunset Grove Property.

“Sunset Grove Property” means those parcels of real property within the IL Rte. 83 Business District and the Redevelopment Project Area currently identified by the following PINs 15-30-200-030; 15-30-200-031; and 15-30-200-032 and legally described in the Bond Ordinance.

“Sunset Grove Incremental Property Taxes” means 100% of the ad valorem taxes, if any, arising from the taxes levied upon taxable real property in the Redevelopment Project Area from the Sunset Grove Property 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 from the Sunset Grove Property over and above the total Initial Equalized Assessed Value of each such piece of property constituting the Sunset Grove Property, all as determined by the County Clerk of the County of Lake, Illinois, in accordance with Section 11.74.4.9 of the Act and as determined by the Treasurer of the Village.

“Sunset Grove Public Infrastructure Sales Taxes” means 60% of the revenues that the Village receives from the one percent (1.0%) sales tax imposed by the Village for expenditures on “Public Infrastructure” as defined in Section 8-11-1.2 of the Illinois Municipal Code and pursuant to the Non-Home Rule Municipal Retailers Occupation Tax Act (65 ILCS 5/8-11-1.3) and the Non-Home Rule Municipal Service Occupation Tax Act (65 ILCS 5/8-11-1.4) and such other authority as shall be applicable pursuant to any successor statutes that result from taxes imposed to pay Public Infrastructure on retail sales of all businesses located within the Sunset Grove Property.

“Sunset Grove Sales Taxes” means (i) 60% of the Sales Tax Revenues received by the Village each year from sales arising from business located on the Sunset Grove Property, except those sales arising from Sunset Foods, and (ii) 100% of the Sales Tax Revenues arising from the first \$1,000,000.00 in Sales Tax Revenues attributable to Sunset Foods and thereafter 60% of the Sales Tax Revenues from sales attributable to Sunset Foods

“Supplemental Indenture” means any Supplemental Indenture of the Village authorized pursuant to Article IX.

“Term Bonds” means the Bonds other than Serial Bonds which shall be stated to mature on one or more dates through the payment of Sinking Fund Installments.

“Trust Estate” means the Pledged Revenues and all other property pledged to the Trustee pursuant to this Indenture.

“Trustee” means Amalgamated Bank of Chicago, Chicago, Illinois, and any successor or successors appointed under this Indenture.

Section 1.2 Interpretation. As used in this Indenture, and unless the context otherwise indicates, the words “Bond,” “Owner,” and “Person” include the plural as well as the singular number.

Unless the context otherwise indicates, references to articles, sections, subsections, clauses, paragraphs and other subdivisions refer to the designated articles, sections, subsections, clauses, paragraphs and other subdivisions of this Indenture as originally executed.

## ARTICLE II

### AUTHORIZATION AND ISSUANCE OF BONDS

#### Section 2.1 Authorization of Bonds.

(a) The Village shall not issue any Bonds while this Indenture is in effect except in accordance with the provisions of this Article II. All Bonds issued under this Indenture shall be designated “Limited Obligation Tax Increment Revenue Bonds (Sunset Grove Project) Series 2010,” except that any Refunding Bonds shall include such further appropriate designations as the Village may determine.

(b) Bonds issued to refund, whether at or in advance of maturity, Bonds issued under this Indenture, may be issued by the Corporate Authorities hereunder pursuant to a Supplemental Indenture and, upon such issuance, shall be “bonds” as defined hereunder.

Section 2.2 Indenture to Constitute Contract. In consideration of the purchase and acceptance of the Bonds by the Owners from time to time of the Bonds, the provisions of this Indenture and any Supplemental Indenture shall constitute a contract among the Village, the Trustee and the Owners from time to time of the Bonds.

#### Section 2.3 Bond Details.

The Bonds shall be dated their Date of Issuance and delivery thereof, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of \$100,000 and integral multiples of \$5,000 thereof (but no single Bond shall represent principal maturing on more than one date), shall be numbered 1 and upward, and shall bear interest at the rates per annum and shall mature in the amounts (subject as hereinafter provided to prior redemption) as follows:

Maturing (_____ 1)	Principal <u>Amount</u>	Interest Rate <u>Per Annum</u>
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It is hereby expressly found and determined that no Bond matures on a date which is later than 20 years from their date, or which is later than 23 years following the date the Redevelopment Project Area was designated by ordinance of the Corporate Authorities.

The Bonds shall bear interest from their 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 Bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable semiannually on January 1 and July 1, commencing on January 1, 2011. So long as the Bonds are held in book-entry form as hereinafter more specifically set forth, interest on each Bond shall be paid to the Depository by check or draft or electronic funds transfer as may be agreed to by the Village and the Depository; in the event the Bonds should ever become available in physical form to registered owners other than the Depository, interest on each Bond shall be paid by check or draft of the Trustee to the person in whose name such Bond is registered at the close of business on the Regular Record Date. Principal of and premium (if any) on each Bond shall be paid in lawful money of the United States of America, at the principal corporate trust office of the Trustee. If a payment date is not a business day, then the payment shall be made on the next business day, and no interest shall accrue for the intervening period.

The Bonds shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the Village and shall be signed by the manual or duly authorized facsimile signatures of the Village President and Village Clerk of the Village, as they shall determine, and in case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Bonds 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 Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance 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 Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by the Trustee if signed by an authorized signatory of the Trustee, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Bonds issued hereunder.

Section 2.4 Book-Entry Provisions. The Bonds shall be initially issued in the form of a separate single fully registered Bond for each maturity. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register therefor in the name of CEDE & Co., or any successor thereto, as nominee of the Depository. All of the outstanding Bonds from time to time shall be registered in the Bond Register in the name of CEDE & Co., as nominee of the

Depository. The Village Treasurer or Finance Director is hereby authorized to execute and deliver on behalf of the Village a Representation Letter. Without limiting the generality of the authority given to the Village Treasurer or Finance Director with respect to entering into such Representation Letter, it may contain provisions relating to (a) payment procedures, (b) transfers of the Bonds or of beneficial interest therein, (c) redemption notices or procedures unique to the Depository, (d) additional notices or communications, and (e) amendment from time to time to conform with changing customs and practices with respect to securities industry transfer and payment practices.

With respect to Bonds registered in the Bond Register in the name of CEDE & Co., as nominee of the Depository and except as otherwise herein provided, the Village and the Trustee shall have no responsibility or obligation to any broker-dealer, bank or other financial institutions for which the Depository holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a “Depository Participant”) or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds. Without limiting the meaning of the immediately preceding sentence, the Village and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, CEDE & Co., or any Depository Participant with respect to any ownership interest in the Bonds, (b) the delivery to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, or any notice with respect to the Bonds, including any notice of redemption, or (c) the payment to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to principal of or interest on the Bonds. Notwithstanding the foregoing, the Village and the Trustee shall have those obligations and responsibilities set forth in this Ordinance with respect to Beneficial Owners who have provided notice of their beneficial ownership to the Village and the Trustee as set forth in the definition of Beneficial Owner.

No person other than a registered owner of a Bond as shown in the Bond Register shall receive a Bond certificate with respect to any Bond. Upon delivery by the Depository to the Trustee of written notice to the effect that the Depository has determined to substitute a new nominee in place of CEDE & Co., and subject to the provisions hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the 15th day of the month next preceding the applicable interest payment date, the name “CEDE & Co.” in this Ordinance shall refer to such new nominee of the Depository.

In the event that (a) the Village determines that the Depository is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the agreement among the Village, the Trustee and the Depository evidenced by the Representation Letter shall be terminated for any reason, or (c) the Village determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Village shall notify the Depository and the Depository Participants of the availability of Bond certificates, and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of CEDE & Co., as nominee of the Depository. The Village may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a book-entry system, as may be acceptable to the Village, or such depository’s agent or designee, and if the Village does not select such alternate book-entry system, then the Bonds may be

registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of CEDE & Co., as nominee of the Depository, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

In the event that the Bonds ever become generally registrable, as aforesaid, the Village Treasurer or Finance Director may, in his or her discretion at such time, designate a bank with trust powers or trust company, duly authorized to do business as a bond registrar, paying agent, or both, to act in one or both such capacities hereunder, in the event that the Village Treasurer or Finance Director shall determine it to be advisable. Notice shall be given to the registered owners of any such designation in the same manner, as near as may be practicable, as for a notice of redemption of Bonds, and as if the date of such successor taking up its duties were the redemption date.

Section 2.5 Redemption. The Bonds maturing on \_\_\_\_\_ are Term Bonds and are subject to mandatory redemption by operation of the Principal and Interest Account (but only to the extent amounts are on deposit in the Principal and Interest Account) at a redemption price of 100% of the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date. The Term Bonds maturing on \_\_\_\_\_ are subject to mandatory redemption on January 1 of the years and in the amounts as follows:

<u>Year</u>	<u>Amount</u>
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The Village covenants that it will redeem Term Bonds pursuant to the mandatory redemption required for such Term Bonds. Proper provision for mandatory redemption having been made, the Village covenants that the Term Bonds so selected for redemption shall be payable as at maturity.

If the Village redeems pursuant to optional redemption as hereinafter provided or purchases Term Bonds and cancels the same, then an amount equal to the principal amount of Term Bonds so redeemed or purchased shall be deducted from the mandatory redemption requirement as provided for such Term Bonds in any order of years of such requirement as then remaining as the Village shall determine. The Village shall provide the Trustee with written notice of such reduction, which notice shall be given within 30 days after such redemption or purchase, and the Trustee shall promptly give written notice of the same to the Bondholders, in the manner hereinafter provided.

The Bonds are also subject to redemption at the option of the Village, in whole or in part, from any available moneys, on January 1, 2020, and any date thereafter, and, if in part by lot, on the dates and at the redemption prices (expressed as a percentage of the principal amount of the Bonds to be redeemed) listed below:

January 1, 2020 through December 31, 2020	102%
January 1, 2021 through December 31, 2021	101%
January 1, 2022 and thereafter	100%

The Bonds are also subject to extraordinary optional redemption at the direction of the Village, in whole or in part, from available moneys on deposit in the Project Fund, and if in part by lot, at a redemption price of 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date, but only in the event that moneys in the Project Fund have not been expended to pay or reimburse the Village for the payment of, eligible Project Costs for the Project by [Closing Date], 2013.

The Bonds are also subject to extraordinary optional redemption, at any time, a redemption price of 100% of the principal amount of the Bonds to be redeemed, plus accrued interest to the redemption date, at the direction of the Village, in whole or in part, from available moneys from the proceeds of any condemnation of the improvements funded with the proceeds of the Bonds by any governmental entity.

The Village shall, at least 45 days prior to the redemption date (unless a shorter time shall be satisfactory to the Trustee), notify the Trustee of such redemption date and of the principal amount of Bonds to be redeemed. In the event that less than all of the Bonds are called for redemption as aforesaid, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot not more than 30 days prior to the redemption date by the Trustee for the Bonds by such method of lottery as the Trustee shall deem fair and appropriate; provided that in the event of a redemption of less than all of the Bonds, the aggregate principal amount thereof to be redeemed shall be an integral multiple of \$5,000. Such lottery shall further provide for the selection for redemption of Bonds or portions thereof so that any Bond or \$5,000 portion of a Bond shall be as likely to be called for redemption as any other such Bond or \$5,000 portion. Any optional redemption shall be applied to reduce mandatory Sinking Fund Installments in inverse order of installment.

The Trustee shall promptly notify the Village in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Unless waived by the owner of Bonds to be redeemed, notice of any such redemption shall be given by the Trustee on behalf of the Village by mailing the redemption notice by registered or certified mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owners to the Trustee.

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

- (i) the redemption date;
- (ii) the redemption price, including a calculation of the redemption premium;
- (iii) if less than all of the Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;
- (iv) a statement that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after said date; and
- (v) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Trustee.

Such additional notice as may be agreed upon with the Depository shall also be given so long as the Bonds are held by the Depository.

Prior to any redemption date, the Village shall deposit with the Trustee an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds 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 Bonds or portions of Bonds shall cease to bear interest. Neither the failure to mail such redemption notice nor any defect in any notice so mailed to any particular registered owner of a Bond 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 Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or the redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice 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. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Trustee at the redemption price. Interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal.

If any Bond or portion of Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal, and premium, if any, shall, until paid, bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption. All Bonds which have been redeemed shall be canceled and destroyed by the Trustee and shall not be reissued.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Section 2.6 Purchase in Lieu of Redemption. In lieu of redeeming Bonds pursuant to optional or mandatory sinking fund redemption, the Trustee shall, at the written direction of the Village, purchase Bonds in the open market at a price not exceeding the redemption price, if any, then applicable to such Bonds. Any Bonds so purchased in lieu of redemption shall be delivered to the Trustee for cancellation.

Section 2.7 Registration of Bonds; Persons Treated as Owners. The Village shall cause the Bond Register to be kept at the principal corporate trust office of the Trustee, which is hereby constituted and appointed the Registrar of the Village. The Village is authorized to prepare, and the Trustee shall keep custody of, multiple Bond blanks executed by the Village for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by, the registered owner or his attorney duly authorized in writing, the Village shall execute and the Trustee shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity of authorized denominations, for a like aggregate principal amount. Subject to the provisions of this Indenture relating to the Bonds as book-entry obligations only, should the Bonds no longer be held in such book-entry form, any fully registered Bond or Bonds may be exchanged at said principal corporate trust office of the Trustee for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denominations.

The execution by the Village of any fully registered Bond shall constitute full and due authorization of such Bond and the Trustee shall thereby be authorized to authenticate, date and deliver such Bond; provided, however, that the principal amount of outstanding Bonds authenticated by the Trustee shall not exceed the authorized principal amount of Bonds less the amount of such Bonds which have been paid.

Subject to the provisions of this Indenture relating to the Bonds as book-entry obligations only, should the Bonds no longer be held in such book-entry form, the Trustee shall not be required to transfer or exchange any Bond during the period of fifteen (15) days next preceding any interest payment date on such Bond, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of, premium (if any) or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his other legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the Village or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds exchanged in the case of the issuance of a Bond or Bonds for the outstanding portion of a Bond surrendered for redemption.

Section 2.8 Form of Bond. The Bonds shall be in substantially the form set forth in Exhibit A hereto, with such appropriate variations, omissions and insertions as are permitted or as are required by this Indenture; and further provided that typewritten, temporary Bonds may be delivered pending the preparation of definitive Bonds should the Bonds ever become available in physical form to registered owners other than the Depository.

### **ARTICLE III**

#### **PLEDGE OF PLEDGED REVENUES**

##### **Section 3.1 The Pledge Effected by this Indenture.**

(a) There are pledged for the payment of the principal and Redemption Price of, and interest on, the Bonds in accordance with their terms and the provisions of this Indenture, and a lien is granted for such purpose, subject only to the provisions of this Indenture permitting or requiring their application for the purposes and on the terms and conditions set forth in this Indenture, (i) the Pledged Revenues; (ii) amounts on deposit in all Funds, Accounts (except for the Program Expenses Account, the Rebate Account and the General Account); and (iii) any and all other moneys, securities and property furnished from time to time to the Trustee by the Village or on behalf of the Village or by any other Persons to be held by the Trustee under the terms of this Indenture. This pledge is irrevocable until the obligations of the Village are discharged under this Indenture.

(b) The Pledged Revenues and the other moneys, securities and properties pledged by this Indenture shall immediately be subject to the lien and pledge of this Indenture without any physical delivery or further act, and the lien and pledge of this Indenture shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Village, irrespective of whether such parties have notice of such lien and pledge.

Section 3.2 Limited Obligations. The Bonds do not represent or constitute a debt of the Village or the State of Illinois within the meaning of any constitutional or any statutory limitation or a pledge of the faith and credit of the Village or the State of Illinois or grant to the Owners any right to compel the Village to levy any taxes or appropriate any funds for the payment of the principal of, premium, if any, or interest on the Bonds. The Bonds are payable solely from the Pledged Revenues and other sources pledged for their payment in accordance with this Indenture.

## ARTICLE IV

### ESTABLISHMENT OF FUNDS AND THEIR APPLICATION

Section 4.1 Continuation of Special Tax Allocation Fund. The Special Tax Allocation Fund previously created by the Village is expressly continued as a special fund of the Village, to be held by the Village subject to the provisions of this Indenture, separate and apart from all other funds and accounts of the Village, and shall continue to be known as the IL/Rte. 83 Redevelopment Project Area Special Tax Allocation Fund. There is hereby created and established by the Village a separate segregated account within the Special Tax Allocation Fund to be known as the "Sunset Grove Incremental Taxes Account". On or prior to December 1 of each year the Village Treasurer shall determine the amount of the Sunset Grove Incremental Property Taxes received by the Village for such year and shall transfer 100% of such taxes to the Sunset Grove Incremental Taxes Account to be applied as set forth in this Indenture. The Sunset Grove Incremental Taxes Account is a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the Village by this Indenture and the Bond Ordinance and any indenture or ordinance supplemental to this Indenture authorizing the issuance of Refunding Bonds.

In accordance with the provisions of the Act, the Incremental Taxes are to be paid to the Village Treasurer by the officers who collect or receive the Incremental Taxes and deposited to the Special Tax Allocation Fund. All of the Sunset Grove Incremental Property Taxes collected on and after the date of issuance of the Bonds shall be set aside as collected and be promptly deposited by the Treasurer in the Sunset Grove Incremental Taxes Account. The Treasurer promptly shall transfer all Sunset Grove Incremental Taxes deposited with him in the Sunset Grove Incremental Taxes Account to the Trustee for application in accordance with the provisions of Section 4.6.

Section 4.2 Creation of Funds and Accounts. The following funds of the Village are hereby created and established or continued with the Trustee:

- (a) Special Tax Allocation Fund and within such Fund a Sunset Grove Incremental Taxes Account.
- (b) Revenue Fund, which shall contain a Sunset Grove Sales Tax Account and a Sunset Grove Business District Tax Account.
- (c) Bond Fund, which shall contain a Capitalized Interest Account, a Principal and Interest Account, a Program Expenses Account and a General Account.
- (d) Project Fund.
- (e) Reserve Fund.
- (f) Rebate Fund.

Each Fund shall be maintained by the Trustee as a separate and distinct trust fund and moneys therein shall be held, managed, invested, disbursed and administered as provided in this

Indenture. All moneys deposited in the Funds shall be used solely for the purposes set forth in this Indenture. The Trustee shall keep and maintain adequate records pertaining to each Fund and all disbursements therefrom.

Section 4.3 Application of Proceeds. The proceeds derived from the sale of the Bonds (which is net of Underwriter's Discount in the amount of \$\_\_\_\_\_), plus accrued interest, if any, shall be applied by the Trustee on the Date of Issuance as follows:

- (i) \$\_\_\_\_\_ shall be deposited into the Project Fund;
- (ii) \$\_\_\_\_\_ shall be deposited into the Reserve Fund;
- (iii) \$\_\_\_\_\_ shall be applied by the Trustee to pay costs of issuance of the Bonds at the direction of the Village, and
- (iv) \$\_\_\_\_\_ shall be deposited in the Capitalized Interest Account of the Bond Fund.

Section 4.4 Business District Tax Allocation Fund. The Village has established the IL Rte. 83 Business District Tax Allocation Fund (Phase I) (the "Business District Tax Allocation Fund") pursuant to Ordinance No. 2010-O-07 adopted by the Corporate Authorities and in accordance with the Illinois Business District Development and Redevelopment Act, 65 ILCS 5/11-74-2-1 et seq., as amended (the "Business District Act"), and pursuant to such Ordinance the Village has imposed a 1.0% retailers occupation tax and a 1.0% service occupation tax on businesses located within the Business District. All such taxes when collected shall be deposited in the Business District Tax Allocation Fund. The Village hereby covenants that on or before December 1 of each year the Village Treasurer shall determine the amount of such taxes that are attributable to sales arising from businesses located on the Sunset Grove Property and shall immediately transfer the Sunset Grove Business District Taxes to the Trustee for deposit to the Sunset Grove Business District Taxes Account. The Trustee shall apply such amounts in accordance with Section 4.6 of this Indenture. Any amounts remaining in such Account [after December 10 in each year] shall be returned to the Village to be applied in accordance with the Business District Act.

Section 4.5 Sunset Grove Sales Tax Account. Pursuant to Ordinance No. 2006-O-15 adopted by the Corporate Authorities on June 27, 2006, the Village has imposed a 1.0% sales tax for expenditures on Public Infrastructure (the "Public Infrastructure Sales Tax") in accordance with the Non-Home Rule Municipal Retailers Occupation Tax Act (65 ILCS 5/8-11-1.3) and the Non-Home Rule Municipal Service Occupation Tax Act (65 ILCS 5/8-11-1.4). In addition, the Village receives from the State a 1.0% sales tax levied pursuant to the Illinois Retailers Occupation Tax Act (35 ILCS 120/1 et seq.) and the Illinois Service Occupation Tax Act (35 ILCS 115/1 et seq.) (the "Local Sales Tax"). The Village hereby covenants that on each February 1, May 1, August 1 and November 1 of each calendar year, the Village Treasurer shall determine the amount of such taxes that are attributable to sales arising from businesses located within the Sunset Grove Property and shall immediately transfer the Sunset Grove Sales Taxes and the Sunset Grove Public Infrastructure Sales Taxes to the Trustee for deposit to the Sunset Grove Sales Tax Account. The Trustee shall apply such amounts in accordance with Section 4.6

of this Indenture. Any amounts remaining in such Account after December 10 in each year shall be returned to the Village.

Section 4.6 Application of Pledged Revenues. Moneys which are deposited by the Village with the Trustee into the Sunset Grove Incremental Taxes Account, the Sunset Grove Business District Tax Account and the Sunset Grove Sales Tax Account shall be credited by the Trustee and the Village on or before December 1 of each year first from all available moneys in the Sunset Grove Incremental Taxes Account, until such amounts are depleted, second to the extent required from all available moneys on deposit in the Sunset Grove Business District Tax Account until such amounts are depleted and third from all available moneys on deposit in the Sunset Grove Sales Tax Account until such amounts are depleted to be applied as follows:

(a) Program Expenses Account. The Trustee shall credit to and shall deposit into the Program Expenses Account an amount of Pledged Revenues sufficient to pay Program Expenses, if any, for the next succeeding calendar year in an amount not to exceed \$15,000. The Village shall, no later than November 1 of each year, provide to the Trustee information, calculations or estimates of Program Expenses for the next succeeding calendar year, and the Trustee may reasonably rely upon such information, calculations or estimates of such Program Expenses as necessary to determine the proper amount of such deposit into the Program Expenses Account. Amounts on deposit in the Program Expenses Account are not pledged to payment of the Bonds.

(b) Principal and Interest Account. The Trustee shall next transfer the Pledged Revenues into the Principal and Interest Account in an amount sufficient to pay the principal of and interest on all Outstanding Bonds coming due during the next succeeding calendar year, which amount shall be set aside in the Principal and Interest Account for such purpose. Except as provided below, such moneys shall be used solely and only for the purpose of paying principal of, redemption premium, if any, and interest on the Bonds, as the same become due whether at maturity or upon mandatory redemption. Any capitalized interest received upon the sale of the Bonds shall be deposited to and held in the Capitalized Interest Account and shall be used to pay interest coming due on the Bonds, prior to applying any other moneys for that purpose.

(c) Reserve Fund. The Trustee shall next transfer the Pledged Revenues into the Reserve Fund until such account aggregates the Debt Service Reserve Requirement for the Bonds, and thereafter no such payments shall be made into that Fund, except that when any money is paid out of that Fund payments shall be resumed and continued until that Fund has been restored to an aggregate amount equal to the Debt Service Reserve Requirement. The Trustee shall value the investments in the Reserve Fund, if any, on the fifteenth (15th) Business Day preceding each January 1 and July 1, commencing July 1, 2010 and shall transfer any amount in excess of the Debt Service Reserve Requirement to the Lien Principal and Interest Account. In determining the value of the investments in the Reserve Fund such investments shall be valued at their market price or as otherwise provided in this Indenture. Investment earnings on deposit in the Reserve Fund shall be automatically transferred to the Principal and Interest Account from time to time to the extent the amounts on deposit therein exceed the applicable Debt Service Reserve Requirement. On the final maturity date of the Bonds, all amounts on deposit in the Reserve Fund shall be used and applied by the Trustee to pay principal of and interest on the Bonds. Whenever a transfer is made from the Reserve Fund to the

Principal and Interest Account, the Trustee shall promptly give written notice of such transfer to the Village.

(d) Rebate Fund. The Trustee shall next transfer the Pledged Revenues into the Rebate Fund to the extent necessary to ensure that there are on deposit in the Rebate Fund sufficient moneys to make, at the required times, all rebate payments to the United States of America required to be made by Section 148 of the Code and applicable provisions of the Income Tax Regulations owed with respect to the Bonds. The Village shall provide to the Trustee information, calculations or estimates of amounts to be deposited in the Rebate Fund for the next succeeding calendar year. The Trustee may reasonably rely upon such information, calculations or estimates to determine the proper amount to be deposited into the Rebate Fund and shall not be required to make transfers of the Pledged Revenues into the Rebate Fund under this subsection if it has not been provided with such information, calculations and estimates. The Trustee shall make any necessary rebate payments to the United States of America that are required by the Code and Regulations from moneys on deposit in the Rebate Fund. Amounts on deposit in the Rebate Fund are not pledged to payment of the Bonds, to the extent of the moneys on deposit in that Fund.

(e) The General Account. The Trustee shall next transfer the balance of any Sunset Grove Incremental Property Taxes remaining after crediting the required amounts to the respective funds and accounts provided for in (a), (b), (c), and (d) above, to the Treasurer to be credited to the General Account. Moneys on deposit in the General Account shall be used for any one or more of the following purposes as directed by the Authorized Officer, and (unless, and to the extent, otherwise provided in any Supplemental Indenture) without any priority among them:

(i) for the purpose of paying any Costs of Public Improvements or to pay any additional Program Expenses; or

(ii) for the purpose of paying principal of or interest on or redeeming Bonds;  
or

(iii) for the purpose of purchasing Bonds at a price not in excess of par and accrued interest and applicable redemption premium to the date of purchase; or

(iv) for the purpose of paying principal of or interest on any indebtedness of the Village issued pursuant to a separate indenture or as a developer note which is subordinate to the Bonds; or

(v) for the purpose of redeeming any indebtedness of the Village issued pursuant to a separate indenture or as a developer note which is subordinate to the Bonds;  
or

(vi) for the purpose of purchasing indebtedness of the Village issued pursuant to a separate indenture or as a developer note which is subordinate to the Bonds at a price not in excess of par and accrued interest and applicable redemption premium to the date of purchase; or

(vii) for the purpose of distribution of such funds to the taxing districts or municipal corporations having the power to tax real property in the Redevelopment Project Area in accordance with the Act.

Except as may be otherwise provided in a Supplemental Indenture, moneys on deposit in the General Account are not pledged to the payment of the Bonds and are not Pledged Revenues.

**Section 4.7 Project Fund.**

(a) The Project Fund is established, and shall be held as a separate, segregated fund held by the Trustee. There shall be paid into the Project Fund the amounts required to be so paid by the provisions of this Indenture, and there may be paid into the Project Fund, at the option of the Village, any moneys determined to be so applied by the Village.

(b) Amounts on deposit in the Project Fund held by the Trustee shall be applied upon the written direction of an Authorized Officer to pay the Costs of Public Improvements. The Village and the Trustee shall each maintain records identifying the Cost of the Public Improvement paid from amounts on deposit in the Project Fund and the amount of each disbursement therefrom.

(c) Moneys in the Project Fund shall be invested at the direction of an Authorized Officer to the fullest extent practicable in Investment Securities maturing in such amounts and at such times as may be necessary to provide funds when needed to pay Costs of the Public Improvements. The Trustee may, and to the extent required for payments from the Project Fund shall, sell any such Investment Securities at any time, and the proceeds of such sale, and of all payments at maturity and upon redemption of such investments, shall be held in the Project Fund.

(d) The completion of the Project to be paid for from the Project Fund shall be evidenced by a certificate of an Authorized Officer of the Village, which certificate shall be filed promptly with the Trustee, stating the date of such completion and the amount, if any, required in the opinion of the signer of such certificate for the payment of any remaining part of the Cost of the Public Improvements. Upon the filing of such certificate evidencing the completion of the Project to be paid from amounts on deposit in the Project Fund, the balance in said Fund in excess of the amount, if any, stated in such certificate of the Village shall be applied by the Village in the following order of priority: (1) to the Reserve Fund, to the extent necessary to cause the amount on deposit in the Reserve Fund to equal the applicable Debt Service Reserve Requirement; and (2) to the Village for any lawful purpose under the Act which will not adversely affect the tax exempt status of the Bonds.

**ARTICLE V**

**DEPOSITARIES, SECURITY FOR DEPOSITS  
AND INVESTMENTS OF FUNDS**

Section 5.1 Depositaries; Moneys to be Held in Trust. All moneys held by the Trustee under the provisions of this Indenture may be deposited with one or more Depositaries selected by an Authorized Officer in the name of and in trust for the Trustee. All moneys held by the

Village under this Indenture may be deposited in one or more Depositories (selected by an Authorized Officer) in the name of the Village. All moneys deposited under the provisions of this Indenture with the Trustee, the Village or any Depository shall be held in trust and applied only in accordance with the provisions of this Indenture, and each of the Funds and Accounts established by this Indenture shall be a trust fund.

Section 5.2 Deposits.

(a) All moneys held by any Depository under this Indenture may be placed on demand or time deposit, as directed by an Authorized Officer; provided, that such deposits shall permit the moneys so held to be available for use when needed. Any such deposit may be made in the commercial banking department of any Fiduciary which may honor checks and drafts on such deposit as if it were not a Fiduciary. All moneys held by a Fiduciary may be deposited in its commercial banking department on demand or, if and to the extent directed by an Authorized Officer, on time deposit; provided, that such moneys on deposit be available for use when needed. Such Fiduciary shall allow and credit on such moneys such interest, if any, as it customarily allows upon similar funds of similar size.

(b) All moneys held for the Village under this Indenture shall be continuously and fully secured for the benefit of the Village and the Owners of the Bonds in the same manner as provided by the Village for similar funds of the Village.

(c) All moneys deposited with the Trustee and each Depository shall be credited to the particular Fund or Account to which such moneys belong.

Section 5.3 Investment of Certain Moneys.

(a) Moneys held in any Fund or Account by the Village, the Trustee or a Depository shall be invested and reinvested by the Village at the direction of an Authorized Officer in Investment Securities that mature no later than necessary to provide moneys when needed for payments to be made from such Fund or Account.

(b) Moneys held in two or more Funds or Accounts may be jointly invested in one or more Investment Securities, if such investment complies with all the terms and conditions of this Indenture relating to the investment of moneys in such Funds or Accounts, as the case may be, and the Village maintains books and records as to the allocation of such investment as among such Funds or Accounts.

(c) Any earnings on investments held in the Reserve Fund shall be credited to and held in the Reserve Fund so long as the balance is less than the Debt Fund Service Reserve Requirement and next shall be transferred to the Principal and Interest Account, as set forth in Section 4.6. Any earnings on investments held in the Capitalized Interest Account shall be credited to the Project Fund. Investment income from investments held in the various Funds and Accounts shall remain in and be a part of the respective Funds and Accounts in which such investments are held, except as otherwise provided in this Indenture.

(d) Notwithstanding any other provisions of this Indenture to the contrary, all investments made under this Indenture shall be consistent with the expectations expressed in any

arbitrage certificate or tax compliance agreement executed on behalf of the Village and filed with the Trustee with respect to the Bonds.

Section 5.4 Valuation and Sale of Investments.

(a) Investment Securities in any Fund or Account created under the provisions of this Indenture shall be deemed at all times to be part of such Fund or Account and any profit realized from the liquidation of such investment shall be credited to such Fund or Account and any loss resulting from liquidation of such investment shall be charged to such Fund or Account.

(b) Valuations of Investment Securities held in the Funds or Accounts established under this Indenture shall be made by the Village as required under this Indenture. In computing the amounts in such Funds or Accounts, Investment Securities shall be valued as provided in paragraph (c) of this Section 5.4.

(c) The value of Investment Securities shall be their fair market value; provided, that all SLG's shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable.

(d) Except as otherwise provided in this Indenture, the Trustee at the direction of an Authorized Officer shall sell at the best price obtainable, or present for redemption, any Investment Security held in any Fund or Account held by the Trustee whenever it shall be necessary to provide moneys to meet any payment or transfer from such Fund or Account, as the case may be. The Trustee shall not be liable or responsible for making any such investment in the manner provided above or for any loss resulting from any such investment.

**ARTICLE VI**

**PARTICULAR COVENANTS AND REPRESENTATIONS OF THE VILLAGE**

Section 6.1 Payment of Bonds. The Village covenants and agrees that it will pay or cause payment to be made, solely from Pledged Revenues, the principal at maturity and Redemption Price, if any, of every Outstanding Bond, and the interest on such Bonds, solely from Pledged Revenues, at the places, on the dates and in the manner provided in this Indenture and in the Bonds. The Village further covenants and agrees that it will make deposits, solely from Pledged Revenues, to meet all Sinking Fund Installments for the Bonds for which Sinking Fund Installments are established, in accordance with and subject to the provisions of this Indenture.

Section 6.2 Extension of Payment of Bonds. If the maturity of any Bond or installment of interest shall be extended pursuant to the written consent of the Owner of such Bond, such Bond or installment of interest shall not be entitled, in case of any default under this Indenture, to the benefit of this Indenture or to payment out of Pledged Revenues or the Funds and Accounts established by this Indenture or moneys held by Fiduciaries or Depositories (except moneys held in trust for the payment of such Bond or installment of interest) until the prior payment of the principal of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. The provisions of this Section do not limit the right of the

Village to issue Refunding Bonds and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Section 6.3 Offices for Servicing Bonds. The Village shall at all times maintain one or more Paying Agents and Registrars with offices in Chicago, Illinois, or in New York, New York, at which Bonds may be presented for payment and where Bonds may be presented for registration of any transfer or exchange.

Section 6.4 Further Assurances. At any and all times the Village shall, as far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further indentures, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming, all and singular, the rights, Pledged Revenues and other moneys, securities and funds pledged or assigned by this Indenture, or which the Village may become bound to pledge or assign.

Section 6.5 Power to Issue Bonds and to Pledge Pledged Revenues and Other Funds. The Village is duly authorized under all applicable laws to issue the Bonds, to execute and deliver this Indenture, to pledge the Pledged Revenues and other moneys, securities and funds pledged by this Indenture, and to grant the lien granted by this Indenture thereon in the manner and to the extent provided in this Indenture. Except as provided in the Granting Clauses and Section 4.1, the Pledged Revenues and other moneys, securities and funds so pledged, and subject to such lien, are and will be free and clear of any pledge, lien, charge or encumbrance on them or with respect to them prior to, or of equal rank with, the pledge and lien created by this Indenture, and all action on the part of the Village to that end has been and will be duly and validly taken. The Bonds and the provisions of this Indenture are and will be valid and legally enforceable obligations of the Village in accordance with their terms and the terms of this Indenture and any Supplemental Indenture, except to the extent enforceability may be limited by bankruptcy, insolvency and other laws affecting conditions, rights or remedies and the availability of equitable remedies generally. The Village covenants that upon the date of issuance of the Bonds, all conditions, acts and things required by the Constitution and laws of the State of Illinois and this Indenture to exist, to have happened and to have been performed precedent to or in the issuance of such Bonds shall exist, have happened and have been performed. The Village shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of and lien on the Pledged Revenues and other moneys, securities and funds pledged under this Indenture and all the rights of the Owners under this Indenture against all claims and demands.

Section 6.6 Indebtedness and Liens. The Village shall not issue any bonds or other evidences of indebtedness, other than the Bonds which are secured by a pledge of or lien on the Pledged Revenues and shall not, except as expressly authorized in this Indenture, create or cause to be created or suffer to exist any lien or charge on the Pledged Revenues; provided, that nothing contained in this Indenture shall (a) prevent the Village from issuing evidences of indebtedness payable from, or secured by the pledge of, Pledged Revenues to be derived on and after such date as this Indenture has been discharged and satisfied as provided in Section 11.1, or (b) prevent the Village from issuing evidence of indebtedness payable from or secured by Incremental Taxes or other amounts transferred to the General Account as set forth in

Sections 4.2(e) of this Indenture, or (c) prevent the Village from agreeing to make payments from the General Account in payment of, or reimbursement for the payment of, Costs of Public Improvement (including the payment of the principal of and interest on notes or other evidences of indebtedness of the Village) as long as the Village's agreement to make such payments is fully contingent on the availability in the General Account of funds for such purpose.

Section 6.7 Covenants Regarding Pledged Revenues. The Village covenants and agrees with the Owners of the Bonds that, so long as any Bonds remain Outstanding and unpaid:

(a) The Village will cause to be punctually paid from the Principal and Interest Account and the Reserve Fund solely to the extent that adequate amounts are on deposit in such Funds and Accounts for that purpose, the principal of, interest on and premium, if any, to become due in respect of the Bonds in strict conformity with the terms of the Bonds and this Indenture and it will faithfully observe and perform all of the conditions, covenants and requirements of the Bonds and this Indenture.

(b) The Village will cause to be punctually paid and discharged, but solely to the extent that adequate amounts are on deposit in Principal and Interest Account and the Reserve Fund for that purpose, any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Revenues, or any part of the Pledged Revenues, or upon any funds in the hands of the Trustee, or which might impair the security of the Bonds. Nothing in this Indenture shall require the Village to make any such payment so long as the Village in good faith shall contest the validity of said claims.

(c) 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 Bonds and to the Pledged Revenues. Such books of record and accounts, and any other report, shall at all times during regular business hours be subject to the inspection of the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their respective representatives authorized in writing.

The Village will prepare, or cause the preparation of, within 270 days after the close of each Fiscal Year of the Village so long as any of the Bonds are Outstanding, audited financial statements with respect to the preceding Fiscal Year showing the Pledged Revenues received and all disbursements from the funds and accounts created by this Indenture, on a consolidated basis, as of the end of such Fiscal Year, which statements shall be accompanied by a certificate or opinion in writing of an Independent certified public accountant.

(d) The Village will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all Persons. From and after the sale and delivery of the Bonds by the Village, the Bonds shall be incontestable by the Village.

(e) The Village will execute and deliver any and all such instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of, this Indenture, and for the better assuring and confirming unto the registered owners of the Bonds of the rights and benefits provided in this Indenture.

(f) The Village will continue to deposit the (i) Incremental Property Taxes to the Special Tax Allocation Fund, (ii) the Business District Taxes to the Business District Tax Allocation Fund, (iii) the Sunset Grove Business District Taxes to the Sunset Grove Business District Tax Account, and (iv) Sunset Grove Sales Taxes and Sunset Grove Public Infrastructure Sales Taxes to the Sunset Grove Sales Tax Account. The Village covenants and agrees with the Bondholders that so long as any Bonds remain outstanding, the Village will not take any action or fail to take any action which in any way would adversely affect the ability of the Village to allocate or collect such taxes. The Village and its officers will comply with the Act and with all present and future applicable laws in order to assure that such taxes may be collected and deposited as provided herein.

## ARTICLE VII

### REMEDIES OF OWNERS

Section 7.1 Events of Default. Each of the following events is an “Event of Default:”

(a) default shall be made in the payment of the principal of or Redemption Price on any Bond when such payment shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(b) default shall be made in the payment of any installment of interest on any Bond when and as such payment shall become due and payable; or

(c) default shall be made by the Village in the performance of any obligation in respect of the Reserve Fund if such default continues for 60 days after such default; or

(d) the Village shall (1) commence a voluntary case under the federal bankruptcy laws, as now or subsequently 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 subsequently constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, if such order continues in effect for a period of 60 days without stay or vacation; or

(e) 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 if such order, judgment or decree is not vacated or set aside or stayed within 60 days from the date of the entry of such order, judgment or decree; or

(f) 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, if such custody or control is not terminated or stayed within 60 days from the date of assumption of such custody or control; or

(g) the Village shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Indenture on the part of the Village to be performed, if such default continues for 60 days after written notice specifying such default and requiring such default to be remedied has 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 registered owners of not less than a majority of the principal amount of the Bonds then Outstanding with respect to which such default shall have occurred); provided, that if the nature of the default is such that it cannot be cured within the 60-day period following receipt of notice specifying such default, but can be cured within a longer period, no event of default shall occur if the Village institutes corrective action within such 60-day period and diligently pursues such action until the default is corrected; then in each and every such case the Trustee may, and upon the written request of the Owners of a majority of the principal amount of the Bonds with respect to which the Event of Default has occurred and then Outstanding under this Indenture, the Trustee shall, proceed to protect and enforce its rights and the rights of the Owners of the Bonds 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 in this Indenture or in aid or execution of any power granted by this Indenture or for any enforcement of any other legal or equitable remedy as the Trustee, being advised by counsel, shall deem most effective to protect and enforce those rights.

During the continuance of an Event of Default, all moneys 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 7.3.

Section 7.2 Accounting and Examination of Records after Default; No Acceleration after Default.

(a) The Village covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the Village and all other records relating to the Pledged Revenues shall at all reasonable times be subject to the inspection of the Trustee and of its authorized agents and attorneys.

(b) The Village covenants that if an Event of Default shall have happened and shall not have been remedied, the Village, upon demand of the Trustee, will account, as if it were the trustee of an express trust, for all Pledged Revenues and other moneys, securities and funds held by the Village pursuant to the terms of this Indenture for such period as shall be stated in such demand.

(c) The Bonds shall not be subject to acceleration upon the occurrence of an Event of Default.

Section 7.3 Application of Revenues and Other Moneys after Default. If an Event of Default in payment of principal of or interest on the Bonds shall happen and shall not have been remedied, the Trustee shall apply all moneys, securities and funds received by the Trustee pursuant to any right given or action taken under the provisions of this Article VII as follows and in the following order:

(a) First, to the payment of the reasonable and proper expenses of the Trustee, the Bond Registrar and Paying Agents;

(b) Second,

(i) first, to the payment to the Persons so entitled of all installments of interest then due and owing on the Bonds, 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 to such payment, without any discrimination or preference;

(ii) second, to the payment to the Persons so entitled of the unpaid principal of any of the Bonds which shall have become due and owing (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest upon such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds 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 to payment without any discrimination or preference; and

(iii) third, to the payment of the Redemption Price of any Bonds called for redemption pursuant to the provisions of this Indenture.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys 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 moneys available for application and the likelihood of additional moneys becoming available for such application in the future. The deposit of such moneys with the Paying Agents, or otherwise setting aside such moneys, 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 Owner 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 Bond on which payment shall be made, and shall not be required to make payment to the

Owner of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement, or some other procedure deemed satisfactory by the Trustee.

Section 7.4 Proceedings Brought by Trustee.

(a) If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon identical written request of the Owners of not less than a majority in principal amount of the Bonds Outstanding with respect to which such Event of Default shall have occurred and upon being indemnified to its satisfaction the Trustee shall proceed, to protect and enforce its rights and the rights of the Owners of the Bonds under this Indenture forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant contained in this Indenture, or in aid of the execution of any power granted in this Indenture, or for an accounting against the Village as if the Village were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Indenture.

(b) All rights of action under this Indenture may be enforced by the Trustee without the possession of any of the Bonds or the production of any of the Bonds in any suit or other proceeding, and any such suit or other proceeding instituted by the Trustee shall be brought in its name.

(c) All actions against the Village under this Indenture shall be brought in a state or federal court located in the State of Illinois.

(d) The Owners of not less than a majority in principal amount of the Bonds at the time Outstanding in respect of which an Event of Default shall have occurred may direct the time, method and place of conducting any proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture or for the enforcement of any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee; provided, that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Owners not parties to such direction.

(e) Upon commencing any suit at law or in equity or any other judicial proceedings by the Trustee to enforce any right under this Indenture, the Trustee shall be entitled to exercise any and all rights and powers conferred in this Indenture and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

(f) Regardless of the happening of an Event of Default, the Trustee shall have power, but unless requested in writing by the Owners of a majority in principal amount of the Bonds then Outstanding affected by such Event of Default, and furnished with reasonable security and indemnity, shall be under no obligation, to institute and maintain such suits and proceedings as may be necessary or expedient to prevent any impairment of the security under this Indenture and to preserve or protect its interests and the interest of the Owners.

Section 7.5 Restriction on Owners' Action.

(a) No Owner of any Bond shall have any right to institute any suit or proceeding at law or in equity for the enforcement or violation of any provision of this Indenture or the execution of any trust under this Indenture or for any remedy under this Indenture, unless such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default, as provided in this Article, and the Owners of at least a majority in principal amount of the Bonds then Outstanding with respect to which such Event of Default shall have occurred shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity either to exercise the powers granted in this Indenture or by the laws of Illinois or to institute such suit or proceeding in its own name, and unless such Owners shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities so to be incurred, and the Trustee shall have refused or failed to comply with such request within 60 days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the pledge created by this Indenture or to enforce any right under this Indenture, except in the manner provided in this Indenture; and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner provided in this Indenture and for the benefit of all Owners of the Outstanding Bonds, subject only to the provisions of Section 6.2.

(b) Nothing in this Indenture or in the Bonds shall affect or impair the obligation of the Village, which is absolute and unconditional, to pay at the respective dates of maturity and places expressed in the Bonds, but solely from Pledged Revenues, the principal of and interest on the Bonds to the respective Owners, or affect or impair the right of action, which is also absolute and unconditional, of any Owner to enforce such payment of its Bond, but solely from Pledged Revenues.

(c) No Owner of any Bond shall have the right to cause the acceleration of the Bonds if any Event of Default shall have occurred.

Section 7.6 Remedies Not Exclusive. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or the Owners is intended to be exclusive of any other remedy, but shall be cumulative and shall be in addition to every other remedy given under this Indenture or existing at law or in equity or by statute on or after the date of the execution and delivery of this Indenture.

Section 7.7 Effect of Waiver and Other Circumstances.

(a) No delay or omission of the Trustee or any Owner to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of or acquiescence in any such default.

(b) The Owners of not less than two-thirds in principal amount of the Bonds at the time Outstanding in respect of which an Event of Default shall have occurred, or their attorneys-in-fact duly authorized, may on behalf of the Owners of all of the Bonds waive any past default under this Indenture and its consequences, except a default in the payment of interest on or

principal or Redemption Price of any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent on such default.

Section 7.8 Notices of Default. The Trustee shall promptly mail written notice of the occurrence of any Event of Default to the Owners of the Bonds.

## ARTICLE VIII

### CONCERNING THE FIDUCIARIES

Section 8.1 Trustee; Appointment and Acceptance of Duties. The Trustee accepts and agrees to the trusts created by this Indenture, but only upon the additional terms set forth in this Article, to all of which the Village agrees and the respective Owners of the Bonds, by their purchase and acceptance of their Bonds, agree. Except during the continuance of an Event of Default, the Trustee undertakes such duties and only such duties as are specifically set forth in this Indenture.

Section 8.2 Paying Agents; Appointment and Acceptance of Duties.

(a) The Trustee is appointed Paying Agent for the Bonds. The Village may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in Section 8.15 for a successor Paying Agent.

(b) The Trustee accepts the duties and obligations imposed upon it as Paying Agent for the Bonds by this Indenture. Each other Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Village and to the Trustee a written acceptance.

(c) Unless otherwise provided, the principal or corporate trust offices of the Paying Agents are designated as the respective offices or agencies of the Village for the payment of the principal or Redemption Price of the Bonds.

Section 8.3 Registrar; Appointment and Acceptance of Duties.

(a) The Trustee is appointed Registrar for the Bonds. Each Registrar shall have the qualifications set forth in Section 8.16 for a successor Registrar.

(b) The Trustee accepts the duties and obligations imposed upon it as Registrar under this Indenture for the Bonds. Each other Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Village and to the Trustee a written acceptance.

Section 8.4 Responsibilities of Fiduciaries.

(a) The recitals of fact contained in this Indenture and in the Bonds shall be taken as the statements of the Village and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of this Indenture or of any Bonds issued under this Indenture or as to the security afforded by this

Indenture, and no Fiduciary shall incur any liability in respect of such matters. The Trustee shall, however, be responsible for any representation contained in its certificate on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the Village or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit, or to advance any of its own moneys, unless properly indemnified. Subject to the provisions of paragraph (b) of this Section, no Fiduciary shall be liable in connection with the performance of its duties under this Indenture except for its own negligence or misconduct.

(b) In case an Event of Default has occurred and has not been remedied, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and shall 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 his or her own affairs. Any provision of this Indenture relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section.

#### Section 8.5 Evidence on Which Fiduciaries May Act.

(a) Each Fiduciary shall be protected in acting upon any notice, ordinance, resolution, request, consent, order, certificate, report, opinion (including Counsel's Opinion), bond or other paper or document furnished to it pursuant to and conforming to the requirements of this Indenture, and believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter (unless this Indenture specifically requires other evidence of such matter) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, but in its discretion the Fiduciary may in lieu of such certificate accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

(c) Except as otherwise expressly provided in this Indenture, any request, order, notice or other direction required or permitted to be furnished by the Village to any Fiduciary shall be sufficiently executed if signed by an Authorized Officer.

Section 8.6 Compensation. Unless otherwise determined by contract between the Village and each Fiduciary, the Village shall pay to each Fiduciary from time to time reasonable compensation determined by the Village for all services rendered under this Indenture.

Section 8.7 Certain Permitted Acts. Any Fiduciary may become the Owner of any Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as Depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not any such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

Section 8.8 Trustee Required; Eligibility. There shall at all times be a Trustee under this Indenture which shall be a bank or trust company within Illinois organized under the laws of the United States of America or the State of Illinois, authorized to exercise corporate trust powers, subject to supervision or examination by federal or state authorities, and having a reported combined capital and surplus of not less than \$1,000,000. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner provided in Section 8.9. No resignation of the Trustee under Section 8.9 or removal of the Trustee under Section 8.10 and no appointment of a successor Trustee shall become effective until a successor Trustee has accepted its appointment under Section 8.11. If a successor Trustee shall not have accepted its appointment under Section 8.11 within 90 days of a notice of resignation or removal of the current Trustee, the Trustee may apply to a court of competent jurisdiction to appoint a temporary successor Trustee under Section 8.11 to act until such time, if any, as a successor shall have so accepted its appointment. All costs, fees and expenses related to such application to any court shall be paid by the Village.

Section 8.9 Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving not less than 60 days' written notice to the Village, all Owners of the Bonds, the Depositaries and the other Fiduciaries, and such resignation shall take effect upon the day specified in such notice but only if a successor shall have been appointed by the Village or the Owners as provided in Section 8.11, in which event such resignation shall take effect immediately on the appointment of such successor whether or not the date specified for such resignation to take effect has arrived.

Section 8.10 Removal of Trustee. The Trustee may be removed at any time by an instrument in writing delivered to the Trustee and signed by the Village; provided, that if an Event of Default shall have occurred and is continuing, the Trustee may be so removed by the Village only with the written concurrence of the Owners of a majority in principal amount of Bonds then Outstanding. If an Event of Default has occurred, the Trustee may be removed by the Owners of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Village, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Owners or their attorneys-in-fact duly authorized, and delivered to the Village. Copies of each such instrument shall be delivered by the Village to each Fiduciary.

Section 8.11 Appointment of Successor Trustee.

(a) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer or court shall take charge or control of the Trustee, or of its property or affairs, the Village shall, within 90 days, appoint a successor Trustee. The Village shall cause notice of any such appointment made by it to be mailed to all Owners of the Bonds.

(b) If no appointment of a Trustee shall be made by the Village pursuant to the foregoing provisions of this Section 8.11, the Owner of any Bond Outstanding may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Section 8.12 Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Village, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee; but the predecessor Trustee shall nevertheless, on the written request of the Village or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurances and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all its right, title and interest in and to any property held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee any moneys or other property subject to the trusts and conditions set forth in this Indenture. Should any deed, conveyance or instrument from the Village be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such moneys, estates, properties, rights, powers and duties, such deed, conveyance or instrument shall be executed, acknowledged and delivered by the Village. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

Section 8.13 Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which all or substantially all of the corporate trust business of any Fiduciary may be sold or transferred, shall be the successor to such Fiduciary and be bound to the obligations and duties of such Fiduciary without the execution or filing of any paper or the performance of any further act, unless such successor delivers written notice of its resignation pursuant to the provisions of this Article; provided, that such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Indenture.

Section 8.14 Adoption of Authentication. In case any of the Bonds contemplated to be issued under this Indenture shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee or in its own name.

Section 8.15 Resignation or Removal of Paying Agent and Appointment of Successor.

(a) Any Paying Agent may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving at least 60 days' written notice to the Village and the other Fiduciaries. Any Paying Agent may be removed at any time by an instrument signed by an Authorized Officer and filed with such Paying Agent and the Trustee. Any successor Paying Agent shall be appointed by the Village and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital stock and surplus aggregating at least \$1,000,000, willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

(b) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee and shall be subject to audit of all of its books, records and accounts with respect to the Bonds. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

Section 8.16 Resignation or Removal of Registrar and Appointment of Successor.

(a) Any Registrar may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving at least 60 days' written notice to the Village and the other Fiduciaries. Any Registrar may be removed at any time by an instrument signed by an Authorized Officer and filed with such Registrar and the Trustee. Any successor Registrar shall be appointed by the Village and shall be a bank, trust company or national banking association doing business and having an office in the State of Illinois, if there be such a bank, trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

(b) In the event of the resignation or removal of any Registrar, such Registrar shall deliver all books, records and other property including the bond register of the Village to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Registrar, the Trustee shall act as such Registrar.

Section 8.17 Trustee Not Deemed to Have Notice of Default. The Trustee shall not be deemed to have notice of any default under this Indenture except a default under Section 7.1(a) or (b) or the failure of the Village to file with the Trustee any document required by this Indenture unless any officer in its corporate trust department shall have actual knowledge of such default or the Trustee shall be specifically notified in writing of such default by the Village or by the Owners of not less than a majority in principal amount of the Bonds 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 principal corporate trust office of the Trustee.

Section 8.18 Monthly Report by Trustee and Depositaries. Within seven days after the end of each month, the Trustee, any Paying Agent and each Depositary shall prepare a written report for each Fund and Account held by it pursuant to the provisions of this Indenture. Such report shall set out the receipts and disbursements, both principal and income, and shall list the Investment Securities held by the Trustee and each Depositary at the end of the month. A copy of each such report shall be furnished to the Village and any Persons designated by the Village to receive such reports.

In addition, the Trustee, any Paying Agent and each Depositary shall, at any time when requested, including, without limitation, any request at the time of the resignation of the Trustee, any Paying Agent or any Depositary, furnish to the Village and any Persons designated by the Village a report of the amount of moneys, including Investment Securities, held in each Fund and Account by the Trustee and each Depositary. For purposes of this certification, the Investment Securities in each such Fund or Account shall be treated as having a value equal to their aggregate market value as of the date of this request.

## ARTICLE IX

### SUPPLEMENTAL INDENTURES

Section 9.1 Supplemental Indentures Not Requiring Consent of Owners. The Village and the Trustee may without the consent of, or notice to, any of the Owners, enter into a Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions of this Indenture for any one or more of the following purposes:

- (a) to impose additional covenants or agreements to be observed by the Village;
- (b) to impose other limitations or restrictions upon the Village;
- (c) to surrender any right, power or privilege reserved to or conferred upon the Village by this Indenture;
- (d) to confirm, as further assurance, any pledge of or lien upon the Pledged Revenues or any other moneys, securities or funds;
- (e) to cure any ambiguity, omission, inconsistency, or defect in this Indenture;
- (f) to provide for the appointment of a successor securities depository in the event the Bonds are held in book-entry only form;
- (g) to provide for the appointment of any successor Fiduciary;
- (h) to make any other change which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Owners.

Section 9.2 Supplemental Indentures Effective upon Consent of Owners. Any Supplemental Indenture not effective in accordance with Section 9.1 shall take effect only if permitted and approved in the manner prescribed by Article X.

Section 9.3 Filing of Counsel's Opinion. If requested by the Trustee, each Supplemental Indenture described in Section 9.1 shall be accompanied, when filed with the Trustee, by a Counsel's Opinion to the effect that such Supplemental Indenture has been duly authorized by the Village in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture and, when executed and delivered, will be valid and binding upon the Village, the Owners and the Trustee.

## ARTICLE X

### AMENDMENTS

Section 10.1 Notices. Any provision in this Article for the mailing of a notice or other information to Owners shall be fully complied with if it is mailed by first class mail, postage prepaid, or delivered only to each Owner of Bonds then Outstanding at its address, if any, appearing upon the registration books of the Village kept by the Registrar.

Section 10.2 Powers of Amendment. Except for Supplemental Indentures described in Section 9.1, any modification or amendment of this Indenture and of the rights and obligations of the Village and of the Owners of the Bonds under this Indenture, in any particular, may be made by a Supplemental Indenture with the written consent given as provided in Section 10.3 (a) of the Owners of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, and (b) in case less than all of the Bonds then Outstanding are affected by the modification or amendment, of the Owners of at least a majority in principal amount of the Bonds so affected and Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bonds, or of any installment of interest or a reduction in the principal amount or the Redemption Price or in the rate of interest without the consent of the Owner of such Bond, or shall reduce the percentages of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent. For the purposes of this Section, a Bond shall be deemed to be affected by a modification or amendment of this Indenture if the same adversely affects or diminishes the rights of the Owners of such Bonds. The Trustee may in its discretion determine whether or not the rights of the Owners of Bonds would be adversely affected or diminished by any such modification or amendment, and its determination shall be binding and conclusive on the Village and all Owners of the Bonds.

Section 10.3 Consent of Owners. The Village may at any time authorize the execution and delivery of a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 10.2, to take effect when and as provided in this Section. Upon the authorization of such Supplemental Indenture, a copy of it shall be delivered to and held by the Trustee for the inspection of the Owners. A copy of such Supplemental Indenture (or summary of it or reference to it in form approved by the Trustee), together with a request to Owners for their consent in form satisfactory to the Trustee, shall be mailed to the Owners, but failure to mail such copy and request shall not affect the validity of such Supplemental Indenture when consented to as in this Section provided. Such Supplemental Indenture shall not be effective unless and until, and shall take effect in accordance with its terms when (a) there shall have been filed with the Trustee (i) the written consents of the Owners of the required principal amount of Outstanding Bonds, and (ii) a Counsel's Opinion stating that the execution and delivery of such Supplemental Indenture has been duly authorized by the Village in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture and, when effective, will be valid and binding upon the Village, the Owners and the Trustee, and (b) a notice shall have been mailed as provided below. A certificate or certificates by the Trustee delivered to the Village that consents have been given by the Owners of the Bonds described in such certificate or certificates of the Trustee shall be conclusive. Any such consent shall be binding upon the Owner of the Bonds giving such consent and upon any subsequent Owner of such Bonds and of any Bonds issued in exchange for them whether or not such subsequent Owner has notice of such consent; provided, that any consent may be revoked by any Owner of such Bonds by filing with the Trustee, prior to the time when the Trustee's written statement referred to below is filed, a written revocation, with proof that such Bonds are held by the signer of such revocation. The fact that a consent has not been revoked may be proved by a certificate of the Trustee to the effect that no revocation is on file with it. Any consent, or revocation of consent, may be delivered or filed prior to any mailing or publication required by this Article and shall not be deemed ineffective by reason of such prior delivery or filing. Within 30 days of any date on

which the consents on file with the Trustee and not previously revoked shall be sufficient under this Section, the Trustee shall make and deliver to the Village a written statement that the consents of the Owners of the required principal amount of Outstanding Bonds have been filed with the Trustee. Such written statement shall be conclusive that such consents have been so filed. Any time thereafter notice, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required principal amount of Outstanding Bonds and will be effective as provided in this Section, shall be given by mailing to the Owners (but failure to mail such notice or any defect in it shall not prevent such Supplemental Indenture from becoming effective and binding). The Trustee shall deliver to the Village proof of the mailing of such notice. A record, consisting of the information required or permitted by this Section to be delivered by or to the Trustee, shall be proof of the matters stated in such record.

Section 10.4 Modifications by Unanimous Action. The Indenture and the rights and obligations of the Village and of the Owners of the Bonds under it may be modified or amended in any respect by a Supplemental Indenture effecting such modification or amendment and with the consents of the Owners of all the Bonds then Outstanding. Such Supplemental Indenture shall take effect upon the filing (a) with the Trustee of (i) a copy of such Supplemental Indenture, (ii) such consents, and (iii) the Counsel's Opinion referred to in Section 10.3, if required, and (b) with the Village of the Trustee's written statement that the consents of the Owners of all Outstanding Bonds have been filed with it. No mailing or publication of any Supplemental Indenture (or reference to it or summary of it) or of any request or notice shall be required. No such modification or amendment, however, shall change or modify any of the rights or obligations of any Fiduciary without its written assent.

Section 10.5 Exclusion of Bonds. Bonds owned or held by or for the account of the Village shall not be deemed Outstanding and shall be excluded for the purpose of any calculation required by this Article. At the time of any consent or other action taken under this Article, the Village shall furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, identifying all Bonds so to be excluded.

Section 10.6 Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as provided in Article IX or this Article may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Village and the Trustee as to such action, and upon demand of the Owner of any Bond Outstanding at such effective date and presentation of its Bond to the Trustee, suitable notation shall be made on such Bond by the Trustee as to any such action. If the Village or the Trustee shall so determine, new Bonds so modified which, in the opinion of the Trustee and the Village, conform to such action may be prepared, authenticated and delivered, and upon demand of the Owner of any Bond then Outstanding shall be exchanged, without cost to such Owner, for such Bond then Outstanding.

## ARTICLE XI

### MISCELLANEOUS

#### Section 11.1 Defeasance.

(a) If the Village shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due on such Bonds, at the times and in the manner stipulated in such Bonds and in this Indenture, then the pledge of the Pledged Revenues and other moneys and securities pledged under this Indenture and all covenants, agreements and other obligations of the Village to the Owners shall thereupon be discharged and satisfied. In such event, the Trustee, upon request of the Village, shall provide an accounting of the assets managed by the Trustee to be prepared and filed with the Village for any year or part of a year requested, and shall execute and deliver to the Village all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to the Village all moneys and securities held by them pursuant to this Indenture which are not required for the payment of Bonds not previously surrendered for such payment or redemption. If the Village shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Outstanding Bonds of a particular maturity or portion of any maturity (which portion shall be selected by lot by the Trustee in the manner provided in Section 3.4 for the selection of Bonds to be redeemed in part), the principal or Redemption Price, if applicable, of such Bonds and interest due or to become due on such Bonds, at the times and in the manner stipulated in such Bonds and in this Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under this Indenture, and all covenants, agreements and obligations of the Village to the Owners of such Bonds and to the Trustee shall thereupon be discharged and satisfied.

(b) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and held in trust by the Trustee or an Escrow Agent selected by the Village at or prior to their maturity or redemption date shall be deemed to have been paid within the meaning of and with the effect expressed in this Section 11.1 if the Village shall have delivered to or deposited with the Trustee or such Escrow Agent (i) irrevocable instructions to pay or redeem all of said Bonds in specified amounts no less than the respective amounts of, and on specified dates no later than the respective due dates of, their principal, (ii) irrevocable instructions to publish or mail the required notice of redemption of any Bonds so to be redeemed, (iii) either moneys in an amount which shall be sufficient, or Defeasance Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to each specified redemption date or maturity date of said Bonds, as the case may be, and (iv) if any of said Bonds are not to be redeemed within the next succeeding 60 days, irrevocable instructions to mail to all Owners of said Bonds a notice that such deposit has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, of said Bonds. The Defeasance Obligations and moneys deposited with the Trustee pursuant to this Section shall be held in trust for the payment of the principal or Redemption Price, if applicable, and interest on said Bonds.

No payments of principal of any such Defeasance Obligations or interest on them shall be withdrawn or used for any purpose other than the payment of such principal or Redemption Price of, or interest on, said Bonds unless after such withdrawal the amount held by the Trustee and interest to accrue on Defeasance Obligations so held shall be sufficient to provide fully for the payment of the principal of or Redemption Price and interest on such Bonds, at maturity or upon redemption, as the case may be.

(c) Amounts deposited with the Trustee for the payment of the principal of and interest on any Bonds deemed to be paid pursuant to this Section 11.1, if so directed by the Village, shall be applied by the Trustee to the purchase of such Bonds in accordance with this subsection. Bonds for which a redemption date has been established may be purchased on or prior to the 45th day preceding the redemption date. The principal amount of Bonds to be redeemed shall be reduced by the principal amount of Bonds so purchased. Bonds which mature on a single future date may be purchased at any time prior to the maturity date. All such purchases shall be made at prices not exceeding the applicable principal amount or Redemption Price established pursuant to paragraph (b) of this Section 11.1, plus accrued interest, and such purchases shall be made in such manner as the Trustee shall determine. No purchase shall be made by the Trustee pursuant to this subsection if such purchase would result in the Trustee holding less than the moneys and Defeasance Obligations required to be held for the payment of all other Bonds deemed to be paid pursuant to this Section 11.1.

(d) The Village may purchase with any available funds any Bonds deemed to be paid pursuant to this Section 11.1 in accordance with this subsection. Bonds for which a redemption date has been established may be purchased by the Village on or prior to the 45th day preceding the redemption date. On or prior to the 45th day preceding the redemption date the Village shall give notice to the Trustee of its intention to surrender such Bonds on the redemption date. The Trustee shall proceed to call for redemption the remainder of the Bonds due on the redemption date and shall pay to the Village on the redemption date the Redemption Price of and interest on such Bonds upon surrender of such Bonds to the Trustee. Bonds which mature on a single future date may be purchased at any time prior to the maturity date. The Trustee shall pay to the Village the principal amount of and interest on such Bonds upon surrender of such Bonds on the maturity date.

(e) Any time after any Bonds are deemed to be paid pursuant to this Section 11.1, the Village shall not at any time permit any of the proceeds of the Bonds or any other funds of the Village to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in the Code and Regulations.

(f) Each Fiduciary shall continue to be entitled to reasonable compensation for all services rendered under this Indenture as shall be agreed upon by the Village and such Fiduciary, notwithstanding that any Bonds are deemed to be paid pursuant to this Section 11.1, until such Bonds are paid and discharged at maturity or upon their prior redemption.

(g) Anything in this Indenture to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for two years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at

such date, or for two years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds become due and payable, shall, at the written request of the Village, be repaid by the Fiduciary to the Village, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect to such moneys and the Owners of such Bonds shall look only to the Village for the payment of such Bonds.

Section 11.2 Evidence of Signatures of Owners and Ownership of Bonds.

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in Person or their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise expressly provided in this Indenture) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(A) The fact and date of the execution by any Owner or its attorney of such instruments may be proved by a guarantee of the signature by a bank, national banking association or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instruments acknowledged to that Person its execution, or by an affidavit of witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of authority.

(B) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the registration book maintained by the Registrar.

(b) Any request or consent by the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Village or any Fiduciary in accordance with such request or consent.

Section 11.3 Moneys Held for Particular Bonds. The amounts held by any Fiduciary for the payment of interest, principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled to such payment.

Section 11.4 Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of this Indenture, shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Village, any other Fiduciary, and any Owner and their agents and their representatives, any of whom may make copies.

Section 11.5 Cancellation and Destruction of Bonds. All Bonds paid or redeemed, either at or before maturity, and all mutilated Bonds surrendered pursuant to this Indenture, shall be delivered to the Trustee when such payment or redemption is made or upon surrender, as the case may be, and such Bonds, together with all Bonds purchased by the Trustee, shall thereupon be promptly canceled. Bonds so canceled may at any time be destroyed by the Trustee, which shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Bonds so destroyed, and one executed certificate shall be delivered to the Village and the other retained by the Trustee.

Section 11.6 Parties Interested In This Indenture. Nothing expressed or implied in this Indenture is intended or shall be construed to confer upon, or to give to, any Person, other than the Village, the Fiduciaries and the Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation in this Indenture; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Village shall be for the sole and exclusive benefit of the Village, the Fiduciaries and the Owners of the Bonds.

Section 11.7 No Recourse on the Bonds.

(a) No recourse shall be had for the payment of the principal or Redemption Price of or interest on the Bonds or for any claim based on them or on this Indenture against any past, present or future member of the Village Board of Trustees, officer, employee or agent of the Village, or any successor public body or any person executing the Bonds, either directly or through the Village, under any rule of law or equity, statute or constitution or otherwise and all such liability of any such members, officers, employees or agents as such is expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance of the Bonds.

(b) No officer, member, agent or employee of the Village shall be individually or personally liable for the payment of the principal or Redemption Price of or interest on the Bonds; but nothing in this Indenture shall relieve any such officer, member, agent or employee from the performance of any official duty provided by law.

(c) All covenants, stipulations, obligations and agreements of the Village in this Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the Village to the full extent authorized and permitted by the Constitution and laws of the State of Illinois, and no covenants, stipulations, obligations or agreements in this Indenture shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Village in his or her individual capacity, and no officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issue of such Bonds. No member, officer, agent or employee of the Village shall incur any personal, liability in acting or proceeding or in not acting or not proceeding in accordance with the terms of this Indenture.

Section 11.8 Successors and Assigns. Whenever in this Indenture the Village is named or referred to, the reference shall be deemed to include its successors and assigns and all the

covenants and agreements in this Indenture by or on behalf of the Village shall bind and inure to the benefit of its successors and assigns whether so expressed or not.

Section 11.9 Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Indenture on the part of the Village or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Indenture.

Section 11.10 Notices. Any notice, demand, direction, request or other instruments authorized or required by this Indenture to be given to, delivered to or filed with the Village or the Trustee shall be deemed to have been sufficiently given, delivered or filed for all purposes of the Indenture if and when sent by registered mail, return receipt requested:

To the Village, if addressed to:

Village of Long Grove  
3110 Old McHenry Road  
Long Grove, Illinois 60047-5286  
Attn: Village President

or at such other address as may be designated in writing by the Village to the Trustee; and

To the Trustee, if addressed to:

Amalgamated Bank of Chicago  
One West Monroe Street, 3rd Floor  
Chicago, Illinois 60603  
Attn: Corporate Trust Department

or at such other address as may be designated in writing by the Trustee to the Village.

Section 11.11 Governing Law. The Indenture and all Supplemental Indentures shall be construed in accordance with the provisions of the internal laws of the State of Illinois, without giving effect to any contrary provisions of the laws of the State of Illinois or any other state.

Section 11.12 Headings Not a Part of This Indenture. Any headings preceding the texts of the several Articles and Sections of this Indenture, and any Table of Contents appended to copies of this Indenture, are solely for convenience of reference and do not constitute a part of this Indenture, nor do they affect its meaning, construction or effect.

Section 11.13 Counterparts. The Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the Village of Long Grove has caused this Indenture to be executed in its name and on its behalf by its President and Amalgamated Bank of Chicago has caused this Indenture to be executed in its behalf by its Vice President and its corporate seal to be impressed hereon and attested by its Trust Officer, all as of the day and year first above written.

VILLAGE OF LONG GROVE

By: \_\_\_\_\_  
Village President

(Seal)

Attest:

By: \_\_\_\_\_  
Village Clerk

AMALGAMATED BANK OF CHICAGO, as  
Trustee

By: \_\_\_\_\_  
Authorized Signatory

(Seal)

Attest:

By: \_\_\_\_\_  
Authorized Signatory

Exhibit A

REGISTERED  
NO. R-\_\_

REGISTERED  
\$\_\_\_\_\_

VILLAGE OF LONG GROVE  
LIMITED OBLIGATION TAX INCREMENT REVENUE BONDS  
(SUNSET GROVE PROJECT),  
SERIES 2010

Interest Rate	Maturity Date	Dated Date	CUSIP
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Registered Owner: \_\_\_\_\_

Principal Amount: \_\_\_\_\_

The Village of Long Grove, Lake County, Illinois, a municipal corporation and unit of local government duly organized and existing under the laws of the State of Illinois (the "Village"), for value received, promises to pay (but only out of the sources provided in this bond) to the Registered Owner identified above or registered assigns, upon presentation and surrender of this bond, the Principal Amount identified above on the Maturity Date specified above, and to pay (but only out of the sources provided in this bond) interest on said Principal Amount from the interest payment date next preceding the date of authentication and delivery of this bond, unless this bond is authenticated and delivered on an interest payment date to which interest has been paid or provided for, in which event this bond shall bear interest from such interest payment date, or unless this bond is authenticated and delivered prior to January 1, 2011, in which event this bond shall bear interest from its Dated Date, or unless, as shown by the records of the Trustee (defined below), interest on this bond shall be in default, in which event this bond shall bear interest from the last date to which interest has been paid. Interest on this bond (computed on the basis of a 360-day year consisting of twelve 30-day months) is payable on January 1 and July 1 of each year, commencing January 1, 2011, until the payment in full of such Principal Amount.

Principal of and premium, if any, on this bond are payable in lawful money of the United States of America at the principal corporate trust office of Amalgamated Bank of Chicago, in Chicago, Illinois, or its successor in trust (the "Trustee"), and payment of interest shall be made so long as the Bonds are held in book-entry form to the Depository (initially Cede & Co.) by check or draft or electronic funds transfer as may be agreed to by the Village and the Depository; and in the event the Bonds should ever become available in physical form to registered owners other than the Depository, interest on each Bond shall be paid by check or draft of the Trustee to the person in whose name such Bond is registered on the registration books of the Village maintained by the Trustee at the close of business on the fifteenth (15th) day of the calendar month next preceding any regularly scheduled interest payment date, and in the event of a

payment occasioned by redemption on other than a regularly scheduled interest payment date, on the 15th day next preceding such payment date (the “Regular Record Date”). If a payment date is not a business day, then the payment shall be made on the next business day, and no interest shall accrue for the intervening period.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of, premium (if any) or interest on this Bond shall be made only to or upon the order of the registered owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon this Bond to the extent of the sum or sums so paid.

The Village Bonds are authorized by an ordinance duly adopted by the Corporate Authorities of the Village on June \_\_, 2010 (the “Bond Ordinance”), and are issued under the authority of the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the “Act”), and all laws amendatory of and supplemental to the Act, the Local Government Debt Reform Act, (30 ILCS 350/1 et seq.) the Bond Ordinance, and a Trust Indenture, dated as of June 1, 2010, between the Village and the Trustee (the “Indenture”). As provided in the Indenture, the principal of and interest on the Bonds are payable solely from and secured by a pledge of and lien on the Pledged Revenues, as defined in the Indenture and described below, and amounts on deposit in certain Funds and Accounts established pursuant to the Indenture.

Pledged Revenues includes (i) 100% of the ad valorem taxes, if any, arising from the taxes levied upon certain taxable real property within the Redevelopment Project Area identified as the “Sunset Grove Property” 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 constituting the Sunset Grove Property over and above the total Initial Equalized Assessed Value of each such piece of property constituting the Sunset Grove Property, all as determined by the County Clerk of the County of Lake, Illinois, in accordance with Section 11.74.4.9 of the Act and as determined by the Treasurer of the Village (the “Sunset Grove Incremental Property Taxes”); (ii) 60% of the Business District Taxes (as defined in the Indenture) collected from sales originating from businesses located within the Sunset Grove Property (the “Sunset Grove Business District Taxes”); (iii) 60% of the Sales Tax Revenues received by the Village each year from sales arising from business located on the Sunset Grove Property, except those sales arising from Sunset Foods and for the period from the date the Bonds are issued through \_\_\_\_\_, 2015, 100% of the Sales Tax Revenues arising from sales from Sunset Foods, and thereafter 60% of the Sales Tax Revenues (as defined in the Indenture and described below) derived from Sunset Foods (the “Sunset Grove Sales Tax Revenues”); and (iv) in 60% of the revenues that the Village receives from the one percent (1.0%) sales tax imposed by the Village for expenditures on “Public Infrastructure” as defined in Section 8-11-1.2 of the Illinois Municipal Code and pursuant to the Non-Home Rule Municipal Retailers Occupation Tax Act (65 ILCS 5/8-11-1.3) and the Non-Home Rule Municipal Service Occupation Tax Act (65 ILCS 5/8-11-1.4) and such other authority as shall be applicable pursuant to any successor statutes that result from taxes imposed to pay Public Infrastructure on retail sales of all businesses located within the Sunset Grove Property (the “Sunset Grove Public Infrastructure Sales Taxes”).

Sales Tax Revenues means (i) all revenues that the Village receives from the 1.0% sales tax levied by the State of Illinois and allocated to the Village by the Department of Revenue pursuant to the Illinois Retailers Occupation Tax Act, 35 ILCS 120/1 et seq. and the Illinois Service Occupation Tax Act, 35 ILCS 115/1 et seq. (the "1.0% Local Portion"), and such other authority as shall be applicable pursuant to any successor statutes that result from retail sales of all businesses located within the Sunset Grove Property within the Redevelopment Project Area.

The Bonds are being issued for the purpose of paying certain redevelopment project costs incurred in connection with the Village of Long Grove Downtown/Il. Rte. 83 Redevelopment Project Area, funding a Reserve Fund for the Bonds, paying a portion of the interest accruing on the Bonds, and paying costs of issuance of the Bonds, all as more fully described in the Indenture, to all the provisions of which the Registered Owner by the acceptance of this Bond assents. The Bonds, together with the interest on the Bonds, are limited obligations of the Village, payable solely from Pledged Revenues as provided in the Indenture and the amounts on deposit in and pledged to the various funds and accounts as provided in the Indenture. For the prompt payment of this bond, both principal and interest, as stated above, at maturity, the Pledged Revenues have been irrevocably pledged. **THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NO REGISTERED OWNER OF THIS BOND SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE VILLAGE, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE FOR PAYMENT OF PRINCIPAL OF THIS BOND OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS.**

An executed copy of the Indenture is on file at the principal corporate trust office of the Trustee in Chicago, Illinois, and reference is made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the Village, the Trustee and the Registered Owners of the Bonds and the terms upon which the Bonds are issued and secured and the terms and conditions upon which Refunding Bonds may be issued.

This bond is transferable, as provided in the Indenture, only upon the registration books of the Village maintained by the Registrar by the Registered Owner in person, or by its duly authorized attorney, upon surrender of this Bond with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or its duly authorized attorney, and thereupon a new registered Bond or Bonds, in the same aggregate principal amount and maturity, shall be issued to the transferee. The Village, the Trustee, the Registrar and any Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner of this Bond for the purpose of receiving payment of, or on account of, the principal of this Bond and interest due on this Bond and for all other purposes.

The Bonds are issuable in the form of fully registered bonds in the denomination of \$100,000 or any integral multiple of \$5,000 in excess of that amount. Subject to the conditions and upon the payment of the charges provided in the Indenture, the Bonds may be surrendered (accompanied by a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or its duly authorized attorney) in exchange for an equal aggregate principal amount of the Bonds of the same maturity of any other authorized denominations.

The Registrar shall not be required to make any registration, transfer or exchange of any Bond during the period between each Regular Record Date and the next succeeding interest payment date of such Bond.

The Bonds are subject to redemption at the option of the Village, in whole or in part, and if in part, by lot as determined by the Trustee, from any available funds of the Village on the dates and at the redemption prices, expressed as a percentage of the principal amount of the Bonds to be redeemed, plus accrued interest, as set forth below:

<u>Redemption Date</u>	<u>Redemption Price</u>
January 1, 2020 through December 31, 2020	102%
January 1, 2021 through December 31, 2021	101%
January 1, 2022 and thereafter	100%

The Bonds maturing on \_\_\_\_\_ are term bonds subject to mandatory redemption prior to maturity at a redemption price of 100% of the principal amount thereof plus accrued interest to the date fixed for redemption in the following principal amounts on January 1 of the following years:

<u>Year</u>	<u>Principal Amount</u>
	\$

If the Village redeems pursuant to an optional redemption or purchases Term Bonds and cancels the same, then an amount equal to the principal amount of Term Bonds so redeemed or purchased shall be deducted from the mandatory redemption requirement as provided for such Term Bonds in any order of years of such requirement as then remaining as the Village shall determine.

The Bonds are also subject to extraordinary optional redemption at the direction of the Village, in whole or in part, from available moneys on deposit in the Project Fund, and if in part by lot, at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date, but only in the event that moneys in the Project Fund have not been expended to pay or reimburse the Village for the payment of, eligible Project Costs for the Project by \_\_\_\_\_, 2013.

The Bonds are also subject to extraordinary optional redemption at the direction of the Village, in whole or in part, on any date at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the redemption date, from the proceeds of any condemnation by any governmental entity of the improvements funded with the proceeds of the Bonds.

The Village shall, at least 45 days prior to the redemption date (unless a shorter time shall be satisfactory to the Trustee), notify the Trustee of such redemption date and of the principal amount of Bonds to be redeemed. In the event that less than all of the Bonds are called for redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot not more than 30 days prior to the redemption date by the Trustee for the Bonds by such method of lottery as the Trustee shall deem fair and appropriate; provided that in the event of a redemption of less than all of the Bonds, the aggregate principal amount thereof to be redeemed shall be an integral multiple of \$5,000. Such lottery shall further provide for the selection for redemption of Bonds or portions thereof so that any Bond or \$5,000 portion of a Bond shall be as likely to be called for redemption as any other such Bond or \$5,000 portion. Any optional redemption shall be applied to reduce mandatory Sinking Fund Installments in inverse order of installment.

Unless waived by the owner of Bonds to be redeemed, notice of any such redemption shall be given by the Trustee on behalf of the Village by mailing the redemption notice by registered or certified mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owners to the Trustee.

The Indenture provides that if the Village shall pay the principal and interest due or to become due on all Bonds, at the times and in the manner stipulated in the Bonds and in the Indenture, then the pledge and lien created by the Indenture for all Bonds shall be discharged and satisfied. The Indenture also provides that if the Village pays or causes to be paid to the Owners of all Outstanding Bonds of a particular maturity or portion of any maturity (which portion shall be selected by lot by the Trustee in the manner provided in the Indenture for the selection of Bonds to be redeemed in part), the principal or Redemption Price, if applicable, of such Bonds and interest due or to become due on such Bonds, at the times and in the manner stipulated in the Bonds and in the Indenture, then the pledge and lien, created by the Indenture, and all covenants, agreements and obligations of the Village to the Owners of such Bonds shall be discharged and satisfied. Bonds or interest installments for the payment of which moneys shall have been set aside and held in trust at or prior to their maturity date shall be deemed to have been paid if, among other things, the Village shall have delivered to the Trustee either moneys in an amount which shall be sufficient or direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (the "Government Obligations"), the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal of and interest due and to become due on said Bonds on and prior to each specified maturity date. Government Obligations and moneys so deposited with the Trustee shall be held in trust for the payment of the principal of and interest on said Bonds.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants in the Indenture, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect to them, except as provided in the Indenture.

Modifications or alterations of the Indenture, or of any supplements to it, may be made only to the extent and in the circumstances permitted by the Indenture.

It is certified, recited and declared that all acts and conditions required to be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond have been performed in due time, form and manner as required by law; and that the issuance of this Bond and the series of which it is a part does not exceed or violate any constitutional or statutory limitation.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication shall have been duly executed by the Trustee.

IN WITNESS WHEREOF, the Village of Long Grove has caused this Bond to be signed in its name and on its behalf by the manual or duly authorized facsimile signature of its Village President and its corporate seal (or a facsimile of it) to be impressed, imprinted, engraved or otherwise reproduced on this bond and attested by the manual or duly authorized facsimile signature of its Village Clerk, all as of the Dated Date identified above.

VILLAGE OF LONG GROVE

\_\_\_\_\_

Village President

[Seal]

Attest:

\_\_\_\_\_

Village Clerk

[FORM OF CERTIFICATE OF AUTHENTICATION]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds  
described in the within-mentioned Indenture.

Date of Authentication and Delivery:

AMALGAMATED BANK OF CHICAGO, as Trustee

By: \_\_\_\_\_  
Authorized Signatory

Date of Authentication: \_\_\_\_\_

[FORM OF ASSIGNMENT]

The following abbreviations, when used in the inscription on this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

Unif Gift Min Act - \_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)

under Uniform Gifts to Minors Act \_\_\_\_\_  
(State)

Ten Com - as tenants in common  
Ten Ent - as tenants by the entireties  
Jt Ten - as joint tenants with right of survivorship and not as tenants  
in common

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

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

\_\_\_\_\_  
(Name and Address of Assignee)

\_\_\_\_\_  
(Please insert Social Security or other identifying number of Assignee)

the within bond and irrevocably constitutes and appoints \_\_\_\_\_,  
Attorney, to transfer the said bond on the books kept for registration of the said bond with full  
power of substitution in the premises.

Dated: \_\_\_\_\_

Notice: The signature to this assignment must correspond with the name as it appears upon the  
face of the within bond in every particular, without alteration or enlargement or any  
change whatever.

# 9517068\_v3