



**CITY OF URBANA, ILLINOIS
FINANCE DEPARTMENT**

MEMORANDUM

TO: Mayor Diane Wolfe Marlin and City Council Members
FROM: Elizabeth Hannan, Finance Director
DATE: November 21, 2019
SUBJECT: **Conduit Debt – Cunningham Children’s Home**

Introduction: Attached is a Resolution that provides for the issuance of revenue bonds for improvements at the Cunningham Children’s Home.

Discussion: This \$7 million bond issue will be used to finance and refinance (by refunding the City’s Capital Improvement Revenue Bonds, Series 2009 (Cunningham Children’s Home Project) the acquisition, construction, and installation of land, buildings, furniture, fixtures and equipment for an Education and Recreation Center and a Residential Treatment Center at 1303 North Cunningham Avenue, in Urbana. Although the City is the debt issuer, the entire obligation to make payments falls on the borrower, Cunningham Children’s Home of Urbana, Illinois.

The bonds will be issued by the City, purchased by Champaign-Urbana Lending Center, and paid by Cunningham Children’s Home of Urbana, Illinois. This is a “bank qualified,” tax-exempt bond issue, which is essentially a loan from Champaign-Urbana Lending Center to Cunningham Children’s Home, with the City serving as a conduit issuer. This allows the bank to charge a tax-exempt interest rate on this financing, which will result in a lower cost of borrowing for Cunningham Children’s Home. The City is limited to issuing \$10 million in bank qualified bonds in any calendar year and these bonds count against that limit, but the City has no plans to issue other debt before the end of calendar year 2019.

Representatives of Cunningham Children’s Home and Ice Miller LLP, Bond Counsel, will be present to share information about the project and answer questions from City Council Members.

Fiscal Impact: The City has no financial obligation related to this debt. All payments and other expenses related to issuance of the debt are the responsibility of Cunningham Children’s Home. A footnote will be included in the City’s financial statements regarding this debt, but it will have no other impact on the City’s financial statements.

Alternatives:

1. Approve the resolution authorizing issuance of revenue bonds for the purpose of financing improvements to Cunningham Children's Home, and authorizing the Mayor to execute related documents described in the resolution.
2. Do not approve the resolution. This would require Cunningham Children's Home to seek alternate financing. Because the alternate financing would most likely not be tax exempt, the cost of borrowing would be higher.

Recommendation: Approve the resolution authorizing issuance of revenue bonds for the purpose of financing improvements to Cunningham Children's Home, and authorizing the Mayor to execute related documents described in the resolution.

RESOLUTION NO. 2019-11-049R

A RESOLUTION AUTHORIZING THE ISSUANCE OF CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2019 (CUNNINGHAM CHILDREN'S HOME PROJECT), OF THE CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS; AUTHORIZING THE ISSUANCE OF THE BONDS; PROVIDING FOR THE PLEDGE OF REVENUES FOR THE PAYMENT FROM BORROWER'S PAYMENTS TO ISSUER OF THE BONDS; AUTHORIZING A LOAN AGREEMENT, A TAX REGULATORY AGREEMENT AND A DISBURSEMENT AGREEMENT APPROPRIATE FOR THE PROTECTION AND DISPOSITION OF SUCH REVENUES AND TO FURTHER SECURE THE BONDS; AND AUTHORIZING OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF THE BONDS

WHEREAS, the City of Urbana, Illinois, a political subdivision, body politic and home rule municipality pursuant to Article VII, § 6 of the Illinois Constitution of 1970 duly organized and validly existing under the laws of the State of Illinois (the "Issuer"), including particularly The Industrial Project Revenue Bond Act (65 ILCS 11-741 *et seq.*), as supplemented and amended, including by Section 6 (Powers of Home Rule Units) of, Article VII (Local Government) of the Constitution of the State of Illinois, and by the Illinois Bond Replacement Act, the Registered Bond Act, and the Bond Authorization Act (collectively, the "Enabling Act"), is authorized and empowered among other things (a) to make loans to finance and refinance the acquisition, construction, installation and equipping of qualifying "industrial projects" under the Enabling Act, (b) to issue and sell its industrial development revenue bonds to provide moneys for such a loan and (c) to enact this resolution and execute and deliver the related agreements, documents and instruments hereinafter identified; and

WHEREAS, the Issuer previously issued its \$4,377,000 Capital Improvement Revenue Bonds, Series 2009 (Cunningham Children's Home Project) (the "Prior Bonds"), dated May 8, 2009, for the purpose of financing and refinancing the acquisition, construction and installation of land, buildings, furniture, fixtures and equipment for a Residential Treatment Center at 1301 North Cunningham Avenue and 1303 North Cunningham Avenue, in Urbana, Illinois; and

WHEREAS, the Issuer hereby determines that to finance and refinance the acquisition, construction and installation of land, buildings, furniture, fixtures and equipment for an Education and Recreation Center and a Residential Treatment Center at 1301 North Cunningham Avenue and 1303 North Cunningham Avenue, in Urbana, Illinois (collectively, the “Project”) will create and preserve jobs and employment opportunities and promote the health and economic welfare in the State of Illinois, and that the Issuer, through the issuance of one or more Capital Improvement Revenue Bonds, Series 2019 (Cunningham Children’s Home Project) (including as a single instrument, as the case may be, the “Bonds”) in not to exceed the aggregate principal amount of \$7,000,000, for refunding the Prior Bonds will be acting in the manner consistent with and in furtherance of the provisions of the Enabling Act.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS, as follows:

Section 1. Definitions. All defined terms used herein and those not otherwise defined herein shall have the respective meanings given to them in the Loan Agreement with respect to the Bonds (the “Agreement”) by and among the Issuer, Cunningham Children’s Home of Urbana, Illinois (the “Borrower”), and Champaign-Urbana Lending Center (the “Lender”).

Any reference herein to the Issuer, the City Council, the Mayor, the City Clerk (which term herein shall mean and include a “deputy” or “acting” City Clerk, as the case may be), the Finance Director, or to any officers or other employees thereof, shall include those which succeed to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

Unless the context shall otherwise indicate, words importing the singular number shall include the plural number, and vice versa, and the terms “hereof,” “hereby,” “hereto,” “hereunder,” and similar terms, mean this resolution.

Section 2. Determinations of Issuer. The City Council hereby makes certain determinations, as follows: (a) pursuant to the Enabling Act, the Project constitutes a qualifying “industrial project,” and is consistent with the provisions of the Enabling Act; and (b) the Issuer hereby reaffirms its initial intent to finance and refinance the Project; and (c) the Issuer designates the Bonds as “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The Issuer, after publishing notice of the public hearing on November 22, 2019, held and conducted the public hearing on December 2, 2019, and by this resolution approves and authorizes the issuance of the Bonds.

This shall also constitute “reimbursement” action under Section 11.150-2 of the Income Tax Regulations.

Section 3. Authorization of Bonds. It is hereby determined to be necessary to, and the Issuer shall, issue, sell and deliver, as provided herein and pursuant to the authority of the Enabling Act, the Bonds for the purpose of refinancing the Project, including authorized costs incidental thereto, all in accordance with the provisions of the Agreement. The Bonds shall each be designated: “Capital Improvement Revenue Bond, Series 2019 (Cunningham Children’s Home Project)”. The aggregate maximum principal amount of the Bonds to be issued hereunder and under the Agreement is not to exceed \$7,000,000 and shall be issued no later than December 31, 2019.

Section 4. Terms and Execution of the Bonds. The Bonds shall be issued in the form and denomination, shall mature and bear interest, shall be numbered, dated and payable as provided in the Agreement. The Bonds shall be amortized over not to exceed a 35-year period and mature or come due at the times, in the manner and with the effect and have such terms, bear interest at the applicable rate or rates per annum (subject to any rate limitation under applicable law), fixed or variable, and be subject to mandatory and optional redemption and put options, all to be as provided in the Agreement. The City Council hereby authorizes the rate or rates in effect from time to time on

the Bonds in the manner and pursuant to the provisions of the Agreement. The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signatures of the Mayor and City Clerk, under the Issuer's seal (or a facsimile thereof). In case any officer whose signature or a facsimile thereof shall appear on the Bonds shall cease to be such officer before the issuance or delivery of the Bonds, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until after that time.

The form of the Bonds as set forth in the Agreement, subject to appropriate insertions and revisions unique to such series and in order to comply with the provisions of the Agreement and the Enabling Act, is hereby approved, and when the same shall be executed on behalf of the Issuer by the appropriate officers thereof in the manner contemplated hereby and by the Agreement, in an aggregate principal amount of not to exceed \$7,000,000, shall represent the approved form of the Bonds of the Issuer.

Section 5. Sale of the Bonds. The Bonds are being sold through a private placement, as arranged by the Borrower, pursuant to the Agreement, to Champaign-Urbana Lending Center (with authorization for participants or co-purchasers or alternate or other purchasers consistent with applicable securities laws) at the purchase price set forth, and on the terms and conditions described, in the Agreement. The appropriate officers of the Issuer are authorized and directed to make on behalf of the Issuer the necessary arrangements to establish the date, location, procedure and conditions for the delivery of the Bonds to the Lender, and to take all steps necessary to effect due execution and delivery to the Lender of the Bonds (or typewritten bonds delivered in lieu of a definitive Bonds, as the case may be) under the terms of this resolution, and the Agreement. It is hereby determined that the price for and the terms of the Bonds, and the sale thereof, all as provided in the Agreement, are in the best interests of the Issuer.

Section 6. Arbitrage Provisions. The Bonds will be restricted, or caused to be restricted, and the proceeds of the Bonds used, in such manner and to such extent, as may be necessary, after taking into account reasonable expectations at the time the Bonds are delivered to the Lender, so that they will not constitute arbitrage bonds under Section 148 of the Code. The Mayor, City Clerk, Finance Director or any other officer having responsibility with respect to the issuance of the Bonds, is authorized and directed, alone or in conjunction with the Borrower or any officer, employee, consultant or agent of the Borrower, to deliver a certificate for inclusion in the transcript of proceedings for the Bonds, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to Section 148 of the Code and regulations thereunder. In its performance of these covenants, and other covenants of the Issuer pertaining to federal income tax laws, the Issuer may rely upon the written advice of nationally recognized bond counsel.

Section 7. Authorization of Agreement, Tax Regulatory Agreement, Disbursement Agreement and Related Documents to be Executed by the Issuer. In order to better secure the payment of the principal of, premium, if any, and interest on the Bonds as the same shall become due and payable, the Mayor, City Clerk, Finance Director or other officers, under the Issuer's seal, as the case may be, are authorized and directed to execute, acknowledge and deliver in the name and on behalf of the Issuer, the Agreement, the Tax Regulatory Agreement and the Disbursement Agreement in substantially the forms submitted to the Issuer at the meeting of the City Council at which this resolution is adopted, which are hereby approved, with such changes therein not inconsistent with this resolution and not substantially adverse to the Issuer, as may be permitted by the Enabling Act and approved by the officers executing the same on behalf of the Issuer. The approval of such changes by such officers, and provided that they are not substantially adverse to the Issuer, shall be conclusively evidenced by the execution of such Agreement, Tax Regulatory Agreement and Disbursement Agreement by such officers.

The Issuer has not confirmed, and assumes no responsibility for, the accuracy, sufficiency or fairness of any representations, statements, reports, financial information, offering or disclosure documents or other information submitted to the Lender relating to the Bonds, the Project, the Borrower or the history, businesses, properties, organization, management, financial condition, market area or any other matter relating to the Borrower or the Project.

The Mayor, City Clerk, Finance Director and other appropriate officers of the Issuer are each hereby separately authorized to take any and all actions and to execute such financing statements, assignments, certificates and other instruments that may be necessary or appropriate in the opinion of Bond Counsel, in order to effect the issuance of and security for the Bonds and the intent of this resolution and the Agreement. The City Clerk, or other appropriate officer of the Issuer, shall certify a true transcript of all proceedings had with respect to the issuance of the Bonds, along with such information from the records of the Issuer as is necessary to determine the regularity and validity of the issuance of the Bonds.

Section 8. Covenants of Issuer. In addition to other covenants of the Issuer in this resolution, the Issuer further covenants and agrees as follows:

(a) Payment of Principal, Premium and Interest. The Issuer will, solely from the special and limited sources described herein or in the Agreement, and not otherwise, pay or cause to be paid the principal of, premium, if any, and interest on the Bonds on the dates, at the places, in the manner and with the effect provided herein, in the Agreement and Disbursement Agreement and in the Bonds.

(b) Performance of Covenants, Authority and Actions. The Issuer will at all times observe and perform all agreements, covenants, undertakings, stipulations and provisions contained in the Bonds, Tax Regulatory Agreement and Disbursement Agreement and Agreement, and in all proceedings of the Issuer pertaining to the Bonds. The Issuer warrants and covenants that it is, and upon delivery of the Bonds will be, duly authorized by the laws of the State of Illinois, including

particularly and without limitation the Enabling Act, to issue the Bonds and to execute the Agreement, the Tax Regulatory Agreement and the Disbursement Agreement, and all other documents to be executed by it, to provide for the security for payment of the principal of, premium, if any, and interest on the Bonds in the manner and to the extent herein and in the Agreement set forth; that all actions on its part for the issuance of the Bonds and execution and delivery of the Agreement, the Tax Regulatory Agreement, the Disbursement Agreement and all other documents to be executed by it in connection with the issuance of the Bonds, have been or will be duly and effectively taken; and that the Bonds will be the valid and enforceable special and limited obligations of the Issuer according to the terms thereof. Each provision of this resolution, the Agreement, the Tax Regulatory Agreement, the Disbursement Agreement and the Bonds, and all other documents to be executed by the Issuer in connection with the issuance of the Bonds, to the extent provided for in the Agreement, the Tax Regulatory Agreement, the Disbursement Agreement and the Bonds, and all other documents to be executed by the Issuer, is binding upon each officer of the Issuer as may from time to time have the authority under law to take such actions as may be necessary to perform all or any part of the duty required by such provision; and each duty of the Issuer and of its officers and employees undertaken pursuant to such proceedings for the Bonds is established as a duty of the Issuer and of each such officer and employee having authority to perform such duty.

(c) Bank Qualification. Not more than \$10,000,000 of obligations of any kind (including the Bonds) issued by or on behalf of the Issuer during calendar year 2019 will be designated for purposes of Section 265(b)(3) of the Code.

Section 9. No Personal Liability. No recourse under or upon any obligation, covenant, acceptance or agreement contained in this resolution, or in the Bonds, or in the Agreement, the Tax Regulatory Agreement or the Disbursement Agreement, or under any judgment which may be obtained against the Issuer or by the enforcement of any assessment or by any legal or equitable

proceeding by virtue of any constitution or statute or otherwise, or under any circumstances, shall be had against the Mayor, City Clerk, Finance Director, any member of the City Council or any other elected or appointed officer or employee of the Issuer as such, past, present, or future, either directly or through the Issuer, or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to any owner of the Bonds, or otherwise, of any sum that may be due and unpaid by the Issuer upon any of the Bonds. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such elected or appointed officer or employee of the Issuer, as such, to respond by reason of any act or omission on his or her part, or otherwise, for, directly or indirectly, the payment for or to the Issuer or any receiver thereof, or for or to the owner or any holder of any Bonds, or otherwise, of any sum that may remain due and unpaid upon the Bonds, shall be deemed to be expressly waived and released as a condition of and consideration for the execution and delivery of the Agreement, the Tax Regulatory Agreement, the Disbursement Agreement, the issuance of the Bonds, and related documents and instruments.

Section 10. No Debt or Tax Pledge. Anything in this resolution, the Agreement, the Bonds or any other agreement or instrument to the contrary notwithstanding, neither this resolution, the Bonds, the Agreement, the Tax Regulatory Agreement nor the Disbursement Agreement shall represent or constitute a debt or pledge of the faith and credit of the taxing power of the Issuer or the State of Illinois or other political subdivision thereof; and the Bonds shall contain therein a statement to that effect.

Section 11. Severability. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Section 12. Open Meetings. The City Council hereby finds and determines that all actions relative to the adoption of this resolution were taken in open meetings of the City Council, and that

all deliberations of the City Council and of its committees, if any, which resulted in formal action, were in meetings open to the public and otherwise in full compliance with applicable law, including the Open Meetings Act (5 ILCS 120/1 *et seq.*).

Section 13. Compliance with Section 147(f). For purposes of complying with Section 147(f) of the Code, the City Council hereby approve the issuance of the Bonds up to the maximum aggregate principal amount of \$7,000,000 to be loaned to the Borrower for financing and refinancing the Project.

Section 14. Effective Date. This resolution shall take effect and be in force immediately upon its adoption and approval. Pursuant to the Issuer's home rule power and authority, this resolution shall be effective upon adoption.

Section 15. Voiding of Resolution. In the event that a closing on the sale of the Bonds and all steps required in order to close on the sale of the Bonds has not been fully completed by December 31, 2019, this resolution and the Agreement, the Tax Regulatory Agreement, the Disbursement Agreement and the Bonds, and all other documents to be executed by the Issuer in connection with the issuance of the Bonds shall become void *ab initio* and shall have no force or effect whatsoever.

This Resolution is hereby passed by the affirmative vote, the “ayes” and “nays” being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a meeting of said Council.

PASSED by the City Council this 2nd day of December, 2019.

AYES:

NAYS:

ABSENT:

ABSTAINED:

Charles A. Smyth, City Clerk

APPROVED by the Mayor this 2nd day of December, 2019.

Diane Marlin, Mayor

Agenda

LOAN AGREEMENT

By and Among

CHAMPAIGN-URBANA LENDING CENTER,

as Lender,

and the

CITY OF URBANA, CHAMPAIGN COUNTY, ILLINOIS

as Issuer,

CUNNINGHAM CHILDREN'S HOME OF URBANA, ILLINOIS

as Borrower

**Dated as of December 1, 2019,
and delivered December 11, 2019**

**This instrument constitutes a security agreement
under the Illinois Uniform Commercial Code.**

Prepared by:

**James M. Snyder
Ice Miller LLP
200 W. Madison Street, Suite 3500
Chicago, Illinois 60606**

**Tel: (312) 726-7127
Fax: (312) 726-2696**

LOAN AGREEMENT

| | | |
|------------------|--|---|
| Lender: | Champaign-Urbana Lending Center 301 North Neil Street, Suite 105 Champaign, Illinois 61820 e-mail: leon.hinton@mortonbank.com | tel: (217) 359-4482 fax: (217) ____-____ |
| Issuer: | City of Urbana 400 S. Vine Street Urbana, Illinois 61801 e-mail: dwmarlin@urbanaillinois.us | tel: (217) 384-2456 fax: (217) ____-____ |
| Borrower: | Cunningham Children's Home of Urbana, Illinois 1301 N. Cunningham Avenue Urbana, Illinois 61802 e-mail: mlivingston@cunninghamhome.org | tel: (217) 337-9011 fax: (217) 367-2896 |

THIS LOAN AGREEMENT dated as of December 1, 2019 (this “Agreement”), but actually executed and delivered this 11th day of December, 2019, by and among Champaign-Urbana Lending Center, Champaign, Illinois, as lender (including its successors and assigns, the “Lender”), the City of Urbana, Champaign County, Illinois (the “Issuer”), a home rule unit, duly organized and validly existing under the Constitution and laws of the State of Illinois (the “State”), as issuer (the “Issuer”), and Cunningham Children's Home of Urbana, Illinois, an Illinois not-for-profit corporation, as borrower (the “Borrower”).

WHEREAS, Issuer is authorized and empowered under the Constitution and laws of the State, including The Industrial Project Revenue Bond Act (65 ILCS 11-74-1 *et seq.*, as supplemented and amended, including by the Issuer's home rule power and authority under Section 6 (Powers of Home Rule Units) of Article VII (Local Government) of the Constitution of the State of Illinois (the “Act”), to issue industrial development revenue bonds and to enter into loan agreements, contracts and other instruments and documents necessary or convenient to obtain loans for the purpose of facilitating the financing and refinancing of certain “industrial projects” as described in the Act, which include “any capital project”; and

WHEREAS, in furtherance of the purposes of the Act, Issuer proposes to finance and/or refinance all or a portion of the acquisition, construction and installation of the Project (as hereinafter defined) by the Borrower pursuant to this Agreement by issuing industrial development revenue bonds and obtaining a loan from Lender and lending the proceeds thereof to Borrower; and

WHEREAS, the Borrower proposes to borrow the proceeds of the loan made by Lender to Issuer upon the terms and conditions set forth herein to finance and/or refinance the acquisition and installation of the Project; and

WHEREAS, the Borrower shall make Loan Payments (as hereinafter defined) directly to Lender as assignee of Issuer and holder of the Bond (as hereinafter defined); and

WHEREAS, This Agreement and the Bonds shall not be deemed to constitute a debt or liability or moral obligation of the Issuer or of the State or any political subdivision thereof, or a pledge of the faith and credit or taxing power of the Issuer or of the State or any political subdivision thereof, but shall be a special and limited obligations payable solely from the Loan Payments payable hereunder by Borrower to Lender, as assignee of Issuer; and

WHEREAS, for convenience of reference, this Agreement is divided into Articles, with captions, as follows:

| <u>Article</u> | <u>Caption</u> | <u>Page</u> |
|----------------|---|-------------|
| Article I | Definitions and Exhibits | 3 |
| Article II | Financing/Refinancing of Project and terms of Loan | 11 |
| Article III | Conditions Precedent | 14 |
| Article IV | Representations, Warranties and Covenants of Issuer | 17 |
| Article V | Representations, Warranties and Covenants of Borrower | 19 |
| Article VI | Title to Real Estate, Building and Equipment; Security Interest | 24 |
| Article VII | Affirmative Covenants of Borrower | 26 |
| Article VIII | Negative Covenants of Borrower..... | 32 |
| Article IX | Damage and Destruction; Use of Net Proceeds | 33 |
| Article X | Assignment, Subleasing and Selling..... | 34 |
| Article XI | Events of Default and Remedies..... | 35 |
| Article XII | Miscellaneous | 38 |

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and in consideration of the premises contained in this Agreement, Lender, Issuer and Borrower agree, as follows:

[The remainder of this page is intentionally left blank.]

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 1.01. Definitions. In addition to terms otherwise defined herein, the following terms used herein will have the meanings indicated below unless the context clearly requires otherwise.

“Acquisition/Construction Costs” means the contract price paid or to be paid to Vendors or Contractors or reimbursed to Borrower for any portion of any Equipment or any Building upon Borrower's acceptance thereof under Purchase Agreements or construction Contract Agreements, including administrative, engineering, legal, financial, consulting fees and other costs incurred by Lender, Issuer, Borrower, Disbursement Agent, Contractors and Vendors in connection with the acquisition, construction, installation and financing by Lender of such Equipment and any such Building, which shall include repairs, replacements, substitutions and rehabilitation under this Agreement; which Project costs are set forth in Exhibit A hereto.

“Act” means The Industrial Project Revenue Bond Act (65 ILCS 11-74-1 *et seq.*, as supplemented and amended, including by the Issuer's power and authority as a home rule unit under Section 6 (Powers of Home Rule Units) of Article VII (Local Government) of the Constitution of the State of Illinois.

“Adjustment Limit” shall have the meaning in Exhibit A concerning certain changes in the Interest Rate.

“Advance Rate” means the rate percent per annum equal to 4% plus the greater of: (A) the Interest Rate or (B) Prime Rate, or if less the largest rate permitted by applicable law.

“Agreement” means this Agreement, including all exhibits hereto, as any of the same may be supplemented or amended from time to time in accordance with the terms hereof.

“Bond Counsel” means attorney-at-law or firm of attorneys (other than an employee of the Issuer but including any law firm serving as counsel to the Issuer) satisfactory to the Lender and the Issuer and nationally recognized as experienced in matters relating to the tax exemption of interest on bonds of states and political subdivisions.

“Bond Purchaser” means Champaign-Urbana Lending Center, Champaign, Illinois, and its successors and assigns.

“Bond Purchase Agreement” means the Borrower's acceptance of the Bond Purchaser's terms in response to the Borrower's request for proposals in connection with the purchase of the Bonds.

“Bond Resolution” means the Issuer's Resolution No. _____, adopted December 2, 2019.

“Bonds” or “Series 2019 Bonds” means Issuer's maximum \$7,000,000 aggregate principal amount Capital Improvement Revenue Bonds, Series 2019 (Cunningham Children's Home

Project), as defined and provided for in, and in substantially the form attached as Exhibit F to this Agreement, including if issued as a single Bond instrument.

“Bond Fund” shall have the meaning in Section 2.04.

“Bond Year” means each one-year period ending on December 11, with the first Bond Year ending December 11, 2020.

“Borrower” means Cunningham Children's Home of Urbana, Illinois, an Illinois not-for-profit corporation, and its successors and assigns under this Agreement.

“Building” means, as refinanced with Bond proceeds, the building or buildings constituting a part of the Project, and with respect to the Mortgage includes the buildings constituting Mortgaged Property, together with all replacements, additions, repairs, substitutions, accessions and accessories incorporated therein and/or affixed to such property.

“Business Day” means a day other than a Saturday or Sunday or other day on which banks are generally open for business in Champaign County, Illinois.

“Certificate of Acceptance” means a Certificate of Acceptance, in substantially the form set forth as Exhibit B hereto, whereby Borrower acknowledges (i) receipt in good condition of particular items of Equipment identified therein and confirms the date of delivery thereof and certain other matters, and (ii) construction and completion of a Building.

“Closing Date” means the date of issuance of and payment for the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, and United States Treasury regulations promulgated thereunder (“Regulations”).

“Contract Agreement” means any construction contract in connection with the Project.

“Contractor” means the contractor, contractors, subcontractor, subcontractors, materialmen or suppliers in connection with the construction of any Building and/or installation of Equipment.

“Corporate Authorities” means the Issuer's Mayor and City Council.

“Debt Service” means, for any period, the sum of (i) interest expense (including the interest component of capitalized leases) for such period, plus (ii) principal payments required to be made with respect to Funded Debt for such period, all determined on a consolidated basis and in accordance with generally accepted accounting principles.

“Default” means an event that, with giving of notice or passage of time or both, would constitute an Event of Default as provided in Article XI hereof.

“Determination of Taxability” means any determination, decision or decree by the Commissioner of Internal Revenue, or any District Director of Internal Revenue or any court of competent jurisdiction, or an opinion obtained by Lender of counsel qualified in such matters, that

an Event of Taxability shall have occurred; and a Determination of Taxability also shall be deemed to have occurred on the first to occur of the following:

(a) the date when Borrower files any statement, supplemental statement, or other tax schedule, return or document, which discloses that an Event of Taxability shall have occurred; or

(b) the effective date of any federal legislation enacted after the date of this Agreement or promulgation of any income tax regulation or ruling by the Internal Revenue Service that causes an Event of Taxability after the date of this Agreement; or

(c) the Bonds shall not be “qualified tax-exempt obligations” under Section 265(b)(3) of the Code.

“Disbursement Agent” means Champaign-Urbana Lending Center, Champaign, Illinois, as “Disbursement Agent” under the Disbursement Agreement, and its successors and assigns permitted under the Disbursement Agreement.

“Disbursement Agreement” means the Disbursement Agreement dated as of the date hereof among the Lender (including as Disbursement Agent), Issuer and Borrower.

“Disbursement Fund” means the fund established and held by Disbursement Agent pursuant to the Disbursement Agreement, within which there shall be (i) a “Project Account” with respect to Project acquisition, construction and installation and (ii) a “Refunding Account” for the Refunding.

“Environmental Laws” has the meaning ascribed thereto in paragraph (h) of Article V hereof.

“Equipment” means, including as financed with proceeds of the Bonds, the property identified in Exhibit A hereto, to be used in connection with Borrower's operations (including, to the extent permitted pursuant to the Code without jeopardizing the tax-exempt status of the Interest, certain items originally financed through internal advances of Borrower in anticipation of obtaining permanent financing through Issuer), together with all replacements, replacement parts, substitutions, additions, repairs, accessions and accessories incorporated therein and/or affixed to such property.

“Event of Taxability” means, if for any reason, including, but not limited to, if as the result of any act, failure to act or use of the proceeds of the Loan, a change in use of the Real Estate, the Building or the Equipment or any misrepresentation or inaccuracy in any of the representations, warranties or covenants contained in this Agreement or the Tax Regulatory Agreement by Issuer or Borrower or the enactment of any federal legislation after the date of this Agreement or the promulgation of any income tax regulation or ruling by the Internal Revenue Service after the date of this Agreement, the Interest is or becomes includable in Lender's gross income; and at any time that the Lender reasonably believes in good faith after consultation with Bond Counsel that there is a substantial likelihood that the Interest on the Bonds is no longer excluded from gross income for purposes of federal income taxation under Section 103 of the Code, the Lender shall have the right to request that Bond Counsel issue an opinion that the Interest on the Bonds continues to be

excluded from gross income for purposes of federal income taxation under Section 103 of the Code; and an Event of Taxability shall also occur if Bond Counsel fails to deliver this opinion; and the Borrower hereby agrees to pay all costs associated with the rendering of, or failure to render, such opinion.

“Facilities” means all land, buildings and equipment of the Borrower constituting the Project and other contiguous operational facilities at and surrounding 1303 North Cunningham Avenue, in Urbana, Illinois, whether or not financed or refinanced with Bond proceeds, the Borrower's main Facilities and Mortgaged Property.

“Funded Debt” means, as of the date of determination thereof, the sum of (a) all indebtedness for borrowed money or which has been incurred in connection with the purchase or other acquisition of property (other than unsecured trade accounts payable incurred in the ordinary course of business) plus (b) all obligations under or in respect of capital leases plus (c) all contingent reimbursement obligations with respect to the aggregate undrawn face amount of all letters of credit together with all unreimbursed drawings with respect thereto plus (d) all guarantees of Funded Debt of others, all determined on a consolidated basis and in accordance with generally accepted accounting principles.

“GAAP” means generally accepted accounting principles.

“Gross-Up Payment” means, with respect to any Interest payment (including payments made prior to the Event of Taxability), constituting a total payment in an amount sufficient such that the sum of the Interest payment plus an additional payment would, after reduced by the federal tax (and all related interest and penalties) actually imposed thereon, equal the amount of the Interest payment at the Taxable Rate, plus related taxable penalties and interest.

“Guaranty” means any Guaranty in connection with the Bonds as executed by any Guarantor in favor of the Lender.

“Guarantor” means any Guarantor under a Guaranty.

“HIPAA” means the Health Insurance Portability and Accountability Act.

“Interest” means the portion of any Loan Payment from Issuer (as paid by the Borrower and not the Issuer) to Lender comprising interest on the Bonds as shown, referenced or described in Exhibit A hereto (Interest shall be computed based upon a 365-day year and the number of days actually elapsed.)

“Interest Rate” means the applicable rate or rates percent per annum borne by the Note and Bonds as in effect from time to time, which shall be computed on the basis of a 365-day year and the number of days actually elapsed.

“Investment Certificate” means each Bond Purchaser's and/or purchaser's or participant's Investment Certificate, in substantially the form in Exhibit H to this Agreement.

“Issuer” means the City of Urbana, Champaign County, Illinois, acting as Issuer under this Agreement, and includes any successor thereto.

“Lender” means (i) Champaign-Urbana Lending Center, acting as Lender under this Agreement, (ii) any surviving, resulting or transferee corporation or other business entity of Champaign-Urbana Lending Center, and (iii) except where the context requires otherwise, any assignee or assignees of Lender.

“Liens” shall have the meaning in Section 6.04.

“Line of Credit Loan Documents” means the Promissory Note, dated as of date hereof, from Borrower in favor of Lender in the principal amount up to \$1,500,000 (“Line of Credit Note”), the Commercial Security Agreement, dated as of date hereof, by and among the Borrower and Lender and any other documents entered into by Borrower in relation to the Line of Credit Note.

“Loan” means, subject to the Put Option, the loan from Issuer to Borrower pursuant to this Agreement.

“Loan Covenants Agreement” means the Loan Covenants and Security Agreement dated as of the date hereof by and between Borrower and Lender, securing, among other things, the Line of Credit Loan Documents.

“Loan Payments” means the loan payments payable by Borrower pursuant to the provisions of this Agreement, the Note and the Bonds as specifically set forth in Exhibit A hereto; and including as provided for the Put Option, and under Article II hereof, Loan Payments shall be payable by Borrower directly to Lender, as owner of the Bonds, in the amounts and at the times as set forth in Exhibit A hereto.

“Loan Proceeds” means the total amount of money to be paid pursuant to Section 2.02 hereof by Lender (i) to refund the Prior Bonds by the Refunding and/or (ii) to Borrower or any Vendor or Contractor, including on behalf of Issuer, as the case may be, or, upon agreement among Lender, Issuer and Borrower, (a) to be directly applied to Project costs and/or the Refunding and/or (b) to be paid to Disbursement Agent for deposit and application to Project costs and/or the Refunding in accordance with the Disbursement Agreement.

“Mortgage and Security Agreement[s]” means the [Mortgage and Security Agreement dated as of the date hereof from the Borrower to the Lender, securing, among other things, payment of the Note and the Bonds].

“Mortgaged Property” includes the Pledged Property and the Mortgaged Property as defined in the Mortgage and Security Agreement.

“Note” or “Series 2019 Note” means the Borrower's Series 2019 Note, evidencing, among other things, the Borrower's payment obligations under this Agreement, in substantially the form in Exhibit G to this Agreement.

“Payment Date” or “payment date” each means the 11th day of each month, commencing January 11, 2020, as to principal and interest, as more particularly set forth in Exhibit A.

“Pledged Property” means any personal property described in the Mortgage and Security Agreement, and constituting a part of the Mortgaged Property to secure and pay the Borrower’s obligations under the Note and this Agreement.

“Premises” or “premises” means, in the context of use, the Building, Equipment, Real Estate, Facilities and related facilities and improvements.

“Prepayment Amount” means the amount which Borrower may from time to time, in its discretion, pay or cause to be paid to Lender, including as assignee of Issuer, as the case may be, and holders of the Bonds in order to prepay the Loan and the Bonds, in whole and not in part, as provided in Section 2.07 hereof, such amount being set forth in Exhibit A, plus accrued interest and all other amounts due hereunder.

“Prime Rate” means the “prime rate” as from time to time published in the “Money Rates” column of *The Wall Street Journal*, or other source or publication (such as internet publication) or replacement index (as approved with a written opinion of Bond Counsel), as the case may be, which may change from day to day.

“Principal” means the portion of any Loan Payment from the Issuer or Borrower to Lender constituting principal on the Bonds as shown, referenced or described in Exhibit A.

“Prior Bonds” means the Issuer’s Capital Improvement Revenue Bonds, Series 2009 (Cunningham Children’s Home Project) and related obligations under the Prior Loan Agreement.

“Prior Loan Agreement” means the Loan Agreement dated as of May 1, 2009 by and among the Issuer, Borrower, and Busey Bank, as lender.

“Project” means the Real Estate, Building and Equipment, as financed and/or refinanced with proceeds of the Bonds: the acquisition, construction and installation of buildings, furniture, fixtures and equipment for an Education and Recreation Center and a Residential Treatment Center, at 1303 North Cunningham Avenue, in Urbana, Illinois.

“Purchase Agreement” means, as applicable, each of Borrower’s purchase agreements with Vendors of Equipment.

“Put Option” means the absolute right of the owner or owners of 100% of the outstanding Bonds to require the Borrower on December 11 in each of the years 2029 and 2039 to purchase from such owner or owners such Bonds, in whole and not in part, at a price of par plus accrued interest, with not less than 180 days’ notice in writing of the exercise of such Put Option by such owner or owners to and received by the Borrower and Issuer.

“Real Estate” means the real property identified in Exhibit A hereto to be used in connection with Borrower’s operations, and any replacements, structures, improvements, substitutions and additions thereon or thereto, upon which the Buildings and the Equipment and other related facilities of the Borrower have been or are to be acquired, constructed and installed as provided in this Agreement.

“Refunding” means the refunding and prepayment of the Prior Bonds.

“State” means the State of Illinois.

“Taxable Rate” means the rate percent per annum equal to the Prime Rate, but not less than 5.50%, which rate may change from day to day.

“Tax-Exempt Organization” shall mean an entity organized under the laws of the United States of America or any state thereof which is an organization described in Section 501(c)(3) of the Code, which is exempt from federal income taxes under Section 501(a) of the Code and which is not a “private foundation” within the meaning of Section 509(a) of the Code, or corresponding provisions of federal income tax laws from time to time in effect.

“Tax Regulatory Agreement” means the Tax Regulatory Agreement of even date herewith by and among Borrower, Issuer and Lender, as such Tax Regulatory Agreement may be amended from time to time in accordance with its terms.

“UCC” means the Uniform Commercial Code as adopted and in effect in the State.

“Unassigned Rights” means (i) right to indemnification, defense and hold harmless under Section 5.02 and (ii) the right to receive notices under Section 12.03.

“Vendor” means the manufacturer or vendor of an item of Equipment, as well as the agents or dealers of the manufacturer, from whom Borrower has purchased or is purchasing items of Equipment.

Section 1.02. Exhibits. The following exhibits are attached hereto and made a part hereof:

Exhibit A: Form of Schedule of Equipment/Building and Loan Payments describing the Equipment, the Building and the Real Estate and setting forth the Loan Payments and Prepayment Amounts, which even after delivery of this Agreement may include the serial or other identifying numbers relating to Equipment when available.

Exhibit B: Form of Certificate of Acceptance.

Exhibit C: Form of opinion of counsel to Borrower.

Exhibit D: Form of opinion of counsel to Issuer.

Exhibit E: Form of opinion of Bond Counsel.

Exhibit F: Form of Series 2019 Bonds.

Exhibit G: Form of Series 2019 Note.

Exhibit H: Investment Certificate.

Section 1.03. Rules of Construction. (a) The singular form of any word used herein, including the terms defined in Section 1.01 hereof, shall include the plural, and vice versa. The use herein of a word of any gender shall include correlative words of all genders.

(b) Unless otherwise specified, references to Articles, Sections and other subdivisions of this Agreement are to the designated Articles, Sections and other subdivision of this Agreement as originally executed. The words “hereof,” “herein,” “hereunder” and words of similar import refer to this Agreement as a whole.

(c) The headings or titles of the several articles and sections shall be solely for convenience of reference and shall not affect the meaning, construction or effect of the provisions hereof.

Section 1.04. Change in Tax Rate. In the event of a future change in the tax laws of the United States or change in the maximum federal corporate tax rate or in the event that any alternative minimum tax or similar tax shall cause any reduction in the after tax economic yield on the Bonds, Lender shall have the right to change the Interest Rate on the Bonds to a rate by which Lender will realize an after tax economic yield equal to after tax economic yield prior the any such change. Any such change in the interest rate shall be retroactive to the date of the occurrence giving rise thereto. So long as no Event of Taxability has occurred, the Interest Rate shall be subject to adjustment with each change in the current maximum rate of federal income taxation applicable to United States business corporations (the “Maximum Corporate Rate”) occurring pursuant to an amendment to the Internal Revenue Code, as amended, as in effect on the date of issuance of the Bonds so that the new interest rate will be equal to:

$$\frac{A \times (1 - \text{NMCR})}{1 - \text{MCR}}$$

where “A” refers to the Interest Rate as applicable to the Bonds, NMCR refers to the New Maximum Corporate Rate of Federal income taxation applicable to United States business corporations expressed as a two digit decimal, and MCR refers to Maximum Corporate Rate in effect on the Closing Date, rounded upward to the fifth decimal place, and any change in the interest rate pursuant to this Section 1.04 shall be retroactive to the date of the occurrence giving rise thereto.

After a Determination of Taxability the Note, the Loan and the Bond shall bear interest at the Taxable Rate and upon demand the Borrower shall make a Gross Up Payment.

ARTICLE II

FINANCING/REFINANCING OF PROJECT AND TERMS OF LOAN

Section 2.01. Acquisition and Construction of the Project. Borrower will complete, and with respect to excess Bond proceeds or later acquired Bond proceeds, will undertake the acquisition, construction and installation of Project costs pursuant to one or more Purchase Agreements or other Contract Agreements from one or more Vendors or Contractors within applicable temporary periods for the Project. Borrower shall remain liable to the Contractors or Vendors in respect of its duties and obligations in accordance with each Contract Agreement and Purchase Agreements and shall bear the risk of loss with respect to any loss or claim relating to any item of the Project covered thereby.

The Borrower expects that the Project will be completed on December 1, 2019, and represents that there are no unspent proceeds of the Prior Bonds.

Section 2.02. Loan. Lender hereby agrees, subject to the terms and conditions of this Agreement, to make a Loan to Issuer up to the amount of \$7,000,000 (from proceeds of the Bonds); Issuer hereby agrees, subject to the terms and conditions of this Agreement, to borrow such amount from Lender, to issue the Bonds and to lend such amount to Borrower; and Borrower hereby agrees to borrow such amount from Issuer and in evidence of such loan to execute and deliver its Note. Upon fulfillment of the conditions set forth in Article III hereof, Lender shall deposit the Loan Proceeds in the Disbursement Fund (the "Disbursement Fund") to be held, invested and disbursed as provided in the Disbursement Agreement. Issuer's obligation to repay the Loan from Lender and to make payments on the Bonds, and Borrower's obligation to repay the Loan, shall commence, and interest shall begin to accrue, on the earlier of the date that (i) Loan Proceeds are deposited in the Disbursement Fund or (ii) otherwise applied to Project costs or the Refunding. The Disbursement Agent shall have control of the Disbursement Fund.

The Issuer and the Borrower hereby direct the Lender to credit and/or deposit \$_____ to the Project Account and \$_____ to the Refunding Account, and the Lender hereby so credits and deposits in escrow such amounts for such purposes, to pay Project costs and Refunding costs, with not to exceed 2% (\$_____) for issuance costs, to be transferred to or credited to the Disbursement Fund under the Disbursement Agreement.

Section 2.03. Interest. The principal amount of the Loan from Lender to Issuer and the Loan hereunder outstanding from time to time shall bear interest (computed on the basis of a 365-day year and the number of days actually elapsed at the rate percent per annum equal to the Interest Rate or the Taxable Rate set forth herein for the Bonds and the Note. Interest accruing on the principal balance of the Loan outstanding from time to time shall be payable as provided in Exhibit A and in the Bonds and upon earlier demand in accordance with the terms hereof or prepayment in accordance with the terms of the Bonds and Section 2.07 hereof. Upon the occurrence of a Determination of Taxability, Borrower shall, with respect to future interest payments, begin making Loan Payments at the Taxable Rate. In addition, Borrower shall make immediately upon demand of Lender a payment to Lender sufficient to supplement prior Loan Payments by a Gross-Up Payment.

Section 2.04. Payments. Issuer shall pay the principal of, premium, if any, in accordance with Section 2.07 hereof, and interest on the Loan from Lender to Issuer, but only out of the amounts paid by Borrower pursuant to this Agreement. Borrower shall pay to Lender, including as assignee of Issuer, as the case may be, Loan Payments, in the amounts and on the dates set forth in Exhibit A hereto. As security for its obligation to pay the principal of, premium, if any in accordance with Section 2.07 hereof, and interest on the loan from Lender, Issuer assigns to Lender all of Issuer's right to receive Loan Payments from Borrower hereunder, all of Issuer's rights hereunder, except Unassigned Rights, and Issuer irrevocably constitutes and, as applicable, appoints Lender and any present or future officer or agent of Lender as its lawful attorney, with full power of substitution and re-substitution, and in the name of Issuer or otherwise, to collect the Loan Payments and any other payments due hereunder and under the Note and Bonds and to litigate or take other action in any court or other applicable forum for such Loan Payments or other payments, to exercise all rights hereunder with respect to the Real Estate, the Equipment, and the Building, and to withdraw or settle any claims, suits or proceedings pertaining to or arising out of this Agreement upon any terms. Such Loan Payments and other payments shall be made by Borrower directly to Lender, including as Issuer's assignee and for and on behalf of the owners of the Bonds, and shall be credited against Issuer's payment obligations hereunder and under the Note and Bonds. No provision, term, covenant or agreement contained in this Agreement or any obligation imposed on Issuer herein or under the Note and Bonds, or the breach thereof, shall constitute or give rise to or impose upon Issuer a pecuniary liability, a charge upon its general credit or taxing powers, a pledge of its general revenues, or give rise to any lien or other interest in any property owned by Issuer, but are payable solely from the Borrower's Loan Payments, if any, and not otherwise. In making the agreements, provisions, terms, and covenants set forth in this Agreement, Issuer has not obligated itself except with respect to the application of the Loan Payments, if any, to be paid by Borrower hereunder. All amounts required to be paid by Borrower hereunder shall be paid in lawful money of the United States of America in immediately available funds. No recourse shall be had by Lender or Borrower for any claim based on this Agreement, the Note, the Bonds, the Depository Agreement or the Tax Regulatory Agreement against the Mayor, the City Clerk, the City Treasurer, the City Administrator or any member of the Corporate Authorities, or other officer, employee or agent of Issuer alleging personal liability on the part of such person.

All Loan Payments not directly applied immediately to the Loan, the Note and the Bonds shall be credited to or deposited into a "Bond Fund" to be held by the Lender until applied as provided herein and therein to the Loan and the Bonds. The Lender is authorized to establish and control the Bond Fund and hereby agrees to so establish the Bond Fund.

Section 2.05. Payment on Non-Business Days. Whenever any payment to be made hereunder or under the Bonds shall be stated to be due on a day which is not a Business Day, such payment may be made on the next Business Day, and such extension of time shall in such case be included in the computation of interest or the fees hereunder, as the case may be.

Section 2.06. Loan Payments To Be Unconditional. The obligations of Borrower to pay the Loan Payments required under this Article II and to make other payments hereunder and to perform and observe the covenants and agreements contained herein shall be absolute and unconditional in all events, without abatement, diminution, deduction, setoff or defense for any reason, including (without limitation) any insufficiency of the Project or other Facilities, any

failure of the Equipment to have been or to be delivered or installed, any defects, malfunctions, breakdowns or infirmities in the Equipment or the Real Estate or any Building or any accident, condemnation, destruction or unforeseen circumstances. Notwithstanding any dispute between Borrower and any of Issuer, Lender, any Vendor or Contractor or any other person, Borrower shall make all Loan Payments when due and shall not withhold any Loan Payments pending final resolution of such dispute, nor shall Borrower assert any right of set-off or counterclaim against its obligation to make such payments required under this Agreement.

Section 2.07. Certain Payments. (a) Borrower may, in its discretion, prepay the Loan in whole or in part, at any time by paying the applicable Prepayment Amount in Exhibit A.

(b) Borrower shall prepay the Loan and the Bonds in whole or in part at any time pursuant to Article IX hereof by paying the applicable Prepayment Amount.

(c) Borrower shall prepay the Loan and the Bonds in full immediately upon demand of Lender after the occurrence of an Event of Default by paying the applicable Prepayment Amount.

(d) Borrower shall prepay the Loan and the Bonds in full immediately upon demand of Lender after the occurrence of a Determination of Taxability by paying the applicable Prepayment Amount plus an amount necessary to supplement any prior Loan Payments plus the Gross-Up Payment.

(e) The amounts due hereunder shall be repaid, and the amounts due under the Bonds shall be paid, in part with funds remaining in the Disbursement Fund upon termination of the Disbursement Agreement as provided in Sections 2.03 or 2.04 of the Disbursement Agreement.

(f) Borrower shall pay any Gross Up Payment upon demand and interest at the Taxable Rate, as applicable.

(g) The Put Option shall be subject to payment according to the terms thereof.

Upon any prepayment in part of the Loan and the Bonds, the prepayment shall be applied first to interest accrued thereon and next to the Principal portion of the Loan Payments.

Section 2.08. Registrar/Paying Agent. The Borrower is hereby ordered and directed to timely remit or cause to be remitted to Champaign-Urbana Lending Center, Champaign, Illinois (the "Paying Agent" and "Registrar") sums sufficient to pay interest and principal on the Bonds as the same become due. The Paying Agent shall credit such payments to the Borrower's obligations hereunder and pay such amounts directly over to the Lender. The Bond Registrar shall keep on file a list of names, addresses and tax identification numbers of the registered owners of all Bonds, together with the principal amount and numbers of such Bonds and have custody of Investment Certificates (see Exhibit H). At reasonable times and under reasonable regulations established by the Bond Registrar, and not inconsistent with applicable law, such list may be inspected and copied by the Issuer and by designated representatives of the registered owners of Bonds then outstanding, such ownership and the authority of such designated representative to be evidenced to the reasonable satisfaction of the Registrar. The Registrar shall mail any redemption and other notices which it is required to furnish registered owners of the Bonds pursuant to the terms of this Agreement to all names and addresses on such list.

ARTICLE III

CONDITIONS PRECEDENT

A. Lender's agreement to make the Loan to Issuer hereunder and to disburse the Loan Proceeds shall be subject to the condition precedent that Lender shall have received all of the following, each in form and substance satisfactory to (or waived by) Lender:

(a) This Agreement properly executed and delivered on behalf of Issuer and Borrower, and each of the Exhibits hereto properly completed, and the Note properly executed and delivered by the Borrower.

(b) The Mortgage and Security Agreement, properly executed and delivered on behalf of the Borrower.

(c) The Tax Regulatory Agreement, properly executed and delivered on behalf of Issuer and Borrower.

(d) The Note properly executed and delivered by the Borrower.

(e) The Bonds properly executed and delivered by the Issuer.

(f) The Loan Covenants Agreements properly executed and delivered by the Borrower.

(g) The Line of Credit Loan Documents properly executed and delivered by the Borrower.

(h) A certificate of the Secretary or an Assistant Secretary of Borrower, certifying as to (i) the resolutions of the board of directors authorizing the execution, delivery and performance of this Agreement, the Disbursement Agreement, and the Tax Regulatory Agreement and any related documents, (ii) the bylaws of Borrower, and (iii) the signatures of the officers or agents of Borrower authorized to execute and deliver this Agreement, the Mortgage and Security Agreement, the Disbursement Agreement and the Tax Regulatory Agreement and other instruments, agreements and certificates on behalf of Borrower.

(i) Currently certified copies of the Articles of Incorporation of Borrower and the Borrower's 501(c)(3) determination letter issued by the Internal Revenue Service.

(j) A Certificate of Good Standing (or other similar documentation) issued as to Borrower by the Secretary of the State not more than 20 days prior to the delivery date hereof.

(k) Certificates of the insurance required hereunder, containing a lender's loss payable clause or endorsement in favor of Lender.

(l) A completed and executed Form 8038 or evidence of filing thereof (or arrangement therefore) with the Secretary of Treasury.

(m) A resolution or evidence of other official action taken by or on behalf of each of the Issuer and the Borrower to authorize the transactions contemplated hereby.

(n) Evidence that the issuance of the Bonds for the purpose of financing and refinancing of, as applicable, the Real Estate, the Building and the Equipment has been approved by the “applicable elected representative,” and by the Issuer, after a public hearing held upon reasonable notice.

(o) The execution and delivery of any required Guaranty by the applicable Guarantor. In the event there is no Guaranty, reference in this Agreement to “Guaranty” and “Guarantor” shall be given no effect.

(p) As applicable, financing statements executed by Borrower, as debtor, and naming Issuer, as secured party, and Lender, as assignee, and/or the original certificate of title or manufacturer's certificate of origin and title application if any of the Equipment is subject to certificate of title laws.

(q) Borrower authorizes Lender to prepare and file and refile, from time to time, UCC financing statements or continuation statements or other appropriate filings with respect to Lender's security interest under this Agreement and the Mortgage.

(r) Financing statements executed by Issuer, as debtor, and naming Lender, as secured party in connection with funds hereunder and under the Disbursement Agreement.

(s) At the Lender's request, current searches of appropriate filing offices showing that (i) no state or federal tax liens have been filed and remain in effect against Borrower, (ii) no financing statements have been filed and remain in effect against Borrower relating to the Equipment except those financing statements filed by Lender, (iii) Lender has duly filed all financing statements necessary to perfect the security interest created pursuant to this Agreement and (iv) Lender has duly filed all financing statements necessary, if any, to perfect the transfer of Issuer's interest in this Agreement and the Loan Payments.

(t) An opinion of counsel to Borrower, addressed to Lender and Issuer, in substantially the form attached hereto as Exhibit C.

(u) An opinion of counsel to Issuer, addressed to Lender and Borrower, in substantially the form attached hereto as Exhibit D.

(v) An opinion of bond counsel, addressed to Lender, in substantially the form attached hereto as Exhibit E.

(w) Payment of Lender's fees, commissions and expenses required by Section 12.01 hereof.

(x) Payment of the closing fee in the amount of \$1,500 paid by the Borrower to Lender.

(y) Payment of Issuer's fees, commissions and expenses incurred in connection with this Agreement and the transactions contemplated hereby, and payment of the Issuer's Counsel fees.

(z) Payments of Bond Counsel and Lender's Counsel fees.

(aa) An Investment Certificate in the form of Exhibit H to this Agreement (the "Investment Certificate") executed and delivered by the Lender.

(bb) Any other documents or items reasonably required by Lender.

B. Lender's agreement to consider approval of any disbursement from the Disbursement Fund (other than for the Refunding) shall be subject to the further conditions precedent that on the date thereof:

(aa) Lender or Disbursement Agent shall have received each of the items required for a disbursement pursuant to the Disbursement Agreement;

(bb) Lender or Disbursement Agent shall have received in form and substance satisfactory to Lender the information required by the Disbursement Agreement;

(cc) the representations and warranties contained in Articles IV and V hereof are correct in all material respects on and as of the date of such disbursement as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date; and

(dd) no event has occurred and is continuing, or would result from such loan to Issuer or the Loan which constitutes a Default, an Event of Default or a Determination of Taxability.

Unless waived in writing by the Lender, as Disbursement Agent, receipt of the foregoing shall be a condition precedent to the Lender authorizing any disbursements or draws under the Disbursement Agreement, whether or not Bonds have been issued. The Borrower (and in no event the Issuer) shall pay all costs of the Disbursement Agent under the Disbursement Agreement.

C. The Lender will not sell or otherwise grant a participation in all or any part of the Bonds without having the purchaser or participant qualify to execute and execute an Investment Certificate.

ARTICLE IV

REPRESENTATIONS, WARRANTIES AND COVENANTS OF ISSUER

Issuer represents, warrants and covenants for the benefit of Lender and Borrower, as follows:

(a) Issuer is a home rule unit duly created and validly existing under the Constitution and laws of the State.

(b) Issuer will exercise its best efforts to preserve and keep in full force and effect its existence as a municipality.

(c) Issuer is authorized under the Constitution and laws of the State to issue and sell the Bonds and to enter into this Agreement, the Disbursement Agreement, the Tax Regulatory Agreement and the transactions contemplated hereby and to perform all of its obligations hereunder.

(d) Issuer has duly authorized the issuance of the Bonds and the execution and delivery of this Agreement, the Disbursement Agreement, and the Tax Regulatory Agreement under the terms and provisions of the authorizing resolution of its governing body or by other appropriate official approval, and further represents, covenants and warrants that all requirements have been met and procedures have occurred in order to ensure the enforceability of the Bonds, this Agreement, the Disbursement Agreement, and the Tax Regulatory Agreement against Issuer to the extent provided for in this Agreement. Issuer represents that no public bidding requirements are applicable to the Bonds, this Agreement, the Disbursement Agreement, the Real Estate, the Building and the Equipment, but the Prevailing Wage Act (820 ILCS 130/0.01 *et seq.*) is applicable. Issuer has taken all necessary action and has complied with all provisions of the Act, including but not limited to the making of the findings required by the Act, required to make the Bonds, this Agreement, the Disbursement Agreement and the Tax Regulatory Agreement the valid and binding obligations of Issuer, provided, however, the Issuer shall have no oversight or Bond repayment obligations related to this Agreement or the Tax Regulatory Agreement. The Borrower shall be solely responsible for assuring compliance therewith.

(e) The officers of Issuer executing any Bond, this Agreement and any related documents have been duly authorized to issue the Bonds and to execute and deliver this Agreement, the Disbursement Agreement, and the Tax Regulatory Agreement and such related documents under the terms and provisions of a resolution of Issuer's governing body, or by other appropriate official action.

(f) The Bonds, this Agreement, the Disbursement Agreement and the Tax Regulatory Agreement are legal, valid and binding special and limited obligations of Issuer, enforceable in accordance with their respective terms, except to the extent limited by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights.

(g) Issuer has assigned to and does hereby assign to Lender all of Issuer's rights (if any) in the Project, the Facilities and this Agreement (except Unassigned Rights) including the assignment of all rights in any mortgage or security interest granted to Issuer by Borrower.

(h) Issuer will not pledge, mortgage or assign this Agreement or its duties and obligations hereunder to any person, firm or corporation, except as provided under the terms hereof.

(i) None of the issuance of the Bonds or the execution and delivery of this Agreement, the Disbursement Agreement or the Tax Regulatory Agreement, the consummation of the transactions contemplated hereby or the fulfillment of or compliance with the terms and conditions of the Bonds, this Agreement, the Disbursement Agreement, or the Tax Regulatory Agreement violates any law, rule, regulation or order, conflicts with or results in a breach of any of the terms, conditions or provisions of any restriction or any agreement or instrument to which Issuer is now a party or by which it is bound or constitutes a default under any of the foregoing or results in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of Issuer under the terms of any instrument or agreement.

(j) There is no action, suit, proceeding, claim, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body pending or, to the best of Issuer's knowledge, threatened against or affecting Issuer, challenging Issuer's authority to issue the Bonds or to enter into this Agreement, the Disbursement Agreement, or the Tax Regulatory Agreement or any other action wherein an unfavorable ruling or finding would adversely affect the enforceability of the Bonds, this Agreement, the Disbursement Agreement, or the Tax Regulatory Agreement or any other transaction of Issuer which is similar hereto, or the exclusion of the Interest from gross income for federal tax purposes under the Code, or would materially and adversely affect any of the transactions contemplated by this Agreement.

(k) Issuer, with the Borrower's cooperation, will submit or cause to be submitted to the Secretary of the Treasury a Form 8038 (or other information reporting statement) at the time and in the form required by the Code.

(l) The issuance of the Bonds for the purpose of financing and/or refinancing the Project was duly approved by an "applicable elected representative(s)" (as defined in Section 147(f) of the Code) of the Issuer after a public hearings held upon reasonable notice.

(m) Issuer will comply fully at all times with the Tax Regulatory Agreement, and Issuer will not take any action, or willfully omit to take any action, which, if taken or willfully omitted, respectively, would violate the Tax Regulatory Agreement.

(n) Issuer will take no action that would cause the Interest to become includable in gross income for federal income tax purposes under the Code, and Issuer, at the Borrower's expense, will take and will cause its officers, employees and agents to take all affirmative actions legally within its power necessary to ensure that the Interest does not become includable in gross income of the recipient for federal income tax purposes under the Code (including, without limitation, the calculation and payment of any rebate required to preserve such exclusion).

ARTICLE V

REPRESENTATIONS, WARRANTIES AND COVENANTS OF BORROWER

Section 5.01. General Representation and Warranties.

Borrower represents, warrants and covenants for the benefit of Lender and Issuer, as follows:

(a) Borrower is a Tax-Exempt Organization and a corporation duly organized, validly existing and in good standing under the laws of the State, has power to enter into this Agreement and by proper corporate action has duly authorized the execution and delivery of this Agreement, the Mortgage and Security Agreement, the Disbursement Agreement, and the Tax Regulatory Agreement. Borrower is in good standing and is duly licensed or qualified to transact business in the State and in all jurisdictions where the character of the property owned or leased or the nature of the business transacted by it makes such licensing or qualification necessary.

(b) Borrower has been fully authorized to execute and deliver this Agreement, the Mortgage and Security Agreement, the Disbursement Agreement, and the Tax Regulatory Agreement under the terms and provisions of the resolution of its board of directors, or by other appropriate official approval, and further represents, covenants and warrants that all requirements have been met, and procedures have occurred in order to ensure the enforceability of this Agreement, the Mortgage and Security Agreement, the Disbursement Agreement, the Tax Regulatory Agreement, and this Agreement, the Mortgage and Security Agreement, the Disbursement Agreement, and the Tax Regulatory Agreement have been duly authorized, executed and delivered.

(c) Each officer of Borrower executing this Agreement, the Mortgage and Security Agreement, the Disbursement Agreement, and the Tax Regulatory Agreement and any related documents has been duly authorized to execute and deliver this Agreement, the Mortgage and Security Agreement, the Disbursement Agreement, and the Tax Regulatory Agreement and such related documents under the terms and provisions of a resolution of Borrower's board of directors.

(d) This Agreement, the Mortgage and Security Agreement, the Disbursement Agreement, and the Tax Regulatory Agreement constitute valid and legally binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms, except to the extent limited by bankruptcy, reorganization or other laws of general application relating to effecting the enforcement of creditors' rights.

(e) The execution and delivery of this Agreement, the Mortgage and Security Agreement, the Disbursement Agreement, and the Tax Regulatory Agreement, the consummation of the transactions contemplated hereby and the fulfillment of the terms and conditions hereof do not and will not violate any law, rule, regulation or order, conflict with or result in a breach of any of the terms or conditions of the articles of incorporation or bylaws of Borrower or of any corporate restriction or of any agreement or instrument to which Borrower is now a party and do not and will not constitute a default under any of the foregoing or result in the creation or imposition of any

liens, charges or encumbrances of any nature upon any of the property or assets of Borrower contrary to the terms of any instrument or agreement.

(f) The authorization, execution, delivery and performance of this Agreement, the Mortgage and Security Agreement, the Disbursement Agreement, and the Tax Regulatory Agreement by Borrower do not require submission to, approval of, or other action by any governmental authority or agency, which action with respect to this Agreement, the Mortgage and Security Agreement, the Disbursement Agreement, and the Tax Regulatory Agreement has not been taken and which is final and non-appealable.

(g) There is no action, suit, proceeding, claim, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body pending or, to the best of Borrower's knowledge, threatened against or affecting Borrower, challenging Borrower's authority to enter into this Agreement, the Mortgage and Security Agreement, the Disbursement Agreement, or the Tax Regulatory Agreement or any other action wherein an unfavorable ruling or finding would adversely affect the enforceability of this Agreement, the Mortgage and Security Agreement, the Disbursement Agreement, or the Tax Regulatory Agreement or any other transaction of Borrower which is similar hereto, or the exclusion of the Interest from gross income for federal tax purposes under the Code, or would materially and adversely affect any of the transactions contemplated by this Agreement.

(h) The Real Estate and the real estate for all other Facilities of the Borrower are properly zoned for their current and anticipated use and the use of the Building and the Equipment will not violate any applicable zoning, land use, environmental or similar law or restriction. Borrower shall at all times have the appropriate licenses and certifications to operate the Facilities and the Project for the purposes of this Agreement. Borrower has all certifications, licenses and permits to use the Real Estate, the Building the Equipment and other Facilities. Borrower has obtained all permits, licenses and, as applicable, other authorizations which are required under federal, state and local laws relating to emissions, discharges, releases of pollutants, contaminants, hazardous or toxic materials, or wastes into ambient air, surface water, ground water or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants or hazardous or toxic materials or wastes ("Environmental Laws") at the Borrower's Facilities or in connection with the operation of its Facilities. Except as previously disclosed to Lender in writing, Borrower and all activities of the Borrower at its Facilities comply with all Environmental Laws and with all terms and conditions of any required permits, licenses and authorizations applicable to Borrower with respect thereto. Except as previously disclosed to Lender in writing, Borrower is also in compliance with all limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in Environmental Laws or contained in any plan, order, decree, judgment or notice of which Borrower is aware. Except as previously disclosed to Lender in writing, Borrower is not aware of, nor has Borrower received notice of, any events, conditions, circumstances, activities, practices, incidents, actions or plans which may interfere with or prevent continued compliance with, or which may give rise to any liability under, any Environmental Laws.

(i) The Project will be used solely for qualifying 501(c)(3) purposes and is of the type authorized and permitted to be financed with the proceeds of the Bonds pursuant to the Act and under Section 145 of the Code.

(j) Borrower owns or will own the Project and intends to operate the Project, or cause the Project to be operated, as an “industrial project,” within the meaning of the Act and within the meaning of Section 145 of the Code, until the date on which all of the Loan Payments have been fully paid or the applicable Prepayment Amount has been fully paid. The Borrower is and will maintain its status as a Tax-Exempt Organization.

(k) Borrower will not take any action that would cause the tax-exempt Interest to become includable in gross income of the recipient for federal income tax purposes under the Code, and Borrower will take and will cause its officers, employees and agents to take all affirmative actions legally within its power necessary to ensure that the Interest does not become includable in gross income of the recipient for federal income tax purposes under the Code (including, without limitation, the calculation and payment of any rebate required to preserve such exclusion and that the Borrower is and will maintain its status as a Tax-Exempt Organization).

(l) Borrower has heretofore furnished to Lender the audited financial statements of Borrower for its most recent fiscal years, and these statements fairly present the financial condition of Borrower on the dates thereof and the results of its operations and cash flows for the periods then ended and were prepared in accordance with generally accepted accounting principles. Since the date of the most recent financial statements, there has been no material adverse change in the business, properties or condition (financial or otherwise) of Borrower.

(m) Borrower has paid or caused to be paid to the proper authorities when due, if any, all federal, state and local taxes required to be withheld by it. Borrower has filed all federal, state and local tax returns which are required to be filed, and Borrower has paid or caused to be paid to the respective taxing authorities all taxes as shown on said returns or on any assessment received by it to the extent such taxes have become due.

(n) In accordance with applicable title commitments, Borrower has or will have good and absolute title to the Project (and also its other Facilities) and has the right to receive and apply its operating revenues thereof, free and clear of all mortgages, security interests, liens and encumbrances except for the security interest created pursuant to this Agreement, and the Mortgage and Security Agreement.

(o) All financial and other information provided to Lender by or on behalf of Borrower in connection with Borrower's request for the Loan contemplated hereby is true and correct in all material respects and, as to projections, forecasts, valuations or pro forma financial statements, present a good faith opinion as to such projections, valuations and pro forma condition and results.

(p) Borrower has provided to Lender signed financing statements sufficient when filed to perfect the security interest in Pledged Property, constituting other than real estate, as created pursuant to this Agreement and the Mortgage and Security Agreement. When such financing statements are filed in the offices noted therein, Lender, as assignee of Issuer, will have a valid and perfected security interest in such Pledged Property, subject to no other security interest,

assignment, lien or encumbrance. None of the Equipment is or will become a fixture on real estate. Borrower owns the Real Estate where Buildings and the Equipment are or will be located subject to no liens or encumbrances of any kind, except (if none, so state): None.

(q) Upon completion of any Project work, or thereafter upon request, the Borrower will provide to Issuer and Lender a completed and executed copy of the Certificate of Acceptance attached hereto as Exhibit B.

(r) Borrower will aid and assist Issuer in connection with preparing and submitting to the Secretary of the Treasury a Form 8038 (or other applicable information reporting statement) at the time and in the form required by the Code. The Borrower is responsible for the accuracy of all information thereon, except lines 1 - 10 inclusive.

(s) Borrower will comply fully and at all times with the Tax Regulatory Agreement, and Borrower will not take any action, or omit to take any action, which, if taken or omitted, respectively, would violate the Tax Regulatory Agreement. The Borrower, and not the Issuer or Lender, shall be solely responsible for compliance with the Tax Regulatory Agreement.

(t) Expenses for work done by officers or employees of Borrower in connection with the Project paid from Loan proceeds or otherwise was included as an Acquisition/Construction Cost related to the Project, if at all, only to the extent (i) such persons were specifically employed for such particular purpose, (ii) the expenses do not exceed the actual cost thereof and (iii) such expenses are treated or capable of being treated (whether or not so treated) on the books of Borrower as a capital expenditure in conformity with generally accepted accounting principles applied on a consistent basis.

(u) Any costs incurred with respect to the Project financed from Loan Proceeds shall be treated or capable of being treated on the books of Borrower as capital expenditures in conformity with generally accepted accounting principles applied on a consistent basis.

(v) No part of the Loan Proceeds in excess of 5% will be used to finance working capital or to finance any other cost not constituting an Acquisition/Construction Cost. The Borrower expects no working capital costs to be refinanced except as used for capital costs under GAAP.

(w) The Project (even though exempt from property taxation, as the case may be) is property of the character subject to the allowance for depreciation under Section 167 of the Code.

(x) The Lender shall at all times have a first security interest in the Pledged Property.

Section 5.02. Indemnification.

(a) The Borrower will pay, and will protect, indemnify and save the Issuer and Lender and its respective past, present and future members, officers, directors, employees, agents, successor, assigns and any other person, if any, who “controls” the Issuer or Lender, as the case may be, as that term is defined in Section 15 of the Securities Act of 1933, as amended (the Issuer, the Lender and the other listed persons, collectively referred to as, the “Indemnified Persons”) harmless from and against any and all liabilities, losses, damages, taxes penalties, costs and

expenses (including attorneys' fees and expenses of the Issuer and Lender), causes of action, suits, proceedings, claims, demands, tax reviews, investigations and judgments of whatsoever kind and nature (including, but not limited to, those arising or resulting from any injury to or death of any person or damage to property) arising from or in any manner directly or indirectly growing out of or connected with the following:

(1) the use, financing, non-use, condition or occupancy of the Project or other Facilities, any repairs, construction, alterations, renovation, relocation, remodeling and equipping thereof or thereto or the condition of any such Project including adjoining sidewalks, streets or alleys and any equipment or facilities at any time located on or connected with such Project or used in connection therewith but which are not the result of the gross negligence of the Issuer or Lender;

(2) a violation of any agreement, warranty, covenant or condition of this Loan Agreement or any other agreement executed in connection with this Loan Agreement;

(3) violation of any contract, agreement or restriction by the Borrower relating to the Project or other Facilities;

(4) a violation of any law, ordinance, rules, regulation or court order affecting the Project or other Facilities or the ownership, occupancy or use thereof or the Bonds or use of the proceeds thereof;

(5) any statement or information concerning the Borrower, any of its officers and members, its operations or financial condition generally or the Project or other Facilities, furnished to the Issuer, the Lender or the purchaser of any Bonds, that is untrue or incorrect in any material respect, and any omission from such official statement or any statement or information which should be contained therein for the purposes for which the same is to be used or which is necessary to make the statements therein concerning the Borrower, any of its officers and members and the Project or other Facilities not misleading in any material respect, provided that such official statement or supplement or amendment has been approved by the Borrower and the Indemnified Persons did not have actual knowledge of the omission or misstatement; and

(6) including with respect to the Issuer and Lender the acceptance or administration of this Agreement, the Disbursement Agreement and the Tax Regulatory Agreement, including without limitation the enforcement of any remedies thereunder, and related documents.

(b) In case any claim shall be made or any action shall be brought against one or more of the Indemnified Persons in respect of which indemnify can be sought against the Borrower pursuant to the preceding paragraph (a), the Indemnified Party seeking indemnity shall promptly notify the Borrower, in writing, and the Borrower shall promptly assume the defense thereof, including the employment of counsel chosen by the Borrower and approved by the Issuer or Lender, or both (provided, that such approval by the Issuer or Lender shall not be unreasonably withheld), the payment of all expenses and the right to negotiate and consent to settlement. If any Indemnified Person is advised in a written opinion of counsel that there may be legal defenses available to such Indemnified Person which are adverse to or in conflict with those available to the

Borrower or that the defense of such Indemnified Person should be handled by separate counsel, the Borrower shall not have the right to assume the defense of such Indemnified Person, but the Borrower shall be responsible for the actual fees and expenses of counsel retained by such Indemnified Person in assuming its own defense, and provided also that, if the Borrower shall have failed to assume the defense of such action or to retain counsel reasonably satisfactory to the Issuer or Lender within a reasonable time after notice of the commencement of such action, the actual fees and expenses of counsel retained by the Indemnified Person shall be paid by the Borrower. Notwithstanding the foregoing, anyone or more of the Indemnified Persons shall have the right to employ separate counsel with respect to any such claim or in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be paid by such Indemnified Person unless the employment of such counsel has been specifically authorized by the Borrower or unless the provisions of the immediately preceding sentence are applicable. The Borrower shall not be liable for any settlement of any such action affected without the consent of the Borrower (which consent shall not be unreasonably withheld), but if settled with the consent of the Borrower or if there be a final judgment for the plaintiff in any such action with or without consent, the Borrower agrees to indemnify and hold harmless the Indemnified Person from and against any loss, liability or expenses by reason of such settlement or judgment.

(c) The Borrower shall also indemnify the Issuer, Lender and such Indemnified Persons for all reasonable costs and expenses, including actual counsel fees, incurred in: (i) enforcing any obligation of the Borrower under this Agreement or any related agreement, (ii) taking any action requested by the Borrower, (iii) taking any action required by this Agreement, the Disbursement Agreement, the Tax Regulatory Agreement, or any related agreement, or (iv) taking any action considered necessary by the Issuer and which is authorized by this Agreement or any related agreement. If the Issuer is to take any action under this Agreement or any other instrument executed in connection herewith for the benefit of the Borrower, it will do so if and only if (i) the Issuer is a necessary party to any such action or proceeding, and (ii) the Issuer has received specific written direction from the Borrower, as required hereunder or under any other instrument executed in connection herewith, as to the action to be taken by the Issuer, and the Issuer is indemnified as to its costs, including actual attorney's fees and costs incurred by the Issuer.

(d) All amounts payable to the Issuer under this Section 5.02 shall be deemed to be fees and expenses payable to the Issuer for the purposes of the provisions hereof. The Issuer and its President and Board of Trustees, officers, agents, employees and their successors and assigns shall not be liable to the Borrower for any reason.

(e) Any provision of this Agreement or any other instrument or document executed and delivered in connection therewith to the contrary notwithstanding, the Issuer retains the right to (i) enforce any applicable Federal or State law or any Federal, State or Issuer regulation or resolution or ordinance of the Issuer, and (ii) enforce any rights accorded to the Issuer by Federal or State law or regulation of the Issuer, and nothing in this Agreement shall be construed as an express or implied waiver thereof.

ARTICLE VI

TITLE TO REAL ESTATE, BUILDING AND EQUIPMENT; SECURITY INTEREST

Section 6.01. Title to the Real Estate, Building and Equipment. Legal title to the Real Estate, any Buildings, Equipment and other Facilities and any and all repairs, replacements, substitutions and modifications to such Real Estate, Buildings and Equipment shall be in Borrower. Borrower will at all times protect and defend, at its own cost and expense, its legal title to all of its Facilities.

Section 6.02. Security Interest in Collateral. This Agreement is intended to constitute a security agreement in connection with debt service related to the Bonds and other amounts payable hereunder, within the meaning of the UCC. As security for Borrower's payment to Lender in connection with debt service related to the Bonds and other amounts payable hereunder, as assignee of Issuer, of Loan Payments and all other amounts payable to Lender hereunder, or any other obligation (whether direct or indirect and whether now existing or hereafter arising), Borrower hereby grants to Issuer, and Issuer hereby assigns to Lender, a security interest constituting a first lien on the Pledged Property, all substitutions and modifications thereto or thereof and all proceeds of the foregoing. Issuer and Borrower agree to execute such additional documents, including financing statements, assignments, affidavits, notices and similar instruments, in form satisfactory to Lender, and take such other actions that Lender deems necessary or appropriate to establish and maintain such security interest created by this Section, and Issuer and Borrower hereby designate and appoint Lender as their agent, and grant to Lender a power of attorney (which is coupled with an interest), to execute on behalf of Issuer and Borrower, as the case may be, such additional documents (including, without limitation, financing and continuation statements) and to take such other actions. Lender is authorized by Borrower and Issuer to prepare and file and refile financing statements and continuation statements with respect to this Section 6.02, this Agreement and the Mortgage and Security Agreement.

Section 6.03. Change in Name or Corporate Structure of Borrower; Change in Location of Borrower's Principal Place of Business. Borrower's chief executive office is located at the address set forth above, and all of Borrower's records relating to its business and the Project are kept at such location. The Borrower may choose such location for the Buildings, the Real Estate, the Equipment and the other Facilities, which is hereby approved, provided that Borrower hereby agrees to provide written notice to Lender and Issuer of any change or proposed change in its name, corporate structure, place of business or chief executive office or change or proposed change in the location of the Equipment. Such notice shall be provided 30 days in advance of the date that such change or proposed change is planned to take effect. Borrower does business, and has done business, only under its own name and the trade names, if any, set forth on the execution page hereof.

Section 6.04. Liens and Encumbrances to Title. Borrower shall reimburse Lender for any expenses incurred by Lender to discharge or remove any Lien against the Mortgaged Property.

Section 6.05. Agreement as Financing Statement. To the extent permitted by applicable law, a carbon, photographic or other reproduction of this Agreement or of any financing statements signed by Borrower is sufficient as a financing statement in any state to perfect the security interests granted in and under this Agreement.

ARTICLE VII

AFFIRMATIVE COVENANTS OF BORROWER

Section 7.01. Reporting Requirements. The Borrower will deliver, or cause to be delivered, to Lender each of the following, which shall be in such reasonable form and detail acceptable to Lender:

(a) As soon as available, and in any event within 120 days after the end of each fiscal year of Borrower, audited financial statements (including a balance sheet, income statement and cash flow statement) of Borrower with the unqualified opinion of independent certified public accountants selected by Borrower and acceptable to Lender, which annual financial statements shall include the balance sheet of Borrower as at the end of such fiscal year and the related statements of income, retained earnings and cash flows of Borrower for the fiscal year then ended, all in reasonable detail and prepared in accordance with generally accepted accounting principles applied on a basis consistent with the accounting practices applied in the financial statements referred to in Article V hereof, together with (i) a report signed by such accountants stating that in making the investigations necessary for such opinion they obtained no knowledge, except as specifically stated, of any Default or Event of Default hereunder; and (ii) a certificate of the chief financial officer of Borrower stating that such financial statements have been prepared in accordance with generally accepted accounting principles applied on a basis consistent with the accounting practices reflected in the annual financial statements referred to in Article V hereof and whether or not such officer has knowledge of the occurrence of any Default or Event of Default hereunder and, if so, stating in reasonable detail the facts with respect thereto;

(b) As soon as available and in any event within 30 days after the end of each fiscal quarter of Borrower, upon the Lender's request, unaudited/internally prepared financial statements of the Borrower, prepared in accordance with generally accepted accounting principles applied on a basis consistent with the accounting practices reflected in the financial statements referred to in Article V hereof and certified by the chief financial officer of Borrower, and accompanied by a certificate of that officer stating (i) that such financial statements have been prepared in accordance with generally accepted accounting principles applied on a basis consistent with the accounting practices reflected in the financial statements referred to in Article V hereof, and (ii) whether or not such officer has knowledge of the occurrence of any Default or Event of Default hereunder not theretofore reported and remedied and, if so, stating in reasonable detail the facts with respect thereto;

(c) Immediately after the commencement thereof, notice in writing of all litigation and of all proceedings before any governmental or regulatory agency affecting Borrower of the type described in Article V hereof or which seek a monetary recovery against Borrower in excess of \$50,000;

(d) As promptly as practicable (but in any event not later than five (5) Business Days) after an officer of Borrower obtains knowledge of the occurrence of any event that would with the passage of time or the giving of notice, or both, constitutes a Default or an Event of Default hereunder, notice of such occurrence, together with a detailed statement by a responsible officer

of Borrower of the steps being taken by Borrower to cure the effect of such Default or Event of Default;

(e) Promptly upon knowledge thereof, notice of any loss or destruction of or damage in excess of \$50,000 to any Equipment or the Building or other parts of the Real Estate or of any material adverse change in any Equipment, Building or Real Estate;

(f) In addition, the Borrower upon request shall provide to the Issuer, within 30 days following the end of the Borrower's Fiscal Year for each year the Bonds remain outstanding, a certificate of an Authorized Borrower Representative stating the average number of full-time equivalent employees employed by the Borrower at or in connection with the Project during the Fiscal Year (or portion thereof) covered by the report and shall otherwise cooperate with the Issuer in connection with the Issuer's compliance with the Business Economic Support Act (30 ILCS 760/1 *et seq.*);

(g) Promptly after the amending thereof, copies of any and all amendments to its certificate of incorporation, articles of incorporation or by-laws;

(h) Promptly upon knowledge thereof, notice of the violation by Borrower of any law, rule or regulation which would adversely affect the Project or other Facilities;

(i) Promptly upon knowledge thereof, notice of any material adverse change in the financial or operating condition of Borrower.

Section 7.02. Books and Records; Inspection and Examination. Borrower will keep accurate books of record and account for itself pertaining to the Real Estate, the Equipment, and the Buildings, and pertaining to Borrower's other Facilities, business and financial condition and such other matters as Lender may from time to time request in which true and complete entries will be made in accordance with generally accepted accounting principles consistently applied and, upon request of Lender, in order to review Borrower's compliance with this Agreement and the Loan, will permit any officer, employee, attorney or accountant for Lender to audit, review, make extracts from, or copy any and all corporate and financial books, records and properties of Borrower at all times during ordinary business hours, and to discuss the affairs of Borrower with any of its directors, officers, employees or agents. With reasonable notice, Borrower will permit Lender, or its employees, accountants, attorneys or agents, to examine and copy any or all of its records and to examine and inspect the Project and its other Facilities at any time during Borrower's business hours. Lender will maintain the confidentiality of such information. The Issuer and Borrower acknowledge that certain information is not available to them as a result of certain applicable laws, including under HIPAA or other applicable privacy laws.

Section 7.03. Compliance With Laws; Environmental Indemnity. Borrower will (a) comply with the requirements of applicable laws and regulations, the noncompliance with which would materially and adversely affect its business or its financial condition, (b) comply with all applicable Environmental Laws and regulations and obtain any permits, licenses or similar approvals required by any such laws or regulations and (c) use and keep the Equipment, the Buildings, the Real Estate and other Facilities, and will require that others use and keep the Equipment, any Building, the Real Estate and other Facilities, only for lawful purposes, without

violation of any federal, state or local law, statute or ordinance. Borrower shall secure all permits and licenses, if any, necessary for the installation, construction and operation of, as applicable, the Equipment, any Building, the Real Estate and other Facilities. Borrower shall comply in all respects (including, without limitation, with respect to the use, maintenance and operation of the Equipment, any Building, the Real Estate and other Facilities) with all laws of the jurisdictions in which its operations involving the Real Estate or any component of Equipment may extend and of any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Real Estate, any Building or any items of the Equipment or other Facilities or its interest or rights under this Agreement. Borrower will indemnify, defend and hold Lender and Issuer harmless from and against any claims, loss or damage to which Lender or Issuer may be subjected as a result of any past, present or future existence, use, handling, storage, transportation or disposal of any hazardous waste or substance or toxic substance by Borrower or on property owned, leased or controlled by Borrower. This indemnification shall survive the termination of this Agreement and payment of the indebtedness hereunder and under the Bonds.

Section 7.04. Payment of Taxes and Other Claims. Borrower will pay or discharge, or cause to be paid and discharged, when due, (a) all taxes, assessments and governmental charges levied or imposed upon it or upon its income or profits, upon any properties belonging to it (including, without limitation, the Equipment, any Building, the Real Estate and other Facilities) or upon or against the creation, perfection or continuance of the security interest created pursuant to this Agreement, prior to the date on which penalties attach thereto, (b) all federal, state and local taxes required to be withheld by it, and (c) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien or charge upon any properties of Borrower; provided, that Borrower shall not be required to pay any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings. Borrower will pay, or cause to be paid, as the same respectively come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Equipment, the Buildings, the Real Estate and other Facilities as well as all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Equipment, any Building, the Real Estate and other Facilities.

In connection with the foregoing, the Borrower shall fund tax reserves as required by the Mortgage.

Section 7.05. Maintenance of Project. (a) Borrower shall, at its own expense, maintain, preserve and keep (or cause to be done) the Project and other Facilities in good repair, working order and condition, and shall from time to time make all repairs and replacements necessary to keep the Project and other Facilities in such condition, and in compliance with state and federal laws, ordinary wear and tear excepted. Borrower shall maintain the Project and other Facilities in a condition suitable for certification by the manufacturer thereof (if certification is - available) and in conformance with all manufacturer's recommended maintenance requirements. In the event that any parts or accessories forming part of any item or items of the Project and other Facilities become worn out, lost, destroyed, damaged beyond repair or otherwise rendered unfit for use, Borrower, at its own expense and expeditiously, will replace or cause the replacement of such parts or accessories by replacement parts or accessories free and clear of all liens and encumbrances and with a value and utility at least equal to that of the parts or accessories being replaced (assuming

that such replaced parts and accessories were otherwise in good working order and repair). All such replacement parts and accessories concerning the Project and shall be deemed to be incorporated immediately into and to constitute an integral portion of the Project and, as such, shall be subject to the terms of this Agreement. Neither Lender nor Issuer shall have any responsibility in any of these matters, or for the making of improvements or additions to the Project.

(b) Borrower will defend each Building, the Equipment, the Real Estate and other Facilities against all claims or demands of all persons (other than Lender), including against the Project and other Facilities, or any interests therein.

Section 7.06. Insurance. (a) Borrower shall, at its own expense, procure and maintain continuously in effect: (i) public liability and, as applicable, malpractice insurance coverages for personal injuries, death, bodily injury or damage to or loss of property arising out of or in any way relating to the Building, the Equipment, the Real Estate and other Facilities, and their operations, sufficient to protect Lender from liability in all events, with a coverage limit of not less than \$1,000,000 per occurrence unless a greater coverage minimum with respect to the Real Estate or particular Equipment is required by Lender or is maintained by owners of substantially similar properties, and (ii) insurance against such hazards as Lender may require, including, but not limited to, all-risk casualty and property insurance, in an amount equal to the greater of the full replacement cost of the Buildings, the Real Estate, the Equipment and other Facilities with new real estate or equipment, as applicable, having substantially similar specifications or the applicable Prepayment Amount. Such insurance may be in whole or in part builder's risk coverage.

Flood insurance in the amount of the loan must be obtained unless the Project is determined by Lender not to be located in an area designated by the Department of Housing and Urban Development as having special flood hazards.

(b) If required by State law, Borrower shall carry workers' compensation insurance covering all employees on, in, near or about the Real Estate and/or Buildings and/or Equipment, and/or other Facilities and upon request, shall furnish to Lender certificates evidencing such coverage.

(c) All insurance policies required by this Article shall be taken out and maintained with insurance companies acceptable to Lender; and shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the insured parties (including the Lender) at least twenty (20) days before the cancellation or revision becomes effective. No insurance shall be subject to any co-insurance clause. Each insurance policy required by this Article shall name the Issuer as an additional insured party and loss payee without regard to any breach of warranty or other act or omission of Borrower or Issuer and shall include a lender's loss payable endorsement (i.e., a mortgage clause) for the benefit of Lender. Prior to commencement of any work on the Facilities and prior to the delivery of any Equipment, Borrower shall deposit with Lender evidence satisfactory to Lender of such insurance and, prior to the expiration thereof, shall provide Lender evidence of all renewals or replacements thereof. Borrower shall also provide Issuer with copies that evidence such insurance coverage and at such limits as provided in this Article and as required by Lender along with all certificates of insurance that name Issuer as an additional insured party.

(d) As among Lender, Borrower and Issuer, Borrower assumes all risks and liabilities from any cause whatsoever, whether or not covered by insurance, for loss or damage to any Building, the Real Estate, the Equipment and other Facilities and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of Borrower or of third parties, and whether such property damage be to Borrower's property or the property of others. Whether or not covered by insurance, Borrower hereby assumes responsibility for and agrees to reimburse Lender and Issuer for and will indemnify, defend and hold Lender and Issuer harmless from and against all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature, imposed on, incurred by or asserted against Lender or Issuer that in any way relate to or arise out of this Agreement, the transactions contemplated hereby and all Buildings, the Real Estate, the Equipment and other Facilities, including but not limited to, (i) the selection, manufacture, purchase, acceptance or rejection of any Equipment or the ownership of Equipment, (ii) the delivery, lease, possession, maintenance, use, condition, return or operation of any Building or Equipment and other Facilities, (iii) the condition of Buildings or Equipment and other Facilities sold or otherwise disposed of after possession by Borrower, (iv) any patent or copyright infringement, (v) the conduct of Borrower, its officers, employees and agents, (vi) a breach of Borrower of any of its covenants or obligations hereunder and (vii) any claim, loss, cost or expense involving alleged damage to Buildings, the environment (including under Environmental Laws) relating to any Building, the Real Estate, the Equipment and other Facilities, including, but not limited to investigation, removal, cleanup and remedial costs. All amounts payable by Borrower pursuant to the immediately preceding sentence shall be paid immediately upon demand of Issuer or Lender, as the case may be, and shall bear interest at the Advance Rate from the time an indemnified party may (but is not obligated to) advance funds therefor, including for attorneys' fees and costs and expenses. This provision shall survive the termination of this Agreement.

(e) Borrower shall provide to Lender a mortgagee's title insurance policy, in the amount of the loan, insuring Lender's first lien on the Project. The policy shall contain endorsements insuring that the improvements conform to all conditions, covenants and restrictions of record, that the intended use of the Project complies with all applicable zoning ordinances, and such other endorsements as Lender may require, including, when applicable, endorsements with respect to future advances, arbitration, variable interest rates, contiguity, first loss, creditors rights, access and entry, and single or multiple tax parcel. The insurer, the policy form and substance and the exceptions shall be subject to Lender's approval. The policy is to include mechanic's lien endorsement coverage during construction.

(f) In connection with the foregoing the Borrower shall fund insurance reserves as required by the Mortgage.

Section 7.07. Preservation of Corporate Existence. Borrower will preserve and maintain its corporate existence and all of its rights, privileges and franchises necessary or desirable in the normal conduct of its business, including qualification to do business in the State; and shall conduct its business in an orderly, efficient and regular manner and shall maintain its status as a Tax-Exempt Organization, including that the Project at all times shall be operated for a purpose authorized under Section 145 of the Code.

Section 7.08. Performance by Lender or Disbursement Agent. If Borrower at any time fails to perform or observe any of the covenants or agreements contained in this Agreement, and if such failure shall continue for a period of thirty (30) calendar days after Lender gives Borrower written notice thereof (or in the case of the agreements contained in Sections 7.05 and 7.06 hereof, immediately upon the occurrence of such failure, without notice or lapse of time), Lender or Disbursement Agent may, but need not, perform or observe such covenant on behalf and in the name, place and stead of Borrower (or, at Lender's or Disbursement Agent's option, in Lender's or Disbursement Agent's name) and may, but need not, take any and all other actions which Lender may reasonably deem necessary to cure or correct such failure (including, without limitation, the payment of taxes, the satisfaction of security interests, liens or encumbrances, the performance of obligations owed to account debtors or other obligors, the procurement and maintenance of insurance, the execution of assignments, security agreements and financing statements, and the endorsement of instruments); and Borrower shall thereupon pay to Lender on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by Lender in connection with or as a result of the performance or observance of such agreements or the taking of such action by Lender or Disbursement Agent, together with interest thereon from the date expended or incurred at the Advance Rate. To facilitate the performance or observance by Lender of such covenants of Borrower, Borrower hereby irrevocably appoints Lender or Disbursement Agent, or the delegate of Lender or Disbursement Agent, acting alone, as the attorney in fact of Borrower with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file in the name and on behalf of Borrower any and all instruments, documents, assignments, security agreements, financing statements, applications for insurance and other agreements and writings required to be obtained, executed, delivered or endorsed by Borrower under this Agreement. The Lender may designate an entity other than Champaign-Urbana Lending Center to act as Disbursement Agent, with respect to which notice of such designation (and related acceptance) shall be given to the Borrower and Issuer.

Section 7.09. Accounts. The Borrower shall maintain the Lender as sole depository of its operating account funds.

ARTICLE VIII

NEGATIVE COVENANTS OF BORROWER

So long as the Loan and the Bonds shall remain unpaid, unless Lender otherwise in writing consents, Borrower agrees that:

Section 8.01. Sale of Assets. Other than in the ordinary course of business (including future financings), without the Lender's written consent, Borrower will not sell, lease, assign, transfer or otherwise dispose of all or a substantial part of its assets or of the Project or any interest therein (whether in one transaction or in a series of transactions) or other Facilities.

The Note shall become due and payable and the Bonds redeemed if the Borrower, without Lender's prior written consent, sells or otherwise transfers either the legal or equitable title to the Project without the Lender's consent. A "sale or transfer" means the conveyance of the Project or any right, title or interest in the Project, whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than twenty (20) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Project, or by any other method of conveyance of an interest in the Project.

Section 8.02. Consolidation and Merger. Except as Lender in writing approves, Borrower will not consolidate with or merge into any person, or permit any other person to merge into it, or acquire (in a transaction analogous in purpose or effect to a consolidation or merger) all or substantially all of the assets of any other person.

Section 8.03. Accounting. Without the Lender's written consent, Borrower will not adopt, permit or consent to any material change in accounting principles other than as required by generally accepted accounting principles, and Borrower will not adopt, permit or consent to any change in its fiscal year.

Section 8.04. Transfers. Other than in the ordinary course of business, Borrower will not in any manner transfer any property constituting the Project without prior or present receipt of full and adequate consideration.

Section 8.05. Additional Indebtedness. Without the Lender's written consent, the Borrower will not incur additional indebtedness.

Section 8.06. Place of Business. Borrower will not permit any part of the Project or any records pertaining to the Equipment to be located in any state or area in which, in the event of such location, a financing statement covering the Project would be required to be, but has not in fact been, filed in order to perfect the security interest created pursuant to this Agreement or the Mortgage and Security Agreement.

Section 8.07. Use of the Equipment and Buildings. Borrower will not install, use, operate or maintain the Equipment or any Building or other Real Estate or other Facilities improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement.

ARTICLE IX

DAMAGE AND DESTRUCTION; USE OF NET PROCEEDS

Borrower shall provide a complete written report to Lender immediately upon any loss, theft, damage or destruction of any Equipment or the Buildings or other Facilities and of any accident involving any Equipment exceeding a value of \$50,000.00. If all or any part of the Equipment or any Building is lost, stolen, destroyed or damaged beyond repair (“Damaged Equipment” or “Damaged Building,” as applicable), unless the Lender otherwise consents, Borrower shall as soon as practicable after such event either: (a) replace the same at Borrower's sole cost and expense with equipment, buildings or structures having substantially similar specifications and of equal or greater value to the Damaged Equipment or Damaged Building or other Facilities, as applicable, immediately prior to the time of the loss occurrence, such replacement equipment to be subject to Lender's approval, whereupon such replacement equipment and real estate shall be substituted in this Agreement and the other related documents by appropriate endorsement or amendment; or (b) pay the applicable Prepayment Amount of the Damaged Equipment or Damaged Building. Borrower shall notify Lender of which course of action it will take within fifteen (15) calendar days after the loss occurrence. If, within forty-five (45) calendar days of the loss occurrence, (a) Borrower fails to notify Lender; (b) Borrower and Lender fail to execute an amendment to this Agreement to delete the Damaged Equipment or Damaged Building and add the replacement equipment, building or real estate or (c) Borrower fails to pay the applicable Prepayment Amount, then Lender may, at its sole discretion, declare the applicable Prepayment Amount to be immediately due and payable, and Borrower is required to pay the same. The Net Proceeds of insurance with respect to Damaged Equipment or Damaged Building shall be made available by Lender through the Disbursement Fund to be applied to discharge Borrower's obligation under this Article, the payment of the Prepayment Amount and the termination of Lender's interest in the Damaged Building or Damaged Equipment subject to the terms of Section 2.07 hereof. For purposes of this Article, the term “Net Proceeds” shall mean the amount remaining from the gross proceeds of any insurance claim or condemnation award after deducting all expenses (including reasonable attorneys' fees) incurred in the collection of such claim or award. The terms “Damaged Equipment” and “Damaged Building” shall include any Equipment or Real Estate or Building taken by eminent domain.

ARTICLE X

ASSIGNMENT, SUBLEASING AND SELLING

Section 10.01. Assignment by Lender. Subject to Section 7.02 this Agreement, and the obligations of Borrower to make payments hereunder, may be assigned and reassigned in whole or in part to one or more assignees or sub-assignees (who shall be a purchaser of the Bonds or an interest therein) by Lender at any time subsequent to its execution, without the necessity of obtaining the consent of Issuer or Borrower; provided, however, that no such assignment or reassignment shall be effective unless and until (a) Issuer and Borrower shall have received notice of the assignment or reassignment disclosing the name and address of the assignee or sub-assignee, which notice Issuer shall maintain as evidence of the ownership and registration of the Bonds, and (b) in the event that such assignment or reassignment is made to a bank or trust company as trustee for holders of certificates representing interests in this Agreement and the Bonds, such bank or trust company agrees to maintain, or cause to be maintained, a registration system by which a record of the names and addresses of such holders as of any particular time is kept and agrees, upon request of Issuer or Borrower, to furnish such information to Issuer or Borrower. Upon receipt of notice of assignment, Borrower will reflect in a registration system the assignee designated in such notice of assignment, and shall agree to make all payments to the assignee designated in the notice of assignment, notwithstanding any claim, defense, setoff or counterclaim whatsoever (whether arising from a breach of this Agreement or otherwise) that Issuer and Borrower may from time to time have against Lender or the assignee. Issuer and Borrower agree to execute all documents, including such matters of record, notices of assignment and chattel mortgages or financing statements, which may be reasonably requested by Lender or its assignee to protect its or their interests in the Equipment and in this Agreement. The foregoing shall not prohibit granting of participations in the Bonds.

Section 10.02. No Sale or Assignment by Borrower. This Agreement may not be sold, assumed, assigned or encumbered by Borrower without the prior written consent of Lender, together with a written opinion of Bond Counsel that the tax-exempt status of the Bonds will not be adversely affected thereby.

ARTICLE XI

EVENTS OF DEFAULT AND REMEDIES

Section 11.01. Events of Default. The following constitute “Events of Default” under this Agreement:

(a) failure by Borrower to pay to Lender, as assignee of Issuer, when due any Loan Payment or to pay any other payment required to be paid hereunder;

(b) failure by Borrower to maintain or cause to be maintained the insurance coverages in accordance with Section 7.06 hereof;

(c) failure by Borrower to pay when due any Funded Debt other than the Note and the Bonds or in connection with the Borrower's employee benefit plans.

(d) failure by Borrower or Issuer to observe and perform any other covenant, condition or agreement contained herein, in the Disbursement Agreement, in the Tax Regulatory Agreement, in the Mortgage and Security Agreement, or in any other document or agreement executed in connection herewith on its part to be observed or performed for a period of thirty (30) days after written notice is given to Borrower or Issuer, as the case may be, specifying such failure and requesting that it be remedied; provided, however, that, if the failure stated in such notice cannot be corrected within such 30-day period, Lender will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Borrower or Issuer, as the case may be, within the applicable period and diligently pursued until the default is corrected, but in any event within not to exceed an additional ninety (90) days;

(e) initiation by Issuer of a proceeding under any federal or state bankruptcy or insolvency law seeking relief under such laws concerning the indebtedness of Issuer;

(f) Borrower or any Guarantor shall be or become insolvent, or make an assignment for the benefit of creditors; or Borrower or any Guarantor shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; or such receiver, trustee or similar officer shall be appointed without the application or consent of Borrower or any Guarantor or shall institute or have instituted (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction; or any such proceeding shall be instituted (by petition, application or otherwise) against Borrower or any Guarantor; or any judgment, writ, warrant of attachment or execution or similar process shall be issued or levied against a substantial part of the property of Borrower or any Guarantor;

(g) determination by Lender that any representation or warranty made (i) by any Guarantor in a Guaranty or (ii) by Borrower or Issuer herein, in the Tax Regulatory Agreement or in any other document executed in connection herewith was untrue in any material respect when made;

(h) an Event of Taxability shall occur;

Section 11.02. Remedies on Default. Whenever any Event of Default shall have occurred and be continuing, Lender, including as assignee of Issuer, shall have the right, at its sole option without any further demand or notice, to take any one or any combination of the following remedial steps insofar as the same are available to secured parties, including under Article 9 of the UCC in effect in the State from time to time with respect to the Equipment or any additional or substitute collateral, and which are otherwise accorded to Lender, including as assignee of Issuer, by applicable law (without regard to any order set out below):

(a) by notice to Issuer and Borrower, declare the entire unpaid principal amount of the Loan and the Bonds then outstanding, all interest accrued and unpaid thereon and all amounts payable under this Agreement to be forthwith due and payable, whereupon the Loan, all such accrued interest and all such amounts shall become and be forthwith due and payable, without presentment, notice of dishonor, protest or further notice of any kind, all of which are hereby expressly waived by Borrower;

(b) take possession of the Pledged Property, wherever situated, provided that Borrower shall remain directly liable for the deficiency, if any, between the amounts received during the same period of time, after deducting all costs and expenses, including reasonable attorneys' fees and expenses, incurred with respect to the recovery of the Collateral;

(c) take possession of the Pledged Property, wherever situated, without any court order or other process of law:

FIRST, to pay all proper and reasonable costs and expenses associated with the recovery, repair, maintenance, storage and sale of the Real Estate, the Building, the Equipment and additional or substitute Pledged Property, including reasonable attorneys' fees and expenses;

SECOND, to pay (i) Lender the amount of all unpaid Loan Payments or other obligations (whether direct or indirect owed by Borrower to Lender), if any, which are then due and owing, together with interest and late charges thereon, (ii) Lender the then applicable Prepayment Amount (taking into account the payment of past-due Loan Payments as aforesaid), plus a pro rata allocation of interest, at the rate utilized to calculate the Loan Payments, from the next preceding due date of a Loan Payment until the date of payment by the buyer, and (iii) any other amounts due hereunder, including indemnity payments, taxes, charges, reimbursement of any advances and other amounts payable to Lender or Issuer hereunder; and

THIRD, to pay the remainder of the sale proceeds, purchase moneys or other amounts paid by a buyer of the Pledged Property to Borrower;

(d) foreclose the Mortgage and Security Agreement or any other security documents;

(e) proceed by appropriate court action to enforce specific performance by Issuer, but only as to those obligations required of Issuer provided for in this Agreement, or Borrower of the applicable covenants of this Agreement or the Mortgage and Security Agreement or any other security documents or to recover for the breach thereof, including the payment of all amounts due

from Borrower. Borrower shall pay or repay to Lender or Issuer all costs of any such action or court action, including, without limitation, reasonable attorneys' fees; and

(f) take whatever action at law or in equity may appear necessary or desirable to enforce its rights with respect to the Pledged Property and/or the Mortgage and Security Agreement. Borrower shall pay or repay to Lender or Issuer all costs of any action, proceedings or court action, including, without limitation, reasonable attorneys' fees.

Notwithstanding any other remedy exercised hereunder, Borrower shall remain obligated to pay to Lender any unpaid portion of the Prepayment Amount.

Section 11.03. No Remedy Exclusive. No remedy herein or in the Mortgage and Security Agreement or any other security documents conferred upon or reserved to Lender or Issuer is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lender or Issuer to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice other than such notice as may be required by this Article. All remedies herein conferred upon or reserved to Lender or Issuer shall survive the termination of this Agreement.

ARTICLE XII

MISCELLANEOUS

Section 12.01. Costs and Expenses of Lender or Issuer. Borrower shall pay to Lender and/or Issuer, in addition to the Loan Payments payable by Borrower hereunder, such amounts in each year as shall be required by Lender or Issuer in payment of any reasonable costs and expenses incurred by Lender or Issuer in connection with the execution, performance or enforcement of this Agreement, including but not limited to payment of all reasonable fees, costs and expenses and all administrative costs of Lender and/or Issuer in connection with the Loan, expenses (including, without limitation, attorneys' fees and disbursements and whether or not suit is filed or other proceedings commenced), fees of auditors or attorneys, insurance premiums not otherwise paid hereunder and all other direct and necessary administrative costs of Lender or Issuer or charges required to be paid by it in order to comply with the terms of, or to enforce its rights under, this Agreement and/or the Mortgage and Security Agreement and/or Tax Regulatory Agreement and/or the Disbursement Agreement. Such costs and expenses shall be billed to Borrower by Lender or Issuer from time to time, together with a statement certifying that the amount so billed has been paid by Lender and/or Issuer for one or more of the items above described, or that such amount is then payable by Lender and/or Issuer for such items. Amounts so billed shall be due and payable by Borrower within 30 days after receipt of the bill by Borrower. Any amounts not timely paid (within 30 days of billing) shall bear interest at the Advance Rate from the date incurred.

Section 12.02. Disclaimer of Warranties. LENDER AND ISSUER MAKE NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE PROJECT OR OTHER FACILITIES OR ANY OTHER WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT THERETO. In no event shall Lender or Issuer be liable for any loss or damage in connection with or arising out of this Agreement, the Project, or the existence, furnishing, functioning or Borrower's use of any facilities, item or products or services provided for in this Agreement.

Section 12.03. Notices. All notices, certificates, requests, demands and other communications provided for hereunder or under the Disbursement Agreement or the Tax Regulatory Agreement shall be in writing and shall be (a) personally delivered, (b) sent by first class United States mail, (c) sent by overnight courier of national reputation, or (d) transmitted by telecopy, in each case addressed to the party to whom notice is being given at its address as set forth above and, if telecopied, transmitted to that party at its telecopier number set forth above or, as to each party, at such other address or telecopier number as may hereafter be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section. All such notices, requests, demands and other communications shall be deemed to have been given on (a) the date received if personally delivered, (b) when deposited in the mail if delivered by mail, (c) the date sent if sent by overnight courier, or (d) the date of transmission if delivered by telecopy or electronic mail. If notice to Borrower of any intended disposition of the Equipment or any other intended action is required by law in a particular instance, such notice shall be deemed commercially reasonable if given (in the manner specified in this Section) at least ten (10) calendar days prior to the date of intended disposition or other action.

Trade Names of Borrower or Project, if any (if none, so state):

Hope Springs Counseling Service

Circle Academy

Section 12.04. Further Assurances and Corrective Instruments. Issuer (at Borrower's expense) and Borrower hereby agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such further acts, instruments, conveyances, transfers and assurances, as Lender reasonably deems necessary or advisable for the implementation, correction, confirmation or perfection of this Agreement, the Mortgage and Security Agreement, the Disbursement Agreement or the Tax Regulatory Agreement and any rights of Lender or Issuer hereunder or thereunder.

Section 12.05. Binding Effect; Time of the Essence. This Agreement shall inure to the benefit of and shall be binding upon Lender, Issuer, Borrower, the owners of the Bonds, and their respective successors and assigns. Time is of the essence of this Agreement.

Section 12.06. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12.07. Amendments. To the extent permitted by law, the terms of only this Agreement or any Agreement the Issuer is a party to shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed either (i) by the parties hereto or (ii) with respect to any amendment to this Agreement which does not adversely affect the rights or remedies of the Issuer, by the Borrower and the Lender, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given.

Section 12.08. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument, and any of the parties hereto may execute this Agreement by signing any such counterpart, provided that only the original counterpart in the possession of Lender shall constitute chattel paper under the UCC, as the case may be.

Section 12.09. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

Section 12.10. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 12.11. Entire Agreement. This Agreement, the Mortgage and Security Agreement, the Tax Regulatory Agreement, the Disbursement Agreement and the exhibits hereto and thereto constitute the entire agreement among Lender, Issuer, Borrower and Disbursement Agent. There are no understandings, agreements, representations or warranties, express or

implied, not specified herein or in such documents regarding this Agreement or the Project financed hereby.

Section 12.12. Usury. It is the intention of the parties hereto to comply with any applicable usury laws; accordingly, it is agreed that, notwithstanding any provisions to the contrary in this Agreement, in no event shall this Agreement require the payment or permit the collection of interest or any amount in the nature of interest or fees in excess of the maximum permitted by applicable law.

Section 12.13. Waiver of Jury Trial. LENDER, ISSUER AND BORROWER HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS AGREEMENT, ANY OF THE RELATED DOCUMENTS, ANY DEALINGS AMONG LENDER, ISSUER OR BORROWER RELATING TO THE SUBJECT MATTER OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY RELATED TRANSACTIONS, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED AMONG LENDER, ISSUER AND BORROWER. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT (INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS). THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT, ANY RELATED DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY RELATED TRANSACTIONS. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

[THE REMAINDER OF PAGE IS INTENTIONALLY BLANK;
THE EXECUTION PAGE FOLLOWS.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in their respective corporate names by their duly authorized officers, all as of the date first written above.

Lender: **CHAMPAIGN-URBANA LENDING CENTER**

By: _____
Title: Market President

Issuer: **CITY OF URBANA, ILLINOIS**

By: _____
Mayor

ATTEST:

(SEAL)

City Clerk

Borrower: **CUNNINGHAM CHILDREN'S HOME OF
URBANA, ILLINOIS**

By: _____
Marlin Livingston, President/CEO

[This page may be executed in counterparts.]

[EXECUTION PAGE OF LOAN AGREEMENT]

Exhibit A to Loan Agreement

SCHEDULE OF PROJECT AND LOAN PAYMENTS

Description of Project/Refunding

The following Project is the subject of the Loan Agreement among Champaign-Urbana Lending Center (“Lender”), the City of Urbana, Illinois (“Issuer”), and Cunningham Children's Home of Urbana, Illinois (“Borrower”): to finance and refinance the acquisition, construction and installation of land, buildings, furniture, fixtures and equipment for an Education and Recreation Center and a Residential Treatment Center, at 1303 North Cunningham Avenue, in Urbana, Illinois.

SCHEDULE OF LOAN PAYMENTS

The Loan and the Bonds shall be payable as to principal and interest, as follows:

Prepayment Amount: The Bonds, the Note and the Loan are subject to redemption and prepayment prior to maturity or due date in whole or in part on any date in inverse order of maturity or due date (less than all of the Bonds of a single maturity to be selected by lot as the Bond Registrar determines), on the applicable redemption date and prepayment date at a redemption price equal to (as applicable, the “Prepayment Amount”): (i) if from the Borrower's own funds and not any refinancing (but before December 11, 2024 only with the Lender's written consent), the principal amount to be so redeemed and prepaid; and (ii) if other than (i), including any refinancing (but before December 11, 2024 only with the Lender's written consent), the principal amount to be so redeemed and prepaid, plus a premium (expressed as a percentage of the principal amount being so redeemed and prepaid), as follows:

| <u>Redemption/Prepayment Record</u> | <u>Premium</u> |
|--|----------------|
| December 11, 2019 to and including December 10, 2020 | 5.0% |
| December 11, 2020 to and including December 10, 2021 | 4.0% |
| December 11, 2021 to and including December 10, 2022 | 3.0% |
| December 11, 2022 to and including December 10, 2023 | 2.0% |
| December 11, 2023 to and including December 10, 2024 | 1.0% |

, plus (as to both (i) and (ii)) accrued interest to the applicable redemption and prepayment date. Notice of any such redemption and prepayment shall be sent by first class mail not less than five (5) days nor more than fifteen (15) days prior to the date fixed for redemption and prepayment to the registered owner of each Bond (or part thereof) to be redeemed at the address shown on the registration books of the Issuer maintained by the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Bond Registrar. When so called for redemption, the Bonds will cease to bear interest on the specified redemption date, provided funds for redemption are on deposit at the place or payment at the time, and shall not be deemed to be outstanding. The owner of any Bond may waive any procedural requirement for redemption and prepayment.

Interest Rate. 2.89% to and including December 10, 2029; and thereafter commencing December 11 in each of the years 2029 and 2039 to and including December 10 occurring ten (10) years later in each of the calendar years 2039 and December 11, 2049, the rate of interest equal to, but not to be less than __%, the sum of (i) and (ii): _____, such interest rate percent per annum to be effective for each ten-year period above.

After a Determination of Taxability the Bonds, the Note and the Loan shall bear interest at the Taxable Rate (with amortization based on the interest rate in effect on the last preceding payment date), but not to be less than 5.50%.

Principal and Interest Payments: The Bonds are payable in 360 consecutive substantially level monthly installments, principal and interest aggregated, on the 11th day of each month (each such installment payment date constituting a “Payment Date”), commencing January 11, 2020, sufficient to amortize all outstanding principal on December 11, 2049, with all principal and

interest not previously paid to be paid in the last monthly installment, or earlier prepayment and redemption, as the case may be. The Bonds and the Note shall be subject to a “Put Option”, as follows: the absolute right of the owner or owners of 100% of the outstanding Bonds to require the Borrower on December 11 in each of the years 2029 and 2039 to purchase from such owner or owners such Bonds, in whole and not in part, at a price of par plus accrued interest, with not less than 180 days’ notice in writing of the exercise of such Put Option by such owner or owners to and received by the Borrower and Issuer.

GENERAL DESCRIPTION OF PROJECT REAL ESTATE

1303 North Cunningham Avenue, in Urbana, Illinois

LEGAL DESCRIPTION OF THE MORTGAGED PROPERTY

EXHIBIT "A"

**GENERAL DESCRIPTION OF REAL ESTATE CONSTITUTING OTHER
FACILITIES:**

PERSONAL PROPERTY / COLLATERAL / PLEDGED PROPERTY

ALL INVENTORY, EQUIPMENT, ACCOUNTS (INCLUDING BUT NOT LIMITED TO ALL HEALTH-CARE-INSURANCE RECEIVABLES), CHATTEL PAPER, INSTRUMENTS (INCLUDING BUT NOT LIMITED TO ALL PROMISSORY NOTES), LETTER-OF-CREDIT RIGHTS, LETTERS OF CREDIT, DOCUMENTS, DEPOSIT ACCOUNTS, INVESTMENT PROPERTY, MONEY, OTHER RIGHTS TO PAYMENT AND PERFORMANCE, AND GENERAL INTANGIBLES (INCLUDING BUT NOT LIMITED TO ALL SOFTWARE AND ALL PAYMENT INTANGIBLES); ALL ATTACHMENTS, ACCESSIONS, ACCESSORIES, FITTINGS, INCREASES, TOOLS, PARTS, REPAIRS, SUPPLIES, AND COMMINGLED GOODS RELATING TO THE FOREGOING PROPERTY, AND ALL ADDITIONS, REPLACEMENTS OF AND SUBSTITUTIONS FOR ALL OR ANY PART OF THE FOREGOING PROPERTY; ALL INSURANCE REFUNDS RELATING TO THE FOREGOING PROPERTY; (ALL GOOD WILL RELATING TO THE FOREGOING PROPERTY; ALL RECORDS AND DATA AND EMBEDDED SOFTWARE RELATING TO THE FOREGOING PROPERTY) AND ALL EQUIPMENT, INVENTORY AND SOFTWARE TO UTILIZE, CREATE, MAINTAIN AND PROCESS ANY SUCH RECORDS AND DATA ON ELECTRONIC MEDIA; AND ALL SUPPORTING OBLIGATIONS RELATING TO THE FOREGOING PROPERTY; ALL WHETHER NOW EXISTING OR HEREAFTER ARISING, WHETHER NOW OWNED OR HEREAFTER ACQUIRED OR WHETHER NOW OR HEREAFTER SUBJECT TO ANY RIGHTS IN THE FOREGOING PROPERTY; AND ALL PRODUCTS AND PROCEEDS (INCLUDING BUT NOT LIMITED TO ALL INSURANCE PAYMENTS) OF OR RELATING TO THE FOREGOING PROPERTY; WHETHER ANY OF THE FOREGOING IS OWNED NOW OR ACQUIRED LATER; ALL ACCESSIONS, ADDITIONS, REPLACEMENTS, AND SUBSTITUTIONS RELATING TO ANY OF THE FOREGOING, ALL RECORDS OF ANY KIND RELATING TO ANY OF THE FOREGOING; ALL PROCEEDS RELATING TO ANY OF THE FOREGOING (INCLUDING INSURANCE, GENERAL INTANGIBLES AND ACCOUNT PROCEEDS).

Exhibit B to Loan Agreement

FORM OF CERTIFICATE OF ACCEPTANCE

I, the undersigned, hereby certify that I am duly qualified and acting President/CEO of Cunningham Children's Home of Urbana, Illinois (“**Borrower**”) and, with respect to the Loan Agreement dated as of December 1, 2019 (the “**Agreement**,” with respect to which undefined terms herein shall have the meanings therein) by and among Borrower, Champaign-Urbana Lending Center (“**Lender**”) and the City of Urbana, Illinois (“**Issuer**”), that:

1. The Equipment described in Exhibit A to the Agreement (the “**Equipment**”) has been delivered and installed in accordance with Borrower's specifications and has been accepted by Borrower. The Buildings and related improvements and structures, located on the real estate described in Exhibit A to the Agreement (collectively, the “**Real Estate**”), have been acquired and constructed by Borrower.

2. Borrower has obtained from a reputable insurance company qualified to do business in the State (as defined in the Agreement) insurance with respect to all risks required to be covered thereby pursuant to Section 7.06 of the Agreement.

3. The Borrower has provided the information required by the Disbursement Agreement.

4. Borrower hereby directs Lender, on behalf of Issuer, to pay the Loan Proceeds (as defined in the Agreement) as follows:

5. All of the representations and warranties of Borrower contained in the Agreement are true and correct as of the date hereof and no Default or Event of Default has occurred thereunder

Dated: December 11, 2019

**CUNNINGHAM CHILDREN'S HOME OF
URBANA, ILLINOIS, Borrower**

By: _____
Title: President/CEO
Date: December 11, 2019

Exhibit C to Loan Agreement
FORM OF OPINION OF COUNSEL TO BORROWER

Exhibit D to Loan Agreement
FORM OF OPINION OF COUNSEL TO ISSUER

Exhibit E to Loan Agreement
FORM OF OPINION OF BOND COUNSEL

Exhibit F to Loan Agreement

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
THE COUNTY OF CHAMPAIGN
CITY OF URBANA, ILLINOIS
CAPITAL IMPROVEMENT REVENUE BOND, SERIES 2019
(CUNNINGHAM CHILDREN'S HOME PROJECT)**

NO. ____ **FINAL MATURITY DATE:** **INTEREST RATE:** \$ _____
2.89% for 10 years and thereafter Resets to
____% plus _____ for 10-year periods, as set
forth herein

THE CITY OF URBANA, ILLINOIS, a home rule municipality duly created and validly existing under the laws of the State of Illinois (hereafter referred to as “**Issuer**”), for value received, hereby promises to pay to:

or to registered assigns, but solely from the Loan Payments hereinafter described, the principal sum of:

in any coin or currency of the United States of America which on the date of payment thereof is the legal tender for the payment of public and private debts, and to pay, solely from such Loan Payments, in like coin and currency, interest on the outstanding principal balance hereof from the date hereof, such interest to be at the rates, and all such payments of interest, principal or interest and principal to be payable at the time and place, in the amounts and in accordance with the terms set forth in that certain Loan Agreement dated as of December 1, 2019 (including the related Series 2019 Note, the “**Loan Agreement**,” with respect to which undefined terms herein shall have the meanings therein) among the Issuer, Champaign-Urbana Lending Center (the “**Lender**”), and Cunningham Children's Home of Urbana, Illinois (“**Borrower**”). This Bond incorporates the applicable terms and provisions of the Loan Agreement: Three hundred sixty (360) consecutive substantially level consecutive monthly installments, principal and interest aggregated, payable on the 11th day of each month, commencing January 11, 2020 (each such 11th day a “**Payment Date**”), sufficient to fully amortize the outstanding and unpaid principal balance thereof, based on the Interest Rate then in effect, on December 11, 2049, with all amounts due and not previously paid to be due and payable on December 11, 2039, or earlier prepayment and redemption, as the case may be, with interest on the unpaid principal balance at the rate percent per annum: from the date thereof to and including December 11, 2029, the Loan, the Note and the Bonds shall bear interest at the rate of 2.89% per annum; and thereafter commencing December 11 in each of the years 2029 and 2039 to and including December 10 occurring ten (10) years later in each of the calendar years 2039 and December 11, 2049, the rate of interest equal to, but not to be less than __%, the sum of (i) and (ii): _____, such interest rate percent per annum to be effective for each ten-year period above, computed on the basis of a year of 365 days, and shall be charged for the actual number of days elapsed during the period for which interest is being charged, subject to adjustment as therein provided. All such payments shall be applied first to the interest and then to the principal.

After a Determination of Taxability this Bond, the Loan and the Note shall bear interest at the Taxable Rate, with a Gross Up Payment.

Each monthly installment due on each Payment Date includes interest from the later of the Dated Date hereof or from the most recent monthly Payment Date to which interest has been paid, on the outstanding balance of the Principal Amount at the Interest Rate set forth herein, computed on the basis of a year of 365 days and the number of days actually elapsed, together with the principal due, as the case may be, by check or draft on funds provided by the Borrower mailed to the Registered Owner hereof, in lawful money of the United States of America at the address of the Registered Owner hereof as shown on the registration books of the Issuer maintained by Champaign-Urbana Lending Center, Champaign, Illinois as the Bond registrar (the “**Bond Registrar**” and, as applicable, “**Paying Agent**”) for such purpose to the Registered Owner of record hereof as of the close of business on the fifth (5th) day (whether or not a business day) next preceding each Payment Date.

This Bond is subject to a **“Put Option.”** **“Put Option”** means the absolute right of the owner or owners of 100% of the outstanding Bonds to require the Borrower on December 11 in each of the years 2029 and 2039 to purchase from such owner or owners such Bonds, in whole and not in part, at a price of par plus accrued interest, with not less than 180 days’ notice in writing of the exercise of such Put Option by such owner or owners to and received by the Borrower and Issuer.

The outstanding principal balance of this Bond shall bear interest at the Interest Rate set forth above (and during certain periods at the Taxable Rate as set forth in the Loan Agreement) and shall be due and payable as to principal and/or interest, as the case may be, commencing January 11, 2020, by check or draft of the Paying Agent, to the registered owners of the Bonds as of the close of business on the fifth (5th) calendar day of the next preceding applicable Payment Date, on the registration books therefor (the **“Bond Registrar”**) maintained by the Bond Registrar.

This Bond, which is one of the Bonds issued under the Loan Agreement in the initial aggregate principal amount of \$7,000,000, is issued under and pursuant to The Industrial Project Revenue Bond Act (65 ILCS 11-74-1 *et seq.*, as supplemented and amended, the **“Enabling Act”**), and an authorizing resolution (#_____) of the Issuer's City Council, adopted December 2, 2019.

This Bond is subject to prepayment and redemption in whole or in part on any monthly Payment Date upon the terms and conditions and at the redemption/prepayment price, with applicable premium, as the case may be, set forth in the Loan Agreement.

This Bond is payable as to principal and prepayment premium, if any, solely from Loan Payments to be made by Borrower under the Loan Agreement and is evidenced secured by, among other things, the Borrower's Note issued under the Loan Agreement and a Mortgage and Security Agreement, each dated as of December 1, 2019, from the Borrower to the Lender, and otherwise in the manner and with the effect set forth in the Loan Agreement, to which reference is made as if set out in full in this place.

This Bond shall not represent or constitute a debt or pledge of the faith and credit of Issuer, and this Bond is payable solely from the special and limited sources and revenues pledged therefor pursuant to the Loan Agreement, and no moneys of Issuer raised by taxation shall be obligated or pledged for the payment of Loan Payments or any other amounts due under this Bond. No holder of any Bond has the right to compel any exercise of taxing power of the Issuer to pay this Bond or the interest thereon, and this Bond does not constitute an indebtedness of the Issuer, the State of Illinois or any other political subdivision thereof, or a loan of credit thereof within the meaning of any constitutional or statutory provision.

The Issuer has designated the Bonds as “qualified tax-exempt obligations” under Section 265(b)(3) of the Illinois Internal Revenue Code of 1966, as amended.

It is hereby certified, recited and declared that all acts, conditions and things required to exist to happen and to be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the Constitution and laws of the State of Illinois applicable thereto and that the issuance of this Bond is in fully compliance with all Constitutional and statutory limitations, provisions and restrictions.

IN WITNESS WHEREOF, THE CITY OF URBANA, ILLINOIS has issued this Bond and has caused the same to be signed by the signature of its Mayor, as attested by its City Clerk, under the Issuer's seal, as of the Dated Date set forth above.

(SEAL)

CITY OF URBANA, ILLINOIS

Attest:

By _____
Mayor

City Clerk

CERTIFICATE OF AUTHENTICATION

Date of Authentication: December 11, 2019

This Bond is one of the Bonds described in the within mentioned Loan Agreement and is one of the Capital Improvement Revenue Bonds, Series 2019 (Cunningham Children's Home Project), of the City of Urbana, Illinois.

CHAMPAIGN-URBANA LENDING CENTER
Champaign, Illinois, as Bond Registrar

Bond Registrar Champaign-Urbana Lending Center
and Paying Agent: Champaign, Illinois

By _____
Authorized Signer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned _____
_____ (the **“Transferor”**) hereby sells, assigns and transfers unto

____ (the **“Transferee”**) [SSN or FEIN]
_____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints as attorney to register the transfer of the within Bond on the books kept for registration of transfer thereof, with full power of substitution in the premises.

Date: _____
Signature Guaranteed: _____

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution which is a member of a recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP) or New York Stock Exchange Medallion Signature Program.

NOTICE: No transfer will be registered and no new Bond will be issued in the name of the Transferee, unless the signature(s) to this assignment correspond(s) with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied.

Exhibit G to Loan Agreement

SERIES 2019 NOTE

| | | | |
|-----------------------|-----------------------------|--------------------|--|
| Principal Sum: | Final Maturity Date: | Dated Date: | Interest Rate: |
| \$7,000,000 | December 11, 2049 | December 11, 2019 | 2.89% for 10 years and then ___% plus ___ for each successive 10-year period |

CUNNINGHAM CHILDREN'S HOME OF URBANA, ILLINOIS, an Illinois not-for-profit corporation (the "**Borrower**"), for value received, promises to pay to **CHAMPAIGN-URBANA LENDING CENTER**, Champaign, Illinois, as Lender (the "**Lender**"), under the Loan Agreement hereinafter referred to, the principal sum of (subject to the Put Option herein described):

Seven Million and no/100 Dollars (\$7,000,000) or such lesser sum as may have been advanced by the Lender to the Issuer

and to pay (i) interest on the unpaid balance of such principal sum from and after the date of this Note at the interest rate or interest rates (the Interest Rate above (as more particularly set forth in the Agreement, subject to becoming the Taxable Rate, as applicable) borne by the Bonds hereinafter referred to and (ii) interest on overdue principal, and to the extent permitted by law, on overdue interest, and not otherwise, at the interest rate provided under the terms of the hereinafter described Agreement.

This Note, the Loan and the Bonds shall come due and bear interest, as follows: Three hundred sixty (360) consecutive substantially level consecutive monthly installments, principal and interest aggregated, payable on the 11th day of each month, commencing January 11, 2020 (each such 11th day a "**Payment Date**"), sufficient to fully amortize the outstanding and unpaid principal balance thereof, based on the Interest Rate then in effect, on December 11, 2049, with all amounts due and not previously paid to be due and payable on December 11, 2049 or earlier prepayment and redemption, as the case may be, with interest on the unpaid principal balance at the rate percent per annum, (i) from the date thereof to and including December 11, 2049, the Loan, the Note and the Bonds shall bear interest at the rate of 2.89% per annum; and thereafter commencing December 11 in each of the years 2029 and 2039 to and including December 10 occurring ten (10) years later in each of the calendar years 2039 and December 11, 2049, the rate of interest equal to, but not to be less than ___%, the sum of (i) and (ii): _____, such interest rate percent per annum to be effective for each ten-year period above, computed on the basis of a year of 365 days, and shall be charged for the actual number of days elapsed during the period for which interest is being charged, subject to adjustment as therein provided. All such payments shall be applied first to the interest and then to the principal.

This Note has been executed and delivered by the Borrower pursuant to a certain Loan Agreement (the "**Agreement**"), dated as of December 1, 2019, by and among the City of Urbana, Illinois (the "**Issuer**"), the Lender and the Borrower. Terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement.

After an Event of Taxability this Note, the Loan and the Bond shall bear interest at the Taxable Rate (with amortization based on the interest rate in effect on the last preceding Payment Date), subject also to Late Charges.

Under the Agreement, the Issuer has loaned the Borrower the proceeds received from the sale of its \$7,000,000 aggregate principal amount Capital Improvement Revenue Bonds, Series 2019 (Cunningham Children's Home Project), dated December 11, 2019 (the “**Bonds**”), to be applied to assist in the financing of the Project. The Borrower has agreed to repay such loan by making Loan Payments at the times and in the amounts set forth in this Note. The Bonds have been issued, concurrently with the execution and delivery of this Note, pursuant to the Agreement.

The outstanding balance of the principal sum of Bonds, this Note and the Loan shall be due and payable on and before the Final Maturity Date set forth above in monthly installments and bears interest, as follows (subject to the “**Put Option**” described below): The Bonds, this Note and the Loan bear interest at the Interest Rate (or other applicable rate) and are payable in 360 consecutive monthly installments, principal and interest aggregated, commencing January 11, 2020, as set forth with payment schedules annexed to each Bond and this Note, on the 11th day of each month (each such installment payment date constituting a “**Payment Date**”), commencing January 11, 2020, as to principal and interest sufficient to amortize all outstanding principal on December 11, 2049, with all principal and interest not previously paid to be paid in the last monthly installment, or earlier prepayment and redemption, as the case may be.

This Note shall be due and payable monthly on the Business Day preceding the 11th day of each month, commencing January 11, 2020, in an amount equal to the principal and/or interest due on the next succeeding Payment Date, to be timely available to pay when due the principal of and interest on the Bonds, such amounts to be paid in immediately available funds by the Borrower to the Lender for deposit and credit to the Bond Fund.

This Note and the Bonds are subject to a Put Option, as follows: “**Put Option**” means the absolute right of the owner or owners of 100% of the outstanding Bonds to require the Borrower on December 11 in each of the years 2029 and 2039 to purchase from such owner or owners such Bonds, in whole and not in part, at a price of par plus accrued interest, with not less than 180 days’ notice in writing of the exercise of such Put Option by such owner or owners to and received by the Borrower and Issuer.

The Bonds and the Loan are subject to redemption and prepayment prior to maturity or due date on any date in whole or in part on the applicable redemption or due date and at a redemption price equal to: (i) if from the Borrower's own funds and not any refinancing (but before December 11, 2024 only with the Lender's written consent), the principal amount to be so redeemed and prepaid; and (ii) if other than (i), including any refinancing (but before December 11, 2024 only with the Lender's written consent), the principal amount to be so redeemed and prepaid, plus a premium (expressed as a percentage of the principal amount being so redeemed and prepaid), as follows:

| <u>Redemption/Prepayment Record</u> | <u>Premium</u> |
|--|----------------|
| December 11, 2019 to and including December 10, 2020 | 5.0% |
| December 11, 2020 to and including December 10, 2021 | 4.0% |

| | |
|--|------|
| December 11, 2021 to and including December 10, 2022 | 3.0% |
| December 11, 2022 to and including December 10, 2023 | 2.0% |
| December 11, 2023 to and including December 10, 2024 | 1.0% |

, plus (as to both (i) and (ii)) accrued interest to the applicable redemption and prepayment date. Notice of any such redemption and prepayment shall be sent by first class mail not less than five (5) days nor more than fifteen (15) days prior to the date fixed for redemption and prepayment to the registered owner of each Bond (or part thereof) to be redeemed at the address shown on the registration books of the Issuer maintained by the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Bond Registrar. When so called for redemption, the Bonds will cease to bear interest on the specified redemption date, provided funds for redemption are on deposit at the place or payment at the time, and shall not be deemed to be outstanding. The owner of any Bond may waive any procedural requirement for redemption and prepayment.

The outstanding principal balance of the Bonds shall bear interest at the rate or rates set forth above and shall be due and payable as to principal and/or interest, as the case may be, on each Payment Date, by check or draft or account or wire transfer of the Borrower to Champaign-Urbana Lending Center, Champaign, Illinois, as Paying Agent (the **“Paying Agent”**) to the registered owners of the Bonds as of the close of business on the fifth (5th) calendar day next preceding the applicable Payment Date, on the registration books therefor (the **“Bond Registrar”**) maintained by Champaign-Urbana Lending Center, Champaign, Illinois, as Bond Registrar (the **“Bond Registrar”**). Interest shall be computed on the basis of a 365-day year, and the number of days actually elapsed.

All Loan Payments shall be payable in lawful money of the United States of America and shall be made to the Lender at its principal office at 301 North Neil Street, Suite 105, in Champaign, Illinois 61820 for the account of the Issuer, and used as provided in the Agreement.

Subject to the next to last paragraph hereof, the obligation of the Borrower to make the payments required hereunder shall be absolute and unconditional and the Borrower shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim which the Borrower may have or assert against the Issuer, the Lender, the Disbursement Agent, or any other person.

This Note is subject to optional, extraordinary optional and mandatory prepayment, in whole and not in part, upon the same terms and conditions, on the same dates and at the same prepayment prices, as the Bonds are subject to optional, extraordinary optional and mandatory redemption. Any optional or extraordinary optional prepayment is also subject to satisfaction of any applicable notice, deposit or other requirements set forth in the Agreement.

Whenever an Event of Default under Section 11.01 of the Agreement shall have occurred and, as a result thereof, the principal of and any premium on all Bonds then outstanding, and interest accrued thereon, shall have been declared to be immediately due and payable pursuant to Section 11.02 of the Agreement, the unpaid principal amount of and any premium and accrued interest on this Note also shall be due and payable on the date on which the principal of and

premium and interest on the Bonds shall have been declared due and payable; provided that the annulment of a declaration of acceleration with respect to the Bonds shall also constitute an annulment of any corresponding declaration with respect to this Note.

This Note shall be due and payable according to its tenor and import without any requirement for presentment, demand, notice of dishonor or otherwise.

IN WITNESS WHEREOF, the Borrower has signed this Note as of the date first above written.

**CUNNINGHAM CHILDREN'S HOME OF
URBANA, ILLINOIS**, an Illinois not-for-profit
corporation

By: _____
Title: Marlin Livingston, President/CEO

Exhibit H to Loan Agreement

INVESTMENT CERTIFICATE

Dated Date: December 11, 2019

The undersigned, on behalf of CHAMPAIGN-URBANA LENDING CENTER (the “**Lender**” [or “**Participant**”]), being the party purchasing (either directly or by a participation from a registered owner) from the City of Urbana, Illinois (the “**Issuer**”) all or part of the Issuer's \$7,000,000 Capital Improvement Revenue Bond, Series 2019 (Cunningham Children's Home Project) (the “**Bond**”), pursuant to a Loan Agreement dated as of December 1, 2019, does hereby certify, represent and warrant to the Issuer the following:

1. The Bond (or a portion) in the amount of \$_____ is or will be acquired by the undersigned pursuant to terms of the above-referenced Loan Agreement.

2. In connection with its business the undersigned holds an extensive portfolio of investment securities. The Lender [or Participant] is an “**accredited investor**” (including financial institutions) with knowledge and experience in financial and business matters with extensive experience in purchasing and evaluating obligations similar to the Bond and has purchased the Bond for purposes of investment only, only for one account which is its own account, and not with any present intent to offer, sell, resell, or otherwise distribute the Bond or any portion thereof or interest therein, and the Lender is not currently participating and at the present time does not anticipate that we will participate in the future, directly or indirectly, in any underwriting of the Bond or of any portion thereof or interest therein. We further understand that no official statement, offering memorandum or circular will be issued in connection with the Bond, and that the Bond is not rated by any accredited rating agency.

3. Prior to the purchase of the Bond, the undersigned has been provided with the opportunity to ask questions of and receive answers from the representatives of Cunningham Children's Home of Urbana, Illinois, an Illinois not-for-profit corporation (the “**Borrower**”) concerning the terms and conditions of the Bond, the tax status of the Bond, the financial conditions of the Borrower, legal opinions and enforceability of remedies, the security therefore, and to obtain any additional information needed in order to verify the accuracy of the information obtained. The undersigned acknowledges that Ice Miller, LLP, Illinois, have acted solely as Issuer's Bond Counsel and have obtained such information and examined such records as they deemed necessary for the issuance of their opinions concerning the validity and tax-exempt status of the Bond. The undersigned is not relying on the Issuer, the Issuer's Attorney, or Bond Counsel for information concerning the financial status of the Borrower or the ability of the Borrower to honor its financial obligations or other covenants under the Financing Documents (as defined herein).

4. The following documents (the “**Financing Documents**”) have been duly executed and delivered by an authorized official of the Lender in the name of and on behalf of the Lender to provide for the purchase of the Bond by the Lender, and the Financing Documents have not been amended, modified or rescinded and are in full force and effect as of the date hereof:

(a) the Loan Agreement dated as of December 1, 2019, by and among the Issuer, the Borrower and the Lender to provide for the sale of the Bond to the Lender (the “**Agreement**,” with respect to which undefined terms herein shall have the meaning therein).

(b) the Disbursement Agreement dated as of December 1, 2019, by and among the Issuer, the Borrower and the Lender;

(c) the Tax Regulatory Agreement dated as of December 1, 2019, by and among the Issuer, the Borrower and the Lender; and

(d) the Mortgage and Security Agreement dated as of December 1, 2019, from the Borrower to the Lender.

5. The Lender is an Illinois banking corporation duly organized and validly existing under the laws of the United States of America and has full legal right, power and authority to purchase the Bonds pursuant to the Agreement, to execute and deliver the Financing Documents to which it is a party, and to take any and all such action as may be required on its part to carry out, give effect to and consummate the purchase of the Bond and any other transactions contemplated by the Financing Documents.

6. Each of the representations of the Lender set forth in the Financing Documents to which it is a party is true and correct in all material respects as of the date hereof, as if made on the date hereof, and all covenants and conditions to be complied with and obligations to be performed by the Lender under said agreements have been complied with and performed.

7. To the knowledge of the undersigned, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the best knowledge of the Lender, threatened, against or affecting the Lender, which would materially adversely affect the transactions contemplated by, or the validity or enforceability of, the Financing Documents to which it is a party.

8. To the knowledge of the undersigned, the Lender is not in violation of any provision of, or in default under, any statute, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Lender, the effect of which would materially adversely affect the transactions contemplated by or the validity or enforceability of the Financing Documents to which it is a party.

9. The undersigned acknowledges (i) that in connection with the risk associated with the purchase of the Bond (or a participation), it is not relying on any representation of the Issuer or its agents, and (ii) that it has performed its own investigation of the risks involved in purchasing the Bond for investment and is not relying upon any other person to have conducted such investigation.

10. The undersigned acknowledges that because the Bond has not been registered under the Securities Act of 1933, as amended or under the Illinois Securities Law of 1953, it cannot be sold or participated unless it is subsequently registered under those acts or an exemption from such registration is available.

11. The Bond and other instruments delivered at the closing of the Bond are being acquired for investment only and not with a view to distribution or sale, and in any case, will not be transferred or exchanged without registration under the Illinois Securities Law of 1953, as amended, or an exemption therefrom or if such transfer or exchange would subject the Issuer or the Borrower to potential liabilities under federal securities laws or the Illinois Securities Law of 1953, as amended.

Subject to the foregoing, the undersigned reserves the right to sell or otherwise transfer the Bond or any interest therein.

CHAMPAIGN-URBANA LENDING CENTER,

By: _____
Its: _____