

TOWN COUNCIL ACTION REPORT

October 14, 2010

Public Hearing Pertaining to the Proposed Issuance of Solid Waste Disposal Revenue Bonds in an Amount Not to Exceed \$5,610,000 for the Benefit of Midwest Fiber, Inc. and Shumaker Properties, L.L.C.

PREPARED BY: Mark R. Peterson, City Manager

BUDGET IMPACT: N/A

STAFF RECOMMENDATION: That the public hearing be convened.

BACKGROUND

On June 21, 2010, by the adoption of Resolution No. 4523, a site plan was approved for Midwest Fiber Recycling Project located near White Oak Road and West Hovey in West Normal. Midwest Fiber plans to expand the former Weyerhouser facility and to develop a regional recycling facility. In April of 2010, by the adoption of Resolution No. 4492, the Town reserved its Private Activity Bond authority in anticipation of issuing such bonds for the benefit of the Midwest Fiber expansion project.

As is required by State Statute, a public hearing must be held on the issuance of Private Activity Bonds by the municipality. It is the Town's intent to consider the issuance of a not to exceed amount of \$5,610,000 in Solid Waste Disposal Revenue Bonds Series 2010 for the Midwest Fiber project. The purpose of this issuance of bonds would be to provide funds to make a loan to finance certain existing debt and to finance a portion of the costs of construction, equipping and improvement of an addition to an existing building used for solid waste recycling for the benefit of Midwest Fiber, Inc. and Shumaker Properties, L.L.C.

DISCUSSION/ANALYSIS

It would be appropriate for the Council to convene a public hearing and to accept public comment on the proposed issuance of Private Activity Bonds. Once all public comment has been received, it would be in order for the Council to adjourn the public hearing.

The actual ordinance approving this bond issuance is included on your regular meeting agenda.

TOWN OF NORMAL
NORMAL, ILLINOIS

CITY HALL
PHONE: 454-2444

PROPOSED AGENDA FOR TOWN COUNCIL MEETING

October 18, 2010

7:00 p.m.

6:50 p.m. Regular Meeting of the Normal Local Liquor Commission

7:00 p.m. Public Hearing Pertaining to the Proposed Issuance of Solid Waste Disposal Revenue Bonds in an Amount Not to Exceed \$5,610,000 for the Benefit of Midwest Fiber, Inc. and Shumaker Properties, L.L.C.

1. Call to Order

2. Roll Call

3. Pledge of Allegiance

4. OMNIBUS VOTE AGENDA

(All items under the Omnibus Vote Agenda are considered to be routine in nature and will be enacted by one motion. There will be no separate discussions of these items unless a Council Member so requests, in which event, the item will be removed from the Omnibus Vote Agenda and considered as the first item after approval of the Omnibus Vote Agenda.)

A. Approval of the Minutes of the Regular Meeting of October 4, 2010

B. Approval of Town of Normal Expenditures for Payment as of October 13, 2010

C. Motion to Accept Water Treatment Plant Chemical Bids for November 2010 Through October 2011

D. Motion Authorizing Staff to Negotiate Three Year Engineering Continuing Service Agreements with AECOM, Clark-Dietz, Inc., Crawford, Murphy & Tilly, Inc., Farnsworth Group, and Lewis Yockey and Brown, Inc. to Provide Engineering Service for Various Town Departments

E. Motion to Authorize the Preparation of the 2010 Property Tax Levy Ordinance

F. Resolution Accepting a Bid and Awarding a Contract to Amco Fencing of Springfield, IL for the Materials and Installation of Fencing for Shepard Park's Two Baseball Fields

G. Resolution Authorizing the Execution of a License Agreement with River City Construction L.L.C. for Use of the Ground Floor Commercial Space at the College Avenue Parking Deck

H. Resolution Ratifying Execution of an Agreement with Frontier Communications to Relocate Facilities in Conflict with the New Multimodal Transportation Center in Uptown Normal in the Amount of \$37,802

I. Resolution Terminating the One Main Redevelopment Agreement

5. ITEMS REMOVED FROM OMNIBUS VOTE AGENDA

GENERAL ORDERS

6. An Ordinance Authorizing the Issuance of not to Exceed \$5,610,000.00 Principal Amount of Solid Waste Disposal Revenue Bonds (Midwest Fiber Project) Series 2010, in One or More Series, by the Town of Normal, McLean County, Illinois, for the Purpose of Providing Funds to make a Loan to Refinance Certain Existing Debt and to Finance a Portion of the Costs of the Construction, Equipping and Improvement of an Addition to an Existing Building Used for Solid Waste Recycling for the Benefit of Midwest Fiber, Inc. and Shumaker Properties, L.L.C.; Authorizing and Approving Certain Documents; and Authorizing Certain Other Actions in Connection with the Issuance of said Bonds

NEW BUSINESS

7. Presentation of the Community-Wide Sustainability Plan and 2035 Report

CONCERNS

ADJOURNMENT

Omnibus Vote

MINUTES OF THE REGULAR MEETING OF THE NORMAL TOWN COUNCIL HELD IN THE COUNCIL CHAMBERS, NORMAL CITY HALL, 100 EAST PHOENIX AVENUE, NORMAL, MCLEAN COUNTY, ILLINOIS – MONDAY, OCTOBER 4, 2010.

1. CALL TO ORDER:

Mayor Chris Koos called the regular meeting of the Normal Town Council to order at 7:02 p.m., Monday, October 4, 2010.

2. ROLL CALL:

The Clerk called the roll with the following persons physically

PRESENT: Mayor Chris Koos and Councilmembers Sonja Reece, Adam Nielsen, Jeff Fritzen, Jason Chambers, and Cheryl Gaines. Also present were City Manager Mark Peterson, Deputy City Manager Pamela Reece, Corporation Counsel Steve Mahrt, and Town Clerk Wendy Briggs.

ABSENT: Councilmember Chuck Scott.

3. PLEDGE OF ALLEGIANCE:

Mayor Koos led the Pledge of Allegiance to the Flag.

4. OMNIBUS VOTE AGENDA:

Mayor Koos announced Item J had been withdrawn from consideration at this time to give staff time to evaluate new information that was submitted after Council Packet had been prepared. This item will be considered at the October 18, 2010, Council Meeting.

Mayor Koos excused himself from voting on any bills he incurred while performing his Mayoral duties.

Councilmember Reece excused herself from voting on any bills submitted by Advocate BroMenn Healthcare and any bills she may have incurred while performing Council duties.

Councilmember Fritzen excused himself from voting on any bills he may have incurred while performing his Council duties.

Item D was removed from Omnibus Vote Agenda.

MOTION:

Councilmember Fritzen moved, seconded by Councilmember Chambers, the Council Approve the Omnibus Vote Agenda.

AYES: Reece, Nielsen, Fritzen, Chambers, Gaines, Koos.

NAYS: None.

ABSENT: Scott.

Motion declared carried.

A. APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF SEPTEMBER 20, 2010: Omnibus Vote.

- B. APPROVAL OF TOWN OF NORMAL EXPENDITURES FOR PAYMENT AS OF SEPTEMBER 29, 2010: Omnibus Vote.
- C. MOTION TO WAIVE THE FORMAL BID PROCESS AND ACCEPT A QUOTE FROM HOERR NURSERY FOR GRASS SOD FOR THE SHEPARD PARK PROJECT IN THE AMOUNT OF \$13,365: Omnibus Vote.
- E. MOTION TO APPOINT THE FIRE CHIEF AND CORPORATION COUNSEL TO THE FIRE PENSION BOARD: Omnibus Vote.
- F. MOTION TO WAIVE THE FORMAL BID PROCESS AND ACCEPT A PROPOSAL IN THE AMOUNT OF \$42,800 FROM TARTER CONSTRUCTION, LLC, FOR THE REMODELING OF THE EAST WING OF THE 305 S. LINDEN BUILDING TO ACCOMMODATE THE ENGINEERING DEPARTMENT: Omnibus Vote.
- G. RESOLUTION AUTHORIZING AN EXTENSION AND RATE ADJUSTMENT TO A CONTRACT WITH LAESCH ELECTRIC, INC., FOR TRAFFIC CONTROL EQUIPMENT AND HIGHWAY LIGHTING MAINTENANCE: Resolution No. 4558: Omnibus Vote.
- H. RESOLUTION AUTHORIZING EXECUTION OF A RIGHT OF ENTRY AGREEMENT WITH UNION PACIFIC RAILROAD COMPANY FOR THE CONSTRUCTION OF THE MULTIMODAL TRANSPORTATION CENTER: Resolution No. 4559: Omnibus Vote.
- I. RESOLUTION AUTHORIZING A SUPPLEMENTAL AGREEMENT WITH CLARK-DIETZ, INC., RELATING TO THE DESIGN AND LEED CERTIFICATION OF THE PUBLIC WORKS OPERATIONS AND SERVICE CENTER: Resolution No. 4560: Omnibus Vote.
- J. RESOLUTION TERMINATING THE ONE MAIN DEVELOPMENT AGREEMENT: Delayed to Next Council Meeting.
5. ITEMS REMOVED FROM OMNIBUS VOTE AGENDA:
- D. MOTION TO ACCEPT A BID AND AWARD A CONTRACT IN THE AMOUNT OF \$900,784 TO ROWE CONSTRUCTION CO. FOR THE 2010 STREET RESURFACING PROJECT:

MOTION:

Councilmember Nielsen moved, seconded by Councilmember Reece, the Council Accept a Bid and Award a Contract in the Amount of \$900,784 to Rowe Construction Co. for the 2010 Street Resurfacing Project.

Councilmember Nielsen posed questions concerning the time-line for this project, which questions were responded to by City Manager Mark Peterson.

AYES: Nielsen, Fritzen, Chambers, Gaines, Reece, Koos.

NAYS: None.

ABSENT: Scott.

Motion declared carried.

GENERAL ORDERS

6. ORDINANCE AMENDING SECTION 6.4-17 OF THE MUNICIPAL CODE ESTABLISHING A PERMIT SYSTEM FOR OPEN BURNING AND RECREATIONAL FIRE CONTAINERS: Ordinance No. 5350:

MOTION:

Councilmember Nielsen moved, seconded by Councilmember Gaines, the Council Approve an Ordinance Amending SECTION 6.4-17 of the Municipal Code Establishing a Permit System for Open Burning and Recreational Fire Containers.

Councilmember Gaines expressed concern with the Ordinance, particularly that permits are not required. Fire Chief Mick Humer responded that permits were still required for the large-scale fires, but not the small fires. Councilmember Gaines indicated these small fires can be an issue in neighborhoods, as people with asthma could experience problems with smoke drifting into their windows from such fires. Councilmember Gaines stated if a permit was required, it would cut down on the amount of impromptu fires in neighborhoods. Councilmember Nielsen commented that only wood is allowed to be burned in the fire pits and outdoor fireplace structures. Councilmember Reece encouraged families with asthmatic individuals to share the health information with their neighbors to appeal to the common sense of the neighbors.

Fire Chief Humer indicated the Fire Department intended to do an extensive campaign to educate the residents of Normal concerning the new rules and regulations.

Councilmember Gaines expressed concern with the ability to have a fire with no means of containment, such as a fire pit, fireplace, ring of stone, etc.

AMENDMENT TO MOTION:

Councilmember Gaines moved the Proposed Ordinance be Amended to Require all Fire Pits to have Some Sort of Ring Around the Area, Not Simply Bare Ground.

The Motion died for a lack of a Second.

ROLL CALL VOTE ON ORIGINAL MOTION:

AYES: Fritzen, Chambers, Reece, Nielsen, Koos.

NAYS: Gaines.

ABSENT: Scott.

Motion declared carried.

NEW BUSINESS7. PRESENTATION OF THE COMMUNITY-WIDE SUSTAINABILITY PLAN AND 2035 REPORT:

Mayor Koos announced this item had been delayed until the October 18, 2010, Council Meeting.

8. CONCERNS:1. TOWN'S ANNIVERSARY:

Mayor Koos announced that 145 years ago was the first Town of Normal Council Meeting held at the Post Office. Wesley Pearce was elected President, and S.J. Reeder was elected Clerk.

2. "TIME TO TALK" DAY:

Councilmember Gaines indicated that Tuesday, October 5, 2010, was "Time to Talk" Day - focusing on domestic violence. Councilmember Gaines encouraged all citizens to wear purple to support this cause.

9. ADJOURNMENT:

There being no further business to come before the Council, Mayor Koos called for a Motion to Adjourn.

MOTION:

Councilmember Fritzen moved, seconded by Councilmember Reece, the Regular Meeting of the Normal Town Council be Adjourned.

AYES: Chambers, Gaines, Reece, Nielsen, Fritzen, Koos.

NAYS: None.

ABSENT: Scott.

Motion declared carried.

Mayor Koos adjourned the Regular Meeting of the Normal Town Council at 7:19, Monday, October 4, 2010.

<u>Vendor Name</u>	<u>Description</u>	<u>Transaction Amount</u>
<u>General Fund</u>		
B-N WATER RECLAMATION DISTRICT	TAP-ON FEES	\$2,450.00
CITY OF BLOOMINGTON	VEHICLE USE TAX	\$72,173.27
HEARTLAND PARKING INC	PARKING LOTS PROFIT/SEPT	(\$930.00)
CARDMEMBER SERVICE	DESTIHL-REDBOX INSTALL	\$264.60
CARDMEMBER SERVICE	ART INK DONOR EVENT	\$63.35
CARDMEMBER SERVICE	ARTS INK DONOR EVENT	\$43.88
CITY OF BLOOMINGTON	FOOD/BEVERAGE TAX	\$402.00
ONSRUD, CRAIG	PRO SHOP INV PMT 9/19-10/	\$1,704.42
ONSRUD, CRAIG	PRO SHOP TAX PMT 9/19-10/	\$127.37
General Fund Total		\$76,298.89
<u>General Fund Administration - City Mgr Boards & Commissions</u>		
AVANTI'S ITALIAN RESTAURANT	HRC TRAINING	\$74.65
General Fund Administration - City Mgr Boards & Commissions Total		\$74.65
<u>General Fund Administration - City Mgr City Manager</u>		
T/N PETTY CASH-FINANCE DEPT	LUNCH EXPENSE	\$17.03
National Community Development	NCDA CONFERENCE	\$125.00
AVANTI'S ITALIAN RESTAURANT	PAINTING CREW	\$80.40
CARDMEMBER SERVICE	CDBG CONF., LUNCH MEETING	\$326.12
CARDMEMBER SERVICE	MEETING EXPENSES	\$209.19
CARDMEMBER SERVICE	MEETING EXPENSES	\$163.00
General Fund Administration - City Mgr City Manager Total		\$920.74
<u>General Fund Administration - City Mgr Uptown Project</u>		
B/N CONVENTION & VISITORS BUREAU	2011 VISITOR GUIDE AD	\$500.00
PANTAGRAPH	UPTOWN ADS	\$450.00
NEXSTAR BROADCASTING INC	UPTWN ADS: 9/14, 9/21	\$180.00
NEXSTAR BROADCASTING INC	UPTWN AD: 9/22 /#306657	\$405.00
GREAT PLAINS MEDIA	WIBL, WZIM- UPTOWN ADS	\$500.00
CARDMEMBER SERVICE	LUNCH MEETING	\$125.22
CARDMEMBER SERVICE	CHICAGO/AMTRAK PARKING RO	\$174.32
CARDMEMBER SERVICE	PROTO TYPE LIGHTS FOR CIR	\$237.98
CARDMEMBER SERVICE	TREE LIGHTS CIRCLE ISU HO	\$569.52
General Fund Administration - City Mgr Uptown Project Total		\$3,142.04
<u>General Fund Administration - City Mgr General Expense Dept.</u>		
B/N CONVENTION & VISITORS BUREAU	HOTEL / MOTEL TAX - SEPT	\$20,333.33
HARLAN VANCE COMPANY	WELLNESS PROGRAM T-SHIRTS	\$54.00
VIOLETA COTTRELL	REFUND/TRIP CANCELLED/MIN	\$45.00
DANIA MELGAR	TRIP REFUND/CANCELLED/LOW	\$30.00
CHERI CARROLL	TRIP REFUND/LOW ENROLLMEN	\$60.00
SUWADA DANIELS	PROGRAM REFUND	\$30.00
RHONDA SIMONSON	PROGRAM REFUND	\$15.00
DEREK FELDMAN	GARBAGE TOTER REFUND	\$57.00
ADVOCATE BROMENN MEDICAL CENTER	WELLNESS PROGRAM - SEPT	\$4,420.42
ALPHA GAMMA RHO FRATERNITY	DEPOSIT REFUND	\$100.00
CARDMEMBER SERVICE	HOLIDAY CARDS	\$564.70
CARDMEMBER SERVICE	GIFT CARDS	\$100.00
DANIELLE CAIL	PROGRAM REFUND	\$25.00
DEBORAH HALPERIN	REFUND-XNCLD TRIVIA NIGHT	\$200.00
CARDMEMBER SERVICE	SUSTAINABILITY MTG.	\$52.90
General Fund Administration - City Mgr General Expense Dept. Total		\$26,087.35
<u>General Fund Town Clerk Administration</u>		
CIMCO	CIMCO ANNUAL MEETING - CL	\$35.60
COM MICROFILM COMPANY	SCAN MAPS, DRAWINGS, RECORD	\$3,436.51
T/N PETTY CASH-FINANCE DEPT	RECORDING FEES	\$71.00
T/N PETTY CASH-FINANCE DEPT	RECORDING FEES	\$83.00
T/N PETTY CASH-FINANCE DEPT	RECORDING FEES	\$184.00
NORMALITE	LEGAL NOTICES	\$5,630.00
General Fund Town Clerk Administration Total		\$9,440.11
<u>General Fund Corporation Counsel Administration</u>		

<u>Vendor Name</u>	<u>Description</u>	<u>Transaction Amount</u>
ILGL	KARPLUS REGISTRATION	\$65.00
ADAM AHART	SUBPOENA FEE FOR OV CASE	\$20.00
WEST GROUP	WEST INFORMATION CHGS	\$745.67
General Fund Corporation Counsel Administration Total		\$830.67
<u>General Fund Facility Management Administration</u>		
MILLER JANITOR SUPPLY	MOUNTED SOAP DISPENSER	\$173.49
MENARDS	BUG SPRAY,BUG LIGHTS	\$21.91
NYBAKKE VACUUM SHOP INC	EUREKA - QUICKUP (3)	\$149.97
CINTAS CORPORATION #396	CARPET RUNNER - CDM	\$53.10
SPRINGFIELD ELECTRIC CO	FLUOR LAMPS - CH	\$111.12
SPRINGFIELD ELECTRIC CO	FLUOR LAMPS - CDM	\$159.48
SPRINGFIELD ELECTRIC CO	CAT5E RISER BLUE (FM)	\$88.58
DM MATTSOIN INC	SERVICE CALL - CDM	\$190.00
U S MECHANICAL SERVICES	NEW CONDENSOR FAN MOTOR	\$851.76
U S MECHANICAL SERVICES	MAINT SERVICE - 211 ANNEX	\$9.98
SECTY OF STATE-MOTOR VEH DIV	TITLE/LICENSE, FORD RNGR	\$105.00
CINTAS CORPORATION #396	CARPET RUNNER - CDM	\$53.10
CINTAS CORPORATION #396	CARPET RUNNER - CDM	\$53.10
RANEY TERMITE CONTROL INC	MONTHLY SERVICE- THEATER	\$36.50
G & B MECHANICAL	SERVICE - 9/20 (CDM)	\$661.35
AUTOMATIC FIRE SPRINKLER, LLC	SVC- F/PROTECTION SYS-CDM	\$230.00
U S MECHANICAL SERVICES	SVC ICE MACHINE-THEATER	\$246.84
U S MECHANICAL SERVICES	HEAT EXCHANGERS - NPd	\$3,826.00
WILCOX ELECTRIC & SERVICE INC	REPAIR CONDUITS- C HALL	\$1,429.84
WILCOX ELECTRIC & SERVICE INC	A/C DISCONNECTS - NFD1	\$1,238.59
WILCOX ELECTRIC & SERVICE INC	OUTSIDE LITE REPAIR- FD1	\$977.12
WILCOX ELECTRIC & SERVICE INC	RAN CONDUIT - FM BLDG	\$649.42
WILCOX ELECTRIC & SERVICE INC	OUTLETS- FDII SLEEP QTRS	\$907.54
WILCOX ELECTRIC & SERVICE INC	OC SENSORS - CDM	\$2,750.00
SUNBELT RENTALS INC	24" TRENCHER (FD11)	\$146.10
MCLEAN COUNTY CONCRETE	CONCRETE - C HALL	\$189.50
MENARDS	FACESHIELDS, BULBS,SCREWS	\$144.96
SHERWIN-WILLIAMS CO	PAINT (FOR FD2)	\$29.63
SHERWIN WILLIAMS FKA MAB PAINTS	PAINT FOR UPTWN	\$440.17
SHERWIN-WILLIAMS CO	PAINT SUPPLIES - UPTOWN	\$507.23
CARDMEMBER SERVICE	MAINT. MATERIALS	\$211.51
CARDMEMBER SERVICE	MAINT. SUPPLIES	\$257.94
CARDMEMBER SERVICE	MAINT. MATERIALS	\$27.72
ACE HARDWARE	SUPPLIES - FAC MGMT	\$177.53
ACE HARDWARE	SUPPLIES - FAC MGMT	\$44.95
ACE HARDWARE	SUPPLIES - FAC MGMT	\$158.01
ACE HARDWARE	SUPPLIES - FAC MGMT	\$100.20
ACE HARDWARE	SUPPLIES - FAC MGMT	\$96.96
ACE HARDWARE	SUPPLIES - FAC MGMT	\$120.82
ACE HARDWARE	SUPPLIES - FAC MGMT	\$277.08
General Fund Facility Management Administration Total		\$17,904.10
<u>General Fund Finance Administration</u>		
CARDMEMBER SERVICE	DOWNSTATE IL ECONOMIC WOR	\$35.00
CARDMEMBER SERVICE	IGFOA ANNUAL CONF-ACTIVIT	\$100.00
CARDMEMBER SERVICE	IGFOA SEMINAR FEES-HILL &	\$220.00
CARDMEMBER SERVICE	IGFOA ANNUAL CONF. EXPENS	\$241.98
GOVERNMENTAL ACCOUNTING	GASB-2 YEAR RENEWAL	\$385.00
LOOMIS FARGO & CO	COURIER SVC- OCT,2010	\$398.36
General Fund Finance Administration Total		\$1,380.34
<u>General Fund Purchasing Administration</u>		
US POSTAL SERVICE/HASLER	POSTAGE FOR 611 ANNEX	\$1,500.00
General Fund Purchasing Administration Total		\$1,500.00
<u>General Fund Purchasing Office Supply</u>		
W M PUTNAM COMPANY	FILE- WALL POCKET	\$10.47

<u>Vendor Name</u>	<u>Description</u>	<u>Transaction Amount</u>
QUILL CORPORATION	CHAIRMATS (2)- NPD	\$139.98
WALZ LABEL AND MAILING SYSTEMS	EQUIP- 1YR EXT WARRANTY	\$1,195.00
W M PUTNAM COMPANY	FILE CABINET	\$45.99
W M PUTNAM COMPANY	OFFICE SUPPLIES - CDM	\$72.96
W M PUTNAM COMPANY	SUPPLIES - 211 ANNEX	\$21.77
W M PUTNAM COMPANY	OFFICE SUPPLIES - C HALL	\$231.20
MIDLAND PAPER	20CS RECYC COPY PAPER	\$768.80
T/N PETTY CASH-FINANCE DEPT	LABELS FOR BUDGET WORKBOO	\$13.58
W M PUTNAM COMPANY	CREDIT - VERTICAL FILE	(\$45.99)
W M PUTNAM COMPANY	VERTICAL FILE	\$45.99
W M PUTNAM COMPANY	CALCULATOR	\$102.58
W M PUTNAM COMPANY	STAMPS (FIN SCANNING)	\$21.00
QUILL CORPORATION	ANNUAL CALENDAR ORDER	\$2,133.95
QUILL CORPORATION	FLIP/A WK- CLNDR REFILL	\$10.99
OFFICE DEPOT CREDIT PLAN	BINDERS/TABS GRIEVANCE	\$130.79
CARDMEMBER SERVICE	PAGE NUMBERER	\$37.70
General Fund Purchasing Office Supply Total		\$4,936.76
<u>General Fund Information Technology Administration</u>		
MNJ TECHNOLOGIES DIRECT INC	HP DRUM KIT	\$106.54
MNJ TECHNOLOGIES DIRECT INC	HP TONERS	\$290.76
MNJ TECHNOLOGIES DIRECT INC	TONER CARTRIDGES	\$729.47
FRONTIER	ACCT 12 9005 2760082679 0	\$7,317.86
NEXTEL COMMUNICATIONS	ACCT 183003087 AUG21-SEP2	\$9,370.91
DELL MARKETING LP	VIDEO SERVER FOR SQUAD	\$6,490.75
DATALINK CORPORATION	TAPE DRIVE MAINT- 1YR	\$1,200.00
SAFEGUARD BUSINESS SYSTEMS INC	ENV FOR YEAR END FORMS	\$524.98
HTE VAR, LLC	SFTWR/HRDWR-12 MO. MAINT	\$7,100.00
HANSON INFORMATION SYSTEMS INC	SVC 217	\$1,450.00
HANSON INFORMATION SYSTEMS INC	SVC 185	\$101.50
HANSON INFORMATION SYSTEMS INC	SVC 227	\$1,000.00
PAETEC BUSINESS SERVICES	ACCT 3317764 SEPT10	\$318.17
KOOS, CHRIS	MONTHLY PHONE REIMBURSEME	\$129.65
KOOS, CHRIS	AUG & SEPT PHONE REIMBURS	\$205.86
CDW GOVERNMENT INC	RECEIPT PAPER	\$162.71
CARDMEMBER SERVICE	OFFICE DEPOT - ERGO	\$18.98
CARDMEMBER SERVICE	BEST BUY - ETHERNET SWITC	\$119.98
CARDMEMBER SERVICE	MS TECH NET SUB	\$449.00
CARDMEMBER SERVICE	DLT - AUTOCAD CIVIL SUB	\$945.29
LEXIS NEXIS	ACCT 1238G8 SEPT10	\$149.00
MCLEAN CO INFORMATION SERVICES	ACCT T8880050 AUG10	\$219.35
GLOBAL GOV'T/ED	TRANSFER KIT	\$243.70
General Fund Information Technology Administration Total		\$38,644.46
<u>General Fund Human Resources Administration</u>		
BROMENN MEDICAL GROUP	BAT, DRUG TESTS	\$225.00
IL ST POLICE BUREAU OF IDENT	HR - BACKGROUND CHECKS	\$3,000.00
CARDMEMBER SERVICE	SHRM MEMBERSHIP DUES / HA	\$160.00
CHESTNUT GLOBAL PARTNERS LLC	ANNUAL EAP SERVICES	\$11,594.00
General Fund Human Resources Administration Total		\$14,979.00
<u>General Fund Inspections Administration</u>		
OSF MEDICAL GROUP	DEPT.HEAD MEDICAL TEST	\$52.17
INTERNATIONAL CODE COUNCIL (BOCA)	IBC CODE BOOK	\$115.75
SIUE	IL BACKFLOW PREVENTION SY	\$100.00
CARDMEMBER SERVICE	BATTERIES	\$25.84
CARDMEMBER SERVICE	IPEA IDPH CONF/SCHOOLCRAF	\$99.46
General Fund Inspections Administration Total		\$393.22
<u>General Fund Police Narcotics Enforcement</u>		
ZIEBART	WINDOW TINTING	\$210.00
General Fund Police Narcotics Enforcement Total		\$210.00
<u>General Fund Police Administration</u>		

<u>Vendor Name</u>	<u>Description</u>	<u>Transaction Amount</u>
MCLEAN COUNTY TREASURER	CENTRAL COMM CNTR-OCT	\$62,469.25
STERICYCLE INC	ON CALL ADMIN FEE	\$63.00
MCLEAN CO SHERIFF'S DEPARTMENT	CENTRAL BOOKING FEE- SEPT	\$1,838.54
DARNALL PRINTING	ORDINANCE VIOLATION BOOKS	\$807.96
MUNICIPAL ELECTRONICS INC	REPLACE KEYPAD- RE/CERT	\$103.35
ROHAN-STRACK ENTERPRISES	ARBITRATION MTG/LUNCH	\$41.22
P F PETTIBONE & COMPANY	STICKERS- CITATION CHNG	\$368.95
MK BALLISTIC SYSTEMS	AMMUNITION	\$835.00
Ms. Lynne M. Poindexter	INTERPRETER - BURNS (WEEK	\$244.00
WALMART COMMUNITY BRC	CAMERAS-6;BATTERIES;CD'S;	\$1,024.46
Ms. Shannon Morrow	SIGN LANGUAGE INTERPRETER	\$200.00
Ms. Lynne M. Poindexter	SIGN LANGUAGE INTERPRETER	\$120.00
SECTY OF STATE-MOTOR VEH DIV	PLATES	\$10.00
PRAIRIE OAK VETERINARY CENTER	K-9 CARE (RICO)	\$175.91
PURITAN SPRINGS WATER	NPD SERVICE- 9/30	\$7.00
ULTRAMAX AMMUNITION	AMMUNITION	\$284.00
ILLINI FIRE EQUIPMENT CO	RECHG EXTING, O-RINGS	\$82.75
MUNICIPAL ELECTRONICS INC	RADAR CERTIFICATIONS	\$1,480.00
SCOTT COMPANY	RESIDUE SWABS, TEST KIT	\$156.00
VERIZON WIRELESS	MONTHLY SERVICE	\$68.39
Frontier	PHONE SERACH FEES - CID	\$150.00
PETCO ANIMAL SUPPLIES INC	K9 SUPPLIES	\$73.97
Ms. Teresa Fulling	INTERPRETER - CPA	\$100.00
NORTHERN ILLINOIS UNIVERSITY	TRNG - MC CALL	\$9.00
SECTY OF STATE-MOTOR VEH DIV	RENEWAL STICKER	\$99.00
General Fund Police Administration Total		\$70,811.75
<u>General Fund Fire Administration</u>		
MUNICIPAL EMERGENCY SERVICES	MAINT PART REPAIR	\$40.00
MUNICIPAL EMERGENCY SERVICES	FIRE PANTS	\$210.01
FERNO-WASHINGTON INC	PROFLEXX MATTRESS	\$224.87
PRO-TYPE PRINTING INC	AMBULANCE SIGNATURE FORMS	\$395.00
PRO-TYPE PRINTING INC	HIPPA BROCHURES (NFD)	\$249.00
MILLER JANITOR SUPPLY	DISH SOAP-33NFD30	\$49.33
RANEY TERMITE CONTROL INC	SERVICE- 3 NFD STATIONS	\$100.50
U S MECHANICAL SERVICES	PREVENTATIVE MAINT- HDQ	\$135.00
MEDLINE INDUSTRIES INC	MEDICAL SUPPLIES - NFD	\$145.46
BOUND TREE MEDICAL LLC	MEDICAL SUPPLIES - NFD	\$270.00
MERLE PHARMACY INC	MEDICAL SUPPLIES - NFD	\$203.18
INTERSTATE ALL BATTERY CENTER	BATTERY REBUILD #9299	\$153.98
MISC FIRE DEPT	AED BATTERY	\$40.71
JOHN GRUSSING	REIM MEALS	\$35.25
RANDY GLEASON	REIM MEALS	\$75.00
UNIVERSITY OF ILLINOIS	TRAINING	\$500.00
SKIPP SCHAEFBAUER	ADVANCE MEALS	\$115.00
MATT HILL	ADVANCE MEALS	\$115.00
MISC FIRE DEPT	MABAS DUES	\$350.00
T/N FIRE PENSION FUND	PAYROLL SUMMARY	\$43.97
General Fund Fire Administration Total		\$3,451.26
<u>General Fund Public Works Engineering</u>		
CARDMEMBER SERVICE	BEST BUY 9-20-10 EMERGENC	\$64.64
TESTING SERVICE CORP	BLACKSTONE SUBDIVISION	\$503.00
General Fund Public Works Engineering Total		\$567.64
<u>General Fund Public Works Administration</u>		
BROMENN MEDICAL GROUP	EMPLOYEE PHYSICAL	\$60.00
CARDMEMBER SERVICE	BEST BUY 9-17-10 MICROWAV	\$181.01
CARDMEMBER SERVICE	CJ'S RESTAURANT LUNCH R W	\$24.82
CARDMEMBER SERVICE	ICMA CONFERENCE REGISTRAT	\$660.00
CARDMEMBER SERVICE	MEDICI LUNCH R WEAVER & M	\$28.32
OFFICE DEPOT CREDIT PLAN	CAMERA & MEM CARD PW ADMI	\$118.13

<u>Vendor Name</u>	<u>Description</u>	<u>Transaction Amount</u>
MATHIS KELLY CONSTRUCTION	SAFETY VEST, HARD HAT	\$32.97
CARDMEMBER SERVICE	TRAVEL EXPENSES, FAREWELL	\$917.00
General Fund Public Works Administration Total		\$2,022.25
<u>General Fund Public Works Road & Bridge</u>		
FARNSWORTH GROUP	BRIDGE INSPECTION- 2009	\$2,029.00
General Fund Public Works Road & Bridge Total		\$2,029.00
<u>General Fund Public Works Equipment Maintenance</u>		
MOTION INDUSTRIES INC	HOSE ASSEMBLY	\$628.60
MOTION INDUSTRIES INC	HYD HOSE ENDS	\$52.52
MENARDS	BATTERIES, BLK SPRAY	\$20.13
FASTENAL COMPANY	HAND TOWELS (PW SHOP)	\$34.00
FASTENAL COMPANY	PARTS, GREASE - PW SHOP	\$547.00
FASTENAL COMPANY	FLUTE BOTTOMING TAP	\$5.35
PETERBILT ILLINOIS	REPAIRS - A20	\$944.19
NAPA AUTO PARTS	AIR,OIL,FUEL FILTERS	\$154.28
DON OWEN TIRE SERVICE	RETREADS FOR WASTE HAULER	\$326.00
DON OWEN TIRE SERVICE	RETREADS- WASTE HAULER	\$160.00
DON OWEN TIRE SERVICE	FRONT END ALIGNMENT	\$44.95
PRAXAIR DISTRIBUTION INC	GAS FOR TORCHES	\$47.30
NAPA AUTO PARTS	AIR FILTER (GOLD)	\$35.09
CUMMINS MID-STATES POWER INC	HEATER-ENG COOLANT	\$184.25
O'BRIEN MITSUBISHI OF NORMAL	ENG SENSOR REPAIR- NFD12	\$365.79
HERITAGE MACHINE & WELDING INC	L/R SPRING REPAIR- A19	\$321.77
CUMBERLAND SERVICENTER INC	SEAL FOR A19	\$13.02
TEVOERT AUTO ELECTRIC CO	STARTER REPAIR	\$217.47
SAM LEMAN INC	REPLACE EGR VALV ASSY	\$360.12
GLOBAL EMERGENCY PRODUCTS INC	FUEL TANK REPAIRS- UNIT12	\$1,155.19
CENTRAL ILLINOIS TRUCKS INC	LEAKING HEAD GSKT- ENG 11	\$649.69
HELLER FORD	COOLANT SYSTEM CK- RES20	\$1,432.34
CARQUEST AUTO PARTS OF BLM IL INC	AUTO BATTERY	\$80.94
CINTAS CORPORATION #396	TWLS/SUPPLIES - PUB WKS	\$49.00
PETERBILT ILLINOIS	CK ENG LITE- UNIT A20	\$420.11
CUMMINS MID-STATES POWER INC	AIR FILTER	\$18.34
REDNECK INC	BLLDG JACK CASTER (3)	\$87.74
DON OWEN TIRE SERVICE	TIRE REPAIR - END LOADER	\$201.50
DON OWEN TIRE SERVICE	TIRE REPAIR - ENG 15	\$26.49
DON OWEN TIRE SERVICE	RETREAD (WASTE HAULER)	\$155.00
DON OWEN TIRE SERVICE	TIRE REPAIR - A44	\$127.50
DON OWEN TIRE SERVICE	TIRE, DISMOUNT, BALANCE	\$346.62
EMMETT-SCHARF ELECTRIC CO	SQ D STARTER	\$57.28
MOTION INDUSTRIES INC	HYD HOSE ENDS	\$286.59
CENTRAL ILLINOIS TRUCKS INC	THERMOSTAT, GASKET	\$36.62
DENNISON CORPORATION	DIAGNOSTIC- START CRANK	\$100.00
CARDMEMBER SERVICE	RADIO SHACK - BATTERY	\$1.49
CARDMEMBER SERVICE	RADIO SHACK PUSH BUTTONS	\$10.36
OFFICE DEPOT CREDIT PLAN	CAMERA & MEM CARD PW MAIN	\$117.93
ACE HARDWARE	DUAL FUSE	\$8.49
CARQUEST AUTO PARTS OF BLM IL INC	COIL, BRAKE HRDWR KITS,	\$103.55
CARQUEST AUTO PARTS OF BLM IL INC	STD U-JOINT	\$14.28
CARQUEST AUTO PARTS OF BLM IL INC	REMAN ALTERNATOR	\$227.97
General Fund Public Works Equipment Maintenance Total		\$10,176.85
<u>General Fund Public Works Streets</u>		
MENARDS	REPLACEMENT SPOUT, RUBBER	\$9.97
MATHIS KELLY CONSTRUCTION	2- METAL ABRAS. BLADES	\$10.98
MENARDS	4' GARDEN STAKE	\$7.58
MENARDS	3FT MEASURING WHEEL	\$39.99
MCLEAN COUNTY MATERIALS CO	DUMP CONCRETE, SAND	\$132.54
MCLEAN COUNTY ASPHALT	COLDMIX	\$105.09
MCLEAN COUNTY CONCRETE	HIGH EARLY- SHELBOURNE	\$1,003.31

<u>Vendor Name</u>	<u>Description</u>	<u>Transaction Amount</u>
TELVENT DTN INC	WEATHER MONITORING SFTWR	\$2,796.00
HICKSGAS BLOOMINGTON INC	2- 33# LP	\$45.84
MCLEAN COUNTY MATERIALS CO	PEA GRAVEL, DUMP CONCRETE	(\$41.24)
HOHULIN BROTHERS FENCE CO	REPLACE CHN/LNK FENCE	\$2,697.00
PANTAGRAPH	LEAF RAKER AD	\$452.36
MCLEAN COUNTY CONCRETE	HIGH EARLY-RAAB W OF MAIN	\$1,333.31
MCLEAN COUNTY CONCRETE	CONCRETE - FT JESSE/SUSAN	\$374.85
MCLEAN COUNTY CONCRETE	HIGH EARLY- RAAB/W OFMAIN	\$1,140.13
DIAMOND VOGEL PAINT	YLW/WHITE MARKING PAINT	\$969.75
DIAMOND VOGEL PAINT	YELLOW MARKING PAINT	\$345.25
DIAMOND VOGEL PAINT	WHITE MARKING PAINT	\$693.55
DIAMOND VOGEL PAINT	WHITE MARKING PAINT	\$693.55
DIAMOND VOGEL PAINT	WHITE MARKING PAINT	\$693.55
CARDMEMBER SERVICE	HOME DEPOT 9-9-10 RECIP S	\$343.97
CARDMEMBER SERVICE	KROGER 9-22-10 WATER (FOR	\$10.44
OFFICE DEPOT CREDIT PLAN	CAMERA & MEM CARD PW STRE	\$117.93
ACE HARDWARE	FABRIC WEEDLOCK,LANDSCAPE	\$66.00
ACE HARDWARE	NYLON TWINE, DOWEL	\$12.00
ACE HARDWARE	SCRUB BRUSH	\$9.00
MCLEAN COUNTY ASPHALT	BITUMINOUS SURFACE	\$601.68
MCLEAN COUNTY MATERIALS CO	TOP SOIL, DUMP CONCRETE	(\$16.85)
LEXINGTON FORD LLC	TRUCK INSPECTION - S26	\$19.50
TRAFFIC SIGN STORE	WILLOW/FT JESSE, SPECIAL	\$559.00
TRAFFIC SIGN STORE	STREET NAME, SPECIAL	\$1,009.50
General Fund Public Works Streets Total		\$16,235.53
<u>General Fund Public Works Waste Removal</u>		
AMERICAN PEST CONTROL	PIGEON SERVICE- 9/29	\$170.00
MENARDS	PAINT GLS SUNRS RED	\$3.56
MILL CREEK TRUCKING INC	HAULING SVC - SEPT,2010	\$2,560.00
RED WING SHOE STORE	BOOTS - RYAN LARKIN / PW	\$120.00
CARDMEMBER SERVICE	FARM & FLEET OIL/HOSE/BLO	\$152.73
OFFICE DEPOT CREDIT PLAN	CAMERA & MEM CARD PW WAST	\$117.93
VINTAGE TECH RECYCLERS INC	ELEC RECYCLE- 8/5	\$148.00
VINTAGE TECH RECYCLERS INC	ELEC RECYC - P/UP 8/12	\$136.90
VINTAGE TECH RECYCLERS INC	ELEC RECYC- P/UP 8/19	\$247.00
VINTAGE TECH RECYCLERS INC	ELEC RECYC- P/UP 8/26	\$148.15
VINTAGE TECH RECYCLERS INC	ELEC RECYC - P/UP 9/2	\$152.35
ADS OF BLOOMINGTON	MSW HAULING SERVICE-SEPT	\$45,835.68
ACE HARDWARE	CARBIDE BIT	\$9.05
TIRE SHREDDERS UNLIMITED-IL	PASSENGER & TRUCK TIRES	\$211.50
LEXINGTON FORD LLC	TRUCK/TRLR INSP- A21	\$49.75
General Fund Public Works Waste Removal Total		\$50,062.60
<u>General Fund Parks & Recreation Rec.- Before/After School</u>		
SCHOOL SHOP	PROGRAM SUPPLIES - P/REC	\$19.12
CARDMEMBER SERVICE	SUPPLIES	\$40.00
CARDMEMBER SERVICE	SUPPLIES	\$59.00
CARDMEMBER SERVICE	SUPPLIES	\$431.85
General Fund Parks & Recreation Rec.- Before/After School Total		\$549.97
<u>General Fund Parks & Recreation Aquatics</u>		
COPY SHOP	PASS CARDS FOR P/REC	\$593.30
CARDMEMBER SERVICE	SUPPLIES	\$20.95
CARDMEMBER SERVICE	SUPPLIES	\$20.61
CARDMEMBER SERVICE	SUPPLIES	\$20.61
CARDMEMBER SERVICE	SUPPLIES	\$10.71
CARDMEMBER SERVICE	SUPPLIES	\$10.71
CARDMEMBER SERVICE	SUPPLIES	\$26.70
CARDMEMBER SERVICE	SUPPLIES	\$105.00
General Fund Parks & Recreation Aquatics Total		\$808.59
<u>General Fund Parks & Recreation Recreation/Teen Programs</u>		

<u>Vendor Name</u>	<u>Description</u>	<u>Transaction Amount</u>
MINERVA SPORTSWEAR	VOLLEYBALL T-SHIRT	\$876.00
CARDMEMBER SERVICE	SUPLIES	\$89.95
General Fund Parks & Recreation Recreation/Teen Programs Total		\$965.95
<u>General Fund Parks & Recreation Administration</u>		
MATHIS KELLY CONSTRUCTION	SAFETY VESTS, MARKING STK	\$161.55
MATHIS KELLY CONSTRUCTION	SAFETY VESTS, MARKING STK	\$18.09
CIRCLE MEMBERSHIP	CIRCLE ANNUAL DUES	\$80.00
CIRCLE	CIRCLE SEMINAR	\$25.00
CIRCLE	CIRCLE SEMINAR	\$30.00
REGENT COMMUNICATIONS INC	WBNQ ADS - C# 414497	\$60.00
REGENT COMMUNICATIONS INC	WBNQ - P2 / C#414497	\$354.00
REGENT COMMUNICATIONS INC	WBNQ- BENEFITS/C 414498	\$120.00
REGENT COMMUNICATIONS INC	WBNQ- STREAMING/C 414500	\$60.00
CARDMEMBER SERVICE	IPRA CONFERENCE FEE	\$79.00
General Fund Parks & Recreation Administration Total		\$987.64
<u>General Fund Parks & Recreation Recreation/Youth Programs</u>		
CARDMEMBER SERVICE	PARTY CITY DEPOSIT REFUND	(\$50.00)
CARDMEMBER SERVICE	PRESCHOOL MAGAZINE SUBSCR	(\$32.05)
CARDMEMBER SERVICE	SUPLIES	\$131.94
CARDMEMBER SERVICE	SUPLIES	\$48.29
CARDMEMBER SERVICE	SUPLIES	\$84.00
CARDMEMBER SERVICE	FILM	\$321.00
CARDMEMBER SERVICE	SUPLIES	\$93.84
CARDMEMBER SERVICE	SUPLIES	\$104.92
CARDMEMBER SERVICE	SUPLIES	\$11.65
CARDMEMBER SERVICE	SUPLIES	\$16.95
CARDMEMBER SERVICE	SUPLIES	\$6.49
CARDMEMBER SERVICE	FILM	\$321.00
General Fund Parks & Recreation Recreation/Youth Programs Total		\$1,058.03
<u>General Fund Parks & Recreation Recreation/Athletic Prog</u>		
BAUM SIGN INC	SCOREBOARD REPAIRS	\$1,224.75
CARDMEMBER SERVICE	CANOPY RETURN	(\$161.95)
CARDMEMBER SERVICE	GIVE-AWAY PRIZES	\$64.65
CARDMEMBER SERVICE	SUPLIES	\$32.98
General Fund Parks & Recreation Recreation/Athletic Prog Total		\$1,160.43
<u>General Fund Parks & Recreation Tournament</u>		
PRAIRIELAND GOLF CARS LLC	CART RENTAL- 2DAYS	\$210.00
STARNET DIGITAL PUBLISHING	COLL/CLASSIC BRKT SHEETS	\$30.00
STARNET DIGITAL PUBLISHING	COLL/CLASSIC BRKT SHEETS	\$80.00
STARNET DIGITAL PUBLISHING	IESA ST/SFTBL BRKT SHEETS	\$30.00
STARNET DIGITAL PUBLISHING	IESA ST/SFTBL BRKT SHEETS	\$80.00
BLOOMINGTON TENT & AWNING	TENT RENTAL/PARKS	\$430.00
CARDMEMBER SERVICE	ASA CONF. SUPPLIES	\$862.45
General Fund Parks & Recreation Tournament Total		\$1,722.45
<u>General Fund Parks & Recreation Golf Course Maintenance</u>		
MIDWEST EQUIPMENT II	STARTER ROPE	\$4.50
NORD OUTDOOR POWER CORP	18" BLADE (HI FLOW)	\$121.92
CNH CAPITAL	SEALS, GASKETS	\$61.85
EVERGREEN FS INC.	FERTILIZER, SEED/#2184451	\$70.00
EVERGREEN FS INC.	FERTILIZER, SEED/#2184451	\$2,740.00
LIFEGUARD STORE INC	S/S DICKIES, TEE'S	\$68.50
LIFEGUARD STORE INC	S/S DICKIES, TEE'S	\$13.00
CARDMEMBER SERVICE	SUPLIES	\$154.31
General Fund Parks & Recreation Golf Course Maintenance Total		\$3,234.08
<u>General Fund Parks & Recreation Golf Course</u>		
BATTERY SPECIALISTS	CANOPY, STRUTS - IRNWOOD	\$1,061.72
COMCAST OF CHICAGO INC	INTERNET SVC - IRNWOOD	\$89.00
EVERGREEN FS INC.	UNLEADED GAS- IRNWOOD	\$1,118.61
HORNUNG'S GOLF PRODUCTS INC	PENCILS - IRONWOOD	\$268.50

<u>Vendor Name</u>	<u>Description</u>	<u>Transaction Amount</u>
LAWSON PRODUCTS INC	SWELL SMELL - IRNWD	\$135.36
LAWSON PRODUCTS INC	SWELL SMELL - IRNWD	\$11.93
DARICA TRUCKING CO INC	QUICK SAW GR CO	\$494.21
CINTAS CORPORATION #396	RESTROOM SVC - IRNWOOD	\$104.25
CINTAS CORPORATION #396	CARPET,SUPPLIES- IRNWD	\$124.13
NICOR GAS	IRNWD CLBHSE	\$32.26
CARDMEMBER SERVICE	COMCAST ADVERTISING IRONW	\$1,112.00
CARDMEMBER SERVICE	COMCAST AD-TOURN	\$50.00
General Fund Parks & Recreation Golf Course Total		\$4,601.97
General Fund Parks & Recreation Children's Disc Museum		
EI BOTTLED WATER	PERSONALIZED BTL WTR-CDM	\$1,046.00
BOWS & BIBS	CRAFT ITEMS - CDM STORE	\$133.50
PLASMART INC	PLASMA CARS - CDM STORE	\$560.00
PLASMART INC	PLASMA CARS - CDM STORE	\$56.00
MANHATTAN TOY	AUTOMOBLOX, SNOWBIES-CDM	\$108.00
PANTAGRAPH	ADS FOR CDM / SEP,2010	\$150.00
HARPERCOLLINS PUBLISHERS INC	BOOKS FOR CDM STORE	\$9.98
HARPERCOLLINS PUBLISHERS INC	BOOKS FOR CDM STORE	\$216.65
MINERAL MINER	ASSORTED STONES - CDM	\$431.50
LOWE'S COMPANIES INC	PAINT, FLR APPL - CDM	\$51.64
ZING TOYS INC	TOYS FOR CDM RESALE	\$177.00
PRAIRIE FARMS DAIRY INC	MILK, JUICE - CDM	\$195.18
JUST THINK TOYS INC	FREIGHT FROM PREV ORDER	\$16.35
LOWELL, LAUREN	AUG FACE PAINTING	\$20.00
HOLT, KRISTI	AUG FACE PAINTING	\$20.00
TOYSMITH	COMPASS- 24 PCS	\$34.20
MCVCA	MCVCA DUES	\$25.00
FLOWERFIELD ENTERPRISES	BJHS - WORMS	\$34.00
KLUTZ INC	MUSIC VIDEO BOOKS	\$54.67
CARDMEMBER SERVICE	HOME DENTURE	\$56.83
CARDMEMBER SERVICE	GLO GERM	\$65.85
CARDMEMBER SERVICE	PARK SEED CO	\$74.41
CARDMEMBER SERVICE	SURGICAL SIM CAMERA	\$177.90
HARPERCOLLINS PUBLISHERS INC	5 BOOKS-STORE	\$9.98
IAM	IAM 2010 CONFERENCE	\$200.00
RANDOM HOUSE, INC.	BOOKS FOR CDM/2258530000	\$373.65
COPY SHOP	BOOKLETS,POSTERS - CDM	\$653.04
DON SMITH PAINT & WALLPAPER	PAINT SUPPLIES - CDM	\$247.81
MUSIC SHOPPE INC	SMALL INSTRUMENTS - CDM	\$320.10
MUSIC SHOPPE INC	4 PR- STICKS (CDM)	\$13.17
CARDMEMBER SERVICE	CONSTR PLAYTHINGS	\$207.83
CARDMEMBER SERVICE	ORIENTAL TRA	\$64.41
CARDMEMBER SERVICE	STAFF MEETING	\$95.96
CARDMEMBER SERVICE	RECOLLECTIONS PROJECTOR	\$999.00
CARDMEMBER SERVICE	SNACKS	\$38.19
CARDMEMBER SERVICE	HASBRO-BALLS	\$97.33
CARDMEMBER SERVICE	CAPS-CLIMBER	\$208.93
CARDMEMBER SERVICE	TRIVIA BOOK	\$20.00
CARDMEMBER SERVICE	ORIENTAL TRAD	\$184.83
CARDMEMBER SERVICE	BIRDHOUSES	\$134.14
CARDMEMBER SERVICE	PROPS-	\$24.73
CARDMEMBER SERVICE	PROPS	\$11.00
CARDMEMBER SERVICE	BEST BUY	\$299.98
CARDMEMBER SERVICE	JJOHNS-WWDOP	\$110.00
General Fund Parks & Recreation Children's Disc Museum Total		\$8,028.74
General Fund Parks & Recreation Theater		
KOLDAIRE EQUIPMENT COMPANY	STRAWS, NAPKINS	\$90.00
MILLER JANITOR SUPPLY	P/TOWELS- 16NPRTO	\$154.64
MANHATTAN SHORT FILM FESTIVAL	2010 FILM FESTIVAL	\$1,189.00

<u>Vendor Name</u>	<u>Description</u>	<u>Transaction Amount</u>
SONY PICTURES CLASSICS INC	SECRET IN EY	\$537.95
PANTAGRAPH	THEATER ADS	\$3,361.86
MGM STUDIOS INC	SOME LIKE IT HOT	\$250.00
WARNER BROS DISTRIBUTING	FORBIDDEN PLANET	\$250.00
KINO INTERNATIONAL	BAL DUE- METROPOLIS	\$517.65
NICOR GAS	ACCT # 7972622000 1 - THE	\$98.66
IFC FILMS LLC	DIMINISHED CAPACITY	\$350.00
FEDEX	FILM SHIPMENTS	\$33.87
REGENT COMMUNICATIONS INC	THEATER ADS - #114594	\$120.00
REGENT COMMUNICATIONS INC	AD INSERT/THEATER #114888	\$25.00
REGENT COMMUNICATIONS INC	THEATER ADS / #114801	\$500.00
TECHNICOLOR	FILM MATERIAL	\$46.22
CARDMEMBER SERVICE	LODGING-NORMAL THEATER GU	\$498.40
CITY OF BLOOMINGTON	FOOD/BEVERAGE TAX	\$35.00
General Fund Parks & Recreation Theater Total		\$8,058.25
General Fund Parks & Recreation Parks Maintenance		
ILLINOIS STANDARD PARTS INC	PAINT, DRILL BITS, TIES,4	\$117.18
MILLER JANITOR SUPPLY	TRASH LINERS	\$35.67
MILLER JANITOR SUPPLY	DEGREASER/PARKS	\$134.79
MILLER JANITOR SUPPLY	TP,TRASH LINERS,URINAL BK	\$116.44
H&H INDUSTRIES INC	GRINDING STONE	\$219.98
H&H INDUSTRIES INC	SAFETY GLASSES	\$82.50
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$68.80
BILL'S KEY & LOCK SHOP	KEYS (P/REC DIV)	\$1.85
OWEN NURSERY & FLORIST	MUMS (UPTOWN)	\$380.64
OWEN NURSERY & FLORIST	MUMS	\$395.28
OWEN NURSERY & FLORIST	MUMS	\$322.08
OWEN NURSERY & FLORIST	MUMS (FOR UPTWN)	\$384.30
OWEN NURSERY & FLORIST	MUMS	\$347.70
OWEN NURSERY & FLORIST	MUMS	\$366.00
OWEN NURSERY & FLORIST	MUMS	\$296.46
OWEN NURSERY & FLORIST	MUMS	\$208.62
OWEN NURSERY & FLORIST	MUMS	\$333.06
STUDEBAKER NURSERIES INC	CREDIT- ZEBRINUS	(\$109.80)
JOHN DEERE LANDSCAPES INC	STA DECODER USE W/ACC	\$170.09
JOHN DEERE LANDSCAPES INC	SNGL STATION BATTERY CONT	\$251.74
STUDEBAKER NURSERIES INC	FALL PLANTINGS (UPTWN)	\$695.70
STUDEBAKER NURSERIES INC	PANICUM SHENANDOAH	\$62.55
MIDWEST CONSTRUCTION RENTALS	TRENCHER RENTAL	\$120.00
MIDWEST CONSTRUCTION RENTALS	TRENCHER	\$120.00
MIDWEST CONSTRUCTION RENTALS	SAFETY GLASSES	\$11.25
MIDWEST CONSTRUCTION RENTALS	HAND DRILL, BIT	\$63.00
BILL'S KEY & LOCK SHOP	KEYS (P/REC)	\$1.85
BILL'S KEY & LOCK SHOP	KEYS, KEY TAG- P/REC	\$7.95
MARTIN BROTHERS	SHEAVE	\$23.28
MIDWEST EQUIPMENT II	SPARK PLUGS	\$5.02
MIDWEST EQUIPMENT II	FILLER CAP	\$6.17
RED WING SHOE STORE	WORK BOOTS - B JONES/PREC	\$120.00
MIDWEST EQUIPMENT II	SPROCKET CVR, PACI/GLASS	\$84.75
DUNMIRE EQUIPMENT CO	SERVICE/PARTS- 9/20,9/21	\$1,524.48
TRUGREEN CHEMLAWN	LAWN SERVICE (MAX PARK)	\$790.00
WENDELL NIEPAGEN GREENHOUSES	FALL PLANTINGS	\$7,633.54
OWEN NURSERY & FLORIST	MUMS	\$43.92
OWEN NURSERY & FLORIST	MUMS	\$106.14
JOHN DEERE LANDSCAPES INC	FREIGHT CHGS (PREV ORDER)	\$10.00
ILLINOIS STANDARD PARTS INC	PAINT, NYLON TIES, NUTS,	\$155.24
ILLINOIS STANDARD PARTS INC	PAINT, RIVETS, DRILL BIT,	\$192.14
ILLINOIS STANDARD PARTS INC	PAINT, DRILL BITS, STRAPS	\$199.87
MOTION INDUSTRIES INC	FITTINGS	\$10.02

<u>Vendor Name</u>	<u>Description</u>	<u>Transaction Amount</u>
WEAVER'S RENT-ALL	TRENCHER 4X2 GAS RENTAL	\$60.00
DARNALL CONCRETE	CHILTON FLAGSTONE	\$8.40
DARNALL CONCRETE	UNILOCK HOLLAND/CHAMPION	\$43.25
DARNALL CONCRETE	UNILOCK HOLLANDS/CHAMPION	\$10.00
DARNALL CONCRETE	UNILOCK HOLLANDS/CHAMPION	\$15.65
CARDMEMBER SERVICE	WORLD DRYER-HAND DRYER	\$119.72
CARDMEMBER SERVICE	TRAINING	\$420.00
General Fund Parks & Recreation Parks Maintenance Total		\$16,787.27
General Fund Concessions Recreation		
WEAVER'S RENT-ALL	COFFEE MAKER RENTAL	\$22.00
General Fund Concessions Recreation Total		\$22.00
General Fund Concessions Golf Course		
PEPSI COLA GENERAL BOTTLERS	SODA- IRNWD/#84871	\$97.15
PEPSI COLA GENERAL BOTTLERS	SODA- IRNWD/#84871	\$188.69
CITY BEVERAGE LLC	BEER ORDER - IRNWD/3100B	\$190.20
RA-JAC DISTRIBUTING	BEER ORDER - IRNWD	\$115.50
PEPSI COLA GENERAL BOTTLERS	SODA- IRNWD /84871	\$364.86
General Fund Concessions Golf Course Total		\$956.40
General Fund		\$401,040.98
Bone Grant Fund Inspections Bone Grant		
Robert Brewe	BONE GRANT	\$1,900.00
Bone Grant Fund Inspections Bone Grant Total		\$1,900.00
Bone Grant Fund		\$1,900.00
Motor Fuel Tax Fund Public Works Motor Fuel Tax		
STARK EXCAVATING	WILLOW ST RECONSTRUCTION	\$16,505.94
TESTING SERVICE CORP	PIPELINE ROAD	\$1,465.50
TESTING SERVICE CORP	VIRGINIA AVENUE	\$2,472.00
FARNSWORTH GROUP	BROADWAY BRIDGE (PH 2)	\$8,070.25
Motor Fuel Tax Fund Public Works Motor Fuel Tax Total		\$28,513.69
Motor Fuel Tax Fund		\$28,513.69
Community Development Fd Community Development Administration		
CULLIGAN WATER CONDITIONING	SERVICE: 9/21, 9/27 RENTL	\$23.05
LANDMARK LAUNDRY	UNITY CENTER - OCT,2010	\$1,300.00
Community Development Fd Community Development Administration Total		\$1,323.05
Community Development Fd		\$1,323.05
Debt Service & Proj. Res.		
RECOVERY SOLUTIONS I, LLC	MODULAR RENT-COMMERCE	\$2,875.00
Debt Service & Proj. Res. Total		\$2,875.00
Debt Service & Proj. Res. Finance Administration		
RECOVERY SOLUTIONS I, LLC	MODULAR RENT-TOWN	\$2,875.00
Debt Service & Proj. Res. Finance Administration Total		\$2,875.00
Debt Service & Proj. Res.		\$5,750.00
Park Land Dedication Fund Parks & Recreation Park Land Dedication		
JOHN DEERE LANDSCAPES INC	SHEPARD PK-IRRIG SUPPLIES	\$1,496.72
JOHN DEERE LANDSCAPES INC	CREDIT - IRRIG SUPPLIES	(\$243.64)
JOHN DEERE LANDSCAPES INC	SHEPARD PK-IRRIG EQUIP/SU	\$2,709.51
JOHN DEERE LANDSCAPES INC	CREDIT- IRRIG SUPPLIES	(\$432.44)
Park Land Dedication Fund Parks & Recreation Park Land Dedication Total		\$3,530.15
Park Land Dedication Fund		\$3,530.15
Capital Investment Fund Other-Capital Investment Capital Investment		
BRADFORD SUPPLY CO	CEMENT OATEY - SHEPARD	\$59.00
MCLEAN COUNTY CONCRETE	CONCRETE (UPTOWN)	\$249.00
BRADFORD SUPPLY CO	CORRUGATED PIPE, TEES,	\$468.22
MCLEAN COUNTY MATERIALS CO	CRUSH GRAVEL, #8 STONE	\$1,655.23
KIRBY RISK ELECTRICAL SUPPLY	WIRE, POLOYMER CONCRETE	\$624.06
EVERGREEN FS INC.	EROSION CNTRL (#4675450)	\$198.00
M&M AG INC	SOD FOR FV PARK	\$426.00

<u>Vendor Name</u>	<u>Description</u>	<u>Transaction Amount</u>
MIDWEST CONSTRUCTION RENTALS	MINI EXCAVATOR, TRAILER	\$587.50
WATER PRODUCTS CO OF ILLINOIS	GATE VALVES/PARTS-SHEPARD	\$640.71
WEAVER'S RENT-ALL	ELEC HAMMER (#2181)	\$36.00
SUMMIT SUPPLY CORP OF COLO	3 GRILLS W/OD INGRD POST	\$772.00
DARNALL CONCRETE	CHILTON FLAGSTON	\$8.40
DARNALL CONCRETE	PARKING BLKS/SHEPARD PARK	\$144.00
DARNALL CONCRETE	PARKING BLKS/SHEPARD PARK	\$2,850.00
DARNALL CONCRETE	PARKING BLKS/SHEPARD PARK	\$69.00
WEAVER'S RENT-ALL	TRENCHER 8X4DSL RENTAL	\$350.33
MCLEAN COUNTY CONCRETE	CONCRETE/SHEPARD PARK	\$143.00
R J THOMAS MFG CO INC	FLAG POLE/SHEPARD'S PARKS	\$558.00
R J THOMAS MFG CO INC	FLAG POLE/SHEPARD'S PARKS	\$154.00
MCLEAN COUNTY MATERIALS CO	#8 STONES SHEPARD PARK	\$256.69
MCLEAN COUNTY MATERIALS CO	#8 STONES SHEPARD PARK	\$2,916.24
LAESCH ELECTRIC INC	LOCATES FOR SIGNAGE	\$784.34
LAESCH ELECTRIC INC	LOCATES- COLLEGE/CONSTITU	\$216.48
LAESCH ELECTRIC INC	LOCATE S/SIGN-COLL/BRDWW	\$90.93
CARDMEMBER SERVICE	KNOX BOX	\$229.09
Capital Investment Fund Other-Capital Investment Capital Investment Total		\$14,486.22
		Capital Investment Fund
		\$14,486.22
<u>Junction Center Federal Grants TIGER IL-78-0001</u>		
COTTER CONSULTING INC	MULTI-MODAL TRANSP CENTER	\$41,812.94
RATIO ARCHITECTS INC	MULTI-MODAL TRANSP CENTER	\$13,821.00
COTTER CONSULTING INC	MULTI-MODAL TRANSP CENTER	\$26,116.00
Junction Center Federal Grants TIGER IL-78-0001 Total		\$81,749.94
<u>Junction Center Federal Grants SAFETEA-LU</u>		
STARK EXCAVATING	UPTOWN STREETScape	\$146,378.19
Junction Center Federal Grants SAFETEA-LU Total		\$146,378.19
<u>Junction Center Federal Grants FTA IL-03-0259</u>		
RIVER CITY CONSTRUCTION LLC	MULTI-MODAL TRANSP CENTER	\$485,888.00
Junction Center Federal Grants FTA IL-03-0259 Total		\$485,888.00
<u>Junction Center Federal Grants FTA 2006 5309 BUS</u>		
RIVER CITY CONSTRUCTION LLC	MULTI-MODAL TRANSP CENTER	\$243,696.00
RIVER CITY CONSTRUCTION LLC	MULTI-MODAL TRANSP CENTER	\$603,010.26
Junction Center Federal Grants FTA 2006 5309 BUS Total		\$846,706.26
<u>Junction Center Other-Capital Investment Junction Center</u>		
STARK EXCAVATING	UPTOWN STREETScape	\$95,855.71
RIVER CITY CONSTRUCTION LLC	MULTI-MODAL TRANSP CENTER	\$182,396.13
RIVER CITY CONSTRUCTION LLC	MULTI-MODAL TRANSP CENTER	\$150,752.56
LAESCH ELECTRIC INC	DISCOVERY MUSEUM LOCATE	\$279.50
LAESCH ELECTRIC INC	LOCATE- RV/CITY JOB SITE	\$403.27
Junction Center Other-Capital Investment Junction Center Total		\$429,687.17
		Junction Center
		\$1,990,409.56
<u>Uptown Roads Other-Capital Investment Roads & Storm Sewers</u>		
STARK EXCAVATING	UPTOWN STREETScape	\$79,588.95
LAESCH ELECTRIC INC	WLK GRADE ELEV- FELL/COLL	\$2,065.38
LAESCH ELECTRIC INC	INSTL EPOXY/REBAR-FELL/CO	\$319.13
Uptown Roads Other-Capital Investment Roads & Storm Sewers Total		\$81,973.46
		Uptown Roads
		\$81,973.46
<u>Uptown Program/Planning Other-Capital Investment Consultants/Studies/Misc</u>		
CARDOSI KIPER DESIGN GROUP	WAYFINDING, REIMB EXPNS	\$5,281.48
S B FRIEDMAN & COMPANY	NORMAL SSA PROJECT	\$14,783.25
Program/Planning Other-Capital Investment Consultants/Studies/Misc Total		\$20,064.73
		Uptown Program/Planning
		\$20,064.73
<u>2004 Bond Fund Finance Administration</u>		
DIGITAL ASSURANCE CERTIFICATION LLC DISSEMINATION SERVICE		\$500.00
2004 Bond Fund Finance Administration Total		\$500.00

<u>Vendor Name</u>	<u>Description</u>	<u>Transaction Amount</u>
	2004 Bond Fund	\$500.00
<u>2005 Bond Fund Finance Administration</u>		
DIGITAL ASSURANCE CERTIFICATION LLC DISSEMINATION SERVICE		\$500.00
	2005 Bond Fund Finance Administration Total	\$500.00
	2005 Bond Fund	\$500.00
<u>2009 GO Refunding Bond Finance Administration</u>		
DIGITAL ASSURANCE CERTIFICATION LLC DISSEMINATION SERVICE		\$500.00
	2009 GO Refunding Bond Finance Administration Total	\$500.00
	2009 GO Refunding Bond	\$500.00
<u>Water Fund</u>		
WEST, DONALD	1321 MADISON ST REFUND	\$14.85
TOWN OF NORMAL	360 BEECHWOOD CT REFUND	\$4.64
TOWN OF NORMAL	1515 N MAIN ST REFUND	\$5.63
TOWN OF NORMAL	918 DIVISION REFUND	\$15.00
TOWN OF NORMAL	1600 BRADFORD LN REFUND	\$4.45
B-N WATER RECLAMATION DISTRICT	RECEIPTS	\$201,076.93
B-N WATER RECLAMATION DISTRICT	MMMA RECEIPTS	\$6,843.62
WATER PRODUCTS CO OF ILLINOIS	8"SLEEVES, GASKETS,	\$623.00
WATER PRODUCTS CO OF ILLINOIS	SGL BAND REPAIR CLAMPS	\$726.00
WATER PRODUCTS CO OF ILLINOIS	MARKED LIDS (2)	\$30.80
	Water Fund Total	\$209,344.92
<u>Water Fund Water Administration</u>		
DIGITAL COPY SYSTEMS LLC	COLOR COPIES	\$57.50
OFFICE DEPOT INC	CLIPBOARD	\$1.83
FRONTIER	WATER ADMIN	\$96.37
NEXTEL COMMUNICATIONS	WATER ADMIN	\$66.00
PAETEC BUSINESS SERVICES	WATER ADMIN	\$4.68
CDS OFFICE TECHNOLOGIES	HVY DUTY TELESCOP,SW/ARM	\$418.00
CARDMEMBER SERVICE	HOTEL SPRINGFIELD IL CONF	\$117.60
	Water Fund Water Administration Total	\$761.98
<u>Water Fund Water Distribution</u>		
MENARDS	LATEX GLOVES	\$17.94
DIAMOND VOGEL PAINT	4" BRUSHES	\$25.68
MILLER JANITOR SUPPLY	LAUNDRY SOAP-33NCH/WTRDST	\$44.00
MIDWEST CONSTRUCTION RENTALS	1 - BELT	\$45.61
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$27.95
PANTAGRAPH	ANNUAL SUBSCRIPT- WTRDIST	\$241.80
ROGERS SUPPLY COMPANY	MOTOR BLOWER, CLEANER	\$150.55
WATER PRODUCTS CO OF ILLINOIS	21" STAKES	\$540.00
WATER PRODUCTS CO OF ILLINOIS	STEM CPLNG, WTR LID, VALV	\$118.60
FRONTIER	WATER DISTRIBUTION	\$31.38
NEXTEL COMMUNICATIONS	WATER DIST	\$935.00
NOAH WYATT	CDL LICENSE RENEWAL - NOA	\$50.00
METAMORA TELEPHONE CO	PAGING SERVICES - OCTOBER	\$27.69
PAETEC BUSINESS SERVICES	WATER DISTRIBUTION	\$0.23
RED WING SHOE STORE	BOOTS - RYAN CLARK	\$120.00
ACE HARDWARE	SUPPLIES - WATER DEPT	\$32.80
MCLEAN COUNTY ASPHALT	COLDMIX ASPHALT	\$1,625.64
MCLEAN COUNTY CONCRETE	FLOWABLE FILL (TARGET)	\$385.00
WATER PRODUCTS CO OF ILLINOIS	6" MJ CAP	\$68.00
LAWSON PRODUCTS INC	FLAP DISC (24)	\$377.28
LAWSON PRODUCTS INC	FLAP DISC (24)	\$9.65
WATER RESOURCES INC	PSION REPAIR	\$320.56
WATER RESOURCES INC	PSION PROGRAMMER	\$2,200.00
WATER PRODUCTS CO OF ILLINOIS	SONOPHONE	\$16.45
MOTION INDUSTRIES INC	HP SEAL	\$19.10
JOHN BURKHART	REIMBURSE - SUPERVISOR'S	\$439.55
	Water Fund Water Distribution Total	\$7,870.46

<u>Vendor Name</u>	<u>Description</u>	<u>Transaction Amount</u>
<u>Water Fund Water Treatment</u>		
CLARK & BARLOW	SAWZALL BLD 6T-5PK	\$5.12
MENARDS	4X8 LUMBER, EZ TOUCH	\$32.46
MENARDS	AC2 TREATED LUMBER	\$29.18
ROGERS SUPPLY COMPANY	RUN CAPACITOR	\$8.78
HICKMAN,WILLIAMS & COMPANY	25.61 TN LIME	\$3,495.77
CRESCENT ELECTRIC SUPPLY CO	ELECTRICAL SUPPLIES	\$128.77
MENARDS	LUMBER, DECK SCREWS	\$37.52
MENARDS	PUTTY KNIVES, BRUSH,	\$37.32
MENARDS	290Z MASTIC, TAPCON BIT,	\$17.87
MENARDS	HEX SCREWS, CLR CAULK	\$17.32
MICKEY'S LINEN	TWLS/SUPPLIES: WTR/4474-1	\$32.28
OFFICE DEPOT INC	BACK-UP BATTERIES	\$98.94
SPRINGFIELD ELECTRIC CO	HX/PHL/SLOT SCRKIT	\$10.11
WATER PRODUCTS CO OF ILLINOIS	PVC LINK SEALS	\$220.00
HICKMAN,WILLIAMS & COMPANY	25.93 TN LIME	\$3,539.45
HICKMAN,WILLIAMS & COMPANY	24.93 TN LIME	\$3,402.95
BRENNTAG MID-SOUTH INC	LIQUID CHLORINE	\$1,684.00
PRAXAIR DISTRIBUTION INC	CYLINDER RENTAL	\$27.95
NICOR GAS	107 E MULBERRY ST 6/24 TO	\$261.21
NICOR GAS	700 E PINE ST - SEPT 10	\$41.81
MENARDS	5" GUTTER, PARTS	\$24.66
PRISTINE WATER SOLUTIONS	AQUADENE, PHI	\$1,138.50
PRISTINE WATER SOLUTIONS	AQUADENE, PHI	\$2,514.60
PRISTINE WATER SOLUTIONS	BIOPURGE	\$495.00
FRONTIER	WATER TREATMENT	\$61.82
NEXTEL COMMUNICATIONS	WATER TREATMENT	\$85.00
METAMORA TELEPHONE CO	PAGING SERVICES - OCTOBER	\$27.69
PAETEC BUSINESS SERVICES	WATER TREATMENT	\$2.75
MATHIS KELLY CONSTRUCTION	1/2" CHOKER- MECH SPL	\$23.36
HICKMAN,WILLIAMS & COMPANY	25.71 TN LIME	\$3,509.42
TNEMEC COMPANY INC	CHEMBUILD (LT GRAY)	\$159.75
TNEMEC COMPANY INC	CHEMBUILD (LT GRAY)	\$65.00
ACE HARDWARE	SUPPLIES - WATER DEPT	\$93.83
CRESCENT ELECTRIC SUPPLY CO	GE INCAND LAMP	\$0.35
OFFICE STATE FIRE MARSHAL	CO2 TANK CERTIFICATE	\$70.00
NICOR GAS	1012 S ADELAIDE ST - SEPT	\$32.12
SECTY OF STATE-MOTOR VEH DIV	LICENSE FOR 2011 FORD RAN	\$105.00
BRADFORD SUPPLY CO	PVC PARTS	\$707.33
BRADFORD SUPPLY CO	PVC PIPE, BALL VALVE	\$492.27
BRADFORD SUPPLY CO	PVC PIPE, BALL VALVE	\$132.47
ROCKFORD INDUSTRIAL WELDING SUPPI	SMALL CYLINDERS-RENTAL	\$17.69
Water Fund Water Treatment Total		\$22,887.42
Water Fund		\$240,864.78
<u>Water Capital Investment Water Capital Investment</u>		
STARK EXCAVATING	UPTOWN STREETScape	\$23,148.47
FARNSWORTH GROUP	WTP FILTER REPLCMNT- 9/17	\$2,468.36
FELMLEY DICKERSON CO - INDUSTRIAL	WTP FILTER REPLACEMENT	\$75,356.22
BOWEN ENGINEERING CORP	MGMT FEES- CLEARWELL PRJ	\$37,981.27
SCADAWARE INC	2-CHNL ANALOG MODULE	\$317.75
SCADAWARE INC	2-CHNL ANALOG MODULE	\$5.59
Water Capital Investment Water Capital Investment Total		\$139,277.66
Water Capital Investment		\$139,277.66
<u>Sewer Fund Sewer Administration</u>		
MCLEAN COUNTY CONCRETE	CONCRETE (GREGORY/PRKSD)	\$249.00
WATER PRODUCTS CO OF ILLINOIS	4" MANHOLE FRAME	\$160.81
FARNSWORTH GROUP	SEWAGE LF/STATION - IRNWD	\$287.96
MENARDS	PAINT, BRUSH, CAULK GUN	\$42.45

<u>Vendor Name</u>	<u>Description</u>	<u>Transaction Amount</u>
FRONTIER	SEWER	\$218.78
NEXTEL COMMUNICATIONS	SEWER	\$425.00
MCLEAN COUNTY MATERIALS CO	PEA GRAVEL, DUMP CONCRETE	\$192.93
WATER PRODUCTS CO OF ILLINOIS	4" MANHOLE FRAME	\$160.81
DARNALL CONCRETE	4" HI RISERS, SEALS	\$371.00
DARNALL CONCRETE	12" RISER RING	\$64.00
DARNALL CONCRETE	1" RISER RING	\$44.00
DARNALL CONCRETE	1" RISER RING (2)	\$88.00
DARNALL CONCRETE	PORT-LIME MIX, PALLETS	\$226.00
DARNALL CONCRETE	4" HI RISERS, RESIN SEALS	\$371.00
DARNALL CONCRETE	4" HI RISER	\$103.00
MCLEAN COUNTY CONCRETE	CONCRETE - TOWANDA	\$249.00
CARDMEMBER SERVICE	BATTERIES PLUS CELL PHONE	\$32.99
OFFICE DEPOT CREDIT PLAN	INK/BATTERIES SEWER	\$98.98
OFFICE DEPOT CREDIT PLAN	CAMERA & MEM CARD PW SEWE	\$117.93
MATHIS KELLY CONSTRUCTION	WATERSTOP HYD CEMENT	\$38.16
ALEXANDER LUMBER COMPANY	1X4 PINE, WOOD STAKES	\$25.30
MCLEAN COUNTY MATERIALS CO	TOP SOIL, DUMP CONCRETE	\$120.96
Sewer Fund Sewer Administration Total		\$3,688.06
<u>Sewer Fund Sewer Capital Investment</u>		
STARK EXCAVATING	UPTOWN STREETSCAPE	\$13,846.72
Sewer Fund Sewer Capital Investment Total		\$13,846.72
Sewer Fund		\$17,534.78
<u>Water Replacement Fund Water Administration</u>		
LEXINGTON FORD LLC	2011 FORD F350	\$30,459.00
BOB RIDINGS INC	2011 FORD RANGER/WZ537595	\$930.00
BOB RIDINGS INC	2011 FORD RANGER/WZ537595	\$10,825.00
Water Replacement Fund Water Administration Total		\$42,214.00
Water Replacement Fund		\$42,214.00
<u>Parking Fund</u>		
HEARTLAND PARKING INC	COLLEGE AVE.DECK LOSS/SEP	\$13,975.05
HEARTLAND PARKING INC	BEAUFORT ST.DECK PROFIT/S	(\$7,636.57)
Parking Fund Total		\$6,338.48
Parking Fund		\$6,338.48
<u>Health & Dental Ins Fund Administration - City Mgr Health Insurance</u>		
BUTLER BENEFIT SERVICE INC	RUN-OUT ADMIN FEES	\$3,740.90
OSF MEDICAL GROUP	DIABETES SELF-MGMT	\$40.00
MUTUAL OF OMAHA INS COMPANY	LIFE PREMIUMS - SEPT	\$1,393.14
ALLIED BENEFIT SYSTEMS	COBRA ADMIN FEES	\$374.00
Health & Dental Ins Fund Administration - City Mgr Health Insurance Total		\$5,548.04
Health & Dental Ins Fund		\$5,548.04
<u>Police Pension Fund Police Police Pension</u>		
JUSTIN DONOVAN	DONOVAN REFUND	\$30.59
Police Pension Fund Police Police Pension Total		\$30.59
Police Pension Fund		\$30.59
<u>Gen Veh Replacement Fund Facility Management Administration</u>		
BOB RIDINGS INC	2011 FORD RANGER XL	\$20,824.00
Gen Veh Replacement Fund Facility Management Administration Total		\$20,824.00
<u>Gen Veh Replacement Fund Information Technology Administration</u>		
SUNGARD PUBLIC SECTOR INC	ANNUAL MAINT:NOV/10-NOV11	\$4,200.00
HTE VAR, LLC	TAPE DRIVE, CABLE	\$4,256.00
Gen Veh Replacement Fund Information Technology Administration Total		\$8,456.00
<u>Gen Veh Replacement Fund Police Administration</u>		
RAY O'HERRON CO INC	ADJUSTABLE ARMREST	\$63.56
Gen Veh Replacement Fund Police Administration Total		\$63.56
<u>Gen Veh Replacement Fund Public Works Engineering</u>		
SECTY OF STATE-MOTOR VEH DIV	TITLE/PLATES-FORD RANGER	\$105.00

<u>Vendor Name</u>	<u>Description</u>	<u>Transaction Amount</u>
Gen Veh Replacement Fund Public Works Engineering Total		\$105.00
<u>Gen Veh Replacement Fund Public Works Waste Removal</u>		
DENNISON CORPORATION	2010 FORD F150 (PW)	\$17,155.00
Gen Veh Replacement Fund Public Works Waste Removal Total		\$17,155.00
<u>Gen Veh Replacement Fund Parks & Recreation Parks Maintenance</u>		
KOENIG BODY & EQUIPMENT INC	HOIST INSTALLED-FORD F350	\$3,850.00
Gen Veh Replacement Fund Parks & Recreation Parks Maintenance Total		\$3,850.00
		Gen Veh Replacement Fund
		\$50,453.56
Grand Total		\$3,052,753.73

TOWN COUNCIL ACTION REPORT

October 14, 2010

Motion to Accept Water Treatment Plant Chemical Bids for November 2010 Through October 2011

PREPARED BY: Steve Gerdes, Water Director

REVIEWED BY: Geoff Fruin, Assistant City Manager

BUDGET IMPACT: Funds are available in account number 502-8020-434.35-60 of the Water Department's FY2010-11 and FY2011-12 budgets. Actual cost will be determined by the quantities required during the contract period.

STAFF RECOMMENDATION: Approval

ATTACHMENTS: Bid Tabulation

BACKGROUND

The Water Department takes bids for water treatment chemicals each year. Bids are taken for a one-year supply of each chemical to be delivered on an as needed basis throughout the contract period.

DISCUSSION/ANALYSIS

Bids for water treatment chemicals were received, opened and read on October 6, 2010 with 18 bidders responding. A recap of the bids is attached showing last year's suppliers and the cost as well as this year's bids. Recommendations for award are listed below and highlighted in bold on the bid recap.

<u>Product</u>	<u>Supplier</u>	<u>Cost</u>
Lime	Hickman Williams	\$131.33/ton
Carbon Dioxide	Continental Carbonic	\$75.00/ton
Aluminum Sulphate	Usalco	\$ 1.1045/gal
SK-7661	Pristine	\$ 6.15/gal
SK-7691	Pristine	\$ 6.10/gal
PHI-3125	Pristine	\$10.85/gal
Fluoride	Key Chemical Inc.	\$ 3.1730/gal
Chlorine – ton cyl.	JCI Jones	\$387.00/ton
Chlorine – 150 lb. cyl.	JCI Jones	\$ 0.44/lb

Staff is recommending the award of the chemical bids to the low bidders except for lime. The bids from Mississippi Lime (2 bids) and Hickman Williams were analyzed on a cost per ton of available calcium oxide. After calculating the net cost, Hickman Williams bid had the lowest cost per pound of available calcium oxide and should therefore be slightly less expensive to use.

TOWN COUNCIL ACTION REPORT

These bids represent an overall 5.3% decrease in chemical costs at current usage rates.

BID TABULATION, WATER TREATMENT CHEMICALS, BID OPENING 10-06-2010

Unit Prices

CHEMICAL	LIME	CO2	ALUM	SK-7661	SK-7691	PHI-3125	FLUORIDE	CHLORINE/TON	Chlorine
UNITS	TON	TON	GAL	GAL	GAL	GAL	GAL	TON	LBS
QUANTITY PER SHIPMENT	20	10-15	4000/6000	55 GAL	55 GAL	55 Gal	4000	4.0	150.0
Last year unit cost	\$136.50	\$78.00	\$1.2475	\$6.90	\$6.90	\$11.43	\$3.480	\$421.00	\$0.433
Last year supplier	Hickman	Pain	Usalco	Pristine	Pristine	Pristine	LCI	Brenntag	Brenntag
% Change	-5.13%	-3.85%	-11.46%	-10.87%	-11.59%	-5.07%	-8.82%	-8.08%	1.62%
Alexander							\$3.6200	\$478.75	
Brenntag Mid South								\$416.00	\$0.50
Carmeuse	\$180.75								
Carus				\$6.55	\$7.08				
Continental Carbonic		\$75.00							
Graymont LLC	\$225.00								
Hickman Williams ¹	\$131.33								
JCI Jones								\$387.00	\$0.44
Key Chemical Inc.							\$3.1730		
LCI							\$3.3078		
Lhoist NA	194.94*								
Mississippi Lime - Verona ²	\$129.50								
Mississippi Lime - Ste Gen ³	\$136.50								
Pain Enterprises		\$76.50							
Pencco							\$3.2740		
Pristine Water Solutions				\$6.15	\$6.10	\$10.85			
Shannon Chemical				\$11.14	\$11.14				
USalco			\$1.1045						
*plus truck fuel surcharge 20 ton minimum charge									

¹ 92% available CaO

² 90% available CaO

³ 94% available Cao

TOWN COUNCIL ACTION REPORT

October 14, 2010

Motion Authorizing Staff to Negotiate Three Year Engineering Continuing Service Agreements with AECOM, Clark-Dietz Inc., Crawford, Murphy & Tilly, Inc., Farnsworth Group, and Lewis, Yockey and Brown, Inc. to Provide Engineering Services for Various Town Departments

PREPARED BY: Gene Brown, City Engineer

REVIEWED BY: Mark R. Peterson, City Manager
Steve Gerdes, Water Director
Garry Little, Director of Parks and Recreation

BUDGET IMPACT: Engineering services are paid from various capital improvement funds

STAFF RECOMMENDATION: Approval

BACKGROUND

Since 1997 the Town has entered into agreements with engineering firms to provide various services to supplement the work performed by the Engineering Division. Three firms in 1997 and four in 2000 & 2005 were selected for three year continuing service agreements. Agreements with the four firms selected in 2000 and 2005 were extended for two year periods in 2003 and 2008. Current agreements with Clark Dietz, Inc., Farnsworth Group, Hanson Professional Services and Lewis, Yockey and Brown, Inc. expired in July of this year.

DISCUSSION/ANALYSIS

In June of this year a "Request for Qualifications" was sent to fourteen engineering consultants from the Bloomington, Normal, Peoria, Springfield, Decatur, And Champaign-Urbana areas. An advertisement was also published in the Normalite. The Town received Statements of Qualifications from sixteen firms in response to the request. A selection committee comprised of Steve Gerdes, Garry Little and I reviewed the statements and selected nine firms for further consideration. Interviews for six of the nine firms were scheduled. Three firms included in the nine were not interviewed because the town has had agreements with, and worked with them under several three year agreements and on numerous projects in the past, and the selection committee felt they were familiar enough with their staffs and work to evaluate them without further contact.

The selection committee completed the interviews last week. The firms were evaluated by the committee based on the following primary selection criteria:

TOWN COUNCIL ACTION REPORT

Expertise in various phases of municipal engineering
Staff experience
Range of services provided

Based on the interviews, qualifications and selection criteria, the selection committee recommends three year continuing service agreements be executed with the following firms:

AECOM of Peoria, IL
Clark-Dietz, Inc. of Champaign, IL
Crawford, Murphy & Tilly, Inc. of Peoria, IL
Farnsworth Group of Bloomington, IL
Lewis, Yockey and Brown, Inc. of Bloomington, IL

The selection committee is confident the recommended firms will provide quality service and be able to meet most all of the engineering needs of the Town for the next three years. Should a project evolve that requires special services that staff feels falls outside the expertise of the above firms, or staff is desirous of additional design solutions, we may from time to time solicit requests for proposals from other consultants, and present to the Council recommendations for design or engineering studies contracts.

In several weeks staff will bring to council contracts including each firm's hourly costs and fees for your approval.

TOWN COUNCIL ACTION REPORT

October 14, 2010

Motion to Authorize the Preparation of the 2010 Property Tax Levy Ordinance

PREPARED BY: Ronald J. Hill, Director of Finance

REVIEWED BY: Mark R. Peterson, City Manager
Pamela S. Reece, Deputy City Manager

BUDGET IMPACT: The proposed levy will result in property tax revenue totaling \$9,682,000 in FY 2011-12. This amount represents a \$318,000 (3.40%) increase over the property tax collection during the current fiscal year. The Town's property tax rate, including the Library, is expected to decrease 0.0011 cents from \$1.1493 to \$1.1482.

STAFF RECOMMENDATION: Approval

ATTACHMENTS: Summary of proposed tax levy, and historical Town of Normal property tax rates.

BACKGROUND

The State of Illinois Truth in Taxation Statute requires that the Council meet at least 20 days prior to approving the property tax levy ordinance to determine the amount of the levy. The law further requires that a comparison must be made to the previous year's levy to determine the percent of increase.

State law also requires a levy for outstanding G.O. Bonds and Special Service Area bonds (Shoppes at College Hills). This levy can be abated if funds are on hand for principal and interest payments. Even though it might be the intent of the taxing entity to abate this levy, it must be included.

DISCUSSION/ANALYSIS

The Town's total property tax rate supports eight separate expenditure needs for the Town. Each need has changing requirements and impacts the total Town rate differently. The areas are listed below with a brief explanation of each:

1. General Fund Operational Levy - this levy has been capped by the Council to generate only \$1.6 million of property tax revenue and is used to help support the Town's primary operations. This includes Police, Fire, Inspections, Public Works, Parks and Recreation and Administrative Services.

TOWN COUNCIL ACTION REPORT

2. Police Pension Levy - provides for funding the retirement benefits of sworn Police personnel. An independent actuarial analysis is performed to determine the level of funding needed to support the current and anticipated retirement benefit of the Police personnel. Once that actuarial amount is known the Town sets a levy amount sufficient to cover the needed funding.
3. Fire Pension Levy - provides for funding of the retirement benefits of Firefighters. It is calculated in the same manner as the Police Pension levy above.
4. Illinois Municipal Retirement Fund (IMRF) Levy - provides for retirement benefits for non-Police and Fire personnel at the Town. The levy covers 100% of the necessary funding need for IMRF, similar to SS, Police and Fire levies. Council requested that staff review this levy each year to determine if the levy could be decreased once the economy recovers.
5. Social Security (SS) Levy – similar to the IMRF levy in that it provides for retirement benefits for non-Police and Fire personnel at the Town. The levy covers 100% of the necessary funding need for SS, similar to the IMRF, Police and Fire levies. Council requested that staff review this levy each year to determine if the levy could be decreased once the economy recovers.
6. Library Levy – this levy is the primary revenue source of the Town's library.
7. Debt Service Levies – these levies are used to pay principal and interest expenses associated with the Town's General Obligation (GO) bond issues. However, it should be noted that staff intends to follow the Council's past practice and recommend abatement (elimination) of the required property tax levies for all bond issues except the SSA Bond levy, which is only charged in the Shoppes at College Hills area. The SSA Bond levy will be partially abated in February of 2011.
8. (SSA) Special Service Area Bond – this levy is only assessed on the property owners of the "Shoppes at College Hills" if the sales tax revenue generated by those businesses is not sufficient to pay the annual debt service payment on the bonds.

Each area above is evaluated and a final overall tax levy is developed. Based upon anticipated growth in equalized assessed valuation within the corporate limits of Normal, staff is projecting a total 2010 property tax rate (including Town and Library) of \$1.1482. The 2009 tax rate was \$1.1493. This projection assumes a 3.5% increase in equalized assessed valuation (EAV). In past years, a 5% increase in EAV was projected. Actual assessed values will not be known until July 2011. The average increase in EAV over the past nine years has been 5.9%. An assessed value increase above the projected 3.5% will produce a property tax rate that is less than the projected \$1.1482.

Excluding the Library, retirement pension levies account for 75% of the total levy proposed.

Staff is recommending that the net property tax levy for 2010 be established at \$9,682,000, which represents a \$318,000 (3.4%) increase over last year's extended levy. A truth in taxation notice will not be required because the levy increase is below 5%.

TOWN COUNCIL ACTION REPORT

Summary of Proposed Tax Levy

Listed below is a summary of the proposed 2010 levy, which will be collected during calendar year 2011 for the Fiscal Year 2011-2012.

<u>Fund</u>	<u>Actual Extended 2009 Levy</u>	<u>Proposed 2010 Levy</u>	<u>Net Change</u>
General Fund	\$1,600,000	\$1,600,000	\$ 0
Police Pension	1,295,000	1,302,000	7,000
Fire Pension	1,204,000	1,267,000	63,000
IMRF	1,212,000	1,220,000	8,000
Social Security	<u>1,083,000</u>	<u>1,045,000</u>	<u>(38,000)</u>
Subtotal	\$6,394,000	\$6,432,000	40,000
Library	<u>2,970,000</u>	<u>3,248,000</u>	<u>278,000</u>
TOTAL	\$9,364,000	\$9,682,000	\$ 318,000
Net Percent of Increase			3.40%

Bond Levy

2004 Bond Issue	\$ 556,698
2005 Bond Issue	\$ 522,098
2006 Bond Issue	\$ 424,620
2007 Bond Issue	\$ 1,690,000
2008 Bond Issue	\$ 462,875
2009 Bond Issue (A)	\$ 354,000
2009 Bond Issue (B)	\$ 897,150
SSA Bond Issue	\$ 702,441
Total Bond Levy (to be abated)	\$ 5,609,882
Total Bond Levy without SSA	\$ 4,907,441
Total Tax Levy	\$15,291,882

<u>Tax Rates</u>	<u>Actual</u>	<u>Est.</u>	<u>Net Change</u>
Town Tax Rates	0.7848	0.7630	(0.0218)
Library Rates	<u>0.3645</u>	<u>0.3852</u>	<u>0.0207</u>
TOTAL RATE	1.1493	1.1482	(0.0011)
EAV:	\$814,766,800	\$843,384,000	

TOWN COUNCIL ACTION REPORT

**TOWN OF NORMAL
PROPERTY TAX RATES**

<u>Tax Year</u>	<u>Normal General</u>	<u>Normal Retirement</u>	<u>Library</u>	<u>Sub Total</u>	<u>All Other Governments</u>	<u>Total</u>
1990	.4929	.3171	.4804	1.2904	5.4532	6.7436
1991	.4966	.3191	.4949	1.3106	5.6248	6.9354
1992	.5606	.3550	.4855	1.4011	6.0783	7.4794
1993	.5172	.3606	.4636	1.3414	6.0359	7.3773
1994	.4548	.3573	.4307	1.2428	6.0188	7.2616
1995	.4241	.3501	.4016	1.1758	5.9989	7.1747
1996	.3871	.3535	.3839	1.1245	5.9007	7.0252
1997	.3583	.3517	.3749	1.0849	5.8337	6.9186
1998	.3424	.3598	.3708	1.0730	5.8315	6.9045
1999	.3207	.3699	.3647	1.0553	5.8233	6.8786
2000	.3036	.3829	.3624	1.0489	6.0349	7.0838
2001	.3326	.4116	.3561	1.1003	5.9777	7.078
2002	.3079	.4203	.3411	1.0693	6.0117	7.081
2003	.2933	.5465	.3476	1.1874	6.1756	7.363
2004	.2611	.5652	.3406	1.1669	6.2981	7.465
2005	.2425	.5503	.3335	1.1263	6.2090	7.3353
2006	.2231	.5351	.3292	1.0874	6.2368	7.3242
2007	.2130	.5360	.3392	1.0882	6.3736	7.4618
2008	.2040	.5389	.3507	1.0936	6.4417	7.5353
2009	.1964	.5884	.3645	1.1493	6.5429	7.6922
2010 (est.)	.1897	.5733	.3852	1.1482		

Assessed values for 2010 are projected to increase 3.5%.

TOWN COUNCIL ACTION REPORT

October 14, 2010

Resolution Accepting a Bid and Awarding a Contract to Amco Fencing of Springfield, IL for the Materials and Installation of Fencing For Shepard Park's Two Baseball Fields

PREPARED BY: Doug Wiggs, Asst. Director of Parks and Recreation

REVIEWED BY: Garry Little, Director of Parks and Recreation

BUDGET IMPACT: Staff allocated \$60,000 for the purchase of the fencing within the total project budget of \$930,000. These funds are available in Park Land Dedication line item # 250-8545-452.59-05 and in Capital line item 325-9820-451.59-05.

STAFF RECOMMENDATION: Approval

ATTACHMENTS: Proposed Resolution, Proposed Contract

BACKGROUND

The development of Shepard Park began in the spring of 2010. As requested by residents during public hearings when the design of the park was being considered, the park will include a large pavilion, two playgrounds, restrooms, landscaping, a parking lot, basketball court and two baseball fields. A good portion of this development is being installed by the Town's Parks Maintenance staff. The installation of the fencing for the ball diamonds was designated as an item to be installed by an area contractor.

DISCUSSION/ANALYSIS

Staff prepared a set of specifications for the installation and materials to be used for the two baseball fields at Shepard Park. Bid packets were then sent to several area fencing contractors and the bid call was published in the Normalite on Sept. 30th, 2010. Bids were opened on Tuesday, October 12th at 10:00 a.m. in the Council Chambers of Normal City Hall. Bids were received by three area fencing contractors as shown below:

Amco Fencing of Springfield, IL	\$49,600
Hohulin Fencing of Goodfield, IL	\$57,096
Freedom Lawn Maintenance of Normal, IL	\$72,125

Based on bid materials meeting specifications, staff would recommend the contract be awarded to Amco Fencing of Springfield, IL.

RESOLUTION NO. _____

RESOLUTION ACCEPTING A BID AND AWARDING A CONTRACT TO AMCO FENCING OF SPRINGFIELD, ILLINOIS, FOR THE MATERIALS AND INSTALLATION OF FENCING FOR SHEPARD PARK'S TWO BASEBALL FIELDS

WHEREAS, the Town of Normal is a Home Rule Unit of local government with authority to legislate in matters concerning its local government and affairs; and

WHEREAS, bids were solicited for fencing for Shepard Park and opened on Tuesday, October 12, 2010 at 10:00 a.m. at Normal City Hall; and

WHEREAS, Amco Fencing of Springfield, Illinois was the low responsible bidder; and

WHEREAS, it is in the best interests of the health, safety and welfare of the citizens of Normal to accept the bid and award a contract to Amco Fencing of Springfield, Illinois, for fencing at Shepard Park.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES FOR THE TOWN OF NORMAL, ILLINOIS:

SECTION ONE: That the bid of Amco Fencing of Springfield, Illinois, for the fencing of two baseball fields at Shepard Park be and the same is hereby accepted and the President be and he is hereby authorized to execute a contract with Amco Fencing of Springfield, Illinois for said work. A copy of said contract is marked Exhibit A, attached hereto and incorporated herein by reference.

ADOPTED this _____ day of _____, 2010.

APPROVED:

President of the Board of Trustees of the Town of
Normal, Illinois

ATTEST:

Town Clerk

(Seal)

CONTRACT

This Agreement entered into this _____ day of October 2010, by and between the **Town of Normal, Illinois**, a Home Rule Municipal Corporation with offices at 100 East Phoenix Avenue, Normal, IL 61761 (hereafter Town) and **Amco Fence Company**, an Illinois corporation with offices at 2919 South MacArthur, Springfield, IL 62704 (hereafter Contractor).

In consideration of the mutual covenants contained herein and other good and valuable consideration the parties agree as follows:

1. Contractor agrees to perform work required by the contract documents for the Shepard Park Ballfield Fencing Project.

2. The Contract Documents consist of this Agreement, the Bid Call (attached), Response to Bid Notice by Contractor, Certifications, all change orders issued after execution of this Agreement, all payment, performance and other bonds, and all exhibits to this Agreement or to any other document described herein. All of the foregoing form the Contract Documents and all are as fully a part of this Agreement as if attached hereto or repeated herein.

3. Contractor agrees to begin work not later than ten (10) days after issuance of a notice to proceed, unless otherwise provided. The project shall be fully completed within thirty (30) working days after written notice to proceed.

4. Town agrees to pay Contractor for performance of the work, subject to additions or deletions by Change Order, the total contract price of \$49,800.00.

5. Payment shall be made within thirty (30) days following final acceptance of the work by the Town, and submission of lien waivers from Contractor, all subcontractors and materialmen.

6. Contractor agrees to provide performance and payment bonds or a contract bond in form and amount acceptable to the Town. Such bond or bonds shall be provided prior to issuance of a notice to proceed.

7. Contractor agrees to pay and require any sub-contractor to pay applicable prevailing wages as required by Illinois law and Town Code, and further agrees to comply with all requirements of the Illinois Prevailing Wage Act.

8. Contractor agrees to execute the Certifications attached hereto as Exhibit A and agrees such Certifications form a part of this Contract.

9. Contractor agrees to indemnify and hold harmless the Town, its officers and employees, from any and all claims, damages, losses, liabilities and expenses (including reasonable attorney fees and costs) arising, in whole or in part, out of contractor's negligence in performance of this Contract.

10. Contractor agrees to indemnify and hold harmless the Town, its officers and employees from any penalty, fine, cost, charge or other monetary assessment against Town by an court or governmental agency including the Illinois Department of Labor arising in whole or in part from Contractor's failure to comply with the Illinois Prevailing Wage Act.

11. Contractor agrees to procure and maintain in effect during this Project one or more policies of general liability insurance in an amount not less than \$1,000,000 per occurrence and \$5,000,000 aggregate. Such insurance shall be in a form acceptable to Town and shall name the Town, its officers and employees as additional insureds.

In Witness Whereof, the parties hereto have executed this Agreement the day and year first above written.

Town of Normal

AMCO Fence Company

By _____

By _____

Title _____

Attest:

Attest:

Town Clerk

Exhibit A

Contractor Certification

Contractor on behalf of contractor certifies that the following representations are true and correct and further agrees as a condition of doing business with the Town of Normal to require all of Contractor's subcontractors and sub-subcontractors to certify that the following representations are true and correct for each subcontractor and sub-subcontractor:

1. Contractor certifies that no Town of Normal officer or employee has any interest in the proceeds of this contract.
2. Contractor certifies that same has not committed bribery or attempted bribery of an officer or employee of any governmental official whether on the federal, state or local level.
3. Contractor certifies that same has not been barred from conducting business with any governmental unit whether federal, state or local.
4. Contractor certifies that the business entity its officers, directors, partners, or other managerial agents of the business have not been convicted of a felony under the Sarbanes-Oxley Act of 2002 nor have any of the same been convicted of any felony under state or federal securities laws.
5. Contractor certifies that same has not been barred from contracting with any unit of state or local government as a result of a violation of 720 ILCS 5/33E-3 (bid-rigging) or 720 ILCS 5/33E-4 (bid-rotating).
6. Contractor certifies that same is not delinquent in the payment of any debt or tax due the State or the Town of Normal.
7. Contractor certifies that same has read the Drug-Free Workplace Act (30 ILCS 580/1 et.seq.) and is in compliance with the act on the effective date of this contract.
8. Contractor certifies that same shall maintain books and records relating to the performance of this contract as necessary to support amounts charged under the contract for a period of three (3) years from the later of the date of final payment under the contract or completion of the contract.
9. Contractor agrees to comply with applicable provisions of the Town of Normal Human Rights Ordinance, the Illinois Human Rights Act, the U.S. Civil Rights Act and the Americans with Disabilities Act.
10. Contractor certifies that the same is an "Equal Opportunity Employer" as defined by Section 2000 (e) of Chapter 21, Title 42 U.S. Code Annotated and applicable Executive Orders.
11. Contractor certifies in accordance with the State of Illinois Steel Products Procurement Act (30 ILCS 565/ et.seq.) that steel products used or supplied in

the performance of this contract are manufactured or produced in the United States.

12. Contractor certifies that same is in compliance with the Employment of Illinois Workers on Public Works Act (30 ILCS 570/ et seq.)
13. Contractor certifies that same is in compliance with the State of Illinois Public Works Employment Discrimination Act (775 ILCS 10/ et seq.)
14. Contractor certifies that same is in compliance with the State of Illinois Prevailing Wage Act (820 ILCS 130/et seq.)
15. Contractor certifies that for public works contracts exceeding one hundred thousand dollars (\$100,000) in value contractor is in compliance with the Town of Normal Responsible Bidder Ordinance which requires Contractor to participate in applicable apprenticeship and training programs approved by and registered with the United States Department of Labor's Bureau of Apprenticeship and Training. (This provision shall not apply to federally funded projects if such application would jeopardize the receipt of use of federal funds in support of such project.)
16. Contractor certifies that same is or is not (please circle applicable designation) a Minority and Female Business Enterprise as defined by the State of Illinois (30 ILCS 575/et seq.)
17. Contractor certifies that same is in compliance with the Patriot Act and Executive Order 13224 and federal Anti-Money Laundering Control Act of 1986 as amended.
18. Contractor certifies that same is in compliance with continue to comply with the American Recovery and Reinvestment Act of 2009 when federal funds are used pursuant to this Act for the work undertaken by Contractor.

Contractor hereby agrees to defend, indemnify and hold harmless the Town of Normal its officers, employees and agents from and against any and all claims, damages, losses, risks, liabilities, and expenses (including reasonable attorneys' fees and costs) arising from or related to any breach of the foregoing representations and warranties.

Done this _____ day of _____, 2010.

Contractor

TOWN COUNCIL ACTION REPORT

October 14, 2010

Resolution Authorizing the Execution of a License Agreement with River City Construction L.L.C. for Use of the Ground Floor Commercial Space at the College Avenue Parking Deck

PREPARED BY: Wayne Aldrich, Uptown Development Director

REVIEWED BY: Mark R. Peterson, City Manager

BUDGET IMPACT: N/A

STAFF RECOMMENDATION: Approval

ATTACHMENTS: Proposed Resolution, Proposed License Agreement

BACKGROUND

On June 21, 2010, the Town Council authorized a contract with River City Construction for the construction of the Multimodal Transportation Center project. During initial discussions at pre-bid conferences, Town staff indicated that the ground floor commercial space at the College Avenue parking deck may be available for construction storage.

As you may recall, the ground floor of the College Avenue Parking Deck has a 13,150 square foot commercial space that may be leased in the future for retail uses. This space is fenced off and a gravel surface has been applied to the floor area. The area was previously used as storage for construction materials by Stark Excavating for the Uptown street project. Since there are currently no proposals to lease this space and construction staging/laydown areas are in short supply, Town staff proposes to offer the space to River City. A proposed license agreement has been developed to allow this use.

DISCUSSION/ANALYSIS

The proposed license agreement allows River City Construction to use the ground floor commercial space at the College Avenue Parking Deck. In accordance with the proposed license agreement, River City is responsible for obtaining general liability insurance and fire insurance as specified. River City must also maintain the property and make any necessary repairs. This license may be terminated by the Town with a thirty (30) day notice; however, it is anticipated that River City will occupy the spaces until the Multimodal Transportation Center project is complete.

As the Town has no immediate use for this space and there is limited space available in Uptown for construction staging, Town staff recommends approval of the license agreement.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE EXECUTION OF A LICENSE AGREEMENT
BETWEEN RIVER CITY CONSTRUCTION AND TOWN OF NORMAL

WHEREAS, the Town of Normal is a Home Rule Unit of local government with authority to legislate in matters concerning its local government and affairs; and

WHEREAS, it is in the best interest of the health, safety and welfare of the citizens of Normal to enter into a License Agreement with River City Construction for the purpose of providing a staging area at the College Avenue Parking Deck.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE TOWN OF NORMAL, ILLINOIS:

SECTION ONE: That the President of the Board of Trustees is hereby authorized to enter into a License Agreement with Stark Excavating Incorporated for the purpose of providing construction staging area at the College Avenue Parking Deck. A copy of said License Agreement is marked Exhibit "A", attached hereto and incorporated herein by reference.

SECTION TWO: That the Town Clerk be, and she is hereby authorized and directed to attest the signature of the President of the Board of Trustees on said Agreement and to retain a fully executed original of said Agreement in her office for public inspection.

ADOPTED this ____ day of _____, 2010.

APPROVED:

President of the Board of Trustees of the Town of
Normal, Illinois

ATTEST:

Town Clerk
(seal)

**LICENSE AGREEMENT
RIVER CITY CONSTRUCTION, L. L.C.**

This Agreement, made as of the _____ day of _____, 2010 by and between the Town of Normal, Illinois an Illinois municipal corporation having an office at 100 E. Phoenix Ave., Normal, Illinois 61761 (hereinafter referred to as "Licensor") and River City Construction, L. L. C. of 101Hoffer Lane, East Peoria, Illinois, an Illinois Company (hereinafter referred to as the "Licensee");

WITNESSETH:

WHEREAS, Licensor and Licensee have entered into a Construction Agreement to make certain improvements in Uptown Normal as part of a program for the renovation of the uptown area of Normal, Illinois; and

WHEREAS, Licensee desires to use Town property for construction staging purposes; and

WHEREAS, Licensor owns the property described in Exhibit A attached hereto and made a part hereof (the "Property"); and

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto mutually agree as follows:

Section 1. Right to Use Property. Subject to the terms and conditions specified herein, Licensor hereby grants to Licensee the right to use the property for construction staging purposes.

Section 2. Term. The term of this Agreement shall commence on October 25, 2010, (the "Commencement Date") and continue until terminated by Licensor. Licensor shall have the right to terminate this license at any time, upon providing thirty (30) days notice to Licensee.

Section 3 License Fees. Licensee shall pay to Licensor for the privileges granted hereunder (in addition to any other payments required to be made under this Agreement) a minimum fixed licensee fee of One Dollars (\$1.00) for each month of occupancy.

Section 4. Utilities.

- (a) Licensee shall pay or cause to be paid all charges for water, heat, gas, electricity, sewers, and any and all other utilities used at the Property throughout the term of this License Agreement, including any connection fees.

Section 5. Right of Entry. Licensor, its employees and agents shall have the right to enter upon the Property at any time for any purpose. Licensor shall endeavor to give Licensee 24-hour notice of each entry. Town owned materials are stored on the property. Licensee shall inventory all Town owned property prior to occupancy. Any damage to Town owned property

shall be repaid by Licensee. Access to Town owned property shall be granted to Licensor provided a 24-hour notice is given.

Section 6. Insurance.

- (a) Licensee agrees at all times to carry at its sole cost and expense:
 - (i) Workers' compensation insurance for Licensee's employees in accordance with the requirements of the State of Illinois
 - (ii) General Comprehensive Liability insurance, including products liability, covering all operations in limits of not less than \$2,000,000 for each person and \$5,000,000 for each occurrence for personal injury or death, and \$1,000,000 for each occurrence for property damage in or about the Property and also including contractual liability insurance;
 - (iii) Fire insurance with extended coverage covering the Property, the fixtures and inventory herein for the full replacement value thereof, on which the Licensor shall be named as an additional insured;
 - (iv) Such other or additional insurance coverage as Licensor may reasonably request from time to time
- (b) All policies of insurance referred to in subsection (a) above shall be issued in the name of Licensee and Licensor, as their interests may appear, and shall be issued by companies and in form reasonably satisfactory to Licensor. Each policy shall provide that it may not be canceled or materially changed except upon ten (10) days' prior written notice to Licensor. Certificates of such insurance shall be delivered to Licensor by Licensee five (5) days prior to the Commencement Date, and ten (10) days prior to the expiration date of any policy. At the request of Licensor, Licensee shall make the originals of all such policies available to Licensor for inspection. If Licensee shall fail at any time to effect or maintain any of such insurance, Licensor, at its option, may do so, and the cost thereof shall be paid by Licensee in accordance with Section 20 hereof. Licensee shall not carry on any activity, other than that permitted by this Agreement, which will increase the premium on any policy of insurance carried or to be carried by Licensor, and, in the event of any such increase, Licensee shall pay the amount by which such premiums may be increased by such activity, in accordance with Section 20 hereof. All insurance shall contain a waiver of subrogation in favor of Licensor, if obtainable, and Licensor's fire insurance policy with respect to the Property shall contain a waiver of subrogation in favor of Licensee, if obtainable.

Section 7. Initial Improvements and Fixtures. Licensee hereby represents and warrants that it has inspected the Property and is willing to take it "as is", and agrees that Licensor has no obligation to make any repairs or renovations in addition thereto.

Section 8. Subsequent Improvements and Fixtures. Licensee shall not at any time subsequent to the Commencement Date make any alterations, improvements, or physical changes in the Property without the prior written consent of Licensor

Section 9. Maintenance by Licensee. Licensee shall at all times during the term of this Agreement, at its own cost and expense, maintain the Property, and in any other space granted to Licensee hereunder in good operating condition and in a clean, neat condition and appearance and shall make all necessary repairs thereto unless the damage requiring repair was caused by the willful misconduct of Licensor or its employees. If Licensee shall fail to do so, Licensor may serve a written demand upon Licensee to make said repairs or to correct or remove any defective condition within the number of days which Licensor, in its sole judgment, deems reasonable from the date of such demand as set forth therein, and, if Licensee shall fail to do so within such period of time, Licensor may, at its option, remedy such condition and charge the cost thereof to Licensee's account, which amount shall be paid by Licensee in accordance with Section 20 below. Licensee agrees to keep the commercial space secured by fencing acceptable to Licensor.

Section 10. Condition of Property at Termination; Disposition of Improvements.

- (a) At the expiration or termination of this Agreement, Licensee shall remove all its trade fixtures, furnishings, and equipment from the Property at its own cost and expense and deliver the Property to Licensor "broom clean" and in good order and condition, reasonable wear and tear excepted.
- (b) Any fixtures or any other property furnished by Licensor without cost to Licensee shall remain the property of Licensor and shall be returned to Licensor at the expiration or termination of this Agreement in the same condition as they were at the beginning of the term, reasonable wear and tear excepted. In addition, any fixtures or other property, whether or not furnished by Licensor, which cannot be removed without damage to the property of Licensor, shall become Licensor's property at the expiration or termination of this Agreement.

Section 11. Real Estate Taxes. Licensee shall be responsible for any and all real estate taxes assessed on the Property from commencement of this License until termination of occupancy by Licensee and any person claiming a right of occupancy for Licensee. Licensee shall pay said taxes directly to McLean County Collector or make payment to the Town of Normal at least thirty (30) days prior to the due date of any taxes due and owing on the Property.

Section 12. Licenses. Licensee shall obtain all necessary governmental approvals to operate a construction staging area.

Section 13. Name of Office. Reserved.

Section 14. Conduct Policy.

- (a) Licensee shall operate and conduct the staging area in conformity with the high standards of a staging area. Licensee shall not allow the staging area, or any part thereof, to become vacant or to be used for any purpose other than as provided herein, or permit the Property to be used in whole or in part by any other firm, person, or corporation. All signs or advertisements exhibited by Licensee on the exterior of the staging area must first be approved by Licensor in writing. Licensee shall keep the staging area secure, clean and safe from hazards.
- (b) Licensor shall have the right to inspect the staging area at any time.

Section 15. Indemnification of Licensor. Licensee shall reimburse, indemnify, and hold Licensor harmless from all expenses, losses, liabilities, damages, costs, claims, taxes and demands arising out of this Agreement, or as a result of any breach or default by Licensee under this Agreement, or arising out of or related to Licensee's business operations in the Property, including, but not limited to, any injury or death to any person, or damage to any property, claims for infringement of patent, copyrights, trademarks, violations of laws or governmental regulations, or any right of others, together with reasonable counsel fees and other related expenses. If requested by Licensor, Licensee shall defend any action brought against Licensor arising out of the activities of Licensee, its employees, or agents and any persons employed by Licensee, and Licensee shall employ legal counsel, at its own expense, to conduct such defense. Licensor may, but shall not be required to, engage its own counsel in connection therewith. In the event Licensor shall employ counsel of its own choosing in connection with any such defense, payment to said counsel shall be reimbursed by Licensee to Licensor. In addition, Licensee shall indemnify and hold Licensor harmless from any claims of damages arising out of any loss or injury to Licensee's property wherever located, regardless of whether such loss or injury was caused by negligence of Licensor, its employees, or any persons for whom it is legally responsible. The liabilities of Licensee provided in this paragraph shall continue after and shall survive this Agreement. In addition to other remedies to which Licensor may be entitled, Licensor shall have the right to charge Licensee for all sums and costs paid and incurred by Licensor hereunder; provided, however, that Licensor's rights as provided in this sentence shall be subject to first giving written notice to Licensee to correct said breaches and defaults; and provided further that the rights and obligations as provided in this sentence shall be exercised and performed subject to Licensor's sole discretion and judgment. The failure or inability of Licensee to obtain or maintain the contractual liability insurance required under Section 7 shall not limit or affect Licensee's obligation hereunder.

Section 16. No Liability of Licensor. Licensor shall not be liable to Licensee for any shortage, loss, theft, damage, disappearance, or injury of or to any of the merchandise, supplies, equipment, or other property of any nature of Licensee, whether such loss or damage or injury may occur by reason of the negligence of Licensor, its servants, agents, or employees or contractors or by reason of any other cause. Licensor shall not be liable for any loss or damage to Licensee or interference with or suspension of Licensee's business operations due to causes beyond the reasonable control of Licensor and shall not be liable or responsible in any way for any debts contracted by Licensee.

Section 17. Casualty. In the event that on account of fire, flood or other casualty, in whole or in part, the Property becomes unsuitable for use should become totally destroyed by fire, flood or other casualty, this License shall be terminated and Licensee shall vacate the Property.

Section 18. Liens. Licensee shall not directly or indirectly by action or omission cause any lien to be placed upon the Property or any personal property located in the Property. Any such lien shall be paid or discharged by Licensee within ten (10) days after notice thereof.

Section 19. Bankruptcy, etc. In the event that a petition in bankruptcy (including a petition for arrangement under the Bankruptcy Law) is filed by or against Licensee or any guarantor of Licensee's obligations under this Agreement, or if Licensee or any such guarantor shall become insolvent within the meaning of any state or federal insolvency laws or shall make an assignment for the benefit of creditors, or if a receiver for all or any part of Licensee's business or the business of any such guarantor shall be appointed by any state or federal court, and the petition for the appointment of such receiver shall not be vacated within thirty (30) days of such appointment, or if any property or assets of Licensee or any such guarantor shall be attached or

become subject to a lien or encumbrance which shall not be vacated within thirty (30) days thereafter, then, and in any such event, this Agreement shall be deemed to have been breached by Licensee, and Licensor shall have the option of terminating this Agreement in accordance with the provisions of Section 20 hereof.

Section 20. Termination on Default. In addition to any other rights and remedies of Licensor specifically set forth herein, in the event that (a) any material representation made by Licensee to Licensor in connection with this Agreement shall prove to have been false or misleading, in any material way, when made; or (b) Licensee shall violate any of the terms or conditions herein contained and shall not remedy such violation within a period of five (5) days from the receipt of notice from Licensor as to such violation (unless another time limit is provided) or, in the case of nonmonetary defaults which are curable within thirty (30) days, shall not have (i) notified Licensor of its intent to so cure and commenced to cure within five (5) days of the aforesaid notice and (ii) cured such default within said thirty (30) days, then Licensor shall have the right either to cure Licensee's default, if possible, and charge the cost and expense thereof to Licensee's account, or, at Licensor's election, to terminate and end the privileges granted under this Agreement. Upon any such termination, Licensor may immediately and summarily without resort to any court proceeding remove Licensee or any other person from the Property. Licensee shall reimburse Licensor for reasonable attorneys' fees and other related costs as a result of Licensee's breach or violation as herein provided. In the event that Licensee fails to make any payments when due hereunder, then from and after the day such amount is due and owing (and whether or not notice of the failure of such payment has been given), interest shall accrue on the amount so due at a rate equal to ten (10%) percent per annum.

Section 21. Remedies. The remedies specified in this Agreement are cumulative and are not intended to limit or exclude either party's right to seek and obtain any available remedy at law or in equity, including injunctive relief in case of any threatened breach by the other of any provision of this Agreement. Licensee waives the right to trial by jury in any action brought by Licensor against Licensee.

Section 22. Assignment, Sublicense, and Transfer. Licensee shall not, without the prior written consent of Licensor, which Licensor in its sole discretion may withhold, either sell, assign, mortgage, or transfer, by operation of law or otherwise, this Agreement, or

- (a) Sublicense all or any of the space allotted to Licensee, or any part thereof, or
- (b) Permit any of the foregoing to occur, or permit the said space to be occupied by anyone other than Licensee and Licensee's employees.

In the event Licensor so consents, Licensee shall continue to remain liable for all of Licensee's obligations hereunder until the end of the term hereof.

Section 23. Waiver. Failure of Licensor to charge any item to Licensee's account at the correct time shall not operate as a waiver of the right to charge such item, nor of Licensee's obligation therefore, nor shall Licensor's receipt of any payment from Licensee operate as a waiver of any rights of Licensor to enforce any other payment previously due or which may hereafter become due, or of any rights of Licensor to terminate this Agreement or to exercise any right which may otherwise be available to Licensor. No waiver by Licensor or Licensee of any breach of any provision of this Agreement shall operate as a waiver of any other prior or subsequent breach thereof, or of the provision itself, or of any other provision.

Section 24. Amendments. This Agreement cannot be altered, modified, or discharged except by an agreement in writing signed by the party against whom enforcement of the alteration, modification, or discharge is sought.

Section 25. Notices. All notices and demands made pursuant to this agreement shall be mailed or delivered to Licensor at the following address:

Town Clerk (with a copy to the Director of Uptown Development)
100 East Phoenix Ave.
P.O. Box 589
Normal, Illinois 61761

and to Licensee at the following address:

River City Construction, L. L. C.
101 Hoffer Lake
East Peoria, IL 61611

Notices and demands must be in writing and may be given by registered or certified mail or in person, subject to receipt therefore. Either party may notify the other in writing of a change of address to which all notices and demands shall thereafter be directed, provided that such new address shall be in the State of Illinois.

Section 26. Legal Effect of Agreement. It is expressly understood and agreed that Licensee is an independent contractor and that Licensor and Licensee shall not be construed to be partners or joint venturers, nor shall the relationship of the parties be construed as a landlord-tenant, landlord-subtenant, principal-agent, or employer-employee relationship for any purpose whatsoever.

Section 27. Jurisdiction. The laws of the State of Illinois shall govern the interpretation and enforcement of this Agreement.

Section 28. Captions or Headings. The section captions or headings throughout this Agreement are for convenience and reference only, and the words contained therein shall not in any way be held to explain, modify, amplify, or add to the interpretation, construction, or meaning of the provisions of this Agreement.

Section 29. Successor and Assigns. The terms of this Agreement shall be binding upon Licensor and its successors and assigns, and upon Licensee and its successors, heirs, executors, and administrators, as the case may be, and if Licensor has consented in writing to an assignment of this Agreement by Licensee, the terms of this Agreement shall be binding upon such assignee of Licensee.

IN WITNESS WHEREOF, Licensor and Licensee have caused this Agreement to be executed by the undersigned.

LICENSOR: TOWN OF NORMAL

LICENSEE: RIVER CITY CONSTRUCTION,
L.L.C., An Illinois Company

By: _____
Its Mayor

By: _____
Print Name: _____

Attest: _____
Its City Clerk

Title: _____

Attest: _____
Print Name: _____

Title: _____

Exhibit A

College Avenue Parking Deck Ground Floor Commercial space of approximately 13,000 square feet.

TOWN COUNCIL ACTION REPORT

October 14, 2010

Resolution Ratifying Execution of an Agreement with Frontier Communications to Relocate Facilities in Conflict with the New Multimodal Transportation Center in Uptown Normal in the Amount of \$37,802

PREPARED BY: Wayne Aldrich, Uptown Development Director

REVIEWED BY: Mark R. Peterson, City Manager

BUDGET IMPACT: Funding in the amount of \$37,802 is available in the Multimodal Contingency Fund 332-9835-466.30-80. It is anticipated that these funds will be reimbursed through the Federal TIGER Grant.

STAFF RECOMMENDATION: Approval

ATTACHMENTS: Proposed Resolution, Letter of Agreement

BACKGROUND

A Frontier Communications line exists on the east side of Broadway Street and on the west side of the Multimodal Transportation Center project. This line was originally located in the public street right-of-way; however, when the property was resubdivided, a change in the western property line brought the lines into conflict with the proposed building. Since this communication line was located in public right-of-way and its relocation is necessary due to the change in the right-of-way location along Broadway, the expense for relocating this line is considered to be a reimbursable expense in accordance with the existing franchise agreement with Frontier. This line needs to be relocated prior to completion of the foundation systems on the west end of the Multimodal Transportation Center site.

DISCUSSION/ANALYSIS

Frontier Communications has submitted the attached letter of agreement to the Town for the relocation of its line on the Multimodal Center site. Frontier estimates the relocation costs to be \$37,802 and requests that this payment be made in advance of any work performed. If the costs exceed this amount, the Town is obligated for the actual costs. If costs are less than this amount, the Town will receive a refund. Due to the need to relocate these facilities as soon as possible, Town staff has executed the agreement and issued Frontier a purchase order. This action by the Town Council will ratify the agreement and allow the Town to issue payment for the relocation. Because this relocation is critical for the construction of the Multimodal Transportation Center, Town staff recommends approval.

RESOLUTION NO. _____

A RESOLUTION RATIFYING EXECUTION OF AN AGREEMENT WITH FRONTIER COMMUNICATIONS TO RELOCATE FACILITIES IN CONFLICT WITH THE NEW MULTIMODAL TRANSPORTATION CENTER IN UPTOWN NORMAL IN THE AMOUNT OF \$37,802

WHEREAS, the Town of Normal is a home rule unit of local government with authority to legislate in matters concerning its local government and affairs; and

WHEREAS, a Frontier Communications line exists on the east side of Broadway Street and on the west side of the Multimodal Transportation Center Project; and

WHEREAS, the line was originally located in the public street right-of-way, however, when the property was resubdivided, a change in the western property line brought the lines into conflict with the proposed building; and

WHEREAS, the line needs to be relocated prior to completion of the foundations systems on the west end of the Multimodal Transportation Center site; and

WHEREAS, it is in the best interests of the health, safety and welfare of the citizens of Normal to ratify the execution of an agreement with Frontier Communications to relocate facilities in conflict with the new Multimodal Transportation Center in Uptown Normal in the amount of \$37,802.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES FOR THE TOWN OF NORMAL, ILLINOIS:

SECTION ONE: That the Agreement with Frontier Communications to relocate facilities in conflict with the new Multimodal Transportation Center in Uptown Normal in the amount of \$37,802 marked Exhibit A, attached hereto and incorporated herein by reference, be and the same is approved and execution of said document by the Uptown Development Director is hereby ratified.

ADOPTED this ____ day of _____, 2010.

APPROVED:

President of the Board of Trustees of
the Town of Normal, Illinois

ATTEST:

Town Clerk

(seal)



208 W. Union
Marion, IL 62959

OSP Engineering

www.Frontier.com

Date: 10-05-10

To: Wayne Aldrich
100 E Phoenix Ave
P.O. Box 589
Normal, IL 61761-0589

Re: **NORMAL 1180 - 8P0A0AR**

Dear Mr. Wayne Aldrich

This is in response to your request for Frontier to perform the following work: *Frontier to relocate their facilities from the area of conflict for the new Multi-Modal Transit Center Building in Uptown Normal. This will also remove the ped located at the SE corner of Broadway Ave and Beaufort St.*

In addition to the advance payment listed below, you will be required to do the following: **The SW corner of the new building needs to be staked and the Rail Road ROW in-order to assure that the new cable placement will not be in conflict.**

We have estimated that the cost of this work effort will be **\$(37,802.00)**.

This is the amount of the advance payment that you will be required to make. You must return this signed agreement, along with the full advance payment, before your work will be scheduled.

Upon job completion, you will be issued either: (1) a refund for any overpayment, or (2) an invoice, if the final actual costs exceed the advance payments received. Any unapplied portion of advance payments will be refunded to you within sixty (60) days of the final bill or cancellation of the job.

If you agree to these terms, please sign below and forward this signed letter agreement, a check for \$ (37,802.00) made payable to Frontier and noted with (1180-8P0A0AR) to:

Frontier
Attn: **Adam Gangloff**
Engineering Department
104 W Mulberry St
Normal, IL 61761

For your convenience and use, we have enclosed a self-addressed envelope. If you are signing for a company or other entity, then by signing below, you warrant that you are authorized to bind the company or entity to the terms of this letter agreement.

Upon receipt of your signed agreement and advance payment, your work order will be released to our Construction Department for scheduling. Frontier shall not be responsible to the extent its performance is delayed or prevented due to causes beyond its control, including but not limited to acts of God or the public enemy, terrorism, civil commotion, embargo, acts of government, any law, order, ordinance, regulation, or requirement of any government, fires, explosions, weather, quarantine, strikes, labor disputes, lockouts, and other causes beyond the reasonable control of Frontier.

Should you have any questions or concerns regarding these terms, please contact me at (309.454.1472).



208 W. Union
Marion, IL 62959

OSP Engineering

www.Frontier.com

Date
Page 2

Please be advised that the price estimate quoted above is only valid for sixty (60) days from the date of this letter. If this work request is cancelled after you have signed the agreement, you will be billed for any Engineering and Construction cost incurred after the date of signature that may include the cost to place and/or remove facilities.

If we do not receive this signed agreement and your full advance payment within this sixty (60) day period, we will assume that you do not want the work to be undertaken and the project will be cancelled.

Sincerely,

Frontier – Signature

Frontier - Title

I agree to the terms of this agreement:

Accepted (Signature):

Print Name & Title:

Wayne Adrich, Uptown Development Director.

Company:

Town of Normal.

Billing Address:

100 E. Phoenix Ave, Normal, IL 61761

Telephone #:

309-454-9760.

Date:

TOWN COUNCIL ACTION REPORT

October 14, 2010

Resolution Terminating the One Main Redevelopment Agreement

PREPARED BY: Mark R. Peterson, City Manager

BUDGET IMPACT: N/A

**STAFF
RECOMMENDATION:** Approval

ATTACHMENTS: Proposed Resolution

BACKGROUND

The Town entered into a redevelopment agreement in February of 2007 (Resolution No. 3993). This agreement involved the development of three large mixed use buildings in the core of Uptown by One Main Development out of Champaign, Illinois. The agreement was amended in August of 2007. The redevelopment agreement required the developer to meet a number of plan approval and construction milestones that were enumerated within the agreement. Since the developer had failed to comply with a number of the required performance deadlines, they received a letter from the City Manager on April 14, 2009 indicating that they had failed to meet performance requirements under the agreement and, therefore, they were in breach of the redevelopment agreement. At that time, the redeveloper was given a period of 60 days to cure all of the events that led to the breach. The developer received another letter dated November 4, 2009 indicating that the events of the default were not cured and that the letter constituted a ten day notice of the Town's intent to terminate the redevelopment agreement.

DISCUSSION/ANALYSIS

Representatives of One Main Development attended your Council meeting of September 20, 2010 and outlined the developer's attempts to secure a financing package for the Uptown One Project. At that meeting, the developer indicated that they were hopeful that they would be able to announce and enumerate a detailed financing package at the Council's October 4, 2010 meeting. The Developer was able to submit a proposed financing package on September 30, 2010. However, after a thorough review of the proposed financing plan by Town Staff, it was determined that the proposal was not viable. Therefore, staff is recommending that Council adopt the attached resolution which will effectively terminate any obligations of the Town to One Main Development in accordance with the redevelopment agreement. Nothing precludes One Main Development from continuing their attempts to secure financing for the Uptown One Project. If they are able to secure the needed financing, One Main Development could certainly come back to the Town and request a new development agreement pertaining to the property.

RESOLUTION NO. _____

A RESOLUTION TERMINATING THE ONE MAIN DEVELOPMENT
REDEVELOPMENT AGREEMENT

WHEREAS, the Town of Normal is a home rule unit of local government with authority to legislate in matters concerning its local government and affairs; and

WHEREAS, the Town of Normal did by adoption of Resolution No. 3993 on February 19, 2007, approve a Redevelopment Agreement with One Main Development LLC; and

WHEREAS, One Main Development LLC and the Town of Normal executed said Redevelopment Agreement on February 19, 2007; and

WHEREAS, One Main Development LLC and the Town of Normal amended said Redevelopment Agreement on August 20, 2007; and

WHEREAS, said Amended Redevelopment Agreement was assigned in part to Uptown One LLC with an Unconditional Guarantee executed in favor of the Town of Normal by One Main Development LLC; and

WHEREAS, pursuant to the Redevelopment Agreement, as amended, the Redeveloper agreed to meet certain plan approval and construction milestones as set forth in the Agreement; and

WHEREAS, pursuant to Article 12 of the Redevelopment Agreement, the Town may declare an event of default if there is a breach by the Redeveloper of any material, covenant, warranty or obligation set forth in this agreement; and

WHEREAS, pursuant to Article 12 the Redeveloper has 60 days after receipt of notice of an event of default to cure such default and if such action is not taken or not diligently pursued or the event of default is not cured or remedied within a reasonable time, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure or remedy such event or default, including but not limited to proceedings to compel specific performance by the party in default of its obligations; and

WHEREAS, pursuant to Article 13 of the Redevelopment Agreement, the Town has the right to terminate all or part of the Redevelopment Agreement upon 10 days prior written notice to the Redeveloper if any event of default by the Redeveloper is not cured within the time frame provided in Article 12; and

WHEREAS, Normal City Manager did on April 14, 2009 inform the Redeveloper of failure to comply with certain performance deadlines as required by the Redevelopment Agreement; and

WHEREAS, the Redeveloper failed to remedy or cure the performance issues brought to the attention of the Redeveloper; and

WHEREAS, the Redeveloper was given a period of time exceeding 60 days to cure such events of default; and

WHEREAS, the Redeveloper was notified by letter dated November 4, 2009, that the events of default were not cured and that the November 4, 2009 letter constituted a 10-day notice of intent to terminate the Redevelopment Agreement; and

WHEREAS, it is in the best interests of the health, safety and welfare of the citizens of Normal to terminate the Redevelopment Agreement with the Redeveloper.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES FOR THE TOWN OF NORMAL, ILLINOIS:

SECTION ONE: That the Redevelopment Agreement entered into by and between the Town of Normal and One Main Development LLC executed February 19, 2007, amended August 20, 2007 and assigned in part to Uptown One LLC on November 19, 2007, be and the same is hereby terminated due to a material breach in performance by the Redeveloper.

SECTION TWO: That the Town Clerk be and she is hereby authorized and directed to provide a certified copy of this Resolution by certified mail, return receipt requested, to the Redeveloper and its counsel at the addresses set forth in the Redevelopment Agreement.

ADOPTED this ____ day of _____, 2010.

APPROVED:

President of the Board of Trustees of the
Town of Normal, Illinois

ATTEST:

Town Clerk

(SEAL)

General Orders

TOWN COUNCIL ACTION REPORT

October 14, 2010

An Ordinance Authorizing the Issuance of not to Exceed \$5,610,000.00 Principal Amount of Solid Waste Disposal Revenue Bonds (Midwest Fiber Project) Series 2010, in One or More Series, by the Town of Normal, McLean County, Illinois, for the Purpose of Providing Funds to make a Loan to Refinance Certain Existing Debt and to Finance a Portion of the Costs of the Construction, Equipping and Improvement of an Addition to an Existing Building Used for Solid Waste Recycling for the Benefit of Midwest Fiber, Inc., and Shumaker Properties, L.L.C.; Authorizing and Approving Certain Documents; and Authorizing Certain Other Actions in Connection with the Issuance of said Bonds

PREPARED BY: Steven D. Mahrt, Corporation Counsel

REVIEWED BY: Mark R. Peterson, City Manager

BUDGET IMPACT: None

STAFF RECOMMENDATION: Approval

ATTACHMENTS: Proposed Ordinance, Trust Indenture, Loan Agreement, Tax Compliance Agreement, April 2010 Report and Resolution Retaining Bond Authority, and June 21, 2010 Site Plan Review Council Report – (NOTE: all attachments under separate cover)

BACKGROUND

On June 21, 2010 by adoption of Resolution No. 4523 a Site Plan was approved for Midwest Fiber recycling project located near White Oak Road and West Hovey. Midwest Fiber plans to expand the former Weyerhouser facility and develop a regional recycling facility. In April, by adoption of Resolution No. 4492, the Town reserved its private activity bond authority in anticipation of issuing private activity bonds for the project.

Midwest Fiber is now prepared to move forward with its project. Commerce Bank will place the bonds with one of its affiliates. Midwest Fiber will assume all repayment obligations under the bond documents and the town has no financial obligations to repay the bonds in the event of default. Mr. Kurt Froehlich has acted as counsel for the Town and has been actively involved in document review.

TOWN COUNCIL ACTION REPORT

DISCUSSION/ANALYSIS

The Ordinance authorizes the issuance of \$5,610,000 of Solid Waste Disposal Revenue Bonds. The bond proceeds will be used to re-finance existing debt and the cost of constructing, equipping and improving a building for solid waste recycling purposes. The Town is issuing these Private Activity Bonds pursuant to its Home Rule authority and state law. The Town annually receives an allocation of private activity bonding authority pursuant to federal and state law. In May of this year, the Town reserved its authority in anticipation of this issuance. The bonds are considered special limited obligations of the Town. Revenue from the project and assets of the borrower are the sole source of funds for repayment of the bonds. The Town has no obligation to repay the bonds. The borrowers are Midwest Fiber, Inc. an Illinois corporation, and Shumaker Properties, L.L.C., an Illinois Limited Liability Company. The bonds will be purchased by Clayton Holdings, LLC, an affiliate of Commerce Bank. Commerce Bank will act as Trustee for the bond transaction.

By approving the Bond Ordinance, Council is also authorizing execution of the following documents:

- (1) Trust Indenture: This document pledges the payment of revenues and receipts received under the Loan Agreement to Commerce Bank, as Trustee, for the benefit of the bond holders.
- (2) Loan Agreement: This document loans the bond proceeds from the Town to the borrower, and obligates the borrower to repay the bonds.
- (3) Tax Compliance Agreement: This document obligates the parties to comply with certain I.R.S. reporting and substantive requirements.

The bond issue has two components:

Series A Bonds (non-taxable) in the amount of \$4,685,000; and
Series A Bonds (taxable) in the amount of \$925,000.

The documents have been reviewed and edited by Mr. Kurt Froelich and are in order for Council Action.

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$5,610,000 PRINCIPAL AMOUNT OF SOLID WASTE DISPOSAL REVENUE BONDS (MIDWEST FIBER PROJECT) SERIES 2010, IN ONE OR MORE SERIES, BY THE TOWN OF NORMAL, MCLEAN COUNTY, ILLINOIS, FOR THE PURPOSE OF PROVIDING FUNDS TO MAKE A LOAN TO REFINANCE CERTAIN EXISTING DEBT AND TO FINANCE A PORTION OF THE COSTS OF THE CONSTRUCTION, EQUIPPING AND IMPROVEMENT OF AN ADDITION TO AN EXISTING BUILDING USED FOR SOLID WASTE RECYCLING FOR THE BENEFIT OF MIDWEST FIBER, INC., AND SHUMAKER PROPERTIES, L.L.C.; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS

WHEREAS, the Town of Normal, McLean County, Illinois (the “**Issuer**”), is a home rule unit pursuant to the provisions of Section 6 of Article VII of the Constitution of the State of Illinois and accordingly may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the Issuer is authorized and empowered pursuant to its special charter and Section 6 of Article VII of the Constitution of the State of Illinois (the “**Act**”) to issue bonds for the purpose of developing, constructing, acquiring or improving solid waste recycling facilities within the boundaries of the Town of Normal, Illinois; and

WHEREAS, Midwest Fiber, Inc., an Illinois corporation (“**Midwest Fiber**”), and Shumaker Properties, L.L.C., an Illinois limited liability company (“**Shumaker Properties**” and, together with Midwest Fiber, are jointly referred to herein as the “**Borrowers**”), have requested that the Issuer issue its solid waste disposal revenue bonds to refinance certain existing debt and to finance a portion of the cost of constructing, equipping and improving an addition to an existing building located at 422 South White Oak Road in the Town of Normal, Illinois, to be used for solid waste recycling (the “**Project**”); and

WHEREAS, the President and the Board of Trustees of the Issuer (the “**Board of Trustees**”) hereby finds and determines that it is within the authority and public purposes of the Act and in the best interests of the Issuer’s public health, safety and welfare that the Issuer issue, in one or more series, its Solid Waste Disposal Revenue Bonds (Midwest Fiber Project) Series 2010 (the “**Bonds**”), for the purpose of loaning the proceeds of such Bonds to the Borrowers to finance a portion of the costs of the Project; and

WHEREAS, Clayton Holdings, LLC, an affiliate of Commerce Bank, N.A., has agreed to purchase all of the Bonds pursuant to a private placement; and

WHEREAS, to support the payment of the principal and purchase price of and interest on the Bonds, the Borrowers will cause to be delivered to the Trustee (described below) guaranty agreements from two corporate entities related to the Borrowers and from certain principal owners of the Borrowers; and

WHEREAS, the President and the Board of Trustees further finds and determines that it is necessary and desirable in connection with the issuance of the Bonds that the Issuer enter into certain

documents, and that the Issuer take certain other actions and approve the execution of certain other documents as herein provided;

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND THE BOARD OF TRUSTEES OF THE TOWN OF NORMAL, MCLEAN COUNTY, ILLINOIS, AS FOLLOWS:

Section 1. Authorization of the Bonds. The Issuer is hereby authorized to issue and sell the Bonds in the principal amount of not to exceed \$5,610,000, to provide funds to make a loan to the Borrowers for the purposes described above. The Bonds shall be issued and secured pursuant to the herein authorized Indenture and shall mature no later than January 1, 2031, shall bear such dates, shall be in such denominations, shall bear interest at an adjustable interest rate initially not to exceed 6% per annum, shall be in such forms, shall be subject to redemption, shall have such other terms and provisions, shall be issued, executed and delivered in such manner and shall be subject to such provisions, covenants and agreements as are specified in the hereinafter referred to Indenture upon the execution thereof, and the signatures of the officers of the Issuer executing such Indenture shall constitute conclusive evidence of their approval and the Issuer's approval thereof

Section 2. Limited Obligations. The Bonds and the interest thereon shall be special, limited obligations of the Issuer payable solely out of the payments, revenues and receipts derived by the Issuer from the Loan Agreement described below, and such payments, revenues and receipts shall be pledged and assigned to the Trustee as security for the payment of the Bonds as provided in the Indenture. The Bonds and the interest thereon shall not be deemed to constitute a debt or liability of the Issuer, the State of Illinois, or any political subdivision thereof, and the issuance thereof shall not, directly or indirectly or contingently, obligate the Issuer, the State of Illinois, or any political subdivision thereof, to levy any form of taxation therefor or to make any appropriation for its payment. Nothing in the Bonds or the proceedings of the Issuer authorizing the issuance of the Bonds or in this Ordinance shall be construed to authorize the Issuer to create a debt or liability of the Issuer, the State of Illinois, or any political subdivision thereof within the meaning of any constitutional or statutory provision of the State.

Section 3. Authorization of Documents. The Issuer is hereby authorized to enter into the following documents (the "**Issuer Documents**"), in substantially the forms presented to the President and the Board of Trustees of the Issuer at this meeting (copies of which documents shall be filed in the official records of the Issuer), with such changes therein as shall be approved by the officers of the Issuer executing such documents, such officers' signatures thereon being conclusive evidence of their approval thereof:

(a) Bond Trust Indenture (the "**Indenture**") between the Issuer and Commerce Bank, N.A., Kansas City, Missouri, as trustee (the "**Trustee**"), pursuant to which the Bonds shall be issued and the Issuer shall pledge and assign the payments, revenues and receipts received pursuant to the Loan Agreement (defined below) to the Trustee for the benefit and security of the owners of the Bonds upon the terms and conditions as set forth in said form of Indenture;

(b) Loan Agreement (the "**Loan Agreement**") between the Issuer and the Borrowers, under which the Issuer will loan the proceeds of the Bonds to the Borrowers to provide funds for the purposes described above in consideration of payments which will be sufficient to pay the principal of, premium, if any, purchase price and interest on the Bonds; and

(c) Tax Compliance Agreement (the "**Tax Compliance Agreement**") among the Issuer, the Borrowers and the Trustee, pursuant to which the Borrowers and the Trustee will agree to comply with certain requirements imposed by the Internal Revenue Code of 1986, as amended.

Section 4. Execution of Documents. The President of the Board of Trustees is hereby authorized and directed to execute the Bonds and to deliver the Bonds to the Trustee for authentication for and on behalf of and as the act and deed of the Issuer in the manner provided in the Indenture. The President of the Board of Trustees is hereby authorized and directed to execute and deliver the Issuer Documents for and on behalf of and as the act and deed of the Issuer. The Town Clerk is hereby authorized and directed to attest and affix the Issuer's seal to the Bonds and such Issuer Documents and other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

Section 5. Home Rule Authority. This Ordinance is adopted pursuant to Home Rule Authority granted the Town of Normal by Article 7, Section 6, of the Illinois Constitution, 1970.

Section 6. Further Authority. The Issuer shall, and the officers, agents and employees of the Issuer are hereby authorized and directed to, take such further action, and execute such other documents, certificates and instruments, including, without limitation, any closing certificates and tax forms, as may be necessary or desirable to carry out and comply with the intent of this Ordinance, and to carry out, comply with and perform the duties of the Issuer with respect to the Bonds and the Issuer Documents.

Section 7. Town Clerk. The Town Clerk is hereby directed and authorized to publish this Ordinance in pamphlet form as provided by law.

Section 8. Effective Date. This Ordinance shall take effect ten days after the date of its publication.

Upon motion by Trustee _____, second by Trustee _____, adopted this ____ day of October, 2010, by roll call vote as follows:

Ayes (Names): _____

Nays (Names): _____

Absent (Names): _____

(Seal)

APPROVED: _____, 2010

President of the Board of Trustees

ATTEST:

Town Clerk

BOND TRUST INDENTURE

Dated as of November 1, 2010

Between

TOWN OF NORMAL, ILLINOIS

and

**COMMERCE BANK, N.A.,
as Bond Trustee**

\$4,685,000
Town of Normal, Illinois
Solid Waste Disposal Revenue Bonds
(Midwest Fiber Project)
Series 2010A

and

\$925,000
Town of Normal, Illinois
Taxable Solid Waste Disposal Revenue Bonds
(Midwest Fiber Project)
Series 2010B

BOND TRUST INDENTURE

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BOND TRUST INDENTURE

THIS BOND TRUST INDENTURE dated as of November 1, 2010 (the “Bond Indenture”), between the **TOWN OF NORMAL, ILLINOIS**, a home rule unit of government organized and existing under the laws of the State of Illinois (the “Issuer”), and **COMMERCE BANK, N.A.**, a national banking association duly organized, validly existing and authorized to accept and execute trusts of the character herein set out under the laws of the United States, and having its corporate trust office located in Kansas City, Missouri, as bond trustee (the “Bond Trustee”);

RECITALS

1. The Issuer is a home rule unit pursuant to the provisions of Section 6 (Powers of Home Rule Units) of Article VII (Local Government) of the Constitution of the State of Illinois and accordingly may exercise any power and perform any function pertaining to its government and affairs, including as supplemented and amended under and as provided by the Illinois Municipal Code (Section 5/1-1-1 *et seq.* of Chapter 65 of the Illinois Compiled Statutes, as supplemented and amended, including by the Bond Authorization Act, the Registered Bond Act, the Bond Replacement Act, the Local Government Defeasance of Debts Law and the Local Government Debt Reform Act, collectively, the “Act”);

2. The Issuer is authorized pursuant to the Act, Ordinance No. _____ duly adopted by the Issuer on October 18, 2010, and this Bond Indenture to issue its (i) Solid Waste Disposal Revenue Bonds (Midwest Fiber Project), Series 2010A (the “Series 2010A Bonds”), in an aggregate principal amount of \$4,685,000, and (ii) Taxable Solid Waste Disposal Revenue Bonds (Midwest Fiber Project), Series 2010B (the “Series 2010B Bonds,” together with the Series 2010A Bonds, the “Bonds”), in an aggregate principal amount of \$925,000, for the purpose of making a loan to Midwest Fiber, Inc., an Illinois corporation (“Midwest Fiber”), and Shumaker Properties, L.L.C., an Illinois limited liability company (“Shumaker Properties,” together with Midwest Fiber, collectively referred to herein as the “Company”) to provide funds to (a) refinance certain existing debt, (b) finance, refinance and reimburse the costs of the Project described herein, and (c) pay certain costs related to the issuance of the Bonds.

3. The Issuer will make a loan to the Company for such purposes under a Loan Agreement of even date herewith (the “Loan Agreement”), between the Issuer and the Company, in accordance with the terms of the Commitment.

4. The Company has obtained a guaranty of the payment of the principal of, redemption premium, if any, and interest on the Bonds pursuant to five separate Guaranty Agreements each dated as of November 1, 2010 (collectively, the “Guaranty Agreements”), each between the Bond Trustee and the herein defined Guarantors. The Bonds are also secured by the Mortgage and the Security Agreement (each as defined herein).

5. All things necessary to make the Bonds, when authenticated by the Bond Trustee and issued as in this Bond Indenture provided, the valid, legal and binding obligations of the Issuer, and to constitute this Bond Indenture a valid, legal and binding pledge and assignment of the property, rights, interests and revenues herein made for the security of the payment of the principal of, redemption premium, if any, and interest on the Bonds as provided herein, have been done and performed, and the execution and delivery of this Bond Indenture and the execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

GRANTING CLAUSES

The Issuer, in consideration of the premises, the acceptance by the Bond Trustee of the trusts hereby created, the purchase and acceptance of the Bonds by the Owners thereof, and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to secure the payment of the principal of, redemption premium, if any, purchase price, if any, and interest on the Bonds issued and Outstanding under this Bond Indenture according to their tenor and effect and to secure the performance and observance by the Issuer of all the covenants, agreements and conditions herein and in the Bonds contained, does hereby transfer, pledge and assign to the Bond Trustee and its successors and assigns in trust forever, and does hereby grant a security interest unto the Bond Trustee and its successors in trust and its assigns, in the property described in paragraphs (a), (b), (c), (d) and (e) below (said property being herein referred to as the "Trust Estate"), to wit:

(a) all right, title and interest of the Issuer (including the right to enforce any of the terms thereof) in, to and under (1) the Loan Agreement, and all payments derived by the Issuer from the Company including Loan Payments and other amounts to be received by the Issuer and paid by the Company under and pursuant to and subject to the Loan Agreement (but excluding the Issuer's rights to payment of its fees and expenses, to indemnification and as otherwise expressly set forth in the Loan Agreement and excluding any payments made by the Bond Trustee or the Company to meet the rebate requirements of Section 148(f) of the Internal Revenue Code), and (2) all financing statements or other instruments or documents evidencing, securing or otherwise relating to the loan of the proceeds of the Bonds;

(b) all moneys and securities held in any account (except moneys and securities held in the Rebate Fund and except moneys and securities held by the Tender Agent in the Purchase Fund or elsewhere to pay the purchase price of Bonds tendered for purchase pursuant to **Article III**) from time to time held by the Bond Trustee under the terms of this Bond Indenture;

(c) the Mortgage and the property mortgaged and pledged thereunder to the Bond Trustee;

(d) the Security Agreement and the property pledged thereunder to the Bond Trustee, and

(e) any and all other property (real, personal or mixed) of every kind and nature from time to time hereafter, by delivery or by writing of any kind, pledged, assigned, mortgaged or transferred as and for additional security by the Issuer or by anyone in its behalf or with its written consent, to the Bond Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD, with all rights and privileges hereby transferred, pledged, assigned and/or granted or agreed or intended so to be, to the Bond Trustee and its successors and assigns in trust forever in trust, nevertheless, upon the terms and conditions herein set forth for the equal and pro rata benefit and security of each and every Owner of the Bonds to the extent specifically described herein, and except as provided herein, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of any Bonds over or from another Bond, by reason of priority in the issue or negotiation or maturity thereof, or for any other reason whatsoever, except as herein otherwise expressly provided;

PROVIDED, NEVERTHELESS, and these presents are upon the express condition that, if the Issuer or its successors or assigns shall well and truly pay or cause to be paid the principal of the Bonds with

interest, according to the provisions set forth in the Bonds or shall provide for the payment or redemption of the Bonds by depositing or causing to be deposited with the Bond Trustee the entire amount of funds or securities requisite for payment or redemption thereof when and as authorized by the provisions hereof, and shall also pay or cause to be paid all other sums payable hereunder by the Issuer, then these presents and the estate and rights hereby granted with respect to the Bonds shall cease, determine and become void, and thereupon the Bond Trustee, on payment of its lawful charges and disbursements then unpaid, on demand of the Issuer and upon the payment of the costs and expenses thereof, shall duly execute, acknowledge and deliver to the Issuer such instruments of satisfaction or release as may be necessary or proper to discharge this Bond Indenture, and if necessary shall grant, reassign and deliver to the Issuer, its successors or assigns, all the property, rights, privileges and interests by it hereby granted, conveyed and assigned, and all substitutes therefore, or any part thereof, not previously disposed of or released as herein provided; otherwise this Bond Indenture shall be and remain in full force;

NOW, THEREFORE, it is hereby expressly declared, covenanted and agreed by and between the parties hereto, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and that the Trust Estate is to be held and applied under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer does hereby agree and covenant with the Bond Trustee and with the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS, RULES OF CONSTRUCTION

Section 101. Definitions of Words and Terms. In addition to words and terms elsewhere defined herein, the following words and terms as used in this Bond Indenture and in the Loan Agreement shall have the following meanings, unless some other meaning is plainly intended:

“**Act**” has the meaning set forth in the Recitals.

“**Additional Payments**” means those payments required to be made by the Company pursuant to **Section 4.4** of the Loan Agreement.

“**Adjustment Date**” means (i) if the Floating Rate is then in effect, each Floating Rate Adjustment Date, or (ii) if the Swap Rate is then in effect, each Swap Rate Adjustment Date.

“**Annual Indexed Put Date**” means each successive one-year anniversary date of the Initial Indexed Put Date (or if such date is not a Business Day, the immediately succeeding Business Day), unless the Company and the Original Purchaser shall mutually agree to another date.

“**Applicable Spread**” means (i) initially an amount equal to three hundred twenty-five basis points (3.25%), and (ii) after an adjustment as described in **Section 203(c)(iii)** hereof, a spread determined by the Original Purchaser to be added to or subtracted from the Floating Rate or the Swap Rate, as applicable.

“**Authorized Denominations**” means, (i) with respect to Fixed Rate Bonds, \$100,000 and any \$5,000 integral multiple thereof, (ii) with respect to Daily Rate Bonds, Weekly Rate Bonds or Short-Term Rate Bonds, \$100,000 and any \$5,000 integral multiple in excess thereof, and (iii) with respect to Indexed Put Bonds, \$1,000 and any \$1,000 integral multiple thereof. This definition of Authorized Denomination may be amended without the necessity of executing a Supplemental Bond Indenture upon the Bond

Trustee's receipt from the Issuer of the proposed new definition, together with written approval of such proposed new definition from the Bond Trustee, the Company, the Remarketing Agent and the Liquidity Provider. The Issuer shall take such action upon receipt of instructions from the Company containing the proposed new definition and required approvals. The Bond Trustee shall give notice of the new definition and the effective date thereof to the Owners as it deems necessary.

"Bond Counsel" means Gilmore & Bell, P.C., or another firm of attorneys of national reputation experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds, selected by the Company and reasonably acceptable to the Bond Trustee, and not unacceptable to the Issuer.

"Bond Documents" means this Bond Indenture, the Bonds, the Loan Agreement, the Tax Agreement, the Mortgage, the Security Agreement, the Guaranty Agreements, the Remarketing Agreement, if any, and the Liquidity Facility, if any, and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing.

"Bond Indenture" means this Bond Trust Indenture, including all Exhibits, as originally executed by the Issuer and the Bond Trustee, as from time to time amended and supplemented by Supplemental Bond Indentures.

"Bond Register" means the registration books of the Issuer kept by the Bond Trustee to evidence the registration and transfer of Bonds.

"Bond Registrar" means the Bond Trustee when acting as such, and any other bank or trust company designated and at the time serving as bond registrar under this Bond Indenture.

"Bond Trustee" means Commerce Bank, N.A., and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to and at the time serving as trustee under this Bond Indenture.

"Bondowner" or **"Owner"** means the Person in whose name the Bond is registered on the Bond Register.

"Bonds" means, collectively, the Series 2010A Bonds and the Series 2010B Bonds.

"Business Day" means a day (a) other than a day on which banks located in the City of New York, New York or the cities in which the Principal Office of the Bond Trustee, the Tender Agent, the Remarketing Agent and the Liquidity Provider are located, are required or authorized by law or executive order to close, and (b) on which the New York Stock Exchange is not closed.

"Cede & Co." means Cede & Co., as nominee name of The Depository Trust Company, New York, New York.

"Closing Date" means November 1, 2010, which is the date of initial delivery of and payment for all Bonds.

"Collateral Documents" means the Mortgage, the Security Agreement and the Guaranty Agreements.

"Commitment" means the commitment letter dated July 15, 2010, as amended, from the Original Purchaser to the Company describing the terms of the Bond financing.

“**Company**” means, collectively, Midwest Fiber and Shumaker Properties.

“**Company Account**” means the account by that name in the Purchase Fund established pursuant to **Section 307(a)**.

“**Company Bonds**” means Bonds registered in the name of the Company or any broker-dealer or nominee owning Bonds pursuant to an arrangement with the Company.

“**Company Representative**” shall mean Ronald W. Shumaker, President, or any officer, employee or agent of Midwest Fiber approved by the Company, which officer, employee or agent shall be designated pursuant to a written notice delivered to the Bond Trustee and executed by any officer of Midwest Fiber.

“**Conversion Date**” means a date on which the Bonds begin to bear interest at Daily Rates, Weekly Rates, Short-Term Rates, Indexed Put Rates or Fixed Rates as provided in **Section 204**.

“**Costs of Issuance Fund**” means the fund created in **Section 401**.

“**Daily Interest Period**” means each period described in **Section 203(d)** during which the Bonds bear interest at a Daily Rate.

“**Daily Mode**” means the period during which Daily Rates are in effect for the Bonds.

“**Daily Rate**” means the per annum interest rate for the Bonds during a Daily Interest Period determined on a daily basis as provided in **Section 203(d)**.

“**Daily Rate Bonds**” means the Bonds bearing interest at a Daily Rate.

“**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 consistently applied.

“**Debt Service Coverage Ratio**” means the ratio determined by dividing EBITDA by Debt Service.

“**Debt Service Fund**” means the Fund by that name created by **Section 401**.

“**Default Rate**” means that term as defined in **Section 203(h)**.

“**Defaulted Interest**” means interest on any Bond that is payable but not paid on the date due.

“**Determination of Taxability**” means the enactment of legislation, the adoption of final regulations, the issuance of a statutory notice of deficiency, a ruling by the Internal Revenue Service, or a final decision of a court of competent jurisdiction, which holds in effect that the interest payable on any Series 2010A Bond is not excludable from the gross income of the Bondowner for federal income tax purposes for any reason; provided, however, that no Determination of Taxability shall occur until the expiration or waiver of all periods for appeal. In addition, if the Company attempts to contest a Determination of Taxability in the name of any Series 2010A Bondowner, and the Bondowner refuses to permit the Company to take such action, then no Determination of Taxability will occur. A Determination of Taxability shall also occur if Bond Counsel fails to deliver an opinion pursuant to **Section 610** hereof

that the interest on the Series 2010A Bonds continues to be excluded from gross income for purposes of federal income taxation under Section 103 of the Code.

“EBITDA” means, for the period in question, the sum of (a) the after tax net income of the Related Companies during such period, plus (b) to the extent deducted in determining such net income, the sum of (i) interest expense of the Related Companies during such period including the interest portion of all capitalized lease expense, plus (ii) all provisions for any Federal, state, local and/or foreign income, valued added and similar taxes made by the Related Companies during such period (whether paid or deferred), plus (iii) all depreciation and amortization expenses of the Related Companies during such period, plus (iv) any extraordinary losses of the Related Companies during such period, plus (v) any losses of the Related Companies from the sale or other disposition of property other than in the ordinary course of business during such period, minus (c) to the extent added in determining such net income, the sum of (i) any extraordinary gains of the Related Companies during such period, plus (ii) any gains of the Related Companies from the sale or other disposition of property other than in the ordinary course of business during such period, all determined on a combined basis in accordance with generally accepted accounting principles consistently applied.

“Eligible Moneys” means:

- (a) during any period a Liquidity Facility is in effect:
 - (1) proceeds of any Bonds secured by a Liquidity Facility which are held in a separate and segregated subaccount in the Debt Service Fund;
 - (2) proceeds from the remarketing of any Bonds secured by a Liquidity Facility tendered for purchase pursuant to this Bond Indenture or proceeds from the sale of any Bonds secured by a Liquidity Facility pursuant to a firm commitment to purchase in connection with a conversion of the Interest Mode, provided the Bonds are sold to any person other than the Issuer, the Company or any “insider” (as defined in the United States Bankruptcy Code) of the Issuer or the Company;
 - (3) moneys drawn under the Liquidity Facility that are either applied directly to the payment of the purchase price on any Bonds secured by a Liquidity Facility or which, if not so applied, are held in a separate and segregated account or subaccount under this Bond Indenture until so applied;
 - (4) any moneys or securities if there is delivered to the Bond Trustee an Opinion of Counsel from legal counsel having expertise in bankruptcy matters (who, for purposes of such opinion, may assume that no Owner is an “insider,” as defined in the United States Bankruptcy Code) to the effect that the use of such moneys or securities to pay the principal or purchase price of, or premium, if any, or interest on any Bonds would not constitute a voidable preferential payment in the event of the occurrence of the filing of a petition in bankruptcy (or other commencement of bankruptcy or similar proceedings) by or against the Company or the Issuer under the United States Bankruptcy Code, as now or hereafter in effect, or other applicable state or federal bankruptcy, insolvency, reorganization or similar law for the relief of debtors, as now or hereafter in effect, and provided that each nationally recognized rating service providing a rating for the Bonds has confirmed that the use of such funds shall not adversely affect any rating for such Bonds; or

- (5) earnings derived from the investment of any of the foregoing;
- (b) during any period a Liquidity Facility is not in effect, any moneys received by the Bond Trustee or held by the Bond Trustee in any fund or account under this Bond Indenture and available, pursuant to the provisions hereof, to be used to pay principal of or purchase price of, or premium, if any, or interest on, the Bonds.

“Event of Default” means (a) any “Event of Default” as defined in **Section 701**, or (b) with respect to the Loan Agreement, any “Event of Default” as defined in **Section 9.1** of the Loan Agreement.

“Event of Insolvency” means (i) a court having jurisdiction shall enter a decree or order for relief in respect of Midwest Fiber or Shumaker Properties in an involuntary case under any applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Midwest Fiber or Shumaker Properties or for any substantial part of the Property of Midwest Fiber or Shumaker Properties, or ordering the winding up or liquidation of the affairs of Midwest Fiber or Shumaker Properties, and such decree or order shall remain unstayed and in effect for a period of ninety (90) consecutive days or (ii) Midwest Fiber or Shumaker Properties shall commence a voluntary case under any applicable federal or state bankruptcy, insolvency or other similar law, or shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of Midwest Fiber or Shumaker Properties or for any substantial part of their respective Property, or shall make any general assignment for the benefit of creditors, or shall fail generally to pay their respective debts as they become due or shall take any corporate action in furtherance of the foregoing.

“Expiration Date” means the date, other than a Termination Date or a date upon which an Immediate Termination Event or an Immediate Suspension Event has occurred, upon which the Liquidity Provider’s obligation to purchase Bonds under the Liquidity Facility is scheduled to expire (taking into account any extensions of the Expiration Date) in accordance with its terms.

“Favorable Opinion of Bond Counsel” means an opinion of Bond Counsel, addressed to the Issuer, the Company, the Remarketing Agent, if any, the Liquidity Provider, if any, and the Bond Trustee, to the effect that the action proposed to be taken is authorized or permitted by this Bond Indenture and the Act and will not adversely affect the exclusion of interest on the Series 2010A Bonds from gross income for purposes of federal income taxation under Section 103 of the Code.

“Fitch” means Fitch Ratings, Inc., and its successors and assigns, or, if such firm shall be dissolved or liquidated or shall no longer perform the functions of a securities rating service, Fitch means any other nationally recognized securities rating service designated by the Company, with notice to the Issuer and the Bond Trustee.

“Fixed Mode” means the period of time, which shall end on the Maturity Date, during which any Bonds bear interest at a Fixed Rate.

“Fixed Rate” means a non-variable interest rate or rates to maturity established in accordance with **Sections 203(g)** and **204**.

“Floating Rate” means the average of interbank offered rates for one-month U.S. Dollar deposits in the London market based on quotations at major banks, as published under the heading “London Interbank Offered Rates (LIBOR)” in the “Money Rates” column of *The Wall Street Journal*. The Floating Rate shall be computed using the most recent published quotation available, and shall be

effective on the next Floating Rate Adjustment Date. In the event any reserves or similar costs are imposed on LIBOR deposits, the Floating Rate shall be adjusted by dividing the Floating Rate by one minus the applicable percentage equal to such reserves or other costs to be effective until the next Floating Rate Adjustment Date. If the aforementioned rate is no longer published or is otherwise unavailable, the Original Purchaser shall in good faith select a new index rate that is similar to the index rate being replaced.

“Floating Rate Adjustment Date” means the first day of each month.

“Funded Debt” means, as of the date of determination, 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 the debt referenced in paragraphs (a), (b) and (c) of this definition of others, all determined on a consolidated basis and in accordance with generally accepted accounting principles consistently applied.

“Government Securities” means (i) direct noncallable obligations of the United States of America and obligations the timely payment of principal and interest on which is fully and unconditionally guaranteed by the United States of America, (ii) trust receipts or certificates evidencing participation or other direct ownership interests in principal or interest payments to be made upon obligations described in clause (i) above that are held in a custody or trust account free and clear of all claims of persons other than the holders of such trust receipts or certificates having an investment rating or assessment in the highest rating category of both Moody’s and S&P at the time of purchase, or (iii) obligations issued by or on behalf of any state or local governmental entity or any agency or instrumentality thereof which are noncallable or for which the call date has been irrevocably determined having an investment rating in the highest rating category of both Moody’s and S&P at the time of purchase as a result of the deposit of obligations described in clause (i) or (ii) above in a trust or escrow account segregated and exclusively set aside for the payment of such obligations and which mature as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to timely pay such principal and interest.

“Grant” means Grant Number 09-463001 in the amount of \$_____, received by the Company for the Project, issued pursuant to the ARRA Green Industry Business Development Program.

“Grant Account” means the Account by that name in the Project Fund in **Section 402**.

“Guarantors” means collectively, Ronald Shumaker, Linda Shumaker, Michael Shumaker, Patricia Shumaker, Todd Shumaker, Michelle Shumaker, MF Decatur and MF Recycling.

“Guaranty Agreements” means five separate Guaranty Agreements, each dated as of November 1, 2010, each between the Bond Trustee and the applicable Guarantor or Guarantors, as set forth therein.

“Immediate Suspension Event” means an event identified in a Liquidity Facility that permits the Liquidity Facility Provider to immediately suspend without notice or demand its obligation to purchase Bonds under such Liquidity Facility.

“Immediate Termination Event” means an event identified in a Liquidity Facility that permits the Liquidity Facility Provider to immediately terminate without notice or demand its obligation to purchase Bonds under such Liquidity Facility.

“Indexed Put Bonds” means any Bonds bearing interest at an Indexed Put Rate.

“Indexed Put Date” means the Initial Indexed Put Date and each Annual Indexed Put Date.

“Indexed Put Interest Period” means each period during which an Indexed Put Rate is in effect for any Bonds.

“Indexed Put Mode” means the period during which Indexed Put Rates are in effect for any Bonds.

“Indexed Put Rate” means a variable interest rate for any Bonds established in accordance with **Section 203(c)** hereof.

“Initial Indexed Put Date” means (a) November 1, 2015, and (b) with respect to any Bonds being converted to an Indexed Put Mode, the date specified as the “Initial Indexed Put Date” in the notice of conversion of the Interest Mode of the Bonds pursuant to **Section 204** hereof.

“Interest Mode” means (i) a Daily Mode (comprised of separate Daily Interest Periods), (ii) a Weekly Mode (comprised of separate Weekly Interest Periods), (iii) a Short-Term Mode (comprised of separate Short-Term Interest Periods), (iv) a Fixed Mode, or (v) an Indexed Put Mode (comprised of separate Indexed Put Interest Periods).

“Interest Payment Date” means:

- (a) at any time the Original Purchaser is the Owner of all of the Outstanding Bonds, the first Business Day of each calendar month, commencing [December] 1, 2010;
- (b) at any time the Original Purchaser is not the Owner of all of the Outstanding Bonds:
 - (i) with respect to Bonds other than Indexed Put Bonds and Liquidity Provider Bonds:
 - (A) as to Daily Rate Bonds and Weekly Rate Bonds, the first Business Day of each calendar month, any day that is a Conversion Date from a Daily Mode or a Weekly Mode, as appropriate, and the Maturity Date;
 - (B) as to Short-Term Rate Bonds, the first Business Day after the last day of each Short-Term Interest Period, any day that is a Conversion Date from Short-Term Rate Bonds and the Maturity Date; and
 - (C) as to Fixed Rate Bonds, each September 1 and March 1 through and including the Maturity Date;
 - (ii) with respect to Indexed Put Bonds, the first Thursday of each calendar month or, if the first Thursday is not a Business Day, the next succeeding Business Day; provided, however, that if a calendar month includes an Indexed Put Date, the Interest Payment Date for that month shall be the Indexed Put Date; and

- (iii) with respect to Liquidity Provider Bonds, the date set forth in the Liquidity Facility as the interest payment date.

“Interest Period” (i) for Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds or Indexed Put Bonds, means a Daily Interest Period, Weekly Interest Period, Short-Term Interest Period or Indexed Put Interest Period, respectively, and (ii) for Fixed Rate Bonds, means the period from the Conversion Date for the conversion to the Fixed Mode to the Maturity Date.

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended, and, when appropriate, any statutory predecessor or successor thereto, and all applicable regulations (whether proposed, temporary or final) thereunder and any applicable official rulings, announcements, notices, procedures and judicial determinations relating to the foregoing.

“Issuance Costs” means issuance costs with respect to the Bonds described in Section 147(g) of the Internal Revenue Code.

“Issuer” means the Town of Normal, Illinois.

“Issuer Representative” means the President of the Board of Trustees of the Issuer, and such other person or persons at the time designated to act on behalf of the Issuer in matters relating to the Loan Agreement and this Bond Indenture as evidenced by a written certificate furnished to the Company and the Bond Trustee containing the specimen signature of such person or persons and signed on behalf of the Issuer by the President of the Issuer’s Board of Trustees. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Issuer Representative.

“Liquidity Facility” means, with respect to Daily Rate Bonds, Weekly Rate Bonds or Short-Term Rate Bonds, any standby bond purchase agreement, letter of credit, line of credit, insurance policy or other similar agreement, and any related reimbursement agreement, among the Liquidity Provider, the Company and the Tender Agent, then in effect providing for the purchase of, or the funding of amounts to purchase, any Bonds on Purchase Dates applicable to the Bonds for the then relevant Interest Mode, as the same may from time to time be amended or supplemented in accordance with its terms and the terms of this Bond Indenture.

“Liquidity Facility Accounts” mean the accounts by that name in the Purchase Fund established pursuant to **Section 307(a)**.

“Liquidity Facility Request” shall have the meaning assigned to that term in **Section 307(c)**.

“Liquidity Provider” means any commercial bank or other financial institution issuing a Liquidity Facility then in effect in its capacity as issuer of that Liquidity Facility.

“Liquidity Provider Bondowner” means the Owner of any Liquidity Provider Bonds.

“Liquidity Provider Bonds” means the Bonds purchased by the Liquidity Provider pursuant to the Liquidity Facility relating to such Liquidity Provider and the terms hereof but excluding the Bonds no longer considered Liquidity Provider Bonds pursuant to the terms of the Liquidity Facility.

“Liquidity Provider Rate” means the interest rate(s) applicable from time to time to Liquidity Provider Bonds as determined in accordance with the Liquidity Facility; provided that no Liquidity Provider Rate shall exceed the Maximum Rate.

“Loan” means that term as defined in the Recitals to the Loan Agreement.

“Loan Agreement” means the Loan Agreement dated as of the date hereof, between the Issuer and the Company, as from time to time amended by a Supplemental Loan Agreement.

“Loan Payments” means the payments referred to in **Section 4.1** of the Loan Agreement.

“Maturity Date” means November 1, 2030.

“Maximum Rate” means (a) with respect to Liquidity Provider Bonds, the maximum rate permitted by law but in any event no greater than 25% per annum, (b) with respect to Indexed Put Bonds, the maximum rate permitted by law, and (c) with respect to any Bonds other than Liquidity Provider Bonds or Indexed Put Bonds, the lesser of (i) 12% per annum, (ii) the maximum rate utilized to determine the amount available under the Liquidity Facility, if any, or (iii) the maximum rate permitted by law.

“Midwest Fiber” means Midwest Fiber, Inc., an Illinois corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

“MF Decatur” means Midwest Fiber, Inc. of Decatur, an Illinois corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

“MF Recycling” means Midwest Fiber Recycling of Peoria, Inc., an Illinois corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

“Moody’s” means Moody’s Investors Services, Inc., and its successors and assigns, or, if such firm shall be dissolved or liquidated or shall no longer perform the functions of a securities rating service, Moody’s means any other nationally recognized securities rating service designated by the Company, with notice to the Issuer and the Bond Trustee.

“Mortgage” means the Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated as of November 1, 2010, from Shumaker Properties in favor of the Bond Trustee.

“Opinion of Counsel” means an opinion in writing signed by legal counsel acceptable to the Company and the Bond Trustee and, to the extent the Issuer is asked to take action in reliance thereon, the Issuer, who may be an employee of or counsel to the Company, the Issuer or the Bond Trustee.

“Ordinance” means Ordinance No. ___ of the Issuer adopted October 18, 2010, authorizing the execution and delivery of this Bond Indenture, the Loan Agreement and the Tax Agreement and the issuance of the Bonds.

“Original Purchaser” means Clayton Holdings, LLC, unless another Person is the owner of 100% of the Outstanding Bonds in which case “Original Purchaser” shall mean such Person.

“Outstanding” means, when used with reference to Bonds, as of a particular date, all Bonds theretofore authenticated and delivered, except:

- (a) Bonds theretofore cancelled by the Bond Trustee or delivered to the Bond Trustee for cancellation pursuant to **Section 212**;
- (b) Bonds which are deemed to have been paid in accordance with **Article XI**; and

- (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to **Article II** or **Article III**, including Undelivered Bonds;

provided, however, that in determining whether the Owners of the requisite principal amount of Outstanding Bonds have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds owned by the Company shall be disregarded and deemed not to be Outstanding, except that in determining whether the Bond Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Bond Trustee knows to be so owned shall be disregarded unless all Bonds are owned by the Company and/or held by the Bond Trustee for the account of the Company, in which case such Bonds shall be considered Outstanding for the purpose of such determination.

“Owner” has the same meaning as the term **“Bondowner.”**

“Participants” means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

“Paying Agent” means the Bond Trustee and any other commercial bank or trust institution organized under the laws of any state of the United States of America or any national banking association designated by this Bond Indenture or any Supplemental Indenture as paying agent for the Bonds at which the principal of and redemption premium, if any, and interest on such Bonds shall be payable.

“Payment Default” means an Event of Default described in **Section 701(a)** or **(b)**.

“Permitted Encumbrances” means, with respect to the Project and any property secured by the Mortgage, as of any particular time, the following:

- (a) the Mortgage and the grant of any other mortgage to the Bond Trustee to secure the repayment of the Bonds;
- (b) liens for taxes, assessments and other governmental charges not delinquent, or if delinquent are being contested in good faith by appropriate proceedings and as to which the Company shall have set aside on its books adequate reserves with respect thereto;
- (c) mechanic’s, laborer’s, materialman’s, supplier’s or vendor’s liens not filed of record and similar charges not delinquent, or if filed of record are being contested in good faith and have not proceeded to judgment and as to which the Company shall have set aside on its books adequate reserves with respect thereto;
- (d) liens in respect of judgments or awards with respect to which the Company is in good faith currently prosecuting an appeal or proceedings for review, and with respect to which the Company shall have secured a stay of execution pending such appeal or proceedings for review, provided the Company shall have set aside on its books adequate reserves with respect thereto;
- (e) utility, access and other easements and rights-of-way, restrictions, encumbrances and exceptions that do not materially affect the marketability of title to the Project and do not in the aggregate materially impair the use of the Project for the purposes for which it is owned by the Company;

- (f) such minor defects and irregularities of title as normally exist with respect to property similar in character to the Project affected thereby and which do not materially affect the marketability of title to or value of the Project and do not materially impair the use of the Project;
- (g) zoning laws, ordinances or regulations and similar restrictions that are not violated by the portion of the Project affected thereby;
- (h) statutory rights under Section 291, Title 42 of the United States Code, as a result of what are commonly known as Hill-Burton grants, and similar rights under other federal or state statutes;
- (i) statutory liens and rights of setoff granted to banks or other financial institutions with respect to funds on deposit in the ordinary course of business;
- (j) all right, title and interest of the state, municipalities and the public in and to tunnels, bridges and passageways over, under or upon a public way;
- (k) rights reserved to, or vested in, any municipality or governmental or other public authority by virtue of any franchise, license, contract or statute to control or regulate any portion of the Project, or to use any portion of the Project in any manner, or to purchase, or designate a purchaser of or order the sale of, any portion of the Project upon payment of cash or reasonable compensation therefor, or to terminate any franchise, license or other rights;
- (l) liens arising by reason of (1) good faith deposits with the Company in connection with tenders, leases of real estate, bids or contracts (other than contracts for the payment of money), (2) deposits by the Company to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, (3) deposits as security for the payment of taxes or assessments or other similar charges, and (4) deposits with, or the giving of any form of security to, any municipality or governmental or other public authority for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the Company to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with worker's compensation, unemployment insurance, pensions or profit sharing plans or other social security plans or programs, or to share in the privileges or benefits required for corporations participating in such arrangements;
- (m) restrictions on the Project through gifts, grants, bequests, contributions or donations imposed by the donor or grantor;
- (n) liens on and security interests in the proceeds of the Bonds prior to the application of such proceeds or any debt service fund, reserve fund, escrow fund or similar fund established to secure the payment of the Bonds;
- (o) any leases under which the Company is lessor that relate to any portion of the Project which is of a type that is customarily the subject of such leases;

- (p) liens on any portion of the Project which are existing at the date of this Bond Indenture; and
- (q) exceptions listed in Schedule B – Section 2 of the Commitment No. 10-0396F issued by First American Title Insurance Company, with respect to the real property secured by the Mortgage.

“Permitted Investments” means, if and to the extent the same are at the time legal for investment of funds held under this Bond Indenture:

- (a) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed as to full and timely payment by the United States of America.
- (b) Debt obligations which are (i) issued by any state or political subdivision thereof or any agency or instrumentality of such state or political subdivision (excluding auction rate securities), and (ii) at the time of purchase, rated in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any Rating Agency.
- (c) Bonds, debentures, notes or other evidence of indebtedness issued by a government sponsored agency which is either (i) at the time of purchase rated in the highest rating category by any Rating Agency, or (ii) backed by the full faith and credit of the United States of America.
- (d) U.S. denominated deposit accounts, certificates of deposit and banker’s acceptances of any bank, trust company, or savings and loan association, including the Bond Trustee or its affiliates, which at the time of purchase have a rating on their short-term certificates of deposit on the date of purchase in one of the two highest short-term rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any Rating Agency, and which mature not more than 360 days after the date of purchase.
- (e) Money market funds registered under the Federal Investment Company Act of 1940 whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAm-G, AAA-m or AA-m and by Moody’s of Aaa, Aa1 or Aa2 (but only if rated by Moody’s).
- (f) Commercial paper which is rated at the time of purchase in one of the two highest short-term rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any Rating Agency, and which matures not more than 270 days after the date of purchase.
- (g) Bonds, notes, debentures or other evidences of indebtedness (but excluding auction rate securities) issued or guaranteed by a corporation which are, at the time of purchase, rated by any Rating Agency in any of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise).
- (h) Investment agreements with banks (including without limitation the Bond Trustee) that at the time such agreement is executed are rated in one of the two highest rating categories

(without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any Rating Agency or investment agreements with non-bank financial institutions, provided that (1) all of the unsecured, direct long-term debt of either the non-bank financial institution or the related guarantor of such non-bank financial institution is rated by any Rating Agency at the time such agreement is executed in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) for obligations of that nature; or (2) if such non-bank financial institution and any related guarantor have no outstanding long-term debt that is rated, all of the short-term debt of either the non-bank financial institution or the related guarantor of such non-bank financial institution is rated by any Rating Agency in one of the two highest rating categories (without regard to any refinement or gradation of the rating category by numerical modifier or otherwise) assigned to short term indebtedness by any Rating Agency. If such non-bank financial institution and any guarantor do not have any short-term or long-term debt, but do have a rating in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise), then investment agreements with such non-bank financial institutions will be permitted.

- (i) Repurchase Agreements must follow the following criteria.

Repurchase agreements provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specific date.

- (1) Repos must be between the Bond Trustee and a dealer bank or securities firm

- (A) Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by Standard & Poor's Corporation and Moody's Investor Services, or
- (B) Banks rated "A" or above by Standard & Poor's Corporation and Moody's Investor Services.

- (2) The written repo contract must include the following:

- (A) Securities which are acceptable for transfer are:

- (i) Direct U.S. governments, or
- (ii) Obligations described in clause (b) or (c) above.

- (B) The term of the repo may be up to 30 days

- (C) The collateral must be delivered to the municipal entity, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

- (D) Valuation of Collateral

(i) The securities must be valued weekly, marked-to-market at current market price plus accrued interest

(a) The value of collateral must be equal to **104%** of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below **104%** of the value of cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal **105%**.

(3) Legal opinion which must be delivered to the Bond Trustee:

(A) Repo meets guidelines under state law for legal investment of public funds.

(j) Any other investments agreed to in writing by the Company and the Original Purchaser.

“Person” means any natural person, firm, joint venture, association, partnership, limited partnership, business, limited liability company, trust, corporation, public body, agency or political subdivision thereof or any other similar entity.

“Prevailing Market Conditions” means, to the extent relevant (in the professional judgment of the Remarketing Agent) at the time of establishment of a rate or rates for Bonds as provided in **Section 203**, (a) interest rates on comparable securities then being issued and traded; (b) other financial market rates and indices that may have a bearing on rates of interest; (c) general financial market conditions (including then current forward supply figures) that may have a bearing on rates of interest; and (d) the financial condition, results of operation and credit standing of the Company and the Liquidity Provider to the extent such standing has a bearing on rates of interest.

“Prime Rate” means the prime rate as from time to time published in the “Money Rates” column of *The Wall Street Journal*.

“Principal Office” means, with respect to any entity performing functions under any Bond Document, the principal office of that entity at which those functions are performed.

“Project” means the acquisition, construction, renovation, remodeling and equipping of the Project identified on the attached **Exhibit A**, financed or refinanced, directly or indirectly with the proceeds of the Bonds, as more specifically described in the Tax Agreement.

“Project Costs” means all reasonable or necessary expenses incidental to the acquisition, construction, renovation, remodeling, repair, alteration, improvement and extension of the Project.

“Project Fund” means the fund created in **Section 401**.

“Purchase Date” means each date on which Bonds are subject to optional or mandatory purchase pursuant to **Section 306** or **Section 308**.

“Purchase Fund” means each fund by that name created by **Section 307(a)** and held by the Tender Agent.

“Purchase Price” means an amount equal to the principal amount thereof plus (if such Purchase Date is not an Interest Payment Date therefor) accrued and unpaid interest thereon to such Purchase Date.

“Purchaser’s Agent” means Commerce Bank, N.A., or any other Person, selected by the Original Purchaser pursuant to an agreement with the Original Purchaser.

“Qualified Financial Institution” means a bank, trust company, national banking association, insurance company or other financial services company or entity, and whose unsecured long term debt obligations (in the case of a bank, trust company, national banking association or other financial services company or entity) or whose claims paying abilities (in the case of an insurance company) are rated at least A-1 by S&P or VMIG-1 by Moody’s.

“Rating Agency” means Moody’s, if the Bonds are rated by Moody’s at the time, S&P, if the Bonds are rated by S&P at the time, Fitch, if the Bonds are rated by Fitch at the time, or any other nationally recognized securities rating service acceptable to the Issuer, the Bond Trustee, the Liquidity Provider and the Company that maintains a rating on the Bonds.

“Rebate Fund” means the fund by that name created by **Section 401**.

“Record Date” means (i) with respect to each Interest Payment Date for Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds or Indexed Put Bonds, the Business Day immediately preceding that Interest Payment Date, and (ii) with respect to each Interest Payment Date for Fixed Rate Bonds, the 15th day of the month immediately preceding each Interest Payment Date.

“Related Companies” means, collectively, the entities which comprise the Company, MF Decatur and MF Recycling.

“Remarketing Agent” means any firm at the time serving as Remarketing Agent pursuant to **Section 309**.

“Remarketing Agreement” means, with respect to Daily Rate Bonds, Weekly Rate Bonds or Short-Term Rate Bonds, any agreement between the Company and a Remarketing Agent whereby the Remarketing Agent agrees to perform the duties of the Remarketing Agent under this Bond Indenture with respect to the Bonds.

“Replacement Bonds” means Bonds issued to the beneficial owners of the Bonds in accordance with **Section 213(b)**.

“S&P” means Standard & Poor’s Ratings Services, a division of The U.S. McGraw-Hill Companies, Inc., and its successors and assigns, or, if such firm shall be dissolved or liquidated or shall no longer perform the functions of a securities rating service, S&P shall mean any other nationally recognized securities rating service designated by the Company, with notice to the Issuer and the Bond Trustee.

“Securities Depository” means The Depository Trust Company, New York, New York, and its successors and assigns and any successor Securities Depository appointed pursuant to **Section 213(c)**.

“Security Agreement” means the Security Agreement dated as of the date hereof, between the Trustee and the Company.

“Short-Term Interest Period” means each period determined as provided in **Section 203(f)** during which the Bonds bear interest at a particular Short-Term Rate.

“Short-Term Mode” means the period during which Short-Term Rates are in effect for the Bonds.

“Short-Term Rate” means the per annum interest rate for the Bonds during a Short-Term Interest Period determined on a periodic basis as provided in **Section 203(f)**.

“Short-Term Rate Bonds” means any Bonds bearing interest at a Short-Term Rate.

“Series 2010A Account” means the Account by that name in the Project Fund in **Section 402**.

“Series 2010A Bonds” means the Solid Waste Disposal Revenue Bonds (Midwest Fiber Project), Series 2010A of the Issuer, issued in the original principal amount of \$4,685,000.

“Series 2010B Account” means the Account by that name in the Project Fund in **Section 402**.

“Series 2010B Bonds” means the Taxable Solid Waste Disposal Revenue Bonds (Midwest Fiber Project), Series 2010B of the Issuer, issued in the original principal amount of \$925,000.

“SIFMA Index” means on any date, a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market Data and published or made available by the Securities Industry and Financial Markets Association (“SIFMA”) or any person acting in cooperation with or under the sponsorship of SIFMA and acceptable to the Original Purchaser and effective from such date.

“Special Record Date” means the date fixed by the Bond Trustee pursuant to **Section 207(e)** for the payment of Defaulted Interest.

“State” means the State of Illinois.

“Substitute Liquidity Facility” means a substitute Liquidity Facility replacing a Liquidity Facility in accordance with **Section 5.12** of the Loan Agreement.

“Substitution Date” means a date on which a Substitute Liquidity Facility is accepted by the Tender Agent and becomes effective with respect to the Bonds, or a date on which an existing Liquidity Facility assigns all or a portion of its rights and/or obligations to an assignee Liquidity Facility, in each case, in accordance with **Section 312(d)**.

“Supplemental Bond Indenture” means any indenture supplemental or amendatory to this Bond Indenture entered into by the Issuer and the Bond Trustee pursuant to **Article IX**.

“Supplemental Loan Agreement” means any agreement supplemental or amendatory to a Loan Agreement entered into by the Issuer and the Company pursuant to **Article VI** of such Loan Agreement and **Article X**.

“Swap Rate” means the ask rate for United States Swap Rate (USD Swap Semi 30/360) as reported in the most recent Board of Governors’ Federal Reserve Statistical Release H.15 for the 5-year

maturity in the column containing the most recent date on the morning of the Swap Rate Adjustment Date. If such rate is no longer available or is clearly erroneous, the Swap Rate shall be based upon a replacement index selected by the Bond Trustee, or the Original Purchaser if there is no Bond Trustee, that in the Trustee's or Original Purchaser's good faith opinion most closely approximates the Swap Rate that is no longer available or is erroneous.

"Swap Rate Adjustment Date" means the Initial Indexed Put Date and each five year anniversary of said Initial Indexed Put Date thereafter.

"Tangible Net Worth" means the Company's total assets excluding all intangible assets (i.e., goodwill, trademarks, patents, copyrights, organizational expenses, and similar intangible items, but including leaseholds and leasehold improvements) less total debt, determined in accordance with generally accepted accounting principles consistently applied.

"Tax Agreement" means the Tax Compliance Agreement dated the date hereof, among the Issuer, the Company and the Bond Trustee, as from time to time as it may be amended in accordance with the provisions thereof, containing representations and covenants regarding the preservation of the tax-exempt status of the interest on the Series 2010A Bonds, the investment of proceeds of the Series 2010A Bonds, and the calculation and payment of rebate amounts under Section 148(f) of the Internal Revenue Code.

"Tender Agent" means, initially, the Bond Trustee, and thereafter any successor Tender Agent as determined or designated under or pursuant to this Bond Indenture.

"Termination Date" means the date which is not less than twenty calendar days (or if such twentieth calendar day is not a Business Day, the next Business Day) after the date on which the Bond Trustee receives written notice from a Liquidity Provider which (i) advises the Bond Trustee of the occurrence and continuance of a Termination Event, and (ii) directs the Bond Trustee to cause a mandatory tender of the Bonds by reason thereof.

"Termination Event" means an "event of default" or "event of termination" under and as defined in a Liquidity Facility, but shall exclude any Immediate Suspension Event or Immediate Termination Event under such Liquidity Facility.

"Trust Estate" means the Trust Estate described in the Granting Clauses of this Bond Indenture.

"Undelivered Bond" means any Bond which is subject to purchase pursuant to **Section 306** or **308** on a Purchase Date and which is not tendered and delivered for purchase on that Purchase Date but as to which the Tender Agent holds in each account of the Purchase Fund sufficient funds to pay the Purchase Price of that Bond.

"Undelivered Bond Payment Account" means the account by that name in the Purchase Fund established pursuant to **Section 307(a)**.

"Weekly Commencement Day" means either Monday, Tuesday, Wednesday, Thursday or Friday as identified in **Section 203(e)(i)** that Weekly Interest Periods commence for Bonds in the Weekly Mode, which day is subject to change as described in **Section 203(e)(i)**.

"Weekly Ending Day" means either Monday, Tuesday, Wednesday, Thursday or Friday as identified in **Section 203(e)(i)** that Weekly Interest Periods end for any Bonds in the Weekly Mode, which day is subject to change as described in **Section 203(e)(i)**.

“Weekly Interest Period” means each period described in **Section 203(e)** during which the Bonds bear interest at a particular Weekly Rate.

“Weekly Mode” means the period during which Weekly Rates are in effect for the Bonds.

“Weekly Rate” means the per annum interest rate for the Bonds during a Weekly Interest Period determined on a weekly basis as provided in **Section 203(e)**.

“Weekly Rate Bonds” means the Bonds bearing interest at a Weekly Rate.

“Written Request” means a request in writing signed by a Company Representative.

Section 102. Rules of Construction. For all purposes of this Bond Indenture, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction apply in construing the provisions of this Bond Indenture:

- (a) The terms defined in this Article include the plural as well as the singular.
- (b) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles to the extent applicable.
- (c) All references herein to “generally accepted accounting principles” refer to accounting principles generally accepted in the United States of America in effect on the date of the determination, certification, computation or other action to be taken hereunder using or involving such terms; provided, however, if there is a change in generally accepted accounting principles and the Company or the Original Purchaser shall object in writing to determining the Company’s compliance with any covenants under the Loan Agreement on the basis of such change, then all compliance calculations shall be made on a basis consistent with the most recent financial statements delivered by the Company to the Original Purchaser pursuant to **Section 5.7(a)** of the Loan Agreement as to which no objection was made. Any objection to a change in generally accepted accounting principles shall be made (i) by the Company prior to the time financial statements are delivered pursuant to the Loan Agreement, and (ii) by the Original Purchaser within 30 days after financial statements are received by it pursuant to the Loan Agreement.
- (d) The words “herein,” “hereof,” “hereunder,” “hereto” and other words of similar import refer to this Bond Indenture as a whole and not to any particular Article, Section or other subdivision.
- (e) The Article and section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.
- (f) Whenever an item or items are listed after the word “including,” such listing is not intended to be a listing that excludes items not listed.
- (g) Any references herein to the Liquidity Provider and the Liquidity Facility shall be disregarded with respect to the Bonds at any time at which no Bonds are Outstanding as Daily Rate Bonds, Weekly Rate Bonds or Short-Term Rate Bonds.
- (h) Any references herein to the Remarketing Agent shall be disregarded with respect to the Bonds at any time at which the Bonds are Outstanding as Indexed Put Bonds or Fixed Rate Bonds.

(i) Any references herein to the Tender Agent shall be disregarded with respect to the Bonds at any time at which the Bonds are Outstanding as Fixed Rate Bonds.

ARTICLE II

THE BONDS

Section 201. Amount of Bonds; Purpose. No Bonds may be issued under this Bond Indenture except in accordance with this Article. There shall be issued under and secured by this Bond Indenture the Series 2010A Bonds and the Series 2010B Bonds in the aggregate principal amount of \$5,610,000 for the purpose of providing funds to make the Loan to the Company.

Section 202. Issuance and Payment of the Bonds. The Bonds are hereby authorized to be issued and secured hereunder as follows:

(a) *Designation, Denominations, Numbering and Dating.* All Bonds shall be designated as set forth in the defined term “Bonds,” provided that if the Bonds are converted to a Fixed Rate then the Bonds shall be designated “Fixed Rate Solid Waste Disposal Revenue Bonds (Midwest Fiber Project),” with such further identifier as the Bond Trustee shall deem appropriate. The Series 2010A Bonds shall be issuable as fully registered Bonds without coupons and shall be numbered consecutively from RA-1 upward in the order of their issuance. The Series 2010B Bonds shall be issuable as fully registered Bonds without coupons and shall be numbered consecutively from RB-1 upward in the order of their issuance. The Bonds shall be dated the date of their initial issuance and delivery.

(b) *Principal Amount and Maturity.* The Series 2010A Bonds shall be issued in an aggregate principal amount of \$4,685,000 and the Series 2010B Bonds shall be issued in an aggregate principal amount of \$925,000, and both series of Bonds shall mature on the Maturity Date (subject to prior redemption as provided in **Article III**).

(c) *Interest.* The Bonds shall initially bear interest from their dated date as Indexed Put Bonds; provided that, if the Bonds are converted to Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds or Fixed Rate Bonds, the Bonds shall bear interest from and after that conversion in accordance with **Section 203**.

(d) *Payment of Principal and Interest.* Principal and interest on each series of the Bonds shall be paid as follows:

(i) At any time the Original Purchaser is the Owner of all Outstanding Bonds of a series:

(A) *Principal.* On the first day of each month, commencing July 1, 2011, principal in the amount set forth on **Schedule 1** attached hereto plus accrued interest shall be due and payable on the Bonds. If the Company provides for optional redemption of the Bonds pursuant to **Section 302(a)**, the Company and the Original Purchaser may agree in writing to a revised principal payment schedule in which case a revised **Schedule 1** shall be provided to the Bond Trustee to be substituted in lieu of the then current **Schedule 1** without complying with the provisions relating to amendment of this Indenture. The new principal payment schedule shall be generated in a manner to approximately amortize the remaining principal and interest payments on the Bonds

assuming the Bonds bear interest at the interest rate then in effect and assuming the Bonds are not called or tendered prior to maturity.

(B) *Interest.* On each Interest Payment Date, accrued interest shall be due and payable on the Bonds.

(C) *Maturity.* All unpaid principal and interest on the Bonds shall be due and payable on the applicable Maturity Date.

(ii) At any time the Original Purchaser is not the Owner of all Outstanding Bonds of a series: Interest shall be paid on each Interest Payment Date. Principal due on the Bonds shall be paid on the applicable Maturity Date unless a principal payment schedule is provided pursuant to a Supplemental Bond Indenture.

Section 203. Determination of Interest Rates.

(a) *General.*

(i) The Bonds shall bear interest at Daily Rates, Weekly Rates, Short-Term Rates, Fixed Rates or Indexed Put Rates, determined as provided in this Section, from and including their date or from and including the most recent Interest Payment Date to which interest has been paid or duly provided for; provided that in no event will the interest rate on any Bonds exceed the Maximum Rate. Interest on the Bonds shall be payable in arrears on each Interest Payment Date, commencing on the first Interest Payment Date after the Closing Date.

(ii) All Bonds of a series shall operate in the same Interest Mode at the same time.

(iii) The Bonds shall accrue interest in accordance with the Interest Mode identified in **Section 202(c)** above unless and until the Interest Mode for the series of Bonds is converted to a different Interest Mode pursuant to **Section 204**.

(iv) The amount of interest payable with respect to any Bonds on any Interest Payment Date shall be computed (1) during a Daily Interest Period, Weekly Interest Period or Short-Term Interest Period, on the basis of a 365- or 366-day year for the number of days actually elapsed, (2) during Fixed Modes, on the basis of a 360-day year of twelve 30-day months, and (3) during an Indexed Put Interest Period, for the actual number of days outstanding on the basis of a 360-day year.

(v) All determinations of interest rates, amounts of interest payable on the Bonds and interest periods pursuant to this Bond Indenture shall be conclusive and binding absent manifest error upon the Issuer, the Company, the Bond Trustee, the Tender Agent, the Paying Agent, the Liquidity Provider and the Owners of the Bonds. The Company, the Issuer, the Bond Trustee, the Tender Agent, the Liquidity Provider and the Remarketing Agent shall not be liable to any Bondowner for failure to give any notice specified in this Section or for the failure of any Bondowner to receive any such notice.

(b) *Determination by Remarketing Agent:*

(i) The interest rate for Daily Rate Bonds, Weekly Rate Bonds or Short-Term Rate Bonds for each Interest Period shall be determined by the Remarketing Agent as the lowest rate of interest which, in the judgment of the Remarketing Agent, would cause the Bonds to have a market

value as of the date of determination equal to the principal amount thereof, taking into account Prevailing Market Conditions.

(ii) In the event the Remarketing Agent fails for any reason to determine the Interest Rate for any Interest Period, the interest rate then in effect for Daily Rate Bonds, Weekly Rate Bonds or Short-Term Rate Bonds will remain in effect for the next Interest Period, and for each Interest Period thereafter shall be equal to 110% of the SIFMA Index until the Bond Trustee is notified of a new Daily Rate, Weekly Rate or Short-Term Rate, as applicable, determined by the Remarketing Agent.

(iii) Notice of the interest rate for each Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bond and Fixed Rate Bond shall be communicated by the Remarketing Agent to the Company, the Bond Trustee and the Liquidity Provider by telecopier or other electronic telecommunication, or by telephone promptly confirmed in writing, (i) in the case of Daily Rate Bonds on each Friday (or on the immediately preceding Business Day if such day is not a Business Day) and on the last day of each month (or on the immediately preceding Business Day if such day is not a Business Day), and (ii) in the case of Daily Rate Bonds, Weekly Rate Bonds or Short-Term Rate Bonds, not later than 5:00 p.m., New York City time, on the Business Day immediately succeeding the date such interest rate is determined, and shall be available to Bondowners after such time, from the Bond Trustee at its Principal Offices.

(c) *Indexed Put Rate.* An Indexed Put Rate for Indexed Put Bonds shall be determined for each Indexed Put Interest Period as follows:

(i) *Floating Rate.* The Indexed Put Rate for each Indexed Put Interest Period for the Series 2010A Bonds if the Floating Rate is in effect shall be equal to 70% times the sum of (A) the Floating Rate plus (B) the Applicable Spread. The Indexed Put Rate for each Indexed Put Interest Period for the Series 2010B Bonds if the Floating Rate is in effect shall be equal to 100% times the sum of (A) the Floating Rate plus (B) the Applicable Spread. The Floating Rate shall be adjusted on each Floating Rate Adjustment Date.

(ii) *Swap Rate.* The Indexed Put Rate for each Indexed Put Interest Period for the Series 2010A Bonds if the Swap Rate is in effect shall be equal to 70% times the sum of (i) the Swap Rate on such date plus (ii) the Applicable Spread. The Indexed Put Rate for each Indexed Put Interest Period for the Series 2010B Bonds if the Swap Rate is in effect shall be equal to 100% times the sum of (i) the Swap Rate on such date plus (ii) the Applicable Spread. The Swap Rate shall be adjusted on each Swap Rate Adjustment Date.

(iii) *Adjustment of Applicable Spread.* Prior to any Indexed Put Date, the Original Purchaser may make an adjustment to the Applicable Spread. If the Original Purchaser makes any adjustment to the Applicable Spread, then the Original Purchaser will deliver a certificate to the Bond Trustee and the Company at least 155 days prior to the Indexed Put Date stating the new Applicable Spread and whether such new Applicable Spread will be added to or subtracted from the Index Rate. Such new Applicable Spread will take effect on the Indexed Put Date immediately following the determination by the Original Purchaser if the Company delivers written notice to the Bond Trustee and the Original Purchaser stating that the Company agrees to the adjustment to the Applicable Spread at least 95 days prior to the Indexed Put Date. If the Company does not deliver this written notice, there shall be no adjustment to the Applicable Spread. No adjustment to the Applicable Spread shall be permitted unless the Issuer and the Bond Trustee shall have also received a Favorable Opinion of Bond Counsel. After each Indexed

Put Date, if the Applicable Spread has been adjusted pursuant to this subparagraph, the Bond Trustee shall use the new Applicable Spread to determine the Indexed Put Rate.

(iv) *Indexed Put Rate Period.* The initial Indexed Put Rate Period shall commence on the Closing Date and shall extend to, but not include, the next succeeding Adjustment Date. Each subsequent Indexed Put Rate Period shall commence on an Adjustment Date or a Conversion Date for Bonds being converted to Indexed Put Bonds, and shall extend to, but not include, the next succeeding Adjustment Date.

(v) *Notice of Indexed Put Rate.* The Bond Trustee shall determine the Indexed Put Rate for the Bonds during each Indexed Put Interest Period as provided herein and shall furnish to the Company and the Bondowner no later than the Business Day next succeeding the date of determination of each Indexed Put Rate by telephone or telecopy, promptly confirmed in writing. In lieu of the notification provided in the preceding sentence, the Bond Trustee may make such information available by readily accessible electronic means.

(vi) *Rate Following Determination of Taxability.* On and after a Determination of Taxability, the Indexed Put Rate for each Indexed Put Interest Period for the Bonds shall be equal to the Prime Rate.

(vii) *Initial Indexed Put Rate.* The Indexed Put Rate for the initial Indexed Put Interest Period shall be computed using the Swap Rate. The Indexed Put Rate for the initial Indexed Put Interest Period for the Series 2010A Bonds is ___% and for the Series 2010B Bonds is ___%.

(viii) *Borrower Notice of Type of Rate for Next Period.* Unless the Bonds are being converted to another Interest Mode or unless the Owner has exercised its option to tender the Indexed Put Bonds pursuant to **Section 306(a)**, the Company shall have the option to convert the interest rate on Indexed Put Bonds to either the Floating Rate or the Swap Rate on each Indexed Put Date. The Company may convert the interest rate calculation method by delivering to the Bond Trustee and the Original Purchaser written notice at least five Business Days prior to the Indexed Put Date or the Swap Rate Adjustment Date, as applicable, stating that the Company elects to convert the interest rate calculation method to either the Floating Rate or the Swap Rate. Unless consented to in writing by the Original Purchaser, the interest rate calculation method shall be the same for both series of Bonds.

(ix) *Change in Tax Laws.* In the event of a change in the federal tax laws, regulations or interpretation of federal tax laws that shall have the effect of reducing the after-tax economic yield (i.e., the tax equivalent yield) on the Bonds, the Original Purchaser shall have the right to change the Indexed Put Rate to an interest rate by which the Original Purchaser will realize an after-tax economic yield equal to the after-tax economic yield prior to any such change. Such interest rate change shall be retroactive to the date of the occurrence giving rise thereto.

(x) *Series to Operate in Same Mode.* Unless consented to in writing by the Original Purchaser, if one series of Bonds are Indexed Put Bonds, then both series of Bonds shall be Indexed Put Bonds.

(d) *Daily Rates.*

(i) Whenever Bonds are to bear interest accruing at a Daily Rate, Daily Interest Periods shall commence on each Business Day and shall extend to, but not include, the next succeeding Business Day.

(ii) The interest rate for each Daily Interest Period for the Bonds shall be effective from and including the commencement date thereof and shall remain in effect to, but not including, the next succeeding Business Day.

(iii) Each such interest rate shall be determined by the Remarketing Agent between 8:30 a.m. and 9:30 a.m., New York City time, on the commencement date of the Daily Interest Period to which it relates.

(e) *Weekly Rates.*

(i) Whenever Bonds are to bear interest accruing at a Weekly Rate, (a) the initial Weekly Interest Period for the Bonds shall commence on the Conversion Date and end on the date identified by the Company in the notice of conversion provided by the Company pursuant to **Section 204(a)** and **(b)** in the case of a conversion from a Weekly Mode to any other Interest Mode, the last Weekly Interest Period prior to conversion for the Weekly Rate Bonds being converted shall end on the last day immediately preceding the Conversion Date.

The Weekly Commencement Day and the Weekly Ending Day with respect to any Bonds may be changed by the Company at any time by delivering at least 20 days advance written notice of such change to the Bond Trustee, the Liquidity Provider and the Remarketing Agent.

(ii) The interest rate for each Weekly Interest Period for the Bonds shall be effective from and including the Weekly Commencement Day and shall remain in effect through and including the immediately following Weekly Ending Day for such Bonds.

(iii) Each such interest rate shall be determined by the Remarketing Agent by 4:00 p.m., New York City time, on the Business Day immediately preceding the commencement date of the Weekly Interest Period to which it relates.

(f) *Short-Term Rates.* Short-Term Rates on, and Short-Term Interest Periods for, Short-Term Rate Bonds shall be determined as follows:

(i) Each Short-Term Interest Period for each Short-Term Rate Bond shall be determined by the Remarketing Agent on the first Business Day of that Short-Term Interest Period as that Short-Term Interest Period which will, in the judgment of the Remarketing Agent, produce the greatest likelihood of the lowest net interest cost during the term of the Bonds; provided that each Short-Term Interest Period (i) shall be from 1 to 270 days in length but shall not exceed five days less than the number of days of interest coverage provided by the Liquidity Facility, shall not extend beyond the date that is five days before the Expiration Date of the Liquidity Facility and, for any Short-Term Rate Bonds to be converted to another Interest Mode, shall not exceed the remaining number of days prior to the Conversion Date for those Short-Term Bonds if the Remarketing Agent has given or received notice of any conversion of any of the Bonds to a different Interest Mode, (ii) shall commence on a Business Day (except in the case of a conversion of Bonds to a Short-Term Mode, the initial Short-Term Interest Period for those Bonds shall commence on the Conversion Date), shall end on a day preceding a Business Day or the day

preceding the Maturity Date for the applicable Bonds, and (iii) in any event shall end no later than the day preceding the Maturity Date for the applicable Bonds. The Remarketing Agent may, in the reasonable exercise of its judgment, determine a Short-Term Interest Period that results in a Short-Term Rate on the applicable Bonds that is higher than would be borne by such Bonds with a shorter Short-Term Interest Period in order to increase the likelihood of achieving the lowest net interest cost during the term of the applicable Bonds by assuring the effectiveness of such Short-Term Rate for a longer Short-Term Interest Period. The determination of a Short-Term Interest Period by the Remarketing Agent shall be based upon the relative market yields of bonds and other securities that bear interest at a variable rate or at fixed rates that, in the reasonable exercise of the judgment of the Remarketing Agent are otherwise comparable to the Bonds, or any fact or circumstance relating to the Bonds or affecting the market for the Bonds or affecting such other comparable securities in a manner that, in the reasonable exercise of the judgment of the Remarketing Agent, will affect the market for the Bonds. The Remarketing Agent in its discretion, may consider such information and resources as it deems appropriate in making the determinations described in this paragraph, including consultations with the Company, but the Remarketing Agent's determination of the Short-Term Interest Period will be based solely upon the reasonable exercise of the Remarketing Agent's judgment.

(2) The interest rate for each Short-Term Interest Period for each Bonds shall be effective from and including the commencement date of that Interest Period and shall remain in effect through and including the last day thereof for that Bonds.

(3) All Short-Term Rate Bonds need not bear interest at the same Short-Term Rates or for the same Short-Term Interest Periods.

(4) Each such interest rate shall be determined by the Remarketing Agent by 4:00 p.m., New York City time, on the commencement date of the Short-Term Interest Period to which it relates.

(g) *Fixed Rate.* The Fixed Rate, and the schedule of principal payments for the Bonds bearing interest at the Fixed Rate, shall be determined as set forth in this **subsection (f)**. Bonds bearing interest at a Fixed Rate may not be converted to any other Interest Mode pursuant to **Section 204** and will not be covered by any Liquidity Facility.

The Fixed Mode for the Bonds being converted to Fixed Rate Bonds shall commence on a Conversion Date for the Bonds and shall extend to the earlier of the date of redemption or the Maturity Date. The Fixed Rate shall be set forth in the firm underwriting or purchase contract described in **Section 204(c)(3)**.

Upon conversion, the firm of bond underwriters or recognized institutional investors who agree to underwrite or purchase the Bonds being converted to Fixed Rate Bonds in accordance with **Section 204(c)(3)** shall deliver to the Company and the Bond Trustee a certificate that includes (a) a schedule specifying the principal amount of Bonds to be called for mandatory sinking fund redemption (or to mature in accordance with **subparagraph (3)** below) on November 1 of each year, commencing on the first November 1 occurring at least six months after the Conversion Date for those Bonds, through and including the Maturity Date for the applicable Bonds, and (b) a schedule specifying the interest on the Bonds to be paid on each Interest Payment Date, through and including the Maturity Date for the applicable Bonds. In determining the amount of interest and principal that shall be payable on such dates, such firm of bond underwriters or institutional investors shall use the following guidelines:

(i) The interest rate on each Bond then being converted to Fixed Rate Bonds shall be the lowest interest rate that will enable such Bond upon conversion to be remarketed at par, assuming that all Bonds then being converted to Fixed Rate Bonds will be subject to mandatory sinking fund redemption on November 1 of each year (commencing on the first November 1 occurring at least six months after the Conversion Date) through and including the Maturity Date for the applicable Bonds, all Bonds being converted to Fixed Rate Bonds shall pay interest semiannually on each Interest Payment Date, all such Bonds shall bear interest at the same rate (except as otherwise provided in **subparagraph (3)** below), and all such Bonds shall only be remarketed at par.

(ii) The schedule of principal payments shall be set to achieve annual level debt service (including both principal and interest) for the Bonds being converted to Fixed Rate Bonds, as nearly as practicable taking into account the minimum Authorized Denominations of the Bonds, for all remaining periods ending each year on November 1 (commencing on the first November 1 occurring at least six months after the Conversion Date) through and including the Maturity Date and, subject to **subparagraph (3)** below, the Bonds being converted to Fixed Rate Bonds shall be subject to mandatory sinking fund redemption in accordance with that schedule.

(iii) The foregoing **subparagraphs (1)** and **(2)** notwithstanding, upon provision of a Favorable Opinion of Bond Counsel, the Bonds being converted to Fixed Rate Bonds that would otherwise be scheduled to be redeemed pursuant to mandatory sinking fund redemption provisions may be scheduled to mature on the same dates and the Remarketing Agent may establish more than one Fixed Rate to apply to such Bonds being converted to Fixed Rate Bonds, in accordance with this Section, taking into account the scheduled mandatory redemption dates or serial maturity dates to be assigned to such Bonds.

(iv) If the designation referred to in **subparagraph (1)** above cannot be made or the Favorable Opinion of Bond Counsel described in **subparagraph (3)** above has not been delivered to the Bond Trustee and the Issuer by the Company, then no conversion shall be effected.

(h) *Default Rate.* While there exists a Payment Default with respect to any Bonds, the interest rate on the Bonds will be the Maximum Rate except for Indexed Put Bonds in which case the interest rate will be the Prime Rate plus 5%, but shall not exceed the Maximum Rate. The interest rate on Indexed Put Bonds on and after an Indexed Put Date where the Bondowner has exercised its right to tender Indexed Put Bonds but insufficient funds are available to purchase all of the Indexed Put Bonds shall be the Index Rate plus the Prime Rate plus 5%, but shall not exceed the Maximum Rate.

(i) *Liquidity Provider Bonds.* Notwithstanding the above provisions of this Section, Liquidity Provider Bonds shall bear interest at the Liquidity Provider Rate. The Liquidity Provider Rate shall be supplied to the Bond Trustee by the Liquidity Provider. If the Remarketing Agent has notified the Owner of any Liquidity Provider Bonds that it has located a purchaser for some or all of that Owner's Liquidity Provider Bonds, that Owner shall deliver those Liquidity Provider Bonds to the Tender Agent for purchase. Upon such delivery and receipt of the purchase price by that Owner, the Tender Agent shall notify the Bond Trustee that the Bonds so purchased are no longer "Liquidity Provider Bonds" and the Bond Trustee shall note on the Bond Register that those Bonds are not Liquidity Provider Bonds. Notwithstanding anything herein to the contrary, only the Liquidity Provider or any Liquidity Provider Bondowner may receive interest on any Bonds at the Liquidity Provider Rate.

Section 204. Conversions Between Interest Modes. The Company may elect to convert the Bonds from one Interest Mode (other than from a Fixed Mode) to another Interest Mode as follows:

- (a) *Notices by Company.* The Company shall give written notice of any proposed conversion to the Bond Trustee not fewer than seven Business Days prior to the date the notice to Owners of the Bonds must be given pursuant to **Section 204(b)** of the proposed conversion. The notice shall identify the Bonds. If the Bonds are being converted to the Indexed Put Mode, the notice shall also identify the Initial Indexed Put Date and whether the Floating Rate or the Swap Rate shall apply. If the Bonds are being converted to the Weekly Mode, the notice shall also identify the Weekly Commencement Day and Weekly Ending Day as required by **Section 203(e)** of this Bond Indenture. The Remarketing Agent shall, apply for and provide the Bond Trustee with new or separate CUSIP numbers upon the request of the Issuer or the Company.
- (b) *Notices by Bond Trustee.* Upon receipt of the notice specified in **Section 204(a)** from the Company, the Bond Trustee shall promptly give written notice of the proposed conversion to the Tender Agent, the Remarketing Agent, the Liquidity Provider and any Rating Agency. The Bond Trustee shall give notice (which may be combined, where applicable, with any notice required by **Section 308**), by first class mail of the proposed conversion to the Owners of the Bonds not less than 20 days before the proposed Conversion Date. Such notice shall state:
- (1) the proposed Conversion Date and the proposed Interest Mode to be effective on such date;
 - (2) that the Bonds will be subject to mandatory tender for purchase on the proposed Conversion Date unless the Company cancels the conversion pursuant to **Section 204(e)** and elects to also timely cancel the mandatory tender pursuant to **Section 308(h)**;
 - (3) the conditions, if any, to the conversion pursuant to **subsection (c)**, and the consequences of such conditions not being fulfilled pursuant to **subsection (e)**;
 - (4) if the Bonds are in certificated form, information with respect to required delivery of Bond certificates and payment of the purchase price;
 - (5) the new Interest Payment Dates and the Record Date for the Bonds; and
 - (6) if the Bonds are being converted to the Indexed Put Mode, the Initial Indexed Put Date and whether the Floating Rate or the Swap Rate shall apply.
- (c) *Conditions to Conversion.* No conversion of Interest Modes will become effective unless:
- (1) If the conversion is from a Short-Term Mode, the Bond Trustee has received, prior to the date on which notice of conversion is required to be given to the Owners, written confirmation from the Remarketing Agent that it has not established and will not establish any Short-Term Interest Periods for the Bonds extending beyond the day before the Conversion Date for the Bonds; and
 - (2) The Bond Trustee and the Issuer have been provided, no later than one day before the Conversion Date, with a Favorable Opinion of Bond Counsel, which opinion shall be confirmed in writing on the Conversion Date; and

- (3) If the conversion is to a Daily Mode, a Weekly Mode, Short-Term Mode or an Indexed Put Mode, (A) the Company shall have appointed (i) an underwriting firm to act as the Remarketing Agent for the Bonds in accordance with **Section 309**, (ii) except for Indexed Put Bonds, a Qualified Financial Corporation to act as Liquidity Provider in accordance with **Section 307** and in accordance with **Section 5.12** of the Loan Agreement, and (iii) a Tender Agent; and (B) the Company shall have furnished to the Bond Trustee (i) an executed Remarketing Agreement whereby the Remarketing Agent agrees to perform the duties of the Remarketing Agent under this Bond Indenture with respect to the Bonds, (ii) except for Indexed Put Bonds, a Liquidity Facility in form and substance reasonably satisfactory to the Remarketing Agent, in an amount equal to the aggregate principal amount of all Outstanding Bonds, plus an amount equal to the maximum number of days interest on all Bonds required by each Rating Agency at the Maximum Rate for the Bonds other than Liquidity Provider Bonds, under which the Liquidity Provider is required to purchase Bonds tendered for purchase in accordance with this Bond Indenture, together with an Opinion of Counsel, to the effect that the Liquidity Facility has been duly authorized, executed and delivered by the Liquidity Provider, is a valid and binding and enforceable obligation of the Liquidity Provider (subject as to enforcement to customary exceptions regarding bankruptcy, insolvency and similar laws and principles of equity), and that the Liquidity Facility will not require any Bonds (or any securities evidenced thereby) to be registered under the Securities Act of 1933, as amended, or this Bond Indenture to be qualified under the Trust Indenture Act of 1939, as amended; and
- (4) If the conversion is to a Fixed Mode, the Company shall notify in writing the Bond Trustee of its irrevocable election to effect such a conversion, specifying the Conversion Date on which the Fixed Mode is to commence, and delivering with such notice a firm underwriting or purchase contract from a recognized firm of bond underwriters or recognized institutional investors, which may be the Remarketing Agent, to underwrite or purchase all of the Bonds at a price of 100% of the principal amount thereof at an agreed upon interest rate which such underwriter or institutional investor certifies is the lowest rate that will permit the Bonds to be sold at par on the first day of the Fixed Mode and containing a mandatory sinking fund redemption schedule prepared in accordance with **Section 203(g)**. Upon receipt by the Bond Trustee of such notice from the Company, the Bond Trustee shall immediately cause the same information contained in such notice to be delivered to the Tender Agent, the Remarketing Agent, the Liquidity Provider and each Rating Agency.
- (d) *Conversion of Indexed Put Bonds.* The Interest Mode on Indexed Put Bonds may only be converted on an Indexed Put Date unless the Bond Trustee receives the written consent of the Original Purchaser permitting conversion on another date.
- (e) *Optional Cancellation of Conversion.* The Company shall have the right to cancel an Interest Mode conversion (except for any conversion to the Fixed Mode) by delivering a written notice of withdrawal of a conversion to the Issuer, the Bond Trustee, the Remarketing Agent, the Tender Agent and the Liquidity Provider. The Company shall deliver the notice of withdrawal of conversion by facsimile not later than 10:00 a.m. on the second Business Day preceding the proposed Conversion Date. Any notice of withdrawal of a conversion for Indexed Put Bonds shall contain the written consent of the Original

Purchaser. The Bond Trustee shall promptly (and in no event later than noon on the next Business Day) give notice of the cancellation of conversion to the Bondholders and, if applicable, the notice of cancellation of the mandatory tender pursuant to **Section 308(h)**. No cancellation of conversion pursuant to this **subsection (e)** shall constitute an Event of Default. If a conversion is timely cancelled by the Company, the Bonds shall continue in the then existing Interest Mode and shall bear interest in accordance with **Section 203**.

- (f) *Failure of Conditions to Conversion.* In the event any condition precedent to a conversion is not fulfilled, (i) the Conversion Date shall not occur, (ii) the mandatory tender pursuant to **Section 308(a)(i)** shall occur, (iii) any Indexed Put Bond shall bear interest at a rate equal to the rate set forth in **Section 203(c)**, and (v) any other Bond shall continue in the then existing Interest Mode with the length of the interest period and the interest rate being determined in accordance with **Section 203**. The failure of any condition precedent to a conversion shall not constitute an Event of Default.

Section 205. Conditions To Delivery of Bonds.

(a) The Bonds shall be executed substantially in the form and manner set forth in **Section 208** and furnished to the Bond Trustee for authentication, but prior to or simultaneously with the authentication and delivery of the Bonds by the Bond Trustee there shall be filed or deposited with the Bond Trustee the following:

- (1) A copy, certified as true and correct by the Town Clerk of the Issuer, of the Ordinance.
- (2) A copy, duly certified as true and correct by an officer of the Company, of the resolution adopted and approved by each of the entities that comprises the Company authorizing the execution and delivery of the Loan Agreement any other Bond Documents to which they are a party, and approving this Indenture and the issuance and sale of the Bonds.
- (3) An original executed counterpart of this Bond Indenture, the Loan Agreement and each of the other Bond Documents.
- (4) A request and authorization to the Bond Trustee on behalf of the Issuer, executed by an officer or official of the Issuer, to authenticate the Bonds and deliver the Bonds to the Original Purchaser upon payment to the Bond Trustee, for the account of the Issuer, of the purchase price of the Bonds. The Bond Trustee shall be entitled to rely conclusively upon such request and authorization.
- (5) Opinion of Bond Counsel dated the Closing Date.
- (6) A representation letter from the Original Purchaser of the Bonds in the form attached as **Exhibit G** hereto.
- (7) Such other certificates, statements, receipts, opinions and documents as the Bond Trustee shall reasonably require for the delivery of the Bonds.

(b) When the documents specified in **subsection (a)** shall have been filed with the Bond Trustee, and when the Bonds shall have been executed and authenticated as required by this Bond Indenture, are sufficient and the Bond Trustee shall deliver the Bonds to or upon the order of the Original Purchaser thereof, but only upon payment to the Bond Trustee of the purchase price of the Bonds as specified in the

request and authorization by the Issuer. The proceeds of the sale of the Bonds, including accrued interest and premium thereon, if any, shall be immediately paid over to the Bond Trustee, and the Bond Trustee shall deposit and apply such proceeds as provided in **Article IV**.

Section 206. Forms and Denominations of Bonds.

(a) The Bonds and the Bond Trustee's Certificate of Authentication to be endorsed thereon shall be in substantially the forms set forth in **Exhibit B**, with such necessary or appropriate variations, omissions and insertions as are permitted or required by this Bond Indenture or any Supplemental Indenture. The Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any custom, usage or requirement of law with respect thereto.

(b) The Bonds shall be issuable in the form of fully registered Bonds without coupons in Authorized Denominations.

Section 207. Method and Place of Payment of Bonds.

(a) The Bond Trustee is hereby designated as the Issuer's Paying Agent for the payment of the principal of, redemption premium, if any, and interest on the Bonds.

(b) The principal of, redemption premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts.

(c) Except as otherwise provided in subsection (d) below, the principal of and redemption premium, if any, on all Bonds shall be payable by check or draft at maturity or upon earlier redemption to the Persons in whose names such Bonds are registered on the Bond Register at the maturity or redemption date thereof, upon the presentation and surrender of such Bonds at the payment office or other designated office of the Bond Trustee or of any Paying Agent named in the Bonds.

(d) The interest payable on each Bond on any Interest Payment Date shall be paid by the Bond Trustee to the Person in whose name such Bond is registered on the Bond Register at the close of business on the Record Date for such interest, (i) by check or draft mailed to such registered owner at his address as it appears on such Bond Register or at such other address as is furnished to the Bond Trustee in writing by such Owner, or (ii) by electronic transfer in immediately available funds, if the Bonds are held by the Original Purchaser, the Securities Depository, or at the written request addressed to the Bond Trustee by any Owner of Bonds in the aggregate principal amount of at least \$1,000,000, such request to be signed by such Owner, containing the name of the bank (which shall be in the continental United States), its address, its ABA routing number, the name and account number to which credit shall be made and an acknowledgment that an electronic transfer fee is payable, and to be filed with the Bond Trustee no later than ten Business Days before the applicable Record Date preceding such Interest Payment Date. The principal of and interest on the Indexed Put Bonds (other than at maturity) shall be payable by check mailed or electronic means on the date due to the registered owner thereof on the Record Date at the address of such registered owner as it appears on the Bond Register. Interest payable on any Interest Payment Date to an Owner of Indexed Put Bonds may, upon written request by such Owner received by the Bond Trustee prior to the Record Date preceding such Interest Payment Date, be paid by wire transfer on the date due to a designated account in the United States. Such written request shall remain in effect until rescinded in writing by such Owner. The principal of each Indexed Put Bond on the Maturity Date will be paid upon presentation and surrender thereof at the designated office of the Bond Trustee. Interest on Short-Term Rate Bonds shall be paid only upon presentation and surrender of those Bonds. Interest on

any Liquidity Provider Bond that ceases to be a Liquidity Provider Bond during an Interest Period shall be paid to the Person who is the Owner at the close of business on the Record Date at the rate borne by Bonds other than Liquidity Provider Bonds.

(e) Defaulted Interest with respect to any Bond shall cease to be payable to the Owner of such Bond on the relevant Record Date and shall be payable to the Owner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed in the following manner. The Company shall notify the Bond Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be such as will enable the Bond Trustee to comply with the next sentence hereof), and shall deposit with the Bond Trustee at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Bond Trustee for such deposit prior to the date of the proposed payment; money deposited with the Bond Trustee shall be held in trust for the benefit of the Owners of the Bonds entitled to such Defaulted Interest as provided in this Section. Following receipt of such funds the Bond Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Bond Trustee of the notice of the proposed payment. The Bond Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Owner of the Bond entitled to such notice at the address of such owner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

Section 208. Execution and Authentication of Bonds.

(a) The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of the President of the Board of Trustees of the Issuer and attested by the manual or facsimile signature of the Town Clerk of the Issuer, and shall have the official seal of the Issuer affixed thereto or imprinted thereon. In case any officer whose signature or facsimile thereof appears on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if such person had remained in office until delivery. Any Bond may be signed by any persons who, at the actual time of the execution of such Bond, are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

(b) The Bonds shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in **Exhibit B**, which shall be manually executed by the Bond Trustee. No Bond shall be entitled to any security or benefit under this Bond Indenture or shall be valid or obligatory for any purpose unless and until such Certificate of Authentication shall have been duly executed by the Bond Trustee. Such executed Certificate of Authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Bond Indenture. The Certificate of Authentication on any Bond shall be deemed to have been duly executed if signed by any authorized officer or signatory of the Bond Trustee, but it shall not be necessary that the same officer or signatory sign the Certificate of Authentication on all of the Bonds that may be issued hereunder at any one time.

Section 209. Registration, Transfer and Exchange of Bonds.

(a) The Bond Trustee is hereby appointed Bond Registrar and as such shall keep the Bond Register at its payment office.

(b) Any Bond may be transferred only upon the Bond Register upon surrender thereof to the Bond Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the registered

Owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Trustee. Upon any such transfer, the Issuer shall execute and the Bond Trustee shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this Bond Indenture and of the same maturity and bearing interest at the same rate.

(c) Any Bonds, upon surrender thereof at the payment office of the Bond Trustee, together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Trustee, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of any denomination or denominations authorized by this Bond Indenture, and bearing interest at the same rate.

(d) In all cases in which Bonds shall be exchanged or transferred hereunder, the Issuer shall execute and the Bond Trustee shall authenticate and deliver at the earliest practicable time Bonds in accordance with this Bond Indenture. All Bonds surrendered in any such exchange or transfer shall forthwith be cancelled by the Bond Trustee.

(e) The Issuer, the Bond Trustee or the Securities Depository may make a charge against the Bondowner requesting the same for every such transfer or exchange of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such charge shall be paid before any such new Bond shall be delivered. The fees and charges of the Bond Trustee for making any transfer or exchange hereunder and the expense of any bond printing necessary to effect any such transfer or exchange shall be paid by the Company. In the event any Bondowner fails to provide a correct taxpayer identification number to the Bond Trustee, the Bond Trustee may impose a charge against such Bondowner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Internal Revenue Code, such amount may be deducted by the Bond Trustee from amounts otherwise payable to such Bondowner hereunder or under the Bonds.

(f) The Bond Trustee shall not be required to (i) transfer or exchange any Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of such Bond and ending at the close of business on the day of such mailing, or (ii) transfer or exchange any Bond so selected for redemption in whole or in part, during a period beginning at the opening of business on any Record Date for such Bond and ending at the close of business on the relevant interest payment date therefor. The restrictions in this subsection on transfers or exchanges shall not apply to any Bond that has been tendered for purchase pursuant to this Bond Indenture provided that the transferee purchasing such Bond has notice of the redemption.

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

(h) At reasonable times and under reasonable regulations established by the Bond Trustee, the Bond Register may be inspected and copied by the Company, the Issuer or by the Owners (or a designated representative thereof) of 10% or more in principal amount of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Bond Trustee.

(i) No Indexed Put Bond shall be transferred unless the Bond Trustee shall first receive either (i) an Opinion of Counsel that such proposed transfer will not violate state or federal securities laws, or (ii) a

purchaser's representation letter in substantially the same form as the purchaser's representation letter delivered by the Original Purchaser on the Closing Date attached as **Exhibit G** hereto.

Section 210. Temporary Bonds.

(a) Until definitive Bonds are ready for delivery, the Issuer may execute, and upon request of the Issuer, the Bond Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same limitations and conditions as definitive Bonds, temporary printed, engraved, lithographed or typewritten Bonds.

(b) If temporary Bonds shall be issued, the Issuer shall cause the definitive Bonds to be prepared and to be executed and delivered to the Bond Trustee, and the Bond Trustee, upon presentation to it at its payment office of any temporary Bond shall cancel the same and authenticate and deliver in exchange therefor, without charge to the Owner thereof, a definitive Bond of the same maturity and bearing interest at the same rate as the temporary Bond surrendered. Until so exchanged the temporary Bonds shall in all respects be entitled to the same benefit and security of this Bond Indenture as the definitive Bonds to be issued and authenticated hereunder.

Section 211. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond shall become mutilated, or be lost, stolen or destroyed, the Issuer shall execute and the Bond Trustee shall authenticate and deliver a new Bond of like date and tenor as the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Bond Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Issuer and the Bond Trustee evidence of such loss, theft or destruction satisfactory to the Bond Trustee, together with such security or indemnity as may be required by the Bond Trustee to save the Issuer and the Bond Trustee harmless. In the event any such Bond shall have matured or been selected for redemption, instead of delivering a substitute Bond the Bond Trustee in its discretion may pay such Bond without surrender thereof. Upon the delivery of any substitute Bond, the Issuer and the Bond Trustee may require the payment of an amount by the Bondowner sufficient to reimburse the Issuer and the Bond Trustee for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

Section 212. Cancellation and Destruction of Bonds Upon Payment. All Bonds which have been paid or redeemed or which the Bond Trustee has purchased or which have otherwise been surrendered to the Bond Trustee under this Bond Indenture, either at or before maturity, shall be cancelled and destroyed by the Bond Trustee in compliance with all applicable record retention requirements upon the payment, redemption or purchase of such Bonds and the surrender thereof to the Bond Trustee. The Bond Trustee shall execute a certificate in triplicate describing the Bonds so cancelled and destroyed, and shall file executed counterparts of such certificate with the Issuer and the Company.

Section 213. Book-Entry; Securities Depository.

(a) The Bonds will not be issued as book-entry bonds on the Closing Date. At the written direction of the Company delivered to the Bond Trustee and the Issuer, and upon receipt of the Bonds by the Bond Trustee, new replacement Bonds shall be authenticated and delivered, and shall be registered to Cede & Co., the nominee for the Securities Depository, and no beneficial owner will receive certificates representing their respective interests in the Bonds, except in the event the Bond Trustee issues Replacement Bonds as provided in **subsection (b)**. It is anticipated that for book-entry Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Bonds to the Participants until and unless the Bond Trustee authenticates and delivers Replacement Bonds to the beneficial owners as described in **subsection (b)**.

(b) (1) If the Bonds are book-entry Bonds and the Issuer determines (A) that the Securities Depository is unable to properly discharge its responsibilities, or (B) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (2) if the Bond Trustee receives written notice from Participants having interests in not less than 50% of the Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Bondowner other than Cede & Co. is no longer in the best interests of the beneficial owners of the Bonds, then the Bond Trustee shall notify the Bondowners of such determination or such notice and of the availability of certificates to Owners requesting the same, and the Bond Trustee shall register in the name of and authenticate and deliver Replacement Bonds to the beneficial owners or their nominees in principal amounts representing the interest of each; provided, that in the case of a determination under (1)(A) or (1)(B) of this **subsection (b)**, the Issuer, with the consent of the Bond Trustee, may select a successor securities depository in accordance with **subsection (c)** to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository or its nominee is the registered Owner of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Bond Trustee, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the Issuer, the Bond Trustee or Bondowners are unable to locate a qualified successor of the Securities Depository in accordance with **subsection (c)** below, then the Bond Trustee shall authenticate and cause delivery of Replacement Bonds to Bondowners, as provided herein. The Bond Trustee may rely on information from the Securities Depository and its Participants as to the names and addresses of and principal amount held by the beneficial owners of the Bonds. The cost of printing Replacement Bonds shall be paid for by the Company.

(c) In the event the Securities Depository resigns or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the Issuer may appoint a successor Securities Depository provided the Bond Trustee receives written evidence satisfactory to the Bond Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Bond Trustee upon its receipt of the Bond or Bonds for cancellation shall cause the delivery of Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

ARTICLE III

REDEMPTION AND TENDER OF BONDS

Section 301. Redemption of Bonds Generally. The Bonds shall be subject to redemption prior to maturity in accordance with the terms and provisions set forth in this Article.

Section 302. Redemption of Bonds.

(a) *Optional Redemption.* The Bonds are subject to optional redemption as follows:

(i) Daily Rate and Weekly Rate Bonds. Daily Rate Bonds and Weekly Rate Bonds are subject to redemption and payment prior to maturity, at the option of the Issuer upon written direction from the Company, in whole or in part on any Interest Payment Date for such Bonds at

the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

(ii) Short-Term Rate Bonds. Short-Term Rate Bonds are subject to redemption and payment prior to maturity, at the option of the Issuer upon written direction from the Company, in whole or in part on any Interest Payment Date for such Bonds at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

(iii) Fixed Rate Bonds. Fixed Rate Bonds are subject to redemption and payment prior to maturity, at the option of the Issuer upon written direction from the Company, on and after the no-call period shown below, in whole or in part at any time at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest thereon to the redemption date (unless an alternate optional redemption schedule is determined pursuant to this **subparagraph (iv)**):

<u>Fixed Rate Period</u>	<u>No-Call Period</u>
Equal to or greater than 13 years	10 years
Equal to or greater than 10 years but less than 13 years	8 years
Equal to or greater than 7 years but less than 10 years	5 years
Less than 7 years	non-callable

Notwithstanding the foregoing, if before the first day of a Fixed Mode an alternate optional redemption schedule is delivered by the Company to the Bond Trustee setting forth redemption dates and redemption prices during that Fixed Mode together with a certificate of the Remarketing Agent certifying that the redemption terms set forth therein are advantageous for the Remarketing Agent to remarket those Bonds for that period and a Favorable Opinion of Bond Counsel, then the Bonds shall be subject to redemption during that period in accordance with that optional redemption schedule rather than the schedule set forth above.

(iv) Indexed Put Bonds.

(A) Floating Rate. Indexed Put Bonds that bear interest based on the Floating Rate are subject to redemption and payment prior to maturity, at the option of the Issuer (which option shall be exercised upon written direction from the Company), in whole or in part on any Interest Payment Date at the redemption price of 100% of the principal amount thereof, plus accrued interest to the redemption date.

(B) Swap Rate. Indexed Put Bonds that bear interest based on the Swap Rate are subject to redemption and payment prior to maturity, at the option of the Issuer (which option shall be exercised upon written direction from the Company), (a) in part without premium if the payment is with unspent proceeds of the Bonds transferred to the Debt Service Fund from the Project Fund, (b) in whole or in part on any Indexed Put Date at par, plus accrued interest, and without premium, (c) in whole or in part on any Interest Payment Date at par, plus accrued interest, and without premium, in the maximum amount of \$100,000 annually, so long as the proceeds used to redeem the Bonds come

from a capital contribution of the Company or from other revenues earned by the Company and not from borrowed funds, and (d) in whole or in part on any Interest Payment Date at a redemption price, plus accrued interest, plus a yield maintenance premium equal to the positive difference, if any, between (i) the present value of all scheduled payments of principal and interest under the Bonds, including the principal amount due at maturity, that would otherwise come due but for the prepayment (each a “Future Payment” and collectively, the “Future Payments”), discounted at a per annum rate of interest equal to the Treasury Rate plus 150 basis points, minus (ii) the present value of the Future Payments discounted at a per annum rate of interest equal to the tax-equivalent yield of the Bond rate. For purposes of this calculation, “Treasury Rate” means the U.S. Treasury Constant Maturities rate, as reported in the Federal Reserve Statistical Release H.15 (Daily Update) having a release date two business days prior to the date of prepayment, having a constant maturity equal to the Remaining Average Life of the Bond as of the date of prepayment, rounded downward to the nearest reported maturity. “Remaining Average Life” shall be determined as of the date of prepayment by dividing (i) the sum of the products obtained by multiplying (a) each Future Payment by (b) the number of years (calculated to the nearest one-twelfth year) that will elapse between the date of prepayment and the scheduled due date of such Future Payment (but not longer than the next Indexed Put Date) by (ii) the total Future Payments. For purposes of determining the tax equivalent yield, the maximum federal corporate tax rate then in effect will apply, plus an assumed effective state tax rate of 6%. For purposes of calculating any prepayment premium, the final maturity of the Bonds shall be deemed to be the next Indexed Put Date following the date of prepayment. Any payment or repurchase of the Bonds in accordance with the exercise of any put option will be deemed to have been made as scheduled and shall not be subject to any yield maintenance premium.

(b) *Extraordinary Optional Redemption.* The Bonds are subject to redemption and payment prior to the stated maturity thereof, upon written direction from the Company, in whole or in part at any time, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the redemption date, without premium, as a result of (A) any changes in the Constitution of the State, or (B) any changes in the Constitution of the United States of America, or (C) legislative or administrative action (whether State or federal), or (D) any final decree, judgment or order of any court or administrative body (whether State or federal) entered after the contest thereof by the Company in good faith, this Bond Indenture or the Loan Agreement shall have become void or unenforceable or impossible to perform.

(c) *Liquidity Provider Bonds.* Liquidity Provider Bonds shall be subject to special mandatory redemption at the times and in the amounts specified in the Liquidity Facility.

(d) *Credits against Scheduled Mandatory Redemption Obligations.* At the option of the Company, to be exercised by delivery of a written certificate to the Bond Trustee on or before the 45th day next preceding any scheduled mandatory redemption date, it may (1) deliver to the Bond Trustee for cancellation Bonds subject to scheduled mandatory redemption on that date or portions thereof in Authorized Denominations or (2) specify a principal amount of Bonds or portions thereof in Authorized Denominations which prior to said date have been purchased or redeemed (otherwise than pursuant to this Section) and cancelled by the Bond Trustee at the request of the Company and not theretofore applied as a credit against any scheduled mandatory redemption payment. Each Bond or portion thereof so delivered or previously redeemed shall be credited by the Bond Trustee at the principal amount thereof against the obligation of the Issuer to redeem Bonds on the scheduled mandatory redemption date or dates designated in writing to the Bond Trustee by the Company Representative occurring at least 45 days after delivery of

such designation to the Bond Trustee, provided that if no such designation is made, such credit shall not be credited against such obligation.

(e) *Purchase in Lieu of Redemption.* When Bonds are subject to redemption pursuant to subsections (a) or (b) of this Section, such Bonds may be purchased in lieu of redemption, from moneys paid by the Company or paid from a draw or claim on a Liquidity Facility or otherwise paid by or on behalf of the Liquidity Provider, on the applicable redemption date at a purchase price equal to 100% of the principal amount thereof, plus accrued interest thereon to but not including the date of such purchase, if (1) the Bond Trustee has received a written request on or before the Business Day prior to the purchase date from the Company or the Liquidity Provider, as the case may be, specifying that the moneys provided or to be provided by such party shall be used to purchase such Bonds in lieu of redemption, and (2) the Company has deposited in a separate trust account designated by the Bond Trustee for such purpose moneys in an amount equal to or greater than the aggregate principal amount of such Bonds called for redemption pursuant to paragraph (a) or (b) above, plus accrued interest thereon to the date scheduled for redemption, not later than 10:00 a.m. New York City time, on the Business Day preceding the date scheduled for redemption. Upon satisfaction of such conditions, any Bonds presented to the Bond Trustee on or before the close of business on the date scheduled for redemption or purchase shall be purchased, and not redeemed, with moneys so deposited in said account at a purchase price for each Bond equal to the principal amount thereof, plus accrued interest thereon to the date scheduled for redemption. Any Bonds not presented to the Bond Trustee for payment shall be deemed to be presented for payment on the date of redemption or purchase, and the Owners of such Bonds shall not be entitled to any benefits of this Bond Indenture, except for payment of the purchase price of such Bonds in the manner specified in **Section 307**. The purchase of Bonds by the Company or the Liquidity Provider pursuant to this subsection or advance or use of any moneys to effectuate any such purchase shall not be deemed to be a payment or redemption of such Bonds or any portion thereof, and such purchase shall not operate to extinguish or discharge the indebtedness evidenced by such Bonds.

(f) *Eligible Moneys Requirement.* Bonds other than Indexed Put Bonds or Bonds bearing interest at a Fixed Rate may only be redeemed under **Section 302(a)** or **302(b)** with Eligible Moneys. Bonds other than Indexed Put Bonds or Bonds bearing interest at a Fixed Rate may only be purchased in lieu of redemption pursuant to **Section 302(f)** with Eligible Moneys.

Section 303. Selection of Bonds to be Redeemed.

(a) Bonds shall be redeemed only in Authorized Denominations. If less than all of the Bonds are to be redeemed, such Bonds to be redeemed shall be selected by the Bond Trustee in such equitable manner as the Bond Trustee shall determine that provides for the selection for redemption of portions of Bonds so that no Bond in a principal amount that is less than the minimum Authorized Denomination will be Outstanding after giving effect to such redemption; provided that Liquidity Provider Bonds and Company Bonds, in that order, shall be redeemed before other Bonds are redeemed.

(b) In the case of a partial redemption of Bonds when Bonds of denominations greater than the minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each principal amount equal to the minimum Authorized Denomination shall be treated as though it was a separate Bond of the minimum Authorized Denomination. If it is determined that a portion, but not all, of the principal amount represented by any Bond is to be selected for redemption, then upon notice of intention to redeem such portion, the Owner of such Bond or such Owner's attorney or legal representative shall forthwith present and surrender such Bond to the Bond Trustee (1) for payment of the redemption price (including the premium, if any, and interest to the date fixed for redemption) of the principal amount called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of

such Bond. If the Owner of any such Bond shall fail to present such Bond to the Bond Trustee for payment and exchange as aforesaid, said Bond shall, nevertheless, become due and payable on the redemption date to the extent of the principal amount called for redemption (and to that extent only).

(c) The Bond Trustee shall call Bonds for redemption and payment as herein provided upon receipt by the Bond Trustee at least 45 days prior to the redemption date (or such lesser period acceptable to the Bond Trustee) of a Written Request of the Company, on behalf of the Issuer and the Company. Such request shall specify the principal amount and Bonds and their maturities so to be called for redemption, the applicable redemption price or prices and the provision or provisions above referred to pursuant to which such Bonds are to be called for redemption. The Company shall furnish a copy of that request to the Issuer.

(d) Partial redemptions of Bonds shall redeem Bonds in the inverse order of maturity or, in the event Bonds have a single maturity, in the inverse order of required principal payments.

Section 304. Notice and Effect of Call for Redemption. Unless waived by any Owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Trustee on behalf of the Issuer by mailing by first-class mail a copy of an official redemption notice by first class mail at least 30 days and not more than 60 days prior to the redemption date to each registered Owner of the Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered Owner to the Bond Trustee.

All official notices of redemption shall be dated and shall state:

- (1) the redemption date;
- (2) the redemption price;
- (3) if less than all Outstanding Bonds are to be redeemed, the identification number and the respective principal amounts to be redeemed of the Bonds to be redeemed;
- (4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and
- (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the payment office of the Bond Trustee.

Any notice of redemption of any Bonds (except any Indexed Put Bonds) pursuant to **Section 302(a)** or **(b)** may specify that the redemption is contingent upon the deposit of moneys with the Bond Trustee in an amount sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date. Conditional redemption notices of Indexed Put Bonds are not permitted.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Trustee at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered Owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Trustee in accordance with

Section 212 and shall not be reissued. A second notice of redemption shall be given within 60 days after the redemption date in the manner required herein to the Bondowners of redeemed Bonds that have not been presented for payment within 30 days after the redemption date.

For so long as the Securities Depository is effecting book-entry transfers of the Bonds, the Bond Trustee shall provide the notices specified in this Section to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the beneficial owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a beneficial owner of the Bond (having been mailed notice from the Bond Trustee, a Participant or otherwise) to notify the beneficial owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

Failure to give any notice to any Owner, or any defect therein, shall not affect the validity of any proceedings for the redemption of any other Bonds. Any notice mailed shall be conclusively presumed to have been duly given and shall become effective upon mailing, whether or not any Owner receives the notice.

Section 305. Tender Agent. There shall be a Tender Agent appointed for the Bonds as provided in this Section at all times that the Bonds are Daily Rate Bonds, Weekly Rate Bonds, Short-Term Rate Bonds or Indexed Put Bonds. The Tender Agent shall (a) be a commercial bank or trust company organized under the laws of the United States of America or any state, authorized and qualified to perform all of the duties imposed upon it by this Bond Indenture, subject to supervision or examination by federal or state authorities, (b) have a reported combined capital and surplus of not less than \$50,000,000 (or have a guaranty of performance from a bank having a reported capital and surplus of not less than \$50,000,000 or a bank holding company having a consolidated net worth of not less than \$100,000,000), and (c) be satisfactory to the Issuer and the Company.

The Bond Trustee shall be the initial Tender Agent hereunder. The Bond Trustee hereby accepts its appointment as the initial Tender Agent and agrees to perform the duties imposed upon the Tender Agent by this Bond Indenture, but only upon the terms and conditions set forth herein, including the following:

- (a) hold all Bonds delivered to it hereunder in trust for the benefit of the respective Owners which shall have so delivered such Bonds until moneys representing the purchase price of such Bonds shall have been delivered to or for the account of or to the order of such Owners;
- (b) hold all moneys delivered to it hereunder for the purchase of Bonds in trust solely for the benefit of the person or entity which shall have so delivered such moneys until the Bonds purchased with such moneys shall have been delivered to or for the account of such person or entity;
- (c) hold all moneys, other than proceeds of payments under the Liquidity Facility, delivered to it hereunder for the purchase of Bonds as agent and bailee of, and in escrow for the exclusive benefit of, the person or entity which shall have so delivered such moneys until the Bonds purchased with such moneys shall have been delivered to or for the account of such person or entity;
- (d) hold all moneys delivered to it hereunder from payments under the Liquidity Facility for the purchase of Bonds as agent and bailee of, and in escrow for the exclusive benefit of, the Bondowners who shall deliver Bonds to it for purchase until the Bonds purchased with such moneys shall have been delivered to or for the account of the Liquidity Provider;

- (e) keep such books and records as shall be consistent with customary industry practice that shall accurately reflect the transactions hereunder and to make such books and records available for inspection by the Issuer, the Company, the Bond Trustee, the Remarketing Agent and the Liquidity Provider during normal business hours upon reasonable notice;
- (f) hold all Liquidity Provider Bonds delivered to it hereunder as agent and bailee of, and in escrow for the benefit of, the Liquidity Provider;
- (g) deliver any notices required by this Bond Indenture to be delivered by the Tender Agent; and
- (h) perform all other duties of the Tender Agent under this Bond Indenture.

The Tender Agent at any time may resign and be discharged of the duties and obligations imposed upon the Tender Agent by this Bond Indenture, by giving written notice thereof to the Company, the Issuer, the Bond Trustee, the Remarketing Agent and the Liquidity Provider at least 30 days prior to the effective date of such resignation. The Tender Agent shall resign immediately at any time that it shall cease to be eligible in accordance with the provisions of this Section.

The Tender Agent may be removed at any time by the Bond Trustee at the written direction of the Company by an instrument in writing delivered to the Tender Agent, the Issuer, the Bond Trustee, the Remarketing Agent and the Liquidity Provider.

If the Tender Agent shall resign, be removed or become incapable of acting for any cause, the Bond Trustee, at the written direction of the Company and with the written consent of the Issuer and the Liquidity Provider (which consents shall not be unreasonably withheld), shall promptly appoint a successor Tender Agent by an instrument in writing delivered to the Issuer, the Company, the Remarketing Agent, the Liquidity Provider and the retiring Tender Agent. Every such successor Tender Agent appointed pursuant to the provisions of this Section shall meet the eligibility requirements of this Section. No successor Tender Agent shall accept its appointment unless at the time of such acceptance such successor Tender Agent shall be qualified and eligible under this Article.

Every successor Tender Agent appointed hereunder shall execute and deliver to the Company, the Issuer, the Bond Trustee, the Remarketing Agent, the Liquidity Provider and the retiring Tender Agent an instrument accepting such appointment, designating its Principal Office and accepting the duties and obligations imposed upon it hereunder. No resignation or removal of the Tender Agent and no appointment of a successor Tender Agent pursuant to this Section shall become effective until the acceptance of appointment by the successor Tender Agent hereunder.

The Bond Trustee shall give notice of each resignation and each removal of the Tender Agent and each appointment of a successor Tender Agent by mailing written notice of such event by first class mail, within 30 days of the resignation or removal of the Tender Agent or the appointment of a successor Tender Agent, to the Issuer, the Liquidity Provider, the Remarketing Agent, each Rating Agency at the time providing a rating for the Bonds and the Owners of Bonds as their names and addresses appear in the Bond Register. Each notice shall include the name of the successor Tender Agent and the address of its principal corporate trust office.

In the event of the resignation or removal of the Tender Agent, and the appointment of a successor Tender Agent, the retiring Tender Agent shall pay over, assign and deliver any moneys and Bonds held by it in such capacity to its successor.

In the event that the Tender Agent shall resign or be removed, or be dissolved, or if the property or affairs of the Tender Agent shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the Bond Trustee shall not have appointed a successor as Tender Agent, the Bond Trustee shall *ipso facto* be deemed to be the Tender Agent for all purposes of this Bond Indenture until the appointment by the Bond Trustee of the successor Tender Agent.

Section 306. Optional Tenders During Daily, Weekly and Indexed Put Modes.

(a) Owners of Daily Rate Bonds, Weekly Rate Bonds, or Indexed Put Bonds may elect to have their Daily Rate Bonds (other than Company Bonds or Liquidity Provider Bonds), Weekly Rate Bonds (other than Company Bonds or Liquidity Provider Bonds) or Indexed Put Bonds, or portions thereof in Authorized Denominations, purchased at the Purchase Price on the following Purchase Dates and upon the giving of the following telephonic, teletype or written notices meeting the further requirements set forth in **subsection (b)**:

(i) Daily Rate Bonds (other than Company Bonds or Liquidity Provider Bonds) may be tendered for purchase at the Purchase Price payable in immediately available funds on any Business Day upon telephonic, teletype or written notice of tender to the Tender Agent and the Remarketing Agent not later than 11:00 a.m., New York City time, on the designated Purchase Date.

(ii) Weekly Rate Bonds (other than Company Bonds or Liquidity Provider Bonds) may be tendered for purchase at the Purchase Price payable in immediately available funds on any Business Day upon delivery of a written notice of tender to the Tender Agent and the Remarketing Agent not later than 5:00 p.m., New York City time, on a Business Day not fewer than seven days prior to the designated Purchase Date.

(iii) Indexed Put Bonds may be tendered for purchase at the Purchase Price payable in immediately available funds on any Business Day upon delivery of a written notice of tender to the Tender Agent and the Company not later than 4:00 p.m., New York City time, on the Purchase Date set forth in **paragraph (f)** below, if at any time:

(A) an Event of Insolvency or a Payment Default has occurred with respect to the Bonds;

(B) the Company has failed to comply with any other covenant relating to the Indexed Put Bonds under any of the Bond Documents (after taking into account any applicable notice requirement and cure period); provided, however, that if the failure to comply relates to a payment covenant, any applicable grace periods contained in the bond documents will be disregarded;

(C) the Internal Revenue Code is amended to change the corporate tax rate or alternative minimum tax rate with the result of decreasing the after tax economic yield on the Bonds to the Original Purchaser; or

(D) the Company elects to convert the Bonds to any interest mode other than the Indexed Put Rate mode.

(iv) Indexed Put Bonds may be tendered for purchase at the Purchase Price payable in immediately available funds on each Indexed Put Date upon delivery of a written notice of tender to the Tender Agent and the Company at least 90 days prior to the Indexed Put Date.

(b) Each notice of tender:

(i) shall, in case of a written notice, be delivered to the Tender Agent and the Remarketing Agent (except for Indexed Put Bonds) at their respective designated offices and be in the form of **Exhibit F** to this Bond Indenture satisfactory to the Tender Agent and the Remarketing Agent;

(ii) shall state, whether delivered in writing or by telephone or telecopier, (a) the principal amount of the Daily Rate Bond, Weekly Rate Bond or Indexed Put Rate Bond to which the notice relates and the CUSIP number of that Bond, if any, (b) that the Owner irrevocably demands purchase of that Bond or a specified portion thereof in an Authorized Denomination, (c) the Purchase Date on which that Bond or portion thereof is to be purchased and (d) payment instructions with respect to the Purchase Price; and

(iii) shall automatically constitute, whether delivered in writing or by telephone or telecopier, (a) an irrevocable offer to sell the Bond (or portion thereof) to which such notice relates on the Purchase Date to any purchaser selected by the Remarketing Agent or the Company (or to the Liquidity Provider in the case of purchases made with funds paid under the Liquidity Facility), at a price equal to the Purchase Price, (b) an irrevocable authorization and instruction to the Tender Agent to effect transfer of such Bond (or portion thereof) upon receipt by the Tender Agent of funds sufficient to pay the Purchase Price on the Purchase Date, (c) an irrevocable authorization and instruction to the Tender Agent to effect the exchange of the Bond to be purchased in whole or in part for other Bonds in an equal aggregate principal amount so as to facilitate the sale of that Bond (or portion thereof to be purchased), (d) an acknowledgment that such Owner will have no further rights with respect to that Bond (or portion thereof) upon deposit of an amount equal to the Purchase Price thereof with the Tender Agent on the Purchase Date, except for the right of such Owner to receive the Purchase Price upon surrender of that Bond to the Tender Agent, and (e) an agreement of such Owner to deliver such Daily Rate Bonds, Weekly Rate Bonds or Indexed Put Bonds, with all necessary endorsements for transfer and signature guarantees, to the Tender Agent at its payment office not later than 1:00 p.m. (with respect to Daily Rate Bonds and Weekly Rate Bonds) or 10:00 a.m. (with respect to Indexed Put Bonds), New York City time, on the Purchase Date.

The determination of the Tender Agent and the Remarketing Agent as to whether a notice of tender has been properly delivered pursuant to the foregoing shall be conclusive and binding upon the Owner. The Tender Agent or the Remarketing Agent may waive any irregularity or nonconformity in any notice of tender.

(c) Notwithstanding anything to the contrary herein, all Daily Rate Bonds, Weekly Rate Bonds or Indexed Put Bonds as to which a written notice specifying the Purchase Date has been delivered pursuant to this Section (and which have not been tendered to the Tender Agent) shall be deemed tendered on the Purchase Date specified. From and after the specified Purchase Date of the Bond or Bonds tendered to the Tender Agent or deemed tendered pursuant to this Section, the former Owner of such Bond or Bonds shall be entitled solely to the payment of the Purchase Price of such Bond or Bonds tendered or deemed tendered which Purchase Price shall be payable only as set forth in **Section 307(d)**.

(d) The Tender Agent shall promptly return any notice of tender delivered pursuant to this Section (together with the Bonds submitted therewith) that is incomplete or improperly completed or not delivered within the times required by this Section to the Person or Persons submitting such notice and Bonds upon surrender of the receipt, if any, issued therefor.

(e) Notwithstanding the foregoing, if the Bonds are held in a book-entry form at the Securities Depository, the right to optionally tender Daily Rate Bonds, Weekly Rate Bonds or Indexed Put Bonds may be exercised by the beneficial owners of those Bonds. Such right shall be exercised by delivery by a beneficial owner to the Remarketing Agent, the Tender Agent and the Bond Trustee no later than the times specified in subsection (a) of the notice described in subsection (b) stating that such beneficial owner will cause its beneficial interest (or portion thereof in an Authorized Denomination) to be tendered, the amount of such interest to be tendered, the date on which such interest will be tendered and the identity of the Participant through which the beneficial owner maintains its interest. Upon delivery of such notice, the beneficial owner must make arrangements to have its beneficial ownership interest in the Bonds being tendered to the Tender Agent at or prior to 1:00 p.m. (with respect to Daily Rate Bonds and Weekly Rate Bonds) or 10:00 a.m. (with respect to Indexed Put Bonds), New York City time, on the Purchase Date.

(f) If any owner of any Indexed Put Bonds exercises its option to tender its Indexed Put Bonds pursuant to **paragraph (a)(iii)** of this Section, then all Indexed Put Bonds are subject to tender on the applicable Purchase Date. The Purchase Date for Indexed Put Bonds shall be the earliest of (A) the day that is ninety days (or the immediately succeeding Business Day if such day is not a Business Day) after timely receipt by the Tender Agent and the Company of the notice of tender described in **paragraph (a)(iii)** of this Section, (B) the date the Bonds are accelerated pursuant to **Section 703** of this Bond Indenture, or (C) the succeeding Indexed Put Date.

Section 307. Purchase of Bonds by Tender Agent.

(a) The Tender Agent shall establish with respect to the Bonds (other than Bonds bearing interest at a Fixed Rate) a special trust fund to be designated the Purchase Fund (the "Purchase Fund"). Within the Purchase Fund, the Tender Agent shall establish four separate accounts to be designated the Remarketing Account, the Liquidity Facility Account, the Company Account and the Undelivered Bond Payment Account, and a separate subaccount for each series of Bonds. Only the Tender Agent shall have any right of withdrawal from the Purchase Fund; and the Purchase Fund and such right of withdrawal shall be for the sole and exclusive benefit of the Owners of the Bonds subject to purchase on Purchase Dates (and the Liquidity Provider to the extent provided in **subsection (e)**), and the Company shall have no legal, beneficial or equitable interest in any Purchase Fund. Amounts on deposit in the Purchase Fund shall be held uninvested and without bearing interest. Amounts in a particular account of the Purchase Fund shall not be commingled with amounts in any other account of the Purchase Fund. Any moneys received by the Tender Agent by reason of the remarketing by the Remarketing Agent of Bonds subject to purchase on a Purchase Date shall be deposited by the Tender Agent in the Remarketing Account of the Purchase Fund and applied by the Tender Agent in accordance with **subsections (d)** and **(e)**. Any moneys received by the Tender Agent representing amounts paid by the Liquidity Provider under the Liquidity Facility for the purchase of Bonds subject to purchase on a Purchase Date shall be deposited by the Tender Agent in the Liquidity Facility Account of the Purchase Fund and applied by the Tender Agent in accordance with **subsections (d)** and **(e)**. Any moneys received by the Tender Agent representing amounts paid by the Company for the purchase of Bonds subject to purchase on a Purchase Date shall be deposited by the Tender Agent in the Company Account of the Purchase Fund and applied by the Tender Agent in accordance with **subsections (d)** and **(e)**. Moneys shall be transferred to the Undelivered Bond Payment Account from the other accounts of the Purchase Fund or to the Liquidity Provider in

accordance with **subsection (e)**; and moneys shall be applied from the Undelivered Bond Payment Account in accordance with **subsection (f)**.

(b) Upon receipt of any telephonic, telecopy or written notice of tender relating to Daily Rate Bonds, the Tender Agent shall notify the Company and the Liquidity Provider by telephonic notice of the amount of such Bonds to be tendered pursuant to such notice and the Tender Agent shall confirm such telephonic notice by telecopier or other telecommunications device by 11:15 a.m., New York City time, on the Purchase Date, including in such telephonic notice and the confirmation thereof the amount of the Purchase Price of such Bonds and the portion, if any, thereof representing accrued and unpaid interest on such Bonds to the Purchase Date. Upon receipt of written notice of tender relating to Weekly Rate Bonds, the Tender Agent shall, not later than 5:00 p.m., New York City time, on the next Business Day, send notice of such tender to the Company and the Liquidity Provider by telecopier or other telecommunications device, including in such notice the amount of the Purchase Price of such Bonds and the portion, if any, thereof representing accrued and unpaid interest on such Bonds to the Purchase Date. Upon receipt of written notice of optional tender relating to Indexed Put Bonds, the Tender Agent shall, not later than 5:00 p.m., New York City time, on the next Business Day, send notice of such tender to the Company by telecopier or other telecommunications device, including in such notice the amount of the Purchase Price of such Bonds and the portion, if any, thereof representing accrued and unpaid interest on such Bonds to the Purchase Date. Simultaneously with the giving (pursuant to **Section 308(e)**) of notice of any mandatory tender of Bonds pursuant to **Section 308(a)**, the Bond Trustee shall give notice by telephone or telecopier, promptly confirmed by a written notice, to the Tender Agent, the Remarketing Agent, the Liquidity Provider and the Company specifying the Purchase Date, the aggregate principal amount and Purchase Price of Bonds subject to mandatory tender on such Purchase Date, and the portion, if any, of such Purchase Price representing accrued and unpaid interest on such Bonds to such Purchase Date.

(c) Not later than 12:15 p.m., New York City time, with respect to Daily Rate Bonds, and not later than 11:15 a.m., New York City time, with respect to Weekly Rate Bonds, on each Purchase Date, the Tender Agent shall determine the amount, if any, by which the Purchase Price of the Bonds to be purchased on such Purchase Date exceeds the amount of the proceeds of the remarketing of such Bonds by the Remarketing Agent on deposit in the Remarketing Account of the Purchase Fund at such time; and

(i) if a Liquidity Facility is in effect on such Purchase Date, then (A) not later than 12:30 p.m., New York City time, with respect to Daily Rate Bonds, and not later than 11:30 a.m., New York City time, with respect to Weekly Rate Bonds, on such Purchase Date, the Tender Agent shall request (such request being referred to as a "Liquidity Facility Request") the purchase by the Liquidity Provider under the Liquidity Facility, or the funding by the Liquidity Provider under the Liquidity Facility of moneys for the purchase, of Bonds having a Purchase Price equal to the amount of such excess (by submitting to the Liquidity Provider in accordance with the Liquidity Facility all documents as are required for such purpose), and (B) not later than 2:30 p.m., New York City time, on such Purchase Date, the Tender Agent shall deposit the proceeds of the Liquidity Facility Request received by the Tender Agent in the Liquidity Facility Account of the Purchase Fund (for purchases in connection with the substitution of a Liquidity Facility, the Liquidity Facility Request shall be submitted to the Liquidity Provider for the Liquidity Facility that is being replaced); or

(ii) if no Liquidity Facility is in effect on such Purchase Date, then (A) not later than 12:30 p.m., New York City time, on such Purchase Date, the Tender Agent shall notify the Company that the amount of such excess is the amount that may be paid by the Company, at its sole discretion, to the Tender Agent for purposes of causing the Tender Agent to purchase on behalf of the Company Bonds having a Purchase Price equal to such excess, and (B) not later

than 2:30 p.m., New York City time, with respect to Daily Rate Bonds and Weekly Rate Bonds, and not later than 3:00 p.m., New York City time, with respect to Indexed Put Bonds, on such Purchase Date, the Tender Agent shall deposit the amount, if any, received by the Tender Agent from the Company for such purpose in the Company Account of the Purchase Fund.

(d) Not later than 3:00 p.m., New York City time, on each Purchase Date, the Tender Agent shall disburse the Purchase Price of Bonds to be purchased on such Purchase Date to the Owners thereof (upon surrender thereof for payment of such Purchase Price), from the following sources and in the following order of priority:

(i) Moneys on deposit in the Remarketing Account of the Purchase Fund (representing the proceeds of the remarketing by the Remarketing Agent of such Bonds);

(ii) If a Liquidity Facility is in effect on such Purchase Date, moneys on deposit in the Liquidity Facility Account of the Purchase Fund (representing the proceeds of a Liquidity Facility Request); and

(iii) Moneys on deposit in the Company Account of the Purchase Fund deposited at the option of the Company (representing amounts paid by the Company to the Tender Agent for the purchase of such Bonds).

If the funds available (from the sources indicated above) for the purchase of Bonds subject to purchase on a Purchase Date are insufficient to purchase all of the Bonds subject to purchase on such Purchase Date (including Undelivered Bonds), then the tender shall not be cancelled but no purchase of any Bonds shall occur on such Purchase Date and, on such Purchase Date, the Tender Agent shall (i) return all of such Bonds that were tendered to the Owners thereof, (ii) return all moneys received by the Tender Agent for the purchase of such Bonds to the respective Persons that provided such moneys (in the respective amounts in which such moneys were so provided), and (iii) notify the Bond Trustee of the foregoing. The Tender Agent shall continue to take all actions available to it under this Bond Indenture to obtain sufficient funds to pay all tendered Bonds and shall promptly notify the Owners of such tendered Bonds when sufficient funds are available to purchase all tendered Bonds, and upon receipt of such notice, the Owners of such tendered Bonds shall promptly return their tendered Bonds to the Tender Agent. Notwithstanding **Section 203**, if insufficient funds are available to purchase any Bonds (except for Indexed Put Bonds) on a Purchase Date, all Bonds shall bear interest at the lesser of the SIFMA Index plus 3% or the Maximum Rate from and after the applicable Purchase Date until such time that the Tender Agent has obtained sufficient funds to pay all tendered Bonds. If insufficient funds are available to purchase any Indexed Put Bonds on a Purchase Date, the Indexed Put Bonds shall bear interest at the rate set forth in **Section 203(h)**. The failure to purchase tendered Indexed Put Bonds shall constitute an Event of Default under **Section 701(c)** of this Bond Indenture. Bonds purchased on a Purchase Date with moneys deposited in the Company Account of the Purchase Fund shall become Company Bonds.

(e) Any moneys remaining in the Remarketing Account, the Liquidity Facility Account or the Company Account of the Purchase Fund and representing (but not exceeding) the Purchase Price of Undelivered Bonds (following the payments described in **subsection (d)**) shall be transferred by the Tender Agent to the Undelivered Bond Payment Account not later than 3:30 p.m., New York City time, on the applicable Purchase Date (and retained therein, subject to **subsection (a)**, for application in accordance with **subsection (f)**). Any moneys remaining in the Remarketing Account, the Liquidity Facility Account and the Company Account of the Purchase Fund on a Purchase Date (after the payments described in **subsection (d)** and the transfer described in the preceding sentence of this **subsection (e)**) shall be wire transferred by the Tender Agent, in immediately available funds, prior to the close of

business on such Purchase Date, to the Remarketing Agent, the Liquidity Provider and the Company, respectively.

(f) Moneys transferred to the Undelivered Bond Payment Account of the Purchase Fund on any Purchase Date shall be applied, on or after such Purchase Date, by the Tender Agent to pay the Purchase Price of Undelivered Bonds in respect of which they were so transferred, upon the surrender of such Bonds to the Tender Agent for such purpose.

Section 308. Mandatory Purchase of Bonds.

(a) All of the Bonds shall be subject to mandatory tender for purchase by the Tender Agent at the Purchase Price on the Purchase Date upon the occurrence of any of the following events:

(i) each Conversion Date;

(ii) the first day after the last day of each Short-Term Interest Period;

(iii) the fifth day next preceding each Expiration Date if the Bond Trustee has not received evidence satisfactory to it by the 30th day preceding the Expiration Date that either the Expiration Date will be extended or a Substitute Liquidity Facility for the Bonds will be issued meeting the requirements of **Section 5.12** of the Loan Agreement;

(iv) each Substitution Date; or

(v) the fifth day next preceding any Termination Date.

(b) Bonds to be purchased pursuant to **subsection (a)** shall be delivered by the Owners thereof to the Tender Agent (together with necessary assignments and endorsements) at or prior to 1:00 p.m., New York City time, on the Purchase Date.

(c) Any Undelivered Bonds for which there has been irrevocably deposited in trust with the Bond Trustee or the Tender Agent an amount sufficient to pay the Purchase Price of such Bonds, shall be deemed to have been delivered to the Tender Agent for purchase, and the Owners of such Bonds shall not be entitled to any payment (including any interest to accrue on or after the Purchase Date) other than the respective Purchase Prices of such Bonds, and such Bonds shall not be entitled to any benefits of this Bond Indenture, except for payment of such Purchase Price out of the moneys deposited for such payment as aforesaid, subject, however, to **Section 409**.

(d) In addition to any other requirements set forth in this Bond Indenture, notices of mandatory tender mailed to Bondowners shall:

(i) specify the proposed Purchase Date and the event which gives rise to the proposed Purchase Date;

(ii) state that such Bonds shall be subject to mandatory tender for purchase on such date unless the Company delivers a notice of withdrawal of a conversion notice pursuant to **Section 204(e)**;

(iii) state that Owners may not elect to retain Bonds subject to mandatory tender;

(iv) state that all Bonds subject to mandatory tender shall be required to be delivered to the designated office of the Tender Agent at or before 1:00 p.m., New York City time, on the Purchase Date;

(v) state that if the Owner of any Bond subject to mandatory tender fails to deliver such Bond to the Tender Agent for purchase on the Purchase Date, and if the Tender Agent is in receipt of funds sufficient to pay the Purchase Price thereof, such Bond (or portion thereof) shall nevertheless be deemed purchased on the Purchase Date and ownership of such Bond (or portion thereof) shall be transferred to the purchaser thereof;

(vi) state that any Owner that fails to deliver such Bond for purchase shall have no further rights thereunder or under this Bond Indenture except the right to receive the Purchase Price thereof upon presentation and surrender of such Bond to the Tender Agent and that the Bond Trustee will place a stop transfer against the Bonds subject to mandatory tender registered in the name of such Owner(s) on the Bond Register;

(vii) in the case of mandatory tender upon any proposed conversion of Bonds, state that such conversion will not occur if certain events specified in **Section 204(c)** do not occur (and summarize those conditions);

(viii) in the case of mandatory tender on the fifth day next preceding the Expiration Date, state that such mandatory tender will not occur, if, on or prior to the fifth day preceding the Expiration Date, the Expiration Date is extended; and

(ix) in the case of mandatory tender on a Substitution Date, state the information required by **Section 312(d)**.

(e) Notice of mandatory tender of Bonds by reason of a proposed Conversion Date shall be given in accordance with **Section 204(b)**. Notice of mandatory tender of Bonds by reason of other events described in subsection (a) shall be given by the Bond Trustee no fewer than 15 days prior to the applicable Purchase Date (i) to the Owners of the Bonds (at their addresses as they appear on the Bond Register as of the date of such notice) by first-class mail, and (ii) to the Company, the Issuer, the Remarketing Agent, the Tender Agent and the Liquidity Provider by telecopy (promptly confirmed in writing); provided, however, that if the Company has exercised its rights under **Section 5.12** of the Loan Agreement with respect to the Expiration Date, notice of mandatory tender by reason of the Expiration Date shall be given as provided in **Section 5.12** of the Loan Agreement.

(f) If, following the giving of notice of mandatory tender of Bonds pursuant to subsection (a), an event occurs which, in accordance with the terms of this Bond Indenture, causes such mandatory tender not to occur, then (i) the Bond Trustee shall so notify the Owners of the Bonds (at their addresses as they appear on the Bond Register on the date of such notice), by first-class mail, as soon as may be practicable after the Purchase Date, and (ii) the Tender Agent shall return to their Owners any Bonds tendered to the Tender Agent in connection with such mandatory tender of Bonds.

(g) Upon receipt by the Bond Trustee of a written notice from any Liquidity Provider of the occurrence of an Immediate Termination Event under the Liquidity Facility benefiting the Bonds, the Bond Trustee shall give immediate notice thereof to the Owners of such Bonds and the Remarketing Agent stating that there will be no mandatory purchase of such Bonds and that such Bonds will no longer be entitled to the benefits of the Liquidity Facility. Upon receipt by the Bond Trustee of a written notice from any Liquidity Provider of the occurrence of an Immediate Suspension Event under the Liquidity Facility benefiting the Bonds, the Bond Trustee shall give immediate notice thereof to the Owners of such

Bonds and the Remarketing Agent stating that there will be no mandatory purchase of such Bonds during the time that the Liquidity Provider's obligation to purchase such Bonds has been suspended. If, following an Immediate Suspension Event, the Liquidity Provider's obligation to purchase such Bonds has been reinstated, the Bond Trustee shall give immediate notice of reinstatement to the Owners of such Bonds and the Remarketing Agent and such Bonds shall be entitled to the benefit of the Liquidity Facility. If, following an Immediate Suspension Event, the Liquidity Provider's obligation to purchase such Bonds is terminated, the Bond Trustee shall give immediate notice of such termination to the Owners of such Bonds and the Remarketing Agent stating that such Bonds will no longer be entitled to the benefits of the Liquidity Facility. If notice of a mandatory tender has been given pursuant to **Section 308(e)** with respect to the Bonds, but an Immediate Termination Event or an Immediate Suspension Event occurs with respect to the Liquidity Facility prior to the mandatory tender date, the Bonds benefited by the Liquidity Facility shall remain subject to mandatory tender on such date, but the purchase price therefor will not be payable from amounts drawn under the Liquidity Facility.

(h) The Company shall have the right to cancel a mandatory tender on a Conversion Date pursuant to **Section 308(a)(i)** if the Company cancels the conversion pursuant to **Section 204(e)** and the notice of withdrawal provided for in such Section is (A) received by the Bond Trustee at least 10 days prior to the mandatory tender date (or received at least 10 Business Days prior to the mandatory tender date for Indexed Put Bonds), and (B) contains a statement directing the Bond Trustee to cancel the mandatory tender. The Bond Trustee shall give Bondholders notice of the cancellation of the mandatory tender at the same time as the Bond Trustee gives the Bondholders notice of the cancellation of the conversion pursuant to **Section 204(e)**.

Section 309. The Remarketing Agent.

(a) At any time of a proposed conversion of Bonds pursuant to **Section 204** to Daily Rate Bonds, Weekly Rate Bonds or Short-Term Rate Bonds, the Company shall appoint a Remarketing Agent for the Bonds with the prior written consent of the Liquidity Provider (which consent shall not be unreasonably withheld). At least 45 days prior to any Purchase Date (as defined in **Section 306(f)**) or any Indexed Put Date for the Bonds, the Company shall appoint a Remarketing Agent for the Indexed Put Bonds. Successor Remarketing Agents may be appointed from time to time by the Company with the prior written consent of the Liquidity Provider (which consent shall not be unreasonably withheld). Any Remarketing Agent shall be a corporation or other legal entity organized and doing business under the laws of the United States of America or of any state thereof, authorized under such laws to perform all duties imposed upon the Remarketing Agent by this Bond Indenture, shall have a capitalization of at least \$25,000,000 and shall be either (a) a member of the Financial Industry Regulatory Authority and registered as a Municipal Securities Dealer under the Securities Exchange Act of 1934, as amended, or (b) a national banking association, commercial bank or trust company. So long as the Bonds are held in book-entry form at the Securities Depository, every Remarketing Agent must be a Participant in the Securities Depository with respect to the Bonds.

(b) Each Remarketing Agent appointed in accordance with this Bond Indenture shall designate its Principal Office and signify its acceptance of the duties and obligations imposed upon it as described herein by a written instrument of acceptance delivered to the Issuer, the Bond Trustee, the Company and the Liquidity Provider or by executing and delivering a Remarketing Agreement, in either case under which each Remarketing Agent (subject to **subsection (c)** below) will agree, particularly:

(i) to hold all moneys delivered to it hereunder for the purchase of Bonds for the exclusive benefit of the Person or Persons that shall have so delivered such moneys until the Bonds purchased with such moneys shall have been delivered to or for the account of such Person or Persons;

(ii) to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Issuer, the Bond Trustee, the Tender Agent and the Company at all reasonable times;

(iii) to determine (A) the Daily Rates, Weekly Rates and Short-Term Rates, and (B) if engaged as Remarketing Agent in connection with a conversion to Fixed Rate Bonds, the Fixed Rate(s), and give notice of such rates in accordance with **Article II**;

(iv) to remarket Daily Rate Bonds, Weekly Rate Bonds and Short-Term Rate Bonds at rates no higher than the rate of interest available under the Liquidity Facility, if a Liquidity Facility secures the Bonds, and to remarket Short-Term Rate Bonds for Short-Term Interest Periods no longer than interest is available under the Liquidity Facility if a Liquidity Facility secures the Bonds all in accordance with **Section 310**;

(v) to offer for sale and use its best efforts to find purchasers for the Bonds tendered for purchase, any such sale to be made at a price equal to 100% of the principal amount thereof plus accrued interest to the purchase date, in accordance with the terms of this Bond Indenture;

(vi) to deliver to the Tender Agent all Bonds held by it in accordance with the terms of this Bond Indenture and the Remarketing Agreement; and

(vii) to perform such other duties and responsibilities (including with respect to Liquidity Facility Bonds) to be performed by each Remarketing Agent as are provided in this Bond Indenture.

Notwithstanding the foregoing, a Remarketing Agent may be engaged for only certain types of Interest Modes, and in that event the Remarketing Agent shall not be required to perform the duties of the Remarketing Agent for any other type of Interest Mode.

(c) Only one firm may be appointed as Remarketing Agent for the Bonds.

(d) Any Remarketing Agent may at any time resign and be discharged of the duties and obligations described in this Bond Indenture by giving at least 60 days notice to the Issuer, the Bond Trustee, the Tender Agent, the Liquidity Provider, the Company, and all rating agencies then providing ratings for the Bonds. Any Remarketing Agent may be removed at any time upon the written Request of the Company and upon written notice to such Remarketing Agent and the Issuer, the Tender Agent, the Bond Trustee and the Liquidity Provider. No such removal of the Remarketing Agent shall be or become effective unless and until a successor Remarketing Agent shall have been appointed and accepted such appointment in accordance with **subsection (a)**.

(e) In the event that any Remarketing Agent shall have resigned or be dissolved, or if the property or affairs of the Remarketing Agent shall be taken under control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, the office of the Remarketing Agent is (or is deemed by the Bond Trustee to be) vacant, and the Company shall not have appointed a successor as Remarketing Agent, the Tender Agent shall *ipso facto* be deemed to be such Remarketing Agent for all purposes of this Bond Indenture until the appointment by the Company with the prior written consent of the Liquidity Provider (which consent shall not be unreasonably withheld) of a successor Remarketing Agent; provided that the Tender Agent, in its capacity as Remarketing Agent, shall not be required to remarket any Bonds or determine the interest rate on the Bonds hereunder if the Tender Agent should be prohibited by law from conducting such activities. If and so long as no successor

Remarketing Agent is appointed by the Company after the office of any Remarketing Agent becomes vacant, the Tender Agent or Bond Trustee may petition a court to appoint a successor Remarketing Agent.

(f) The Remarketing Agent may in good faith hold the Bonds or any other form of indebtedness issued by the Issuer or any security issued by the Company; own, accept or negotiate any drafts, bills of exchange, acceptances or obligations thereof; and make disbursements therefor and enter into any commercial or business arrangement therewith; all without any liability on the part of the Remarketing Agent for any real or apparent conflict of interest by reason of any such actions.

Section 310. Sale of Bonds by Remarketing Agent.

(a) Upon the receipt by a Remarketing Agent of (i) notice of tender of Daily Rate Bonds or Weekly Rate Bonds pursuant to **Section 306**, or (ii) notice of mandatory tender of Bonds (except Indexed Put Bonds) pursuant to **Section 308**, the Remarketing Agent shall offer for sale and use its best efforts to solicit purchases of Bonds subject to purchase on the applicable Purchase Date at a price equal to the Purchase Price; provided that the Remarketing Agent shall not offer for sale or use its best efforts to solicit purchases of Bonds subject to mandatory tender on the Expiration Date (unless the Company has exercised its rights under **Section 5.12** of the Loan Agreement with respect to the Expiration Date) or the Termination Date; and provided further that, prior to the Expiration Date, the Remarketing Agent shall not offer for sale or sell any Bonds to the Issuer or the Company.

(b) The Remarketing Agent shall direct that the proceeds of all purchases of Bonds solicited and arranged by such Remarketing Agent be paid to the Tender Agent (for deposit in the appropriate subaccount of the Remarketing Account of the Purchase Fund), at or prior to 11:00 a.m., New York City time, on the applicable Purchase Date, in immediately available funds (and, promptly upon receipt thereof, the Tender Agent shall deposit such proceeds in the appropriate subaccount of the Remarketing Account of the Purchase Fund).

(c) At or prior to 4:30 p.m., New York City time, on the Business Day next preceding each Purchase Date (other than a Purchase Date arising under **Section 306** with respect to a Bond bearing interest at a Daily Rate or Short-Term Rate), the Remarketing Agent shall give notice by telephone (promptly confirmed by telecopy, telex, telegram or other telecommunication device) to the Bond Trustee, the Tender Agent and the Company specifying: (i) the aggregate principal amount, Purchase Price and Bonds subject to purchase on such Purchase Date for which such Remarketing Agent has received indications of interest from prospective purchasers, and (ii) the aggregate principal amount, Purchase Price and Bonds subject to purchase on such Purchase Date for which such Remarketing Agent has not received indications of interest from prospective purchasers.

(d) The Remarketing Agent shall offer for sale and use its best efforts to arrange for the sale and remarketing of all Liquidity Provider Bonds at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest thereon (at the rate that would be borne by such Liquidity Provider Bonds if such Liquidity Provider Bonds were not Liquidity Provider Bonds). In connection with each remarketing of Liquidity Provider Bonds by any Remarketing Agent:

(i) The Remarketing Agent shall (i) provide to the Company, the Liquidity Provider, the Bond Trustee and the Tender Agent not less than one Business Day's prior notice of such remarketing, and (ii) pay, or cause to be paid to the Liquidity Provider, by electronic transfer of immediately available funds, the proceeds of such remarketing;

(ii) The Company shall (i) in consultation with the related Liquidity Provider, calculate the amounts payable to the Liquidity Provider pursuant to the Liquidity Facility or the

Liquidity Facility Agreement by reason, and on the date, of such remarketing (such amounts being referred to as the “Remarketing Payment Amount”), and (ii) pay to the Liquidity Provider, or direct the Bond Trustee to withdraw from the appropriate account of the Purchase Fund and pay to the Liquidity Provider, in either case, on the date of such remarketing and by electronic transfer of immediately available funds, an amount of money which, when added to the proceeds of such remarketing being delivered to the Liquidity Provider on the date of such remarketing, equals the Remarketing Payment Amount;

(iii) The Tender Agent shall confirm with the Liquidity Provider the receipt by the Liquidity Provider of the Remarketing Payment Amount, the reinstatement of the Liquidity Facility in respect of such Liquidity Provider Bonds and the authorization of the Liquidity Provider to release such Liquidity Provider Bonds; and

(iv) After, and only after, receipt by the Tender Agent of confirmation by the Liquidity Provider of the reinstatement of the Liquidity Facility to cover such Liquidity Provider Bonds following remarketing thereof and authorization by the Liquidity Provider of such transfer or such authentication and delivery, the Tender Agent shall (i) while a book-entry system is in effect with respect to such Bonds, cause the ownership interest in such Liquidity Provider Bonds to be transferred to or for the benefit of such purchaser or purchasers as are specified by the Remarketing Agent for such purpose, and (ii) while a book-entry system is not in effect with the Securities Depository with respect to such Bonds, cause the Bond Trustee to authenticate other Bonds in lieu of such Liquidity Provider Bonds and to deliver the same to or upon the instruction of the Remarketing Agent.

(e) The Remarketing Agent shall offer for sale and use its best efforts to arrange for the sale and remarketing of (i) all Bonds subject to purchase on a Purchase Date that are purchased with moneys provided by the Company to the Tender Agent for such purpose (as described in **Section 307(c)(ii)**), and (ii) all Bonds that are purchased by the Company pursuant to the Liquidity Facility and not surrendered by the Company for cancellation.

Section 311. Delivery of Bonds.

(a) Upon application of the moneys described in **Section 307(d)(i)** to the purchase of any Bonds on a Purchase Date pursuant to **Section 307(d)(i)** (and/or to the transfer thereof to the Undelivered Bond Payment Account on a Purchase Date pursuant to **Section 307(e)**), the Tender Agent shall cause the Bond Trustee to register the transfer of Bonds purchased therewith in the names of the purchasers thereof in accordance with information provided by the Remarketing Agent for such purpose and to have such transferred Bonds available for delivery against payment therefor.

(b) Upon application of the moneys described in **Section 307(d)(ii)** to the purchase of such Bonds on a Purchase Date pursuant to **Section 307(d)(ii)** (and/or to the transfer thereof to the Undelivered Bond Payment Account on a Purchase Date pursuant to **Section 307(e)**), (i) the Bonds purchased (or, in the case of such transfer, provided to be purchased) with such moneys shall constitute Liquidity Provider Bonds (unless and until such Bonds cease to be Liquidity Provider Bonds as described in the definition thereof), and (ii) if a book-entry system is in effect with the Securities Depository with respect to the Bonds, the ownership interest in such Liquidity Provider Bonds shall be transferred on the books of the Securities Depository to or for the account of the Tender Agent or a Participant acting on behalf of the Tender Agent and the Tender Agent shall, and shall cause such Participant to, mark its own books and records to reflect the beneficial ownership of such Liquidity Provider Bonds by the Liquidity Provider, and (iii) if a book-entry system is not in effect with the Securities Depository with respect to the Bonds, such Bonds shall be delivered by the Tender Agent to the Bond Trustee for registration of transfer and

shall be registered by the Bond Trustee in the name of the Liquidity Provider, or any nominee of the Liquidity Provider, and delivered by the Bond Trustee to the Tender Agent and held by the Tender Agent as the bailee and custodian of the Liquidity Provider. The Tender Agent shall release and redeliver or transfer Liquidity Provider Bonds (being remarketed by the Remarketing Agent) as provided in **Section 310(d)**. Any other disposition of Liquidity Provider Bonds shall be made only at the written direction or with the prior written consent of the Liquidity Provider.

(c) Upon the application of moneys described in **Section 307(d)(iii)** to the purchase of Bonds on a Purchase Date pursuant to **Section 307(d)(iii)** (and/or to the transfer thereof to the Undelivered Bond Payment Account on a Purchase Date pursuant to **Section 307(e)**), the Bonds purchased (or, in the case of such transfer, provided to be purchased) with such moneys shall be registered in the name of the Company and shall, at the direction of the Company, be delivered to the Bond Trustee for cancellation (and canceled by the Bond Trustee) or delivered to the Tender Agent for the account of the Company and remarketed in accordance with **Section 310(c)**.

(d) Any Bonds canceled by the Bond Trustee pursuant to this Section and any Bonds surrendered by the Company to the Bond Trustee for cancellation shall be allocated to the next succeeding scheduled mandatory redemption obligation pursuant to **Section 302(c)**, then as a credit against such future scheduled mandatory redemption obligation pursuant to **Section 302(c)** as the Company may specify in an Officer's Certificate. Prior to the Expiration Date, the Bond Trustee shall notify the Liquidity Provider of the aggregate principal amount of Bonds so canceled and shall submit to the Liquidity Provider such documents, if any, as are required in accordance with the terms of the Liquidity Facility to cause the amounts available under the Liquidity Facility to be reduced in respect of such Bonds so canceled.

Section 312. The Liquidity Facility.

(a) The Tender Agent shall make Liquidity Facility Requests with respect to Bonds secured by a Liquidity Facility in accordance with **Section 307(c)**.

(b) Except as provided in **Section 5.12** of a Loan Agreement, the Tender Agent shall not terminate or reduce the amounts available under the Liquidity Facility except by reason of the redemption, cancellation and/or defeasance of the Bonds.

(c) The Company shall maintain a Liquidity Facility in effect for the Bonds in accordance with **Section 5.12** of the Loan Agreement at all times it is required to do so by that Section.

(d) The Company may furnish a Substitute Liquidity Facility for the Bonds in substitution for the then existing Liquidity Facility upon satisfaction of the conditions set forth in **Section 5.12** of the Loan Agreement. The Bond Trustee shall give notice to the Owners of the Bonds (at their addresses as they appear on the Bond Register as of the date of such notice), by first-class mail, of the proposed substitution of a Substitute Liquidity Facility for the Liquidity Facility then in effect and the related Substitution Date (stating the issuer or issuers and the term of such Substitute Liquidity Facility) at least 15 days prior to such Substitution Date. Such notice shall also constitute the notice of mandatory tender of the Bonds on the related Substitution Date; provided, however, that in addition to the information required by **Section 308(d)**, such notice shall state that such mandatory tender of the Bonds will not occur if, on or prior to the proposed Substitution Date, the Tender Agent does not receive such Substitute Liquidity Facility, together with the supporting documents. If, by reason of the conditions to such mandatory tender of such Bonds (as stated in such notice), there is no mandatory tender of such Bonds on the proposed Substitution Date, (i) the Tender Agent shall so notify the Bond Trustee, (ii) the Bond Trustee shall so notify the Owners of such Bonds (at their addresses as they appear on the Bond Register

as of the date of such notice) by first-class mail, and (iii) the Tender Agent shall return to their Owners any such Bonds tendered to the Tender Agent in connection with such mandatory tender of such Bonds. Regardless of whether there is a mandatory tender for purchase of such Bonds on a Substitution Date, the Bond Trustee shall give notice of the occurrence of such Substitution Date to the Owners of such Bonds (at their addresses as they appear on the Bond Register as of the date of such notice), by first-class mail, within five days after the occurrence of such Substitution Date.

(e) The Bond Trustee shall give notice of a proposed substitution of a Liquidity Facility to each Rating Agency then maintaining a rating on the Bonds at least 15 days prior to the proposed Substitution Date.

(f) No Liquidity Facility is required if the requirements of **Section 5.12** of the Loan Agreement are met for the expiration of any Liquidity Facility without substitution of a Substitute Liquidity Facility.

Section 313. Tender of Indexed Put Bonds. If Indexed Put Bonds are tendered pursuant to **Section 306(a)(iii)** or **(iv)**, the Company shall have the obligation to deposit sufficient funds in the Purchase Fund to pay the Purchase Price of such tendered Bonds on the Purchase Date. Alternatively, the Company may convert the Interest Mode on the Bonds pursuant to **Section 204** and appoint a Remarketing Agent, and the Remarketing Agent shall deposit the proceeds of the remarketing of the Bonds to pay the Purchase Price on the Purchase Date.

ARTICLE IV

CREATION OF FUNDS AND ACCOUNTS; APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

Section 401. Creation of Funds and Accounts. There are hereby created and ordered to be established in the custody of the Bond Trustee the following special trust funds and accounts in the name of the Issuer to be designated as follows:

(a) “Town of Normal, Illinois, Costs of Issuance Fund – Midwest Fiber Project” (the “Costs of Issuance Fund”).

(b) “Town of Normal, Illinois, Project Fund – Midwest Fiber Project” (the “Project Fund”); and within the Project Fund, the Series 2010A Account, the Series 2010B Account and the Grant Account.

(c) “Town of Normal, Illinois, Debt Service Fund – Midwest Fiber Project” (the “Debt Service Fund”).

(d) “Town of Normal, Illinois, Rebate Fund – Midwest Fiber Project” (the “Rebate Fund”).

The Trustee shall establish separate subaccounts for each series of Bonds as it deems appropriate.

Section 402. Deposit of Bond Proceeds and Other Moneys. The Issuer, for and on behalf of the Company, shall deposit with the Bond Trustee all of the net proceeds of the Bonds, and the Bond Trustee shall deposit and apply such proceeds, as follows:

(a) Deposit to the credit of the Costs of Issuance Fund the sum of \$_____ from the proceeds of the sale of the Series 2010A Bonds and \$_____ from the proceeds of the sale of the Series 2010B Bonds, which deposit shall be disbursed by the Bond Trustee for the purposes and in the manner set forth in **Section 403** of this Bond Indenture.

(b) Deposit to the credit of the Series 2010A Account of the Project Fund the sum of \$_____ from the proceeds of the sale of the Series 2010A Bonds, and to the credit of the Series 2010B Account of the Project Fund the sum of \$_____ from the proceeds of the sale of the Series 2010B Bonds, which deposits shall be disbursed by the Bond Trustee for the purposes and in the manner set forth in **Section 404** of this Bond Indenture.

(c) The Company shall deposit the proceeds of the Grant (\$_____) to the credit of the Grant Account of the Project Fund, which deposit shall be disbursed by the Bond Trustee for the purposes and in the manner set forth in **Section 404** of this Bond Indenture.

(d) The Company shall deposit the sum of \$_____ with the Bond Trustee, to be deposited in the Costs of Issuance Fund, which deposit shall be disbursed by the Bond Trustee for the purposes and in the manner set forth in **Section 403** of this Bond Indenture

Section 403. Costs of Issuance Fund. Moneys in the Costs of Issuance Fund shall be used solely for the purpose of paying the costs and expenses incident to the issuance of the Bonds.

The Bond Trustee shall pay out of the Costs of Issuance Fund upon receipt of written disbursement requests of the Company, in substantially the form of **Exhibit C** hereto, signed by the Company Representative, amounts equal to the amount of Costs of Issuance certified in such written requests to be paid or reimbursed; provided, however, that Costs of Issuance paid from Bond proceeds deposited in the Costs of Issuance Fund from the proceeds of the sale of the Series 2010A Bonds shall not exceed 2% of the principal amount of the Series 2010A Bonds.

At such time as the Bond Trustee is furnished with an Officer's Certificate stating that all Costs of Issuance have been paid, and in any case not later than three months from the Closing Date, the Bond Trustee shall transfer any moneys remaining in the Costs of Issuance Fund to the Debt Service Fund.

Section 404. Uses of Moneys in the Project Fund. Moneys in the various accounts of the Project Fund shall be used solely for the purpose of paying Project Costs, in accordance with the plans and specifications therefor, including any alterations in or amendments to said plans and specifications deemed advisable by the Company and approved in accordance with the Loan Agreement.

The Bond Trustee shall disburse moneys on deposit in the Project Fund from time to time to pay or as reimbursement for payment made for Project Costs, in each case within 3 Business Days after receipt by the Bond Trustee of written disbursement requests of the Company in substantially the form of **Exhibit D** or **Exhibit E** hereto, as applicable, and signed by the Company Representative and the Purchaser's Agent. The Purchaser's Agent shall sign the disbursement request when the conditions to a disbursement as described in the Commitment are satisfied.

In making payments pursuant to this Section, the Bond Trustee may rely upon such written requests and accompanying certificates and statements and shall not be required to make any independent investigation in connection therewith. If for any reason the Company should decide prior to the mailing or release of payment by the Bond Trustee of any item not to pay such item, it shall give written notice of such decision to the Bond Trustee and thereupon the Bond Trustee shall not make such payment. If the Company so requests, a copy of each written disbursement request submitted to the Bond Trustee for

payment under this Section shall be promptly provided by the Bond Trustee to the Issuer. The Bond Trustee shall keep and maintain adequate records pertaining to the Project Fund and all disbursements therefrom, and shall file monthly statements of activity regarding the Project Fund with the Company.

The Company shall submit to the Bond Trustee, upon completion of the Project, within 90 days thereafter, a written certificate of the Company Representative:

(a) stating that the Project has been completed substantially in accordance with the plans and specifications for the Project, as then amended, and the date of completion of the Project;

(b) stating that he has made such investigation of such sources of information as are deemed by him to be necessary, including pertinent records of the Company, and is of the opinion that the Project Costs have been fully paid for and no claim or claims exist against the Issuer or the Company or against the Project out of which a lien based on furnishing labor or material exists or might ripen; provided, however, there may be excepted from the foregoing statement any claim or claims out of which a lien exists or might ripen in the event that the Company intends to contest such claim or claims in accordance with the Loan Agreement, in which event such claim or claims shall be described; and

(c) stating if any material item was added to, deleted from or substituted for the Project as described herein and in the Loan Agreement and providing any documentation, certificates or opinions required by **Section 3.4** of the Loan Agreement.

If after payment by the Bond Trustee of all disbursement requests theretofore tendered to the Bond Trustee under the provisions of this Section and after receipt by the Bond Trustee of the certificate of the Company Representative required by this Section, there shall remain any moneys in the Project Fund, such moneys shall be deposited and applied in the following order of priority: (1) in the Eligible Moneys Account of the Debt Service Fund to pay the next successive principal payment on the Bonds to become due, and (2) in the Debt Service Fund and used to redeem Bonds at the earliest permissible date under **Section 302** of this Bond Indenture, or, in the discretion of the Company, shall be applied for any other purpose that, based on an Opinion of Bond Counsel addressed and delivered to the Issuer and the Bond Trustee, will not adversely affect the exclusion of the interest on the Series 2010A Bonds from gross income for federal income tax purposes.

If an event of default specified in **Section 701** of this Bond Indenture shall have occurred and the Bonds shall have been declared due and payable pursuant to **Section 702** of this Bond Indenture, any balance remaining in the Project Fund, other than amounts required to be transferred to the Rebate Fund pursuant to **Section 407** hereof, shall without further authorization be deposited in the Debt Service Fund by the Bond Trustee with advice to the Company and to the Issuer of such action.

Section 405. Debt Service Fund.

(a) The Bond Trustee shall make deposits and credits to the Debt Service Fund, as and when received, as set forth below:

(i) Proceeds required to be deposited therein by **Section 402**, if any.

(ii) All Loan Payments paid by the Company pursuant to **Section 4.1** of the Loan Agreement.

(iii) The net proceeds of condemnation awards, sale under threat of condemnation or insurance received by the Bond Trustee pursuant to **Section 5.6** or **Section 5.16** of the Loan Agreement.

(iv) Interest earnings and other income on Permitted Investments required to be deposited in the Debt Service Fund pursuant to **Section 502**.

(v) All money received by the Bond Trustee from the Guarantors pursuant to the Guaranty Agreements.

(vi) All other moneys received by the Bond Trustee under the Loan Agreement or any other Bond Document, when accompanied by directions from the person depositing such moneys certifying that such moneys are allocable to the Bonds and directing that such moneys are to be paid into an account within Debt Service Fund.

(b) Except as otherwise provided in **Article VII** or elsewhere herein, moneys in each account of the Debt Service Fund shall be expended solely as follows: (i) to pay interest on the Bonds as the same becomes due; (ii) to pay principal of the Bonds as the same mature or become due and upon mandatory sinking fund redemption thereof; and (iii) to pay principal of and redemption premium, if any, on the Bonds as the same become due upon redemption (other than mandatory sinking fund redemption) prior to maturity.

(c) The Issuer hereby authorizes and directs the Bond Trustee to withdraw sufficient funds from the Debt Service Fund to pay principal of and redemption premium, if any, and interest on the Bonds for which such account was established as the same become due and payable at maturity or upon redemption and to make said funds so withdrawn available to the Bond Trustee and any Paying Agent for the purpose of paying said principal, redemption premium, if any, and interest. The Bond Trustee may not withdraw funds from one account of the Debt Service Fund to satisfy a deficiency in any other account of the Debt Service Fund.

(d) Whenever there is on deposit in an account of the Debt Service Fund moneys sufficient to redeem all or a portion of the Bonds then Outstanding and to pay interest to accrue thereon prior to such redemption and redemption premium, if any, the Bond Trustee shall, upon Written Request of the Company Representative, take and cause to be taken the necessary steps to redeem all such Bonds on the next succeeding redemption date for which the required redemption notice may be given or on such later redemption date as may be specified by the Company. Any moneys in an account of the Debt Service Fund may be used to redeem a part of the Bonds Outstanding, in accordance with **Article III**, so long as the Company is not in default with respect to any payments under the Loan Agreement and to the extent said moneys are in excess of the amounts required to be on deposit therein pursuant to **Sections 4.1(1)** and **(2)** of the Loan Agreement and the amount required for payment of the Bonds theretofore matured or called for redemption and past due interest in all cases when such Bonds have not been presented for payment.

(e) After payment in full of the principal of, redemption premium, if any, and interest on the Bonds (or after provision has been made for the payment thereof as provided in this Bond Indenture), all rebatable arbitrage to the United States and the fees, charges and expenses of the Bond Trustee, any Paying Agent and the Issuer, and any other amounts required to be paid under this Bond Indenture and the Loan Agreement, all amounts remaining in the applicable account of the Debt Service Fund shall be paid to the Company upon the expiration or sooner termination of the Loan Agreement.

Section 406. Guaranty Agreements; Effect of Payments. So long as the Guaranty Agreements are in full force and effect, if the Bond Trustee does not have funds available in the Debt Service Fund to make any payment of principal of and redemption premium, if any, and interest on the

Bonds when such payment is due, the Bond Trustee shall give the Guarantors immediate notice thereof and shall demand payment from the Guarantors for the amount of any deficiency in the Debt Service Fund. The Bond Trustee shall first make demand under the Guaranty Agreements and shall not be obligated to pursue any other remedy under this Bond Indenture, the Loan Agreement or any other Bond Document.

Any payment with respect to the principal of and redemption premium, if any, and interest on the Bonds made with moneys received pursuant to the Guaranty Agreements shall be considered a payment on the Bonds.

Section 407. Rebate Fund. There shall be deposited in the Rebate Fund such amount as is required to be deposited therein pursuant to the Tax Agreement. All amounts on deposit at any time in the Rebate Fund shall be held by the Bond Trustee in trust to the extent required to pay rebatable arbitrage to the United States of America, and neither the Company, the Issuer nor the Owner of any Bonds shall have any rights in or claim to such money. All amounts held in the Rebate Fund shall be governed by this Section and by the Tax Agreement.

Pursuant to the Tax Agreement, the Bond Trustee shall remit all required rebate installments and a final rebate payment to the United States. Neither the Bond Trustee nor the Issuer shall have any obligation to pay any amounts required to be rebated pursuant to this Section and the Tax Agreement, other than from moneys held in the Rebate Fund as provided in this Bond Indenture or from other moneys provided to it by the Company. Any moneys remaining in any account in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any rebatable arbitrage shall be withdrawn and paid to the Company.

The obligation to pay arbitrage rebate to the United States and to comply with all other requirements of this Section and the Tax Agreement shall survive the defeasance or payment in full of the Bonds until all rebatable arbitrage shall have been paid.

Section 408. Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of principal of, redemption premium, if any, or interest on the Bonds or the date fixed for redemption of any Bonds is not a Business Day, then payment of principal, redemption premium, if any, or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 409. Nonpresentment of Bonds. In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption or purchase pursuant to mandatory tender thereof or purchase in lieu of redemption, if funds sufficient to pay such Bond shall have been made available to the Bond Trustee or Tender Agent, as appropriate, all liability of the Issuer to the Owner thereof for the payment of such Bond, shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Bond Trustee or the Tender Agent, as appropriate, to hold such funds in trust in a separate trust account, without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Bond Indenture or on or with respect to said Bond. If any Bond shall not be presented for payment within one year following the date when such Bond becomes due, whether by maturity or otherwise, or is subject to purchase pursuant to mandatory tender, the Bond Trustee or Tender Agent, as appropriate, shall repay to the Company the funds theretofore held by it for payment of such Bond without liability for interest thereon, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Company, and the Owner thereof shall be entitled to look only to the Company for payment, and then only to the extent of

the amount so repaid, and the Company shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 410. Reports From Bond Trustee. The Bond Trustee shall furnish monthly to the Company, on or before the tenth day of the month following the month in which the Bonds are delivered, and on or before the tenth day of each month thereafter, a report on the status of each of the funds and accounts established under this Article, showing at least the balance in each such fund or account as of the first day of the preceding month, the total of deposits to and the total of disbursements from each such fund or account, the dates of such deposits and disbursements, and the balance in each such fund or account on the last day of the preceding month. The Bond Trustee shall also furnish this report to the Issuer at least once a year.

Section 411. Certain Verifications. The Bond Trustee from time to time, pursuant to the Tax Agreement, may cause a firm of attorneys, consultants or independent accountants or an investment banking firm acceptable to the Company to supply the Issuer or the Bond Trustee with such information as the Issuer or the Bond Trustee may request in order to determine in a manner reasonably satisfactory to the Issuer or the Bond Trustee all matters relating to (a) the actuarial yields on the Bonds as the same may relate to any data or conclusions necessary to verify that the Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code, and (b) compliance with rebate requirements of Section 148(f) of the Internal Revenue Code. Payment for costs and expenses incurred in connection with supplying the foregoing information shall be Additional Payments under each Loan Agreement and shall be paid by the Company. The Issuer and the Company authorize the Bond Trustee to provide such information as may be required by such firm(s) to make such determinations.

ARTICLE V

DEPOSITARIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 501. Moneys to be Held in Trust. All moneys deposited with or paid to the Bond Trustee for the funds and accounts held under this Bond Indenture, and all moneys deposited with or paid to any Paying Agent under any provision of this Bond Indenture shall be held by the Bond Trustee or Paying Agent in trust for the benefit of the Owners of Bonds for which such fund or account was established and shall be applied only in accordance with this Bond Indenture and the Loan Agreement, and, until used or applied as herein provided, shall (except for moneys in the Rebate Fund and the Purchase Fund) constitute part of the Trust Estate and be subject to the lien, terms and provisions hereof and shall not be commingled with any other funds of the Issuer or the Company except as provided under **Section 502** for investment purposes. Neither the Bond Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon in writing.

Section 502. Investment of Moneys. Moneys held in each of the funds and accounts hereunder shall, pursuant to written direction of the Company, be invested and reinvested by the Bond Trustee in accordance with the provisions hereof and the Tax Agreement in Permitted Investments which mature or are subject to redemption by the owner thereof prior to the date such funds are expected to be needed, provided that all moneys held by the Tender Agent in the Purchase Fund shall be invested only in Government Securities maturing in 30 days or less and not later than the date when such moneys are needed for such payment. Absent such written direction of the Company, the Bond Trustee shall invest moneys in each of the funds and accounts hereunder in the [[Goldman Sachs Financial Square Trust Treasury Obligation Fund Preferred]], or a successor fund or, if this fund is unavailable, another similarly rated money market fund. The Bond Trustee may make any investments permitted by this Section through its own bond department or

short-term investment department and may pool moneys for investment purposes, except moneys held in the yield restricted portion of any fund or account, which shall be invested separately. Any such Permitted Investments held by or under the control of the Bond Trustee shall be deemed at all times a part of the fund or account in which such moneys are originally held. The interest accruing on and any profit realized from such Permitted Investments (other than any amounts required to be deposited in the Rebate Fund pursuant to **Section 407** shall be credited to such fund or account), and any loss resulting from such Permitted Investments shall be charged to such fund or account. The Bond Trustee shall sell and reduce to cash a sufficient amount of such Permitted Investments whenever the cash balance in such fund or account is insufficient for the purposes of such fund or account.

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

Section 503. Record Keeping. The Bond Trustee shall maintain records designed to show compliance with this Article and **Article IV** for at least six years after the payment of all of the Outstanding Bonds.

ARTICLE VI

PARTICULAR COVENANTS AND PROVISIONS

Section 601. Limited Obligations. The Bonds and the interest thereon shall be special limited obligations of the Issuer payable (except to the extent paid out of Bond proceeds or the income from the temporary investment thereof and under certain circumstances from insurance proceeds and condemnation awards) solely out of the Loan Payments and other payments derived by the Issuer under the Loan Agreement (except for fees and expenses payable to the Issuer, the Issuer's right to indemnification as set forth in the Loan Agreement and any payments made by the Bond Trustee or the Company to meet the rebate requirements of Section 148(f) of the Internal Revenue Code) as provided herein, and are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Bond Trustee and in favor of the Owners of each Bonds, as provided in this Bond Indenture. The Bonds and interest thereon shall not be deemed to constitute a debt or liability of the State or of any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State or of any political subdivision thereof, but shall be payable solely from the funds provided for in the Loan Agreement and in this Bond Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. The taxing power of the Issuer is not pledged to the payment of the Bonds either as to principal or interest. The State shall not in any event be liable for the payment of the principal of, redemption premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Issuer. No breach by the Issuer of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State or any charge upon its general credit or against its taxing power.

Section 602. Payment of Principal, Redemption Premium, if any, and Interest. The Issuer covenants and agrees that it will deposit or cause to be deposited in the appropriate account of the Debt Service Fund all Loan Payments and any and all other payments and sums received under the Loan

Agreement and this Bond Indenture promptly to meet and pay the principal of, redemption premium, if any, and interest on the Bonds as the same become due and payable at the place, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof.

Section 603. Issuer to Issue Bonds and Execute Bond Indenture. The Issuer covenants that it is duly authorized under the Constitution and laws of the State to execute this Bond Indenture, to issue the Bonds and to pledge and assign the Trust Estate in the manner and to the extent herein set forth; that all action on its part for the execution and delivery of this Bond Indenture and the issuance of the Bonds has been duly and effectively taken; and that the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the Issuer according to the import thereof.

Section 604. Performance of Covenants. The Issuer covenants that it will (to the extent within its control) faithfully perform or cause to be performed at all times any and all covenants, undertakings, stipulations and provisions contained in this Bond Indenture, in the Bonds and in all proceedings pertaining thereto.

Section 605. Instruments of Further Assurance. The Issuer covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures and such further acts, instruments, financing statements and other documents as the Bond Trustee may reasonably require for the better assuring, transferring, pledging and assigning to the Bond Trustee, and granting a security interest unto the Bond Trustee in and to each Trust Estate and the other property and revenues herein described until the payment of the principal of, redemption premium, if any, and interest on the Bonds, all at the expense of the Company. The Loan Agreement, all Supplemental Loan Agreements and all other documents, instruments or policies of insurance required by the Bond Trustee shall be delivered to and held by the Bond Trustee.

Section 606. Inspection of Books. The Issuer covenants and agrees that all books and documents in its possession relating to this Bond Indenture, the Loan Agreement, and any other Bond Documents and the transactions relating thereto shall at all times be open to inspection by such accountants or other agencies as the Bond Trustee may from time to time designate.

Section 607. Enforcement of Rights. The Issuer agrees that the Bond Trustee, as assignee, transferee, pledgee, and owner of a security interest hereunder in its name or in the name of the Issuer may enforce all rights of the Issuer and/or the Bond Trustee and all obligations of the Company under and pursuant to the Loan Agreement for and on behalf of the Bondowners, whether or not the Issuer is in default hereunder.

Section 608. Tax Covenants. The Issuer (to the extent within its power or direction) shall not use or permit the use of any proceeds of the Bonds or any other funds of the Issuer, directly or indirectly, in any manner, and shall not take or permit to be taken any other action or actions, which would adversely affect the exclusion of the interest on the Series 2010A Bonds from gross income for federal income tax purposes.

The Issuer (to the extent within its power or direction) agrees that so long as any of the Series 2010A Bonds remain Outstanding, it will not knowingly fail to comply with the provisions of the Tax Agreement applicable to the Issuer. The Bond Trustee agrees to comply with the Tax Agreement.

The foregoing covenants of this Section shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to **Article XI** or any other provision of this Bond Indenture, until the final maturity date of all Bonds Outstanding and payment thereof.

Section 609. Bond Trustee to Provide Information to Issuer. Upon the receipt of written request of the Issuer, the Bond Trustee shall promptly deliver to the Issuer upon receipt by the Bond Trustee, copies of the financial statements and certificates required to be delivered to the Bond Trustee under the Loan Agreement. Each opinion of Bond Counsel or Opinion of Counsel required to be addressed to the Bond Trustee under any provision of this Bond Indenture or the Loan Agreement shall also be addressed to the Issuer and the Company.

Section 610. Opinion of Bond Counsel. At any time that the Original Purchaser reasonably believes in good faith after consultation with Bond Counsel that there is a substantial likelihood that the interest on the Series 2010A Bonds is no longer exempt from gross income for purposes of federal income taxation under Section 103 of the Code, the Original Purchaser shall have the right to request that Bond Counsel issue an opinion that the interest on the Series 2010A Bonds continues to be exempt from gross income for purposes of federal income taxation under Section 103 of the Code. Pursuant to **Section 5.14** of the Loan Agreement, the Company agrees to pay all costs associated with the rendering of, or failure to render, such opinion.

ARTICLE VII

DEFAULT AND REMEDIES

Section 701. Events of Default. If any one or more of the following events occur, it is hereby defined as and declared to be and to constitute an “Event of Default” under this Bond Indenture:

- (a) default in the due and punctual payment of any interest on any of the Bonds when the same becomes due and payable; or
- (b) default in the due and punctual payment of the principal of or redemption premium, if any, on such Bonds when the same becomes due and payable, whether at the stated maturity or accelerated maturity thereof, or upon proceedings for redemption thereof; or
- (c) failure to pay the Purchase Price of Indexed Put Bonds on any optional tender date; or
- (d) default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer with respect to such Bonds and failure to remedy the same after notice thereof pursuant to **Section 710** and the passage of the time permitted for such cure in accordance with **Section 710**; or
- (e) any Event of Default as specified in **Section 9.1** of the Loan Agreement with respect to such Bonds has occurred and is continuing and has not been waived (except that an Event of Default under **Section 9.1(a)** or **9.1(b)** shall not be an Event of Default hereunder so long as the Guarantors are not in default under the Guaranty Agreements); or
- (f) any event of default has occurred and is continuing under any of the Collateral Documents; or
- (g) the Issuer shall for any reason be rendered incapable of fulfilling its obligations hereunder; or
- (h) the Liquidity Provider has failed to honor the terms of the Liquidity Facility.

With regard to any alleged default concerning which notice is given to the Company under this Section, the Issuer hereby grants the Company full authority for account of the Issuer to perform any covenant or obligation, the nonperformance of which is alleged in said notice to constitute a default, in the name and stead of the Issuer, with full power to do any and all things and acts to the same extent that the Issuer could do and perform any such things and acts in order to remedy such default. Upon the occurrence of an Event of Default for which the Bond Trustee has received notice pursuant to **Section 803** or for which that Section requires the Bond Trustee is required to take notice, the Bond Trustee shall within 30 days give written notice thereof by first class mail to all Bondowners.

Section 702. Acceleration of Maturity in Event of Default. If an Event of Default occurs and is continuing, the Bond Trustee may, and if requested by the owners of not less than **25%** in principal amount of the Bonds Outstanding shall, by notice in writing delivered to the Issuer and the Company, declare the principal of the Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable; provided that if at any time after the principal of such Bonds shall have so become due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such acceleration or before the completion of the enforcement of any other remedy under this Bond Indenture, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by such Bonds on overdue installments of interest in respect to which such default shall have occurred, and all arrears of payments of principal when due, as the case may be, and all fees and expenses of the Bond Trustee in connection with such Event of Default shall have been paid or provided for, then the acceleration of such Bonds then Outstanding and the consequences of such acceleration shall be annulled or rescinded, but no such annulment or rescission shall extend to or affect any subsequent acceleration of such Bonds then Outstanding, or impair any right consequent thereon.

Notwithstanding the preceding paragraph, upon the happening of an Event of Default specified in **Section 701(f)**, the Bond Trustee shall not declare the entire principal amount of any Bonds Outstanding immediately due and payable unless, as a result of such Event of Default, principal of, interest or premium, if any, on the Series 2010A Bonds is not paid when due and payable, any other amounts due and payable under this Bond Indenture with respect to such Bonds are not paid when due and payable, the interest on such Bonds will be made subject to any additional federal income taxation to which such interest would not otherwise be subject, or such Bonds will no longer be valid.

Section 703. Appointment of Receivers in Event of Default. If an Event of Default shall have occurred and be continuing, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bond Trustee and of the Bondowners under this Bond Indenture, the Bond Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the Loan Payments, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 704. Exercise of Remedies by the Bond Trustee.

(a) Upon the occurrence of an Event of Default with respect to the Bonds, the Bond Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding (including any rights of a secured party under the Illinois Uniform Commercial Code) to enforce the payment of the principal of, redemption premium, if any, and interest on the Bonds then Outstanding, to realize on or to foreclose any of its interests or liens hereunder or under any other of the Bond Documents, to enforce and compel the performance of the duties and obligations of the Issuer as herein set forth and to enforce or preserve any other rights or interests of the Bond Trustee hereunder with respect to any of the Trust Estate or otherwise existing at law or in equity.

(b) If an Event of Default with respect to the Bonds shall have occurred and be continuing, and if requested so to do by the Owners of not less than **25%** in aggregate principal amount of such Bonds then Outstanding and if indemnified as provided in **Section 801(I)**, the Bond Trustee shall be obligated to exercise one or more of the rights and powers conferred by this Article as the Bond Trustee, being advised by counsel, shall deem most expedient in the interests of the Bondowners of such Bonds.

(c) All rights of action under this Bond Indenture or under any of the Bonds may be enforced by the Bond Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto, and any such suit or proceeding instituted by the Bond Trustee shall be brought in its name as Bond Trustee without the necessity of joining as plaintiffs or defendants any Owners of the Bonds, and any recovery of judgment shall, subject to **Section 707**, be for the equal benefit of all the Owners of the Outstanding Bonds.

Section 705. Limitation on Exercise of Remedies by Bondowners. No Owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Bond Indenture or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless (a) a default has occurred of which the Bond Trustee has been notified as provided in **Section 801(h)** or of which by said section the Bond Trustee is deemed to have notice, (b) such default shall have become an Event of Default, (c) the Owners of not less than **25%** in aggregate principal amount of such Bonds then Outstanding shall have made written request to the Bond Trustee, shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and shall have offered to the Bond Trustee indemnity as provided in **Section 801(I)**, and (d) the Bond Trustee shall thereafter fail or refuse to exercise the powers herein granted or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are hereby declared in every case, at the option of the Bond Trustee, to be conditions precedent to the execution of the powers and trusts of this Bond Indenture, and to any action or cause of action for the enforcement of this Bond Indenture, or for the appointment of a receiver or for any other remedy hereunder, it being understood and intended that no one or more Owners of the Bonds shall have the right in any manner whatsoever to affect, disturb or prejudice this Bond Indenture by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided, and for the equal benefit of the Owners of all Bonds then Outstanding. Nothing in this Bond Indenture contained shall, however, affect or impair the right of any Bondowner to payment of the principal of and interest on any Bond at and after the maturity thereof or the obligation of the Issuer to pay the principal of, redemption premium, if any, and interest on each of the Bonds to their respective Owners at the time, place, from the source and in the manner expressed herein and in the Bonds or affect or interfere with the right of any owner to institute suit for the enforcement of any such payment.

Section 706. Right of Bondowners to Direct Proceedings. Except as provided in **Section 705**, the Owners of a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Bond Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Bond Indenture, or for the appointment of a receiver, custodian or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Bond Indenture and provided, further, that the Bond Trustee shall have the right to decline to follow any such direction if the Bond Trustee in good faith shall determine that the proceedings so directed would involve it in personal liability for which it has not been indemnified.

Section 707. Application of Moneys in Event of Default. After acceleration of the Bonds pursuant to **Section 702** of this Bond Indenture, any moneys held or received by the Bond Trustee that

constitute a portion of the Trust Estate (after the deductions for payment of costs and expenses of proceedings resulting in the collection of such moneys and the creation of a reasonable reserve for anticipated fees, costs and expenses) together with any other sums then held by the Bond Trustee as part of the Trust Estate (other than the Rebate Fund or the Purchase Fund), shall be applied in the following order, at the date or dates fixed by the Bond Trustee and, in case of the distribution of such money on account of principal, premium, if any, or interest, upon presentation of such Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

(a) First: To the payment of all amounts due the Bond Trustee under **Section 802**;

(b) Second: To the payment of the whole amount then due and unpaid upon the Outstanding Bonds for principal, premium, if any, and interest, in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected by the Bond Trustee or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Bonds) on overdue principal and premium, if any, and on overdue installments of interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such Bonds, then to the payment of such principal and interest, without any preference or priority, ratably according to the aggregate amount so due; and

(c) Third: To the payment of the remainder, if any, to the Company or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Whenever moneys are to be applied pursuant to this Section, such moneys shall be applied at such times and from time to time as the Bond Trustee shall determine, having due regard to the amount of such moneys available and which may become available for such application in the future. Whenever the Bond Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date for the Bonds unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Bond Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the Owner of any unpaid Bond until such Bond shall be presented to the Bond Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all of the Bonds and interest thereon have been paid under this Section, and all fees, expenses and charges of the Bond Trustee and the Issuer, including attorneys' fees and expenses, have been paid, and all amounts owing to the United States Government under Section 148 of the Internal Revenue Code have been paid, any balance remaining in the Debt Service Fund shall be paid to the Company as provided in **Section 405(e)**.

Section 708. Remedies Cumulative. No remedy by the terms of this Bond Indenture conferred upon or reserved to the Bond Trustee or to the Bondowners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bond Trustee or to the Bondowners hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient. In case the Bond Trustee shall have proceeded to enforce any right under this Bond Indenture by the appointment of a receiver, by entry, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every case the Issuer, the Company, the Bond Trustee and the Bondowners shall be

restored to their former positions and all rights hereunder, and all rights, remedies and powers of the Bond Trustee shall continue as if no such proceedings had been taken.

Section 709. Waivers of Events of Default. The Bond Trustee shall waive any Event of Default hereunder with respect to the Bonds and its consequences and rescind any declaration of maturity of principal with respect to the Bonds upon the written request or permission of the Owners of at least a majority in aggregate principal amount of such Bonds then Outstanding; provided that there shall not be waived without the consent of the Owners of all of such Bonds then Outstanding (a) an Event of Default in the payment of the principal of such Bonds at the date of maturity specified therein, or (b) any default in the payment when due of the interest on such Bonds unless, prior to such waiver or rescission of the Event of Default referred to in (a) or (b) of this Section, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by such Bonds on overdue installments of interest in respect to which such default shall have occurred, and all arrears of payments of principal when due, as the case may be, and all expenses of the Bond Trustee in connection with such default shall have been paid or provided for. In case of any such waiver or rescission, or in case any proceeding taken by the Bond Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every case the Issuer, the Company, the Bond Trustee and the Bondowners shall be restored to their former positions, rights and obligations hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Section 710. Notice of Certain Defaults; Opportunity of Issuer and the Company to Cure Such Defaults. Anything herein to the contrary notwithstanding, no default specified in **Section 701(d)** shall constitute an Event of Default until actual notice of such default by registered or certified mail shall be given to the Issuer and the Company by the Bond Trustee, the registered Owners of not less than 25% in aggregate principal amount of all Outstanding Bonds, and the Issuer and the Company shall have had 30 days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided, however, if said default be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Issuer or the Company within the applicable period and diligently pursued until the default is corrected.

Section 711. Cancellation of Bonds Owned by Company. Upon the occurrence of any Event of Default, any Bonds that are owned by the Company shall be deemed to be cancelled and shall be surrendered to the Bond Trustee, unless the Event of Default has been waived.

ARTICLE VIII

THE BOND TRUSTEE

Section 801. Acceptance of Trusts. The Bond Trustee hereby accepts the trusts imposed upon it by this Bond Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Bond Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Bond Indenture, and no implied covenants or obligations should be read into this Bond Indenture against the Bond Trustee. If any Event of Default under this Bond Indenture shall have occurred and be continuing, the Bond Trustee shall exercise such of the rights and powers vested in it by this Bond Indenture, and shall use the same

degree of care and skill in the exercise of such rights and powers, as an ordinary, prudent person would exercise or use under the circumstances.

(b) The Bond Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents or receivers, and shall be entitled to advice of counsel concerning its duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Bond Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Issuer or the Company or in-house counsel of the Bond Trustee) approved by Bond Trustee in the exercise of reasonable care. The Bond Trustee shall not be responsible for any loss or damage resulting from any action or inaction in good faith in reliance upon such opinion or advice.

(c) The Bond Trustee shall not be responsible for any recital herein or in the Bonds (except with respect to the certificate of the Bond Trustee endorsed on the Bonds), for the investment of moneys made in accordance with the provisions of this Bond Indenture, for insuring the Project, for collecting any insurance moneys, for the validity of the execution by the Issuer of this Bond Indenture or of any supplements hereto or instruments of further assurance, for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or title of the Project or any lien waivers with respect thereto, and the Bond Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Issuer or the Company under the Loan Agreement, except as hereinafter set forth; but the Bond Trustee may require of the Company full information and advice as to the performance of the covenants, conditions and agreements aforesaid and as to the condition of the Trust Estate.

(d) The Bond Trustee shall not be accountable for the use or application by the Issuer or the Company of any Bonds authenticated or delivered hereunder or for the use or application of any moneys paid over by the Bond Trustee in accordance with the provisions of this Bond Indenture, or for the use or application of any moneys received by any Paying Agent. The Bond Trustee may become the registered Owner of Bonds with the same rights that it would have if it were not the Bond Trustee.

(e) The Bond Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Bond Trustee pursuant to this Bond Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the registered Owner of any Bond shall be conclusive and binding upon all future registered Owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Bond Trustee shall be entitled to rely upon a certificate signed by the Issuer Representative or the Company Representative as sufficient evidence of the facts therein contained and prior to the occurrence of a default hereunder of which the Bond Trustee has been notified as provided in **Section 801(h)**, or of which by said Section it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed by it to be necessary or advisable, but shall in no case be bound to secure the same. The Bond Trustee may accept a certificate of such officers of the Issuer who executed the Bonds (or their successors in office) under the seal of the Issuer to the

effect that an ordinance or a resolution in the form therein set forth has been adopted by the Issuer as conclusive evidence that such ordinance or resolution has been duly adopted and is in full force and effect.

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

(h) The Bond Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the Issuer to cause to be made any of the payments to the Bond Trustee required to be made by **Article IV** or failure by the Issuer or the Company to file with the Bond Trustee any document required by this Bond Indenture or the Loan Agreement to be so filed subsequent to the issuance of the Bonds, unless the Bond Trustee shall be specifically notified in writing of such default by the Issuer or by the registered Owners of at least 25% in aggregate principal amount of Outstanding Bonds, and all notices or other instruments required by this Bond Indenture to be delivered to the Bond Trustee, must, in order to be effective, be delivered at the principal or other designated corporate trust office of the Bond Trustee, and in the absence of such notice so delivered the Bond Trustee may conclusively assume there is no default except as aforesaid.

(i) At any and all reasonable times the Bond Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right to inspect any and all of the property herein conveyed, including all books and records of the Issuer pertaining to the Bonds, and to make such copies and memoranda from and with regard thereto as may be desired.

(j) The Bond Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Bond Indenture with respect to the authentication of any Bonds, the withdrawal of any cash, the release of any property or any action whatsoever within the purview of this Bond Indenture, the Bond Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action, deemed desirable by the Bond Trustee for the purpose of establishing the right of the Issuer to the authentication of any Bonds, the withdrawal of any cash, the release of property or the taking of any other action by the Bond Trustee.

(l) Before taking the action at the request or direction of Bondowners as provided herein, the Bond Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all fees and expenses to which it may be put and to protect it against all liability (including without limitation any liability arising from any present or future federal, state or local law, rule, regulation, statute or ordinance relating to the protection of the environment or to hazardous substances), except liability which is adjudicated to have resulted from its gross negligence or willful default in connection with any such action.

(m) All moneys received by the Bond Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law or this Bond Indenture.

(n) The Bond Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, except for any information provided by the Bond Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(o) The Bond Trustee may act upon facsimile transmission of written instructions or directions pursuant to this Bond Indenture; provided, however, that (a) the Company, subsequent to such facsimile transmission of written instructions, shall provide the originally executed instructions or directions to the Bond Trustee in a timely manner, (b) such originally executed instructions or directions shall be signed by a person as may be designated and authorized to sign for the Company by an authorized representative of such party, and (c) the Company shall provide to the Bond Trustee an incumbency certificate listing such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing.

Section 802. Fees, Charges and Expenses of Bond Trustee. The Bond Trustee and any Paying Agents shall be entitled to payment and reimbursement for reasonable fees for services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Bond Trustee in connection with such services. Such fees shall be as set forth in a letter agreement regarding fees delivered by the Bond Trustee to the Company on or before the Closing Date. Upon an Event of Default, but only upon an Event of Default, the Bond Trustee shall have a first lien with right of payment prior to payment on account of principal of, premium, if any, and interest on any Bonds upon the Trust Estate for the foregoing fees, charges and expenses incurred by the Bond Trustee. When the Bond Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 803. Corporate Trustee Required; Eligibility. There shall at all times be a Bond Trustee hereunder which shall be a commercial bank or trust company organized and doing business under the laws of the United States of America or of any state thereof, authorized under such laws to exercise corporate trust powers, subject to supervision or examination by federal or state authority, having a corporate trust office located in the State of Illinois, and having a combined capital and surplus or consolidated net worth of at least **\$100,000,000**, or must provide a guaranty of the full and prompt performance by the Bond Trustee of its obligations under this Bond Indenture and any other agreements made in connection with the Bonds, on terms satisfactory to the Issuer, by a guarantor with such combined capital and surplus or consolidated net worth. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Bond Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect specified in this Article.

Section 804. Notice to Bondowners if Default Occurs. If a default occurs of which the Bond Trustee has been notified as provided in **Section 801(h)**, or of which by said subsection it is deemed to have notice, then the Bond Trustee shall promptly give written notice thereof by first class mail to the Company, the Issuer, the Liquidity Provider, the Remarketing Agent and the registered Owner of each Bond.

Section 805. Intervention by Bond Trustee. In any judicial proceeding which in the opinion of the Bond Trustee and its counsel has a substantial bearing on the interests of the Bondowners, the Bond Trustee may intervene on behalf of such Bondowners and shall do so if requested in writing by the Owners of at least 25% of the aggregate principal amount of Outstanding Bonds.

Section 806. Successor Bond Trustee. Subject in all cases to **Section 808**, any corporation or association into which the Bond Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Bond Trustee hereunder and vested with all of the title to the Trust Estates and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 807. Resignation by Bond Trustee. The Bond Trustee and any successor Bond Trustee may at any time resign from the trusts hereby created by giving 30 days written notice by first class mail, postage prepaid, to the Issuer, the Company and the Owner of each Bond at its address as shown on the Bond Register, but such resignation shall not take effect until the appointment of a successor Bond Trustee as provided in **Section 808**.

If the Bond Trustee has or shall acquire any conflict in interest, it shall, within 90 days after ascertaining that it has a conflicting interest, or within 30 days after receiving written notice from the Issuer or the Company (so long as there is no Event of Default under the Loan Agreement) that it has a conflicting interest, either eliminate such conflicting interest or resign in the manner and with the effect specified in this Section.

Section 808. Removal of Bond Trustee. The Bond Trustee may be removed with or without cause (i) at any time by an instrument or concurrent instruments in writing delivered to the Bond Trustee, the Issuer, the Company and signed by the registered Owners of a majority in aggregate principal amount of Outstanding Bonds, or (ii) by an instrument in writing delivered to the Bond Trustee and the Issuer by the Company if at that time no event shall have occurred and be continuing that constitutes, or with the giving of notice or passage of time or both would constitute, an "Event of Default" as defined in **Section 9.1** of the Loan Agreement. The Issuer, the Company or any Bondowner may at any time petition any court of competent jurisdiction for the removal for cause of the Bond Trustee.

Section 809. Appointment of Successor Bond Trustee. In case the Bond Trustee shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed first by the Company (provided no Event of Default has occurred and is continuing under the Loan Agreement). If an Event of Default has occurred and is continuing under the Loan Agreement, such successor Bond Trustee shall be appointed by the Issuer, or in the event the Issuer shall decide to not appoint a successor, by the Owners of a majority in aggregate principal amount of all Outstanding Bonds by an instrument or concurrent instruments in writing signed by the Issuer Representative or such Bondowners, or by their duly authorized attorneys in fact, a copy of which shall be delivered personally or sent by first class mail to the Issuer and the Company.

In case of any such vacancy, the Issuer, by an instrument executed by an Issuer Representative may appoint a temporary Bond Trustee to serve as such until a successor Bond Trustee shall be appointed by the person entitled to appoint a successor in the manner above provided; and such temporary Bond

Trustee so appointed shall immediately and without further act be superseded by the Bond Trustee appointed as the permanent successor. If a successor Bond Trustee or a temporary Bond Trustee has not been so appointed within 45 days after such vacancy, the outgoing Bond Trustee may petition a court of competent jurisdiction for the appointment of a successor Bond Trustee.

There shall at all times be the Bond Trustee hereunder which shall (a) be a commercial bank or trust company organized under the laws of the United States of America or any state, authorized to exercise corporate trust powers, subject to supervision or examination by federal or state authorities, (b) have a reported combined capital and surplus of not less than \$50,000,000 (or have a guaranty of performance from a bank having a reported capital and surplus of not less than \$50,000,000 or a bank holding company having a consolidated net worth of not less than \$100,000,000), and (c) not be unsatisfactory to the Issuer and the Company (provided no Event of Default has occurred under the Loan Agreement). If at any time the Bond Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner provided in **Section 806** hereof. No resignation or removal of the Bond Trustee and no appointment of a successor Bond Trustee shall become effective until the successor Bond Trustee has accepted its appointment under **Section 809** hereof.

Section 810. Acceptance by Any Successor Bond Trustee. Every successor Bond Trustee appointed hereunder shall execute, acknowledge and deliver to its or his predecessor and also to the Issuer, the Bond Trustee and the Company an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Issuer, or of its successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Bond Trustee shall deliver all securities and moneys held by it as the Bond Trustee to its successor. Should any instrument in writing from the Issuer be required by any successor Bond Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The resignation of any Bond Trustee and the instrument or instruments removing any Bond Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed or recorded by the successor Bond Trustee in each recording office where this Bond Indenture shall have been filed or recorded.

Each successor Bond Trustee, not later than ten days after its assumption of the duties hereunder, shall mail a notice of such assumption to each Bondowner.

Section 811. Right of Bond Trustee to Pay Taxes and Other Charges. If any tax, assessment, governmental or other charge upon, or insurance premium with respect to, any part of the Project is not paid as required herein or in the Loan Agreement or the Tax Agreement, the Bond Trustee may pay such tax, assessment, governmental or other charge, or insurance premium, without prejudice, however, to any rights of the Bond Trustee or the Bondowners arising in consequence of such failure; and any amount at any time so paid under this Section, with interest thereon from the date of payment at the Bond Trustee's prime rate, as announced by the Bond Trustee from time to time, shall become so much additional indebtedness secured by this Bond Indenture, and the same shall be given a preference in payment over any of the Bonds, and shall be paid out of the proceeds of the revenues collected from the Loan Agreement, if not otherwise caused to be paid; but the Bond Trustee shall not be under any obligation to make any such payment unless it shall have been requested to do so by the Owners of at least 25% of the aggregate principal amount of Outstanding Bonds and shall have been provided with adequate funds for the purpose of such payment.

Section 812. Appointment of Co-Bond Trustee. It is the purpose of this Bond Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as the Bond Trustee in such jurisdiction. It is recognized that in case of litigation under this Bond Indenture or the Loan Agreement, and in particular in case of the enforcement of either, or in case the Bond Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Bond Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, the Bond Trustee may appoint an additional individual or institution as a separate or Co-Bond Trustee, in which event each and every remedy, power, right, claim, demand, abuse of action, immunity, estate, title, interest and lien expressed or intended by this Bond Indenture to be exercised by or vested in or conveyed to the Bond Trustee with respect thereto shall be exercisable by and vest in such separate or Co-Bond Trustee, but only to the extent necessary to enable such separate or Co-Bond Trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or Co-Bond Trustee shall run to and be enforceable by either of them.

Should any deed, conveyance or instrument in writing from the Issuer be required by the separate or Co-Bond Trustee so appointed by the Bond Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. In case any separate or Co-Bond Trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate or Co-Bond Trustee, so far as permitted by law, shall vest in and be exercised by the Bond Trustee until the appointment of a new Bond Trustee or successor to such separate or Co-Bond Trustee.

Section 813. Bond Trustee's Agent. The Bond Trustee may appoint the Bond Trustee's Agent with the power to act on the Bond Trustee's behalf and subject to its direction in the authentication and delivery of any or all Bonds and in connection with registration of transfers and exchanges, tenders, redemptions, notices and purchases thereof and payments thereon, as fully to all intents and purposes as though the Bond Trustee's Agent had been expressly authorized hereunder to authenticate, deliver, pay, transfer and exchange such Bonds, receive notices, grant consents and make payments on such Bonds. For all purposes, any such Bond Trustee's Agent shall be deemed to be acting solely as the agent of the Bond Trustee and the authentication, delivery, transfer or exchange of such Bonds, receipt of notices, grant of consents and payment of such Bonds by the Bond Trustee's Agent pursuant to this Section shall be deemed to be the authentication, delivery, transfer or exchange of such Bonds, receipt of such notices, grant of consents and payment of such Bonds by the Bond Trustee. Such Bond Trustee's Agent shall at all times be a commercial bank or trust company organized under the laws of the United States of America or one of the States thereof, authorized under such laws to exercise corporate trust powers, subject to supervision or examination by federal or state authorities (a) with a combined capital and surplus of at least \$50,000,000 (or guaranteed by a bank having combined capital and surplus of at least \$50,000,000) or (b) affiliated with and indemnified in the exercise of its corporate trust power by the Bond Trustee which is acceptable to the Issuer. The appointment of the Bond Trustee's Agent under this Section shall be effective upon acceptance by the Bond Trustee's Agent and shall continue until the Bond Trustee making such appointment shall rescind such appointment or until the effective date of the resignation or removal of such Bond Trustee pursuant to **Section 806 or 807** hereof. The Bond Trustee's Agent shall be entitled to the same rights and shall be subject to the same obligations hereunder as the Bond Trustee, and shall enjoy the same protective provisions in the performance of its duties hereunder as are specified in **Section 801** hereof with respect to the Bond Trustee insofar as such provisions may be applicable.

The Bond Trustee shall make such arrangements with the Bond Trustee's Agent, in addition to those made as provided herein, as are necessary to be made and to be thereafter continued whereby funds from the sources specified herein will be made available to pay when due the principal and redemption price of, and interest on, any Bonds for which the Bond Trustee's Agent has been appointed.

Section 814. Notice to Rating Agencies. The Bond Trustee shall promptly give written notice to each Rating Agency that has notified the Bond Trustee in writing that it has established a rating for the Bonds by registered or certified mail, postage prepaid, of the occurrence of any of the following events: (a) the appointment of a successor Bond Trustee, Tender Agent or Remarketing Agent hereunder, (b) the date that no Bonds remain Outstanding, (c) the Bond Trustee becomes aware of any material change made in this Bond Indenture, the Loan Agreement, the Remarketing Agreement or the Liquidity Facility, (d) any redemption of Bonds pursuant to this Bond Indenture other than scheduled mandatory redemptions pursuant to **Section 302(c)**, (e) any mandatory purchase of Bonds under this Bond Indenture, (f) if the Liquidity Facility expires or if the Liquidity Facility is either terminated or renewed, (g) the occurrence of a Conversion Date, or (h) the acceleration of such Bonds in accordance with **Article VII**.

ARTICLE IX

SUPPLEMENTAL INDENTURES

Section 901. Supplemental Indentures Not Requiring Consent of Bondowners. The Issuer and the Bond Trustee may from time to time, without the consent of or notice to any of the Bondowners but with prior written notice to the Liquidity Provider, enter into one or more Supplemental Indentures, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Bond Indenture or to release property from the Trust Estate which was included by reason of an error or other mistake;
- (b) To grant to or confer upon the Bond Trustee for the benefit of the Bondowners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondowners or the Bond Trustee or either of them;
- (c) To subject to this Bond Indenture additional revenues, properties or collateral;
- (d) To modify, amend or supplement this Bond Indenture or any indenture supplemental thereto in such manner as to permit the qualification of this Bond Indenture under the Trust Indenture Act of 1939, as then amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States;
- (e) To provide for the refunding or advance refunding of any or all Bonds;
- (f) To evidence the appointment of a separate trustee or the succession of a new trustee hereunder;
- (g) To evidence the appointment of a Liquidity Provider, Remarketing Agent or Tender Agent, and in connection therewith to change any times of day specified herein by which any action must be taken;

(h) To amend this Bond Indenture in accordance with **Sections 203(g)(3)** or **302(a)(iii)** upon satisfaction of the conditions set forth therein;

(i) To alter the manner in which the Remarketing Agent may, in the reasonable exercise of its judgment, act pursuant to **Section 203** to increase the likelihood of achieving the lowest net interest cost during the Interest Mode for any Daily Rate Bonds, Weekly Rate Bonds or Short-Term Rate Bonds, but only if the Company provides to the Bond Trustee and the Issuer a Favorable Opinion of Bond Counsel;

(j) To alter, prior to but effective upon the applicable Conversion Date for a conversion to the interest rate for the Bonds to a Fixed Rate or Rates, the manner in which a schedule of principal payments and interest rates may be set pursuant to **Sections 203(g)** and **204(c)(3)**, or the redemption provisions to be applicable to Bonds accruing interest at a Fixed Rate, but only if the Company provides to the Bond Trustee and the Issuer a Favorable Opinion of Bond Counsel;

(k) To make any change with respect to the Bonds provided such change is effective only with respect to the Bonds on a mandatory tender date and such change is disclosed to all purchasers of the Bonds prior to the remarketing of the Bonds; or

(l) To make any other change which, in the sole judgment of the Bond Trustee, does not materially adversely affect the interests of the Bondowners (in making such determination, the Bond Trustee shall be entitled to rely conclusively upon an Opinion of Counsel).

Section 902. Supplemental Indentures Requiring Consent of Bondowners. With the consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding, the Issuer and the Bond Trustee may from time to time enter into such other Supplemental Indenture or Supplemental Indentures as shall be deemed necessary or desirable by the Bond Trustee for the purpose of modifying, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Bond Indenture or in any Supplemental Indenture; provided that nothing in this Section contained shall permit or be construed as permitting:

(a) an extension of the maturity of the principal of or the scheduled date of payment of interest on any Bonds, or

(b) a reduction in the principal amount, redemption premium or any interest payable on any Bonds, or

(c) a privilege or priority of any Bond over any other Bond, or

(d) a reduction in the aggregate principal amount of Bonds the Owners of which are required for consent to any such Supplemental Indenture, or

(e) the modification of the rights, duties or immunities of the Bond Trustee, without the written consent of the Bond Trustee;

provided, further, however, notwithstanding the foregoing any provision of this Bond Indenture can be amended with the prior written consent of 100% of the Owners of the Bonds.

If at any time the Issuer shall request the Bond Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section, the Bond Trustee shall cause notice of the proposed

execution of such Supplemental Indenture to be mailed by first-class mail to each Bondowner. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal corporate trust office of the Bond Trustee for inspection by all Bondowners. If within 60 days or such longer period as shall be prescribed by the Issuer following the mailing of such notice, the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Bond Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as in this Section permitted and provided, this Bond Indenture shall be and be deemed to be modified and amended in accordance therewith.

Section 903. Company's Consent to Supplemental Indentures. Anything herein to the contrary notwithstanding, so long as the Company is not in default under the Loan Agreement, a Supplemental Indenture under this Article which affects any rights of the Company shall not become effective unless and until the Company shall have consented in writing to the execution and delivery of such Supplemental Indenture. In this regard, the Bond Trustee shall cause notice of the proposed execution and delivery of any such Supplemental Indenture, together with a copy of the proposed Supplemental Indenture, to be mailed by first-class mail to the Company at least 15 days prior to the proposed date of execution and delivery of any such Supplemental Indenture.

Section 904. Opinion of Bond Counsel. Notwithstanding anything to the contrary in **Sections 901** or **902**, before the Issuer and the Bond Trustee enter into any Supplemental Indenture pursuant to **Section 901** or **902**, there shall have been delivered to the Issuer and the Bond Trustee a Favorable Opinion of Bond Counsel. The Bond Trustee and the Issuer may conclusively rely on such opinion when consenting to such Supplemental Indenture, which shall, in addition to its other elements, opine to the effect that such Supplemental Indenture will, upon execution and delivery thereof, be valid and binding upon the Issuer.

ARTICLE X

SUPPLEMENTAL LOAN AGREEMENTS

Section 1001. Supplemental Loan Agreements Not Requiring Consent of Bondowners. The Issuer and the Bond Trustee may, without the consent of or notice to the Bondowners, consent to the execution of any Supplemental Loan Agreements by the Issuer and the Company as may be required:

- (a) for the purpose of curing any ambiguity or formal defect or omission in the Loan Agreement, or
- (b) in connection with any other change therein which, in the sole judgment of the Bond Trustee, does not materially adversely affect the interests of the Bondowners (in making such determination, the Bond Trustee shall be entitled to rely conclusively upon an Opinion of Counsel).

Section 1002. Supplemental Loan Agreements Requiring Consent of Bondowners. With the consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding, the Issuer and the Bond Trustee may consent to the execution of any Supplemental Loan Agreements by the Issuer and the Company; provided that no such Supplemental Loan Agreement shall be entered into which permits:

- (a) an extension of the maturity of the Bonds, or
- (b) a reduction in the principal amount of the Bonds or the premium or rate of interest payable thereon.

Notwithstanding the foregoing, any provision of a Loan Agreement can be amended with the prior written consent of 100% of the Owners of the Bonds.

If at any time the Issuer and the Company shall request the consent of the Bond Trustee to any such proposed Supplemental Loan Agreement, the Bond Trustee shall cause notice of such proposed Supplemental Loan Agreement to be mailed in the same manner as provided by **Section 902** with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed Supplemental Loan Agreement and shall state that copies of the same are on file at the principal corporate office of the Bond Trustee for inspection by all Bondowners.

Section 1003. Opinions. Anything to the contrary in **Sections 1001** or **1002** notwithstanding, before the Issuer and the Bond Trustee consent to any Supplemental Loan Agreement, there shall have been delivered to the Issuer and the Bond Trustee a Favorable Opinion of Bond Counsel which shall, in addition to its other elements, opine to the effect that such Supplemental Loan Agreement will, upon execution and delivery thereof, be valid and binding upon the Issuer, and an Opinion of Counsel to the effect that such Supplemental Loan Agreement will, upon execution and delivery thereof, be valid and binding upon the Company.

Section 1004. Amendments to the Collateral Documents Not Requiring Consent of Bondowners. The Bond Trustee shall, without the consent of or notice to the Bondowners, consent to the execution of any supplement or any amendment to the Collateral Documents as may be required (i) by the Loan Agreement or this Bond Indenture; or (ii) for the purpose of curing any ambiguity or formal defect or omission; or (iii) so as to more precisely identify the Project or substitute or add additional property thereto; or (iv) in connection with any other change therein which, in the judgment of the Bond Trustee, is not prejudicial to the Bond Trustee or the Bondowners.

Section 1005. Amendments to the Collateral Documents Requiring Consent of Bondowners. Except for any supplements or any amendments to the Collateral Documents covered in **Section 1004**, the Bond Trustee shall not consent to the execution of any supplements or any amendments to the Collateral Documents without the mailing of notice and the obtaining of the written approval or consent of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding given and obtained as provided in **Section 902**; provided that the consent of all of the Owners of the Bonds then Outstanding shall be required for (a) a reduction in or extension of the time for the payment of loan repayments under the Loan Agreement or (b) a reduction in the aggregate principal amount of Bonds the Owners of which are required to consent to any supplements or amendments to the Collateral Documents, except as otherwise expressly provided in such instruments. If the Original Purchaser consents in writing to any such amendment or supplement, the requirements of this **Section 1005** shall be deemed to be complied with all respects.

Section 1006. Opinion of Bond Counsel. Prior to or contemporaneously with the execution of any supplements or amendments to the Collateral Documents by the Bond Trustee, the Bond Trustee shall receive a Favorable Opinion of Bond Counsel.

ARTICLE XI

SATISFACTION AND DISCHARGE OF BOND INDENTURE

Section 1101. Bonds Deemed to be Paid. Any Bond or Bonds shall be deemed to be paid and no longer Outstanding under this Bond Indenture and shall cease to be entitled to any lien, benefit or security under this Bond Indenture if the Issuer shall pay or provide for the payment of such Bond or Bonds in any one or more of the following ways:

- (a) by paying or causing to be paid the principal of (including redemption premium, if any) and interest on such Bond or Bonds, as and when the same become due and payable;
- (b) by delivering and surrendering to the Bond Trustee, for cancellation by it, such Bond or Bonds; or
- (c) by depositing with the Bond Trustee, in trust, (1) moneys and noncallable Government Securities in such amounts and with maturities as the Bond Trustee shall determine will be, together with other moneys deposited therein and together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such Bond or Bonds at or before their respective maturity dates and to pay the interest thereon as it comes due, (2) in the case of Bonds which do not mature or will not be redeemed within 90 days of the deposit referred to in (1) above, (A) a verification report of a nationally recognized independent certified public accounting firm as to the adequacy of the trust funds to fully pay the Bonds deemed to be paid, and (B) an escrow agreement respecting such moneys and Government Securities, and (3) with respect to Bonds other than Indexed Put Bonds or Bonds accruing interest at a Fixed Rate, delivering to the Bond Trustee a letter from each Rating Agency to the effect that such deposit will not result in a reduction or withdrawal of its rating on the Bonds.

Notwithstanding the foregoing, in the case of any Bonds which by their terms may be redeemed prior to the stated maturities thereof, no deposit under clause (c) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until, as to all such Bonds which are to be redeemed prior to their respective stated maturities, proper notice of such redemption shall have been given in accordance with **Article III** or irrevocable instructions shall have been given to the Bond Trustee to give such notice.

Notwithstanding any provisions of any other Section of this Bond Indenture which may be contrary to this Section, all moneys or Government Securities set aside and held in trust pursuant to this Section for the payment of Bonds (including redemption premium thereon, if any) shall be held irrevocably in trust for the Owners of such Bonds and applied to and used solely for the payment of the particular Bonds (including redemption premium thereon, if any) with respect to which such moneys and Government Securities have been so set aside in trust.

Section 1102. Satisfaction and Discharge of the Bond Indenture. If the principal of, redemption premium, if any, and interest on all of the Bonds shall have been paid in accordance with their terms, or provision has been made for such payment as provided in **Section 1101**, and provision shall also be made for paying all other sums payable hereunder, including the payment of any rebatable arbitrage to the United States and the fees, charges and expenses of the Issuer, the Bond Trustee and any Paying Agent, including attorneys' fees and expenses, to the date of retirement of the Bonds, then the right, title and interest of the Bond Trustee in respect hereof shall thereupon cease, determine and be void, and thereupon the Bond Trustee, upon Written Request of the Company, and upon receipt by the Bond Trustee and the

Issuer of a Favorable Opinion of Bond Counsel, which shall, in addition to its other elements, opine that all conditions precedent to satisfaction and discharge of this Bond Indenture have been complied with, shall cancel, discharge and release this Bond Indenture and shall execute, acknowledge and deliver to the Issuer and the Company such instruments of satisfaction and discharge or release as shall be reasonably requested to evidence such release and the satisfaction and discharge of this Bond Indenture, and shall assign and deliver to the Issuer, the Company or other Person entitled thereto as their respective interests may appear, any property and revenues at the time subject to this Bond Indenture which may then be in its possession, other than moneys or obligations held by the Bond Trustee for the payment of the principal of and interest and redemption premium, if any, due or to become due on the Bonds.

Upon provision for the payment of all Outstanding Bonds in accordance with this Section, and compliance with the other payment requirements of **Section 1101**, and subject to this Section, the Bond Indenture may be discharged in accordance with the provisions hereof; provided that the obligation of the Issuer in respect of such Bonds shall nevertheless continue, but the Owners thereof shall thereafter be entitled to payment only out of the moneys or Government Securities deposited with the Bond Trustee as aforesaid.

Provision for payment of the Bonds Outstanding hereunder may not be made as aforesaid nor may this Bond Indenture be discharged if under any circumstances the interest on the Series 2010A Bonds is thereby made subject to federal income taxation. In determining the foregoing, the Bond Trustee may rely upon a Favorable Opinion of Bond Counsel.

Section 1103. Payment of Bonds After Discharge. Notwithstanding the discharge of the lien hereof as in this Article provided, the Bond Trustee shall nevertheless retain such rights, powers and duties hereunder as may be necessary and convenient for the payment of amounts due or to become due on the Bonds and the registration, transfer, exchange and replacement of Bonds as provided herein. Nevertheless, any moneys held by the Bond Trustee or any Paying Agent for the payment of the principal of, redemption premium, if any, or interest on any Bond remaining unclaimed for one year after the principal of all Bonds has become due and payable, whether at maturity or upon proceedings for redemption or by declaration as provided herein, shall then be paid, without liability for interest thereon, to the Company and the Owners of any Bonds not theretofore presented for payment shall thereafter be entitled to look only to the Company for payment thereof and all liability of the Bond Trustee or any Paying Agent or the Issuer with respect to such moneys shall thereupon cease.

Section 1104. Reserved Rights in Escrow. The other provisions of this Bond Indenture notwithstanding, (a) subsequent to the date that cash and/or Government Securities are deposited with the Bond Trustee to provide for the payment of all or any portion of the Bonds at the respective maturity dates therefor, the Issuer may, if directed by the Company, elect to call such Bonds (or any portions thereof) on any earlier redemption date applicable to such Bonds, and (b) subsequent to the date that cash and/or Government Securities are deposited with the Bond Trustee to provide for the payment of all or any portion of the Bonds at any redemption date or dates applicable to such Bonds (but prior to the giving of any notice of redemption with respect to such Bonds pursuant to **Article III** hereof), the Issuer may, if directed by the Company, elect to pay such Bonds (or any portion thereof) at the respective maturity dates therefor. The Issuer hereby agrees to make such election if requested by the Company. No such election shall be made, however, unless the Company shall deliver (a) to the Bond Trustee Government Securities and/or cash sufficient to discharge such Bonds (or portion thereof) on the redemption dates or maturity dates selected, and (b) to the Bond Trustee and the Issuer (i) an opinion of a nationally recognized certified public accounting firm not objected to by the Bond Trustee verifying that such Government Securities, together with the expected earnings thereon, and/or cash will be sufficient to provide for the payment of such Bonds to the redemption dates or maturity dates, as the case may be, (ii) a Favorable

Opinion of Bond Counsel, and (iii) an amended escrow agreement. The Bond Trustee will give written notice of any such election to the Owners of the Bonds affected thereby.

ARTICLE XII

MISCELLANEOUS PROVISIONS

Section 1201. Consents and Other Instruments by Bondowners. Any consent, request, direction, approval, objection or other instrument required by this Bond Indenture to be signed and executed by the Bondowners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondowners in person or by agent appointed in writing. Proof of the execution of any such instrument (other than the assignment of any Bond) or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Bond Indenture, and shall be conclusive in favor of the Bond Trustee with regard to any action taken, suffered or omitted under any such instrument, namely:

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

(b) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same shall be proved by the Bond Register.

In determining whether the Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Bond Indenture, Bonds owned by the Company shall be disregarded and deemed not to be Outstanding under this Bond Indenture, except that, in determining whether the Bond Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds with respect to which the Bond Trustee has received written notice of such ownership shall be so disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Bond Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Company.

Section 1202. Limitation of Rights Under the Bond Indenture. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied by this Bond Indenture or the Bonds is intended or shall be construed to give any person other than the parties hereto and the Owners of the Bonds, any right, remedy or claim under or in respect to this Bond Indenture, this Bond Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Owners of the Bonds as herein provided.

Section 1203. Notices. Except as otherwise provided herein, it shall be sufficient service of any notice, request, complaint, demand or other paper required by this Bond Indenture to be given to or filed with the Issuer, the Bond Trustee or the Company if the same shall be duly mailed by certified or registered mail addressed (provided that notice to the Bond Trustee shall be effective only upon receipt):

(a) To the Issuer at:

Town of Normal, Illinois
P.O. Box 589

100 East Phoenix Avenue
Normal, Illinois 61761
Attention: Town Clerk

(b) To the Bond Trustee at:

Commerce Bank, N.A.
922 Walnut Street, 10th Floor
Kansas City, Missouri 64106
Attention: Corporate Trust Department

(c) To the Company at:

Midwest Fiber, Inc.
c/o Midwest Fiber, Inc. of Decatur
1902 N. Water
Decatur, Illinois 62526
Attention: Vice President of Operations

It shall be sufficient service of any notice, request, complaint, demand or other paper permitted or required by this Bond Indenture to be given or filed with the Bondowners if the same is duly mailed by first-class mail, postage prepaid, addressed to each of the Bondowners at the time Outstanding at the addresses shown by the Bond Register. Neither the failure to receive such notice, nor any defect in any notice so mailed, to any particular Bondowner shall affect the sufficiency of such notice with respect to other Bondowners. Where this Bond Indenture provides for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Bondowners shall be filed with the Bond Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

The Bond Trustee is hereby instructed to give notice to any Rating Agency if (i) the Bond Trustee resigns or is removed, or a new Bond Trustee or Co-Bond Trustee is appointed, (ii) there is a call for the redemption of all Bonds, (iii) all of the Bonds are defeased in accordance with **Article XI**, or (iv) any amendment is made to this Bond Indenture or the Loan Agreement.

Section 1204. Suspension of Mail Service. If, because of the temporary or permanent suspension of mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such delivery of notice in lieu thereof as shall be made with the approval of the Bond Trustee shall constitute a sufficient notice.

Section 1205. Immunity of Officers, Employees and Trustees of Issuer. No recourse shall be had for the payment of the principal of or redemption premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Bond Indenture or other Issuer document, contained against any past, present or future trustee, officer, employee or agent of the Issuer, or of any successor public corporation, as such, either directly or through the Issuer or any successor public corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such trustees, officers, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Bond Indenture and the issuance of such Bonds.

Section 1206. Limitation on Issuer Obligations. Any other term or provision in this Bond Indenture, the Loan Agreement, the Tax Agreement or elsewhere to the contrary notwithstanding:

(a) Any and all obligations (including fees, claims, demands, payments, damages, liabilities, penalties, assessments and the like) of or imposed upon the Issuer or its trustees, officers, agents, employees, representatives, advisors or assigns, whether under this Bond Indenture or any of the Bond Documents or elsewhere and whether arising out of or based upon a claim or claims of tort, contract, misrepresentation, or any other or additional legal theory or theories whatsoever (collectively the “Obligations”), shall in all events be absolutely limited obligations and liabilities, payable solely out of the following, if any, available at the time the Obligation in question is asserted:

(i) Bond proceeds and investments therefrom; and

(ii) Payments derived from the Bonds, this Bond Indenture (including the Trust Estate to the extent provided in this Bond Indenture) and the Loan Agreement (except for the fees and expenses of the Issuer and the Issuer’s right to indemnification under the Loan Agreement),

The above provisions (i) and (ii) being collectively referred to as the “exclusive sources of the Obligations”;

(b) The Obligations shall not be deemed to constitute a debt or liability of the State, the Issuer or of any other political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State, the Issuer or of any other political subdivision thereof, but shall be payable solely from and out of the exclusive sources of the Obligations and shall otherwise impose no liability whatsoever, primary or otherwise, upon the State or any charge upon its general credit or taxing power.

(c) In no event shall any trustee, officer, agent, employee, representative or advisor of the Issuer, or any successor or assign of any such person or entity, be liable, personally or otherwise, for any Obligation.

(d) In no event shall this Bond Indenture be construed as:

(i) depriving the Issuer of any right or privilege; or

(ii) requiring the Issuer or any trustee, officer, agent, employee, representative or advisor of the Issuer to take or omit to take, or to permit or suffer the taking of, any action by itself or by anyone else,

which deprivation or requirement would violate or result in the Issuer’s being in violation of the Act or any other applicable state or federal law.

(e) At no time and in no event will the Company permit, suffer or allow any of the proceeds of the Bonds to be transferred to any person or entity in violation of, or to be used in any manner which is prohibited by, the Act or any other state or federal law.

Section 1207. Severability. If any provision of this Bond Indenture shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions

or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or Sections in this Bond Indenture contained shall not affect the remaining portions of this Bond Indenture, or any part thereof.

Section 1208. Execution in Counterparts. This Bond Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1209. Governing Law. This Bond Indenture shall be governed exclusively by and construed in accordance with the applicable laws of the State.

Section 1210. Form and Contents of Documents Delivered to Bond Trustee. Whenever several matters are required to be certified by, or covered by an opinion of, any specified person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such person, or that they be so certified or covered by only one document, but one such person may certify or give an opinion with respect to some matters and one or more other such persons as to the other matters, and any such person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion are based are erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Whenever any person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Bond Indenture, they may, but need not, be consolidated and form one instrument.

Wherever in this Bond Indenture, in connection with any application or certificate or report to the Bond Trustee, it is provided that the Company shall deliver any document as a condition of the granting of such application, or as evidence of the Company's compliance with any term hereof, it is intended that the truth and accuracy, at the time of the granting of such application or at the effective date of such certificate or report (as the case may be), of the facts and opinions stated in such document shall in such case be conditions precedent to the right of the Company to have such application granted or to the sufficiency of such certificate or report.

[Remainder of page intentionally blank.]

IN WITNESS WHEREOF, the Issuer has caused these presents to be signed in its name and behalf and its official seal to be hereunto affixed, and to evidence its acceptance of the trusts hereby created, the Bond Trustee has caused these presents to be signed in its name and behalf and its corporate seal to be hereunto affixed, all as of the day and year first above written.

TOWN OF NORMAL, ILLINOIS

By: _____

Name: Chris Koos

Title: President of the Board of Trustees

[SEAL]

ATTEST:

Name: Wendelyn Briggs
Title: Town Clerk

COMMERCE BANK, N.A.,
as Bond Trustee

By: _____
Name: Merry Evans
Title: Vice President

[SEAL]

SCHEDULE 1
TO BOND TRUST INDENTURE
PRINCIPAL PAYMENT SCHEDULE

<u>Date</u>	<u>Payment</u> <u>No.</u>	<u>Principal</u>
-------------	------------------------------	------------------

**EXHIBIT A
TO BOND TRUST INDENTURE**

THE PROJECT

The construction and equipping of an addition to an existing warehouse located at 422 White Oak Road, Normal, Illinois.

**EXHIBIT B
TO BOND TRUST INDENTURE**

(FORM OF BOND)

This Bond has not been registered under the Securities Act of 1933, as amended, or any state securities laws, and this Bond may not be transferred unless (i) the Issuer consents in writing to such transfer, and (ii) the Issuer and the Bond Trustee are furnished a written legal opinion from counsel acceptable to the Issuer, the Bond Trustee and the Company, to the effect that such transfer is exempt from the registration requirements of the Securities Act of 1933, as amended, and any applicable state securities laws. This Bond may be transferred to any successor of the Company or any entity owned by or under common ownership with the Company, if in compliance with applicable securities laws, without the necessity of obtaining the Issuer's consent or such an opinion.

No. R[A][B]-1

\$ _____

**UNITED STATES OF AMERICA
STATE OF ILLINOIS**

TOWN OF NORMAL, ILLINOIS

**[TAXABLE] SOLID WASTE DISPOSAL REVENUE BONDS
(MIDWEST FIBER PROJECT)
SERIES 2010[A][B]**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
Adjustable (as Provided herein)	November 1, 2030	November 1, 2010	N/A

REGISTERED OWNER: **CLAYTON HOLDINGS, LLC**

PRINCIPAL AMOUNT: _____ **DOLLARS**

The **TOWN OF NORMAL, ILLINOIS**, a home rule unit of government duly organized and existing under the laws of the State of Illinois (the "Issuer"), for value received, promises to pay, but solely from the sources hereinafter referred to, to the Registered Owner specified above, or registered assigns, the Principal Amount specified above on the Maturity Date specified above or as otherwise provided in the hereafter defined Bond Indenture, except as the provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto, and in like manner to pay interest on the portion of said Principal Amount from time to time Outstanding at the interest rate per annum determined as described herein and in the Bond Indenture from the Dated Date specified above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on each Interest Payment Date as described in the Bond Indenture until said Principal Amount is paid.

Method of Payment. The principal of and interest on this Bond shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender

for the payment of public and private debts. The principal of and redemption premium, if any, Purchase Price and interest on this Bond shall be payable in the manner set forth in the Bond Indenture.

Authorization. [Series 2010A Bonds: This Bond is one of a duly authorized series of bonds of the Issuer designated “Solid Waste Disposal Revenue Bonds (Midwest Fiber Project), Series 2010A”, issued in the maximum aggregate principal amount of \$4,685,000 (the “Series 2010A Bonds”) issued on a parity with the Issuer’s Taxable Solid Waste Disposal Revenue Bonds (Midwest Fiber Project), Series 2010B, issued in the original principal amount of \$925,000 (the “Series 2010B Bonds”, and together with the Series 2010A Bonds, the “Bonds”).] [Series 2010B Bonds: This Bond is one of a duly authorized series of bonds of the Issuer designated “Taxable Solid Waste Disposal Revenue Bonds (Midwest Fiber Project), Series 2010B”, issued in the original principal amount of \$925,000 (the “Series 2010B Bonds”) issued on a parity with the Issuer’s Solid Waste Disposal Revenue Bonds (Midwest Fiber Project), Series 2010A, issued in the original principal amount of \$4,685,000 (the “Series 2010A Bonds”, and together with the Series 2010B bonds, the “Bonds”).] The Bonds are issued for the purpose of making a loan to Midwest Fiber, Inc., an Illinois corporation (“Midwest Fiber”), and Shumaker Properties, L.L.C., an Illinois limited liability company (“Shumaker Properties,” together with Midwest Fiber, collectively referred to herein as the “Company”). This Bond is issued by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and laws of the State of Illinois, pursuant to proceedings duly had by the Issuer and pursuant to the Bond Trust Indenture (the “Bond Indenture”) dated as of November 1, 2010, between the Issuer and Commerce Bank, N.A., as Bond Trustee (the “Bond Trustee”). Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Bond Indenture. The loan will be made pursuant to the Loan Agreement dated as of November 1, 2010 (said Loan Agreement, as amended and supplemented from time to time in accordance with the provisions thereof, being herein called the “Loan Agreement”), between the Issuer and the Company.

Payment of Principal and Interest. Principal and interest on the Bonds shall be paid in the amounts and at the times specified in **Section 202(d)** of the Bond Indenture.

Security. The Bonds are issued under, secured and entitled to the protection given by the Bond Indenture pursuant to which the rights of the Issuer under the Loan Agreement are pledged and assigned by the Issuer to the Bond Trustee as security for the Bonds. Reference is hereby made to the Bond Indenture for a description of the property pledged and assigned thereunder, and the provisions, among others, with respect to the nature and extent of the security for the Bonds, and the rights, duties and obligations of the Issuer, the Bond Trustee and the Owners of the Bonds, and a description of the terms upon which the Bonds are issued and secured, upon which provision for payment of the Bonds or portions thereof and defeasance of the lien of the Bond Indenture with respect thereto may be made and upon which the Bond Indenture may be deemed satisfied and discharged prior to payment of the Bonds.

Pursuant to the Loan Agreement, Loan Payments sufficient for the prompt payment when due of the principal of, redemption premium, if any, Purchase Price and interest on the Bonds are to be paid by the Company directly to the Bond Trustee for the account of the Issuer.

The Bonds are also secured by a Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing on certain property that Shumaker Properties owns in McLean County, State of Illinois, the Security Agreement and the Guaranty Agreements (each as defined in the Bond Indenture).

Interest Rates. The Bonds shall bear interest at an Indexed Put Rate, Daily Rate, Weekly Rate, Short-Term Rate or Fixed Rate, determined as provided in the Bond Indenture, from and including their date or from and including the most recent Interest Payment Date to which interest has been paid or duly provided for; provided that in no event will the interest rate on any Bonds exceed the Maximum Rate. The

Company may elect to convert the Bonds from one Interest Mode (other than the Fixed Mode) to another type of Interest Mode as provided in the Bond Indenture.

Redemption. The Bonds are subject to optional and mandatory redemption prior to their stated maturity as provided in the Bond Indenture.

Tender for Purchase. The Bonds are subject to mandatory tender by the Owners thereof for purchase as provided in the Bond Indenture. In addition, while the Bonds bear interest at Daily Rates or Weekly Rates, the Owners thereof, at their option, may also tender their Bonds for purchase as provided in the Bond Indenture.

Limitation on Rights; Acceleration; Modifications. The Owner of this Bond shall have no right to enforce the Bond Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Bond Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Bond Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Bond Indenture, the principal of all the Bonds issued under the Bond Indenture and then Outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of the Bonds or the Bond Indenture may be made only to the extent and in the circumstances permitted by the Bond Indenture.

Limited Obligations. The Bonds and the interest thereon are special, limited obligations of the Issuer payable solely out of Loan Payments derived by the Issuer under the Loan Agreement and are secured by a pledge and assignment of the Loan Payments. The Bonds shall never constitute a debt or liability of the State of Illinois or of any political subdivision thereof within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the full faith and credit of the State but shall be payable solely from the funds provided for in the Loan Agreement and the Bond Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment. The taxing power of the Issuer is not pledged to the payment of the Bonds either as to principal or interest. The State shall not in any event be liable for the payment of the principal of, premium, if any, Purchase Price or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Issuer. No breach by the Issuer of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State or any charge upon its general credit or its taxing power.

No Recourse. No recourse shall be had for the payment of the principal of, premium, if any, Purchase Price or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in the Bond Indenture contained, against any past, present or future trustee, officer, employee or agent of the Issuer, or any incorporator, officer, director, member, trustee, employee or agent of any successor corporation or body politic, as such, either directly or through the Issuer or any successor corporation or body politic, as such, either directly or through the Issuer or any successor corporation or body politic, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporators, officers, directors, trustees, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Bond Indenture and the issuance of any of the Bonds.

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

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Bond Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, THE TOWN OR NORMAL, ILLINOIS, has caused this Bond to be executed in its name by the manual or facsimile signature of its President of the Board of Trustees and attested by the manual or facsimile signature of its Town Clerk and its official seal to be affixed or imprinted hereon, all as of the Dated Date specified above.

CERTIFICATE OF AUTHENTICATION
This Bond is one of the Bonds described in the within mentioned Bond Indenture.

TOWN OR NORMAL, ILLINOIS

Date of Authentication: _____

By: _____
President of the Board of Trustees

COMMERCE BANK, N.A.,
as Bond Trustee

[SEAL]

ATTEST:

By: _____
Authorized Signatory

By: _____
Town Clerk

(FORM OF ASSIGNMENT)

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

(Please Print or Typewrite Name, Address and Social Security
Number or Taxpayer Identification Number of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney

to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

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

Signature Guaranteed By:

(Name of Eligible Guarantor Corporation as defined by SEC Rule 17Ad-15 (12 CFR 240.17Ad-15) or any similar rule which the Bond Trustee deems applicable)

By _____
Title: _____

LEGAL OPINION

The following is a true and correct copy of the approving legal opinion of Gilmore & Bell, P.C., Bond Counsel, which was dated and issued as of the date of original issuance and delivery of the Bonds:

**Gilmore & Bell, P.C.
2405 Grand Boulevard, Suite 1100
Kansas City, Missouri 64108**

**EXHIBIT C
TO BOND TRUST INDENTURE**

(FORM OF DISBURSEMENT REQUEST – COSTS OF ISSUANCE)

Request No. _____

Date: _____

DISBURSEMENT REQUEST

(§ 403 - COSTS OF ISSUANCE)

To: Commerce Bank, N.A., as Bond Trustee
Corporate Trust Department
Kansas City, Missouri

Re: Town of Normal, Illinois Solid Waste Disposal Revenue Bonds (Midwest Fiber Project)
Series 2010A and Taxable Series 2010B

You are hereby requested and directed as Bond Trustee under the Bond Trust Indenture dated as of November 1, 2010 (the "Bond Indenture"), between the Town of Normal, Illinois, and you, as Bond Trustee, to pay from moneys in the Costs of Issuance, pursuant to **Section 403** of the Bond Indenture, to the following payees the following amounts for the following Costs of Issuance (as defined in the Bond Indenture):

<u>Payee</u>	<u>Amount</u>	<u>Description of Costs of Issuance</u>
--------------	---------------	---

The undersigned Company Representative hereby states and certifies that each item listed above is a proper Costs of Issuance (as defined in the Bond Indenture) that was incurred in connection with the issuance of the above-referenced Bonds, and the amount of this request is justly due and owing and has not been the subject of another requisition which was paid.

MIDWEST FIBER, INC.

By: _____

Name: _____

Title: _____

**EXHIBIT D
TO BOND TRUST INDENTURE**

(FORM OF WRITTEN REQUEST – PROJECT FUND)

Request No: _____

Date: _____

WRITTEN REQUEST

(§ 404 – PROJECT FUND)

Series 2010[] Account

To: Commerce Bank, N.A., as Bond Trustee
Corporate Trust Department
Kansas City, Missouri

Re: Town of Normal, Illinois Solid Waste Disposal Revenue Bonds (Midwest Fiber Project)
Series 2010A and Taxable Series 2010B

You are hereby requested and directed as Bond Trustee under the Bond Trust Indenture dated as of November 1, 2010 (the “Bond Indenture”), between the Town of Normal, Illinois, and you, as Bond Trustee, to pay from moneys in the Series 2010[A][B] Account of the Project Fund, pursuant to **Section 404** of the Bond Indenture, to the following payees the following amounts in payment or reimbursement for the following Project Costs (as defined in the Bond Indenture):

<u>Payee</u>	<u>Amount</u>	<u>Description of Project Costs</u>
--------------	---------------	---

The undersigned Company Representative hereby states and certifies that:

1. Each item listed above is a valid “cost” of a “project” as authorized under the Act and is a proper Project Cost (as defined in the Bond Indenture) that was incurred in the acquisition, construction, renovation, remodeling, expansion, completion or equipping of portions of the Project in accordance with the construction contracts and plans and specifications therefor.

2. These Project Costs have been incurred by the Company under its control and are presently due and payable or have been paid by the Company and are reasonable costs that are payable or reimbursable under the Bond Indenture and each item thereof is a proper charge against the Project Fund.

3. Each item listed above has not previously been paid or reimbursed from moneys in the Project Fund and no part thereof has been included in any other Disbursement Request previously filed with the Bond Trustee under the provisions of the Bond Indenture or reimbursed to the Company from Bond proceeds.

4. There has not been filed with or served upon the Company any notice of any lien, right to a lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts stated in this request, except to the extent any such lien is being contested in accordance with the provisions of the Loan Agreement.

MIDWEST FIBER, INC.

By: _____
Name: _____
Title: _____

Approved by the Purchaser's Agent this ____ day of _____, _____.

COMMERCE BANK, N.A.,
as Purchaser's Agent

By: _____
Name: _____
Title: _____

EXHIBIT E
TO BOND TRUST INDENTURE
(FORM OF WRITTEN REQUEST – PROJECT FUND)

Request No: _____
Date: _____

WRITTEN REQUEST

(§ 404 – PROJECT FUND)

Grant Account

To: Commerce Bank, N.A., as Bond Trustee
Corporate Trust Department
Kansas City, Missouri

Re: Town of Normal, Illinois Solid Waste Disposal Revenue Bonds (Midwest Fiber Project)
Series 2010A and Taxable Series 2010B

You are hereby requested and directed as Bond Trustee under the Bond Trust Indenture dated as of November 1, 2010 (the “Bond Indenture”), between the Town of Normal, Illinois, and you, as Bond Trustee, to pay from moneys in the Grant Account of the Project Fund, pursuant to **Section 404** of the Bond Indenture, to the following payees the following amounts in payment or reimbursement for the following Project Costs (as defined in the Bond Indenture):

<u>Payee</u>	<u>Amount</u>	<u>Description of Project Costs</u>
--------------	---------------	---

The undersigned Company Representative hereby states and certifies that:

1. Each item listed above is a valid “cost” of a “project” as authorized under the Act and is a proper Project Cost (as defined in the Bond Indenture) that was incurred in the acquisition, construction, renovation, remodeling, expansion, completion or equipping of portions of the Project in accordance with the construction contracts and plans and specifications therefor.

2. These Project Costs have been incurred by the Company under its control and are presently due and payable or have been paid by the Company and are reasonable costs that are payable or reimbursable under the Bond Indenture and each item thereof is a proper charge against the Project Fund.

3. Each item listed above has not previously been paid or reimbursed from moneys in the Project Fund and no part thereof has been included in any other Disbursement Request previously filed with the Bond Trustee under the provisions of the Bond Indenture or reimbursed to the Company from Bond proceeds.

4. There has not been filed with or served upon the Company any notice of any lien, right to a lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts stated in this request, except to the extent any such lien is being contested in accordance with the provisions of the Loan Agreement.

5. *[[OTHER GRANT REQUIREMENTS]]*

MIDWEST FIBER, INC.

By: _____
Name: _____
Title: _____

Approved by the Purchaser's Agent this ____ day of _____, _____.

COMMERCE BANK, N.A.,
as Purchaser's Agent

By: _____
Name: _____
Title: _____

EXHIBIT F
TO BOND TRUST INDENTURE
(FORM OF NOTICE OF TENDER OF BONDS)

Commerce Bank, N.A., as Tender Agent
Corporate Trust Department
Kansas City, Missouri

[Remarketing Agent]

Re: Town of Normal, Illinois Solid Waste Disposal Revenue Bonds (Midwest Fiber Project)
Series 2010A and Taxable Series 2010B

Ladies and Gentlemen:

Pursuant to **Section 306(b)** of the Bond Trust Indenture dated as of November 1, 2010, between Commerce Bank, N.A., as bond trustee, and the Town of Normal, Illinois, notice is hereby given that:

(a) The undersigned is the Owner of \$_____ principal amount of Bonds, which Bonds bear interest at the [Daily] [Weekly] [Indexed Put] Rate;

(b) The CUSIP number[s] of the aforementioned Bonds [is] [are] _____; and

(c) The undersigned Owner demands purchase of the aforementioned Bonds in Authorized Denominations on _____, the purchase date.

You are authorized to remit the purchase price for the aforementioned Bonds in accordance with the following instructions:

[payment instructions]

Dated: _____, _____.

BONDOWNER

By: _____
Its: _____

EXHIBIT G

FORM OF INVESTMENT LETTER

Board of Trustees of Town of Normal Illinois
Normal, Illinois

Commerce Bank, N.A., as Bond Trustee
Kansas City, Missouri

Re: Town of Normal, Illinois Solid Waste Disposal Revenue Bonds (Midwest Fiber Project)
Series 2010A and Taxable Series 2010B

Ladies and Gentlemen:

Clayton Holdings, LLC (the "Original Purchaser") hereby represents and warrants to you as follows:

1. The Original Purchaser proposes to purchase on the date hereof at the price of par, with no accrued interest, all of the above-referenced bonds (the "Bonds") issued pursuant to that certain Bond Trust Indenture dated as of November 1, 2010 (the "Bond Indenture"), between the Town of Normal, Illinois (the "Issuer") and Commerce Bank, N.A., as Bond Trustee. The Original Purchaser understands that the Bonds have not been registered under the Securities Act of 1933, as amended (the "1933 Act") or the securities laws of any state and will be sold to the Original Purchaser in reliance upon certain exemptions from registration and in reliance upon the representations and warranties of the Original Purchaser set forth herein.

2. The Original Purchaser has sufficient knowledge and experience in business and financial matters in general, and investments such as the Bonds in particular, to enable the Original Purchaser to evaluate the risks involved in an investment in the Bonds.

3. The Original Purchaser has received and carefully reviewed the Bond Indenture and the other Bond Documents (as defined in the Bond Indenture) and audited and/or unaudited financial statements of Midwest Fiber, Inc., an Illinois corporation ("Midwest Fiber"), and Shumaker Properties, L.L.C., an Illinois limited liability company ("Shumaker Properties," together with Midwest Fiber, collectively referred to herein as the "Company"). The Original Purchaser has received all information from the Issuer and the Company that the Original Purchaser has requested, has had all questions answered by appropriate officers of the Issuer and the Company, and, to the knowledge of the Original Purchaser, has received all information necessary for the Original Purchaser to evaluate the merits and risks of purchasing the Bonds.

4. The Original Purchaser confirms that its investment in the Bonds constitutes an investment that is suitable for and consistent with its investment program and that the Original Purchaser is able to bear the economic risk of an investment in the Bonds, including a complete loss of such investment.

5. The Original Purchaser is purchasing the Bonds solely for its own account for investment purposes only, and not with a view to, or in connection with, any distribution, resale, pledging, fractionalization, subdivision or other disposition thereof (subject to the understanding that disposition of Original Purchaser's property will remain at all times within its control).

6. The Original Purchaser agrees that it will only offer, sell, pledge, transfer or exchange any of the Bonds it purchases (i) in accordance with an available exemption from the registration requirements of Section 5 of the 1933 Act, (ii) in accordance with any applicable state securities laws, and (iii) in accordance with the provisions of the Bond Indenture.

7. The Original Purchaser is familiar with Regulation D promulgated under the 1933 Act and is a sophisticated institutional investor and an “accredited investor” within the meaning of Regulation D. The Original Purchaser understands that the Bonds may be resold, pledged or transferred only (i) to a person who the seller reasonably believes is a sophisticated institutional investor and an accredited investor that purchases for its own account, or (ii) pursuant to another exemption from registration under the 1933 Act.

8. The Original Purchaser has had access to, and has examined to the extent the undersigned has deemed necessary, financial statements and other data of the Company, which the undersigned considers sufficient to enable the undersigned to form a decision concerning such purchase.

9. If the Original Purchaser sells any of the Bonds other than pursuant to a mandatory or optional tender and purchase provided for in and complying with the Bond Indenture, the Original Purchaser or its agent will obtain from any subsequent purchaser the same representations contained in this Representation Letter.

10. The Original Purchaser acknowledges and understands that each of you is relying and will continue to rely on the statements made herein. The Original Purchaser agrees to notify you immediately of any changes in the information and conclusions herein.

Very truly yours,

CLAYTON HOLDINGS, LLC

By: _____
Name: _____
Title: _____

LOAN AGREEMENT

Dated as of November 1, 2010

between

TOWN OF NORMAL, ILLINOIS,

MIDWEST FIBER, INC.

and

SHUMAKER PROPERTIES, L.L.C.

Relating To:

\$4,685,000

**Town of Normal, Illinois
Solid Waste Disposal Revenue Bonds
(Midwest Fiber Project)
Series 2010A**

and

\$925,000

**Town of Normal, Illinois
Taxable Solid Waste Disposal Revenue Bonds
(Midwest Fiber Project)
Series 2010B**

The rights, title and interest of the Town of Normal, Illinois in this Loan Agreement (with certain exceptions) have been pledged and assigned to Commerce Bank, N.A., as Bond Trustee, under the Bond Trust Indenture dated as of November 1, 2010, between the Town of Normal, Illinois and the Bond Trustee.

LOAN AGREEMENT

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LOAN AGREEMENT

THIS LOAN AGREEMENT dated as of November 1, 2010 (the "Loan Agreement"), by and between the **TOWN OF NORMAL, ILLINOIS**, a home rule unit of government organized and existing under the laws of the State of Illinois (the "Issuer"), and **MIDWEST FIBER, INC.**, an Illinois corporation ("Midwest Fiber"), and **SHUMAKER PROPERTIES, L.L.C.**, an Illinois limited liability company ("Shumaker Properties," together with Midwest Fiber, each of which shall be jointly and severally liable for the payment and performance of all obligations of the Company hereunder, are collectively referred to herein as the "Company").

RECITALS:

1. Pursuant to the provisions of Section 6 (Powers of Home Rule Units) of Article VII (Local Government) of the Constitution of the State of Illinois and the Illinois Municipal Code (Section 5/1-1-1 *et seq.* of Chapter 65 of the Illinois Compiled Statutes, as supplemented and amended, including by the Bond Authorization Act, the Registered Bond Act, the Bond Replacement Act, the Local Government Defeasance of Debts Law, and the Local Government Debt Reform Act, collectively, the "Act"), and at the request of the Company, the Issuer is issuing (i) \$4,685,000 aggregate principal amount of its Solid Waste Disposal Revenue Bonds (Midwest Fiber Project), Series 2010A (the "Series 2010A Bonds"), and (ii) \$925,000 aggregate principal amount of its Taxable Solid Waste Disposal Revenue Bonds (Midwest Fiber Project), Series 2010B (the "Series 2010B Bonds," together with the Series 2010A Bonds, the "Bonds"), under a Bond Trust Indenture of even date herewith (the "Bond Indenture"), between the Issuer and Commerce Bank, N.A., as Bond Trustee (the "Bond Trustee"), for the purpose of making a loan of the proceeds thereof (the "Loan") to the Company under this Loan Agreement to provide funds to (a) refinance certain existing debt, (b) finance, refinance and reimburse the costs of the Project (as defined in the Bond Indenture), and (c) pay certain costs related to the issuance of the Bonds, in consideration of payments by the Company which will be sufficient to pay the principal of, redemption premium, if any, and the interest on the Bonds.

2. The Issuer and the Company are entering into this Loan Agreement to provide for the loan of the proceeds of the Bonds by the Issuer to the Company, and the repayment of the Loan by the Company, all in accordance with the Commitment (as defined in the Bond Indenture).

3. The Company has obtained a guaranty of the payment of the principal of, redemption premium, if any, and interest on the Bonds pursuant to the Guaranty Agreements. The Bonds are also secured by the Mortgage and the Security Agreement (as such terms are defined in the Bond Indenture).

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

Section 1.1. Definitions. Except as otherwise provided herein, the words and phrases defined in the Bond Indenture shall have the meanings herein that they have in the Bond Indenture.

Section 1.2. Rules of Construction. For all purposes of this Loan Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(1) “This Loan Agreement” means this instrument as originally executed and as it may from time to time be supplemented or amended pursuant to the applicable provisions hereof.

(2) All references in this instrument to designated “Articles,” “Sections” and other subdivisions or to designated “Exhibits” are to the designated articles, sections and other subdivisions of or the designated exhibits to this Loan Agreement, except as otherwise indicated. The words “herein,” “hereof,” “hereunder,” “hereto” and “herewith” and other words of similar import refer to this Loan Agreement as a whole and not to any particular Article, Section or other subdivision.

(3) The terms defined in **Article I** of the Bond Indenture or herein include the plural as well as the singular.

(4) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles to the extent applicable

(5) All references herein to “generally accepted accounting principles” refer to accounting principles generally accepted in the United States of America in effect on the date of the determination, certification, computation or other action to be taken hereunder using or involving such terms; provided, however, if there is a change in generally accepted accounting principles and the Company or the Original Purchaser shall object in writing to determining the Company’s compliance with any covenants under this Loan Agreement on the basis of such change, then all compliance calculations shall be made on a basis consistent with the most recent financial statements delivered by the Company to the Original Purchaser pursuant to **Section 5.7** of this Loan Agreement as to which no objection was made. Any objection to a change in generally accepted accounting principles shall be made (i) by the Company prior to the time financial statements are delivered pursuant to **Section 5.7** of this Loan Agreement, and (ii) by the Original Purchaser within 30 days after financial statements are delivered pursuant to **Section 5.7** of this Loan Agreement.

(6) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(7) The Article and section headings herein and in the Table of Contents are for convenience of reference only and shall not affect the construction hereof.

(8) Whenever an item or items are listed after the word “including,” such listing is not intended to be a listing that excludes items not listed.

(9) Any references herein to the Liquidity Provider and the Liquidity Facility shall be disregarded at any time at which no Bonds are Outstanding as Daily Rate Bonds, Weekly Rate Bonds or Short-Term Rate Bonds.

(10) Any references herein to the Remarketing Agent shall be disregarded at any time at which Bonds are Outstanding as Indexed Put Bonds or Fixed Rate Bonds.

(11) Any references herein to the Tender Agent shall be disregarded at any time at which Bonds are Outstanding as Fixed Rate Bonds.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations of the Issuer. The Issuer makes the following representations as the basis for its covenants and agreements herein:

(a) The Issuer (1) is a municipality and home rule unit of government organized and existing under the laws of the State, and (2) has lawful power and authority to enter into, execute and deliver the Bond Documents to which the Issuer is a party, and by all necessary corporate action has been duly authorized to execute and deliver this Loan Agreement and any other Bond Documents required to be executed and delivered by it in connection with the issuance of the Bonds, acting by and through its duly authorized officers.

(b) The Issuer has, by the Ordinance duly adopted, authorized the issuance, sale, execution and delivery of the Bonds, its entering into and performance of its obligations under, and the execution and delivery on its behalf of, the Bond Indenture and the Bond Documents to which it is a party, under the terms of which the proceeds of the Bonds are to be made available to the Company and the rights of the Issuer hereunder (except as provided in the Bond Indenture) are pledged and assigned to the Bond Trustee as security for the payment of all amounts to become due on the Bonds.

(c) The execution and delivery of this Loan Agreement, and any other Bond Documents to which the Issuer is a party, by the Issuer will not result in a breach of any of the terms of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Issuer is a party or by which it or any of its property is bound or its bylaws or any of the constitutional or statutory rules or regulations applicable to the Issuer or its property.

(d) The Issuer has not pledged, assigned or granted and will not pledge, assign or grant any of its rights or interest in or under this Loan Agreement for any purpose other than as provided in the Bond Indenture.

(e) The Issuer has held a public hearing and received the approval of the issuance of the Bonds from the Board of Trustees of the Issuer.

All representations of the Issuer contained herein, in the Ordinance authorizing the Bonds or in any certificate or other instrument delivered by the Issuer pursuant hereto, or pursuant to the Bond Indenture, or in connection with the transactions contemplated thereby, shall survive the execution and delivery thereof and the issuance, sale and delivery of the Bonds as representations of facts existing as of the date of execution and delivery of the instrument containing such representation.

Section 2.2. Representations, Warranties and Covenants of the Company. Each of Midwest Fiber and Shumaker Properties, jointly and severally liable for all obligations hereunder as the “Company,” represent, warrant and covenant that:

(a) Midwest Fiber is a corporation duly organized and validly existing under the laws of the State. Shumaker Properties is a limited liability company duly organized and validly existing under the laws of the State. Both Midwest Fiber and Shumaker Properties are in good standing in and authorized to do business in all states where the conduct of their business requires

such good standing and authorization. Both Midwest Fiber and Shumaker Properties have full legal right, power and authority to enter into the Bond Documents to which either is a party and to approve the Bond Indenture and to carry out and consummate all transactions contemplated hereby. Both Midwest Fiber and Shumaker Properties have, by proper action, duly authorized their entering into and performance of their respective obligations under, and the execution and delivery on their behalf of the Bond Documents to which either is a party and have approved the Bond Indenture and the issuance and terms of the Bonds.

(b) The execution and delivery of the Bond Documents, and the consummation of the transactions herein and therein contemplated, including, and subject to, the application of the proceeds of the Bonds as contemplated, do not and will not conflict with, or constitute a material breach of, or default under (i) Midwest Fiber's articles of incorporation, its bylaws, any resolution of its board of directors in effect on the date hereof, or any statute, indenture, mortgage, deed of trust, lease, note, loan agreement or other agreement or instrument to which Midwest Fiber is a party or by which it or its properties are bound, or (ii) Shumaker Properties' articles of organization, its operating agreement, any resolution of its members or managers, as applicable, in effect on the date hereof, or any statute, indenture, mortgage, deed of trust, lease, note, loan agreement or other agreement or instrument to which Shumaker Properties is a party or by which it or its properties are bound, and do not and will not constitute a violation of any order, rule or regulation of any court or governmental agency or body having jurisdiction over Midwest Fiber or Shumaker Properties or any of their activities or properties which would have a material adverse effect on their activities or properties. Neither Midwest Fiber or Shumaker Properties is knowingly in breach, default or violation of any statute, indenture, mortgage, deed of trust, note, loan agreement or other agreement or instrument which would allow the obligee or obligees thereof to take any action which would materially and adversely affect their performance hereunder or thereunder.

(c) No litigation, proceedings or investigations are pending or, to the knowledge of the Company, threatened against the Company seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of the Bonds by the Issuer or the Bond Documents by the Company, or which would in any manner challenge or adversely affect the corporate existence or powers of the Company to enter into and carry out the transactions described in or contemplated by or the execution, delivery, validity or performance by the Company of the terms and provisions of the Bond Documents. In addition, there is not now pending or, to the knowledge of the Company, threatened any litigation against the Company except for litigation in which the probable recoveries and the estimated costs and expenses of defense, in the opinion of counsel to the Company, will be entirely within the Company's applicable insurance policy limits (subject to applicable deductibles) or reserves, including self-insurance trusts, established by the Company therefor, or which would not materially adversely affect the business or properties of the Company.

(d) The real estate upon which the Project is located will be owned by Shumaker Properties, subject to Permitted Encumbrances. The Company will own the Project throughout the term of this Loan Agreement to the extent required by the provisions of **Section 5.2** and **Section 5.10**. No Person other than the Company currently owns or uses any portion of the Project in a manner or to an extent which would adversely affect the validity of the Bonds or cause the interest on the Series 2010A Bonds to be included in the gross income of the recipients thereof for federal income tax purposes.

(e) To the Company's knowledge after due investigation and subject to any Phase 1 or other environmental report delivered to the Original Purchaser prior to the issuance of the

Bonds, (i) the property on which the Project is located has never been used for either a sanitary landfill or as a disposal site for waste, petroleum products or toxic or hazardous substances or materials of any kind (collectively, "hazardous substances") and no hazardous substance or underground storage tanks have been deposited or are located in, under or upon the property on which the Project is located, and (ii) no part of the property on which the Project is located is presently contaminated by hazardous substances including asbestos. To the Company's knowledge and subject to any Phase 1 or other environmental report delivered to the Original Purchaser prior to the issuance of the Bonds, no parcel of land adjacent to the Project has ever been used for either a sanitary landfill or as a disposal site for hazardous substances, and no hazardous substance or underground storage tank has been deposited in or located in, under or upon such adjacent parcel of land, and no adjacent parcel of land is presently contaminated by hazardous substances.

All representations of the Company contained herein or in any certificate or other instrument delivered by the Company pursuant hereto, or pursuant to the Bond Indenture, or in connection with the transactions contemplated thereby, shall survive the execution and delivery thereof and the issuance, sale and delivery of the Bonds as representations of facts existing as of the date of execution and delivery of the instrument containing such representation.

ARTICLE III

ISSUANCE OF THE BONDS

Section 3.1. Loan of Funds. The Issuer shall make the Loan to the Company, using the proceeds of the sale of the Bonds, and the Company shall receive such Loan from the Issuer, for the purposes and upon the terms and conditions provided in this Loan Agreement and in the Bond Indenture.

Section 3.2. Use of Proceeds; Completion of the Project. The proceeds of the Bonds loaned to the Company shall be paid to the Bond Trustee for deposit in the Project Fund under the Bond Indenture and shall be administered, disbursed and applied for the payment of Project Costs and Issuance Costs in the manner as provided in the Bond Indenture.

The Company shall cause the Project to be completed with reasonable dispatch, and shall provide (from its own funds if required) all moneys necessary to complete the Project substantially in accordance with the plans and specifications for the Project. The Company shall comply with all of the provisions and shall perform all obligations of the Company set forth in the Bond Indenture with respect to the completion of the Project.

If the proceeds derived from the sale of the Bonds issued for such purpose are not sufficient to pay in full the Project Costs, the Company shall pay so much of the cost thereof as may be in excess of the proceeds of the Bonds and any investment income thereon available therefor. The Company agrees that if, after exhaustion of the proceeds derived from the sale of the Bonds and investment income thereon, the Company should pay any portion of the Project Costs pursuant to the provisions of this Section, it shall not be entitled to any reimbursement therefor from the Issuer or the Bond Trustee nor shall it be entitled to any abatement, diminution or postponement of its payment obligations hereunder.

In addition, the Company agrees to pay the Issuance Costs for the Bonds which are not being paid with the proceeds of the sale of the Bonds either by paying any or all of such costs directly or by

depositing the same with the Bond Trustee. Any moneys so deposited with the Bond Trustee shall be disbursed by the Bond Trustee in accordance with written instructions from the Company Representative.

The completion of the Project shall be evidenced to the Bond Trustee by a certificate of the Company Representative, delivered to the Bond Trustee within **90** days of the date of completion of the Project as required by **Section 404** of the Bond Indenture.

Section 3.3. Project Documents. The Company shall maintain in its files and available for inspection by the Bond Trustee and the Original Purchaser upon request copies of the following documents at such time as such documents become available and in any event by the time work is commenced on the portion of the Project to which they relate:

(a) *Plans and Specifications.* All available preliminary and final plans and specifications for the Project.

(b) *Construction Contracts.* All architect's and general contractor's contracts or construction manager's contracts for the Project and all prime subcontractor's contracts and purchase orders for any equipment included in the Project.

(c) *Licenses and Permits.* All required licenses, permits and approvals required or necessary to acquire, construct, equip and occupy the Project.

Section 3.4. Changes or Amendments to the Project. The Company may make, authorize or permit such changes or amendments in the Project as it may reasonably determine to be necessary or desirable; provided, however, that no such change or amendment shall be made to the Project that would cause a material change in the cost, scope, nature, or function of the Project, unless there is filed with the Bond Trustee and the Original Purchaser:

(a) a Certificate of a Company Representative to the effect that the Project will, after such change or amendment, continue to constitute a "project" within the meaning of the Act, and such change or amendment will not result in any Property being used for any purpose prohibited by this Loan Agreement or otherwise result in the Company failing to comply with any provisions of this Loan Agreement; and

(b) either (1) a Favorable Opinion of Bond Counsel addressed to the Bond Trustee, and the Issuer to the effect that (A) such change or amendment will not adversely affect the exclusion of the interest on the Series 2010A Bonds from gross income for purposes of federal income taxation, and (B) such change or amendment will not cause the average maturity of the Series 2010A Bonds to exceed **120%** of the average reasonably expected economic life of the facilities financed or refinanced with proceeds of the Series 2010A Bonds, or (2) a certificate of a Company Representative to the effect that the Company Representative expects to be able to shorten the average maturity of the Series 2010A Bonds to not exceed **120%** of the average reasonably expected economic life of the facilities financed or refinanced with proceeds of the Series 2010A Bonds, as recalculated in accordance with the provisions of the Internal Revenue Code, through the deposit to the Debt Service Fund as described below in this Section.

If any change or amendment would render materially inaccurate the description of the Project in **Exhibit A** to the Bond Indenture, there shall be delivered to the Bond Trustee a revised **Exhibit A**

containing a description of the Project that reflects the change in the Project, the accuracy of which shall have been certified by a certificate of a Company Representative.

If any change or amendment to the Project would cause a material change in the cost, scope, nature or function of the Project, the Company Representative at the completion of the Project shall recalculate the average reasonably expected economic life of the Project, as so changed or amended. If any such recalculation demonstrates that the average maturity of the Series 2010A Bonds exceeds **120%** of the average reasonably expected economic life of the facilities financed or refinanced with proceeds of such Series 2010A Bonds, the Company Representative shall instruct the Issuer and the Bond Trustee to call Series 2010A Bonds for redemption pursuant to the optional redemption provisions of the Bond Indenture and shall pay to the Bond Trustee for deposit in the Debt Service Fund held under the Bond Indenture, an amount which, when applied by the Bond Trustee to redeem Series 2010A Bonds, is sufficient, based on an Opinion of Bond Counsel addressed to the Bond Trustee and the Issuer, to cause the average maturity of the Series 2010A Bonds to be no more than **120%** of the average reasonably expected economic life of the facilities financed or refinanced with proceeds of such Series 2010A Bonds. Such deposit to the Debt Service Fund shall be made at such time as will permit the Bond Trustee to give proper notice of redemption required by the Bond Indenture on the first date the Series 2010A Bonds may be optionally redeemed at par.

Section 3.5. Enforcement of Contracts and Surety Bonds. In the event of a material default of any contractor or subcontractor under any construction contract or any other contract made in connection with the Project, or in the event of a material breach of warranty with respect to any materials, workmanship or performance, the Company will promptly proceed, either separately or in conjunction with others, to pursue diligently its remedies against the contractor or subcontractor in default and against any surety on a bond securing the performance of such contract. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, after deduction of expenses incurred in such recovery and after reimbursement to the Company of any amounts theretofore paid by the Company and not previously reimbursed to the Company for correcting or remedying of the default which gave rise to the proceedings against the contractor, subcontractor or surety, shall be paid to the Bond Trustee for deposit into the Project Fund if received before the date of completion of the Project, and otherwise for deposit into the Debt Service Fund.

ARTICLE IV

PAYMENT PROVISIONS

Section 4.1. Loan Payments. To provide for the payment of the Bonds, the Company, jointly and severally, shall make the following payments (“Loan Payments”) in immediately available funds until all of the principal of and interest and premium, if any, on the Bonds is paid or provision for payment thereof has been made in accordance with **Article XI** of the Bond Indenture, to the Bond Trustee for the account of the Issuer for deposit in the appropriate account of the Bond Fund:

(1) On or before 11:00 a.m., central time, on each Interest Payment Date for the Bonds, an amount which is equal to the interest due on that Interest Payment Date with respect to the Bonds; provided that the Company may be entitled to certain credits on such payments as permitted under **Section 4.2**;

(2) On or before 11:00 a.m., central time, on each date on which any principal of the Bonds becomes due by maturity, mandatory sinking fund redemption or otherwise, an amount

equal to the amount of that principal becoming due on that date; provided that the Company may be entitled to certain credits on such payments as permitted under **Section 4.2**; and

(3) On or before the day such funds are required to be available, the amount required to redeem Bonds then Outstanding if the Company exercises its right to redeem Bonds under any provision of the Bond Indenture or if any Bonds are required to be redeemed (other than pursuant to mandatory sinking fund redemption provisions) under any provision of the Bond Indenture.

Unpaid Loan Payments shall bear interest at the Default Rate then applicable to the Bonds. Any interest charged and collected on an unpaid Loan Payment shall be deposited to the credit of the Debt Service Fund and applied to pay interest on overdue amounts in accordance with the Bond Indenture.

Section 4.2. Credits on Loan Payments. The Company shall receive credit for Loan Payments, in addition to any credits resulting from payment or prepayment from other sources, as follows:

(a) moneys deposited in the Debt Service Fund as interest (including moneys received as accrued interest from the sale of Bonds and any initial deposit made from the proceeds of the sale of any Bonds) shall be credited against the obligation of the Company to pay interest on the Loan as the same becomes due;

(b) moneys deposited in the Debt Service Fund as principal shall be credited against the obligation of the Company to pay the principal of the Loan as the same becomes due in the order of maturity thereof, except that prepayments for purposes of making an optional deposit into the Debt Service Fund for the redemption of Bonds shall be applied to the principal corresponding to the Bonds to be redeemed or purchased, delivered and cancelled from the proceeds of such optional deposit;

(c) the principal amount of any Bonds purchased by the Company and delivered to the Bond Trustee, or purchased by the Bond Trustee and cancelled, in accordance with the Bond Indenture shall be credited against the obligation of the Company to pay principal on the Loan related to such Bonds so purchased; and

(d) the investment income accruing to the Debt Service Fund and the amount of any moneys transferred by the Bond Trustee from any other fund held under the Bond Indenture and deposited in the Debt Service Fund as interest or principal shall be credited against the obligation of the Company to pay interest or principal, as the case may be, as the same become due.

Section 4.3. Purchase Price of Tendered Bonds. The Company shall pay to the Bond Trustee, at the times and in the amounts and manner therein specified, the amounts required in order to purchase any Bonds tendered for purchase pursuant to the Bond Indenture; provided, however, that the amounts required to be paid by the Company to the Bond Trustee under this paragraph shall be reduced by the amounts made available for such purpose from (i) the proceeds of the remarketing of such Bonds by the Remarketing Agent deposited in the Purchase Fund, or (ii) through payments by the Liquidity Provider under the Liquidity Facility deposited in the Bond Purchase Fund.

Section 4.4. Additional Payments. The Company, jointly and severally, shall make the following additional payments to the following Persons:

(a) *Issuer Fees.* The Company shall pay to the Issuer its issuance fee and any reasonable expenses, including attorneys fees, incurred by the Issuer in relation to the Bonds and the transactions contemplated by this Loan Agreement, the Bond Indenture and any of the other Bond Documents.

(b) *Professional Fees and Expenses.* The Company shall pay to the Bond Trustee, Remarketing Agent, authenticating agents, paying agents, registrars, counsel, accountants, rebate analysts, recording costs, UCC search, filing and termination fees, title insurance costs, survey costs, environmental audit costs, flood letter fee, appraisal fee and other Persons when due, all reasonable fees, charges and expenses of such Persons for services rendered under the Bond Indenture and under any of the Bond Documents and expenses incurred in the performance of such services under the Bond Indenture and any of the Bond Documents for which such Persons are entitled to payment or reimbursement, including expenses of compliance with the Tax Agreement.

(c) *Advances By Bond Trustee.* The Company shall pay to the Bond Trustee the amount of all advances of funds made by the Bond Trustee under the provisions of this Loan Agreement or the Bond Indenture, with interest thereon at the prime rate announced from time to time by the Bond Trustee.

(d) *Arbitrage Rebate Payments.* The Company shall pay to the United States Government or the Bond Trustee for deposit in the Rebate Fund, all rebate payments required under Section 148(f) of the Internal Revenue Code, to the extent such amounts are not available to the Bond Trustee in the Rebate Fund held under the Bond Indenture.

(e) *Costs of Enforcement.* In the event the Company defaults under any of the provisions of this Loan Agreement and the Issuer or the Bond Trustee employs attorneys or incurs other fees, charges and expenses for the collection of required payments or the enforcement of performance or observance of any obligation or agreement on the part of the Company contained in this Loan Agreement, the Company on demand therefor shall pay to the Issuer or the Bond Trustee the reasonable fees of such attorneys and such other fees, charges and expenses so incurred by the Bond Trustee. The Company also shall pay, and shall indemnify the Issuer and the Bond Trustee from and against, all costs, expenses and charges, including reasonable counsel fees, incurred for the collection of payments due or for the enforcement or performance or observance of any covenant or agreement of the Company under this Loan Agreement, the Bond Indenture or any other Bond Document.

(f) *Payments Under the Liquidity Facility and other Agreements.* The Company shall pay all amounts due and owing to the Liquidity Provider under the terms of the Liquidity Facility, and the Remarketing Agent under the terms of the Remarketing Agreement, each in accordance with the terms thereof.

(g) *Taxes and Assessments.* The Company shall pay all taxes and assessments of any type or character charged to the Issuer or to the Bond Trustee affecting the amount available to the Issuer or the Bond Trustee from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including property and other taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding any taxes based upon the capital and/or income of the Bond Trustee or any other Person other than the Company; provided, however, that the Company shall have the right to protest any such taxes or assessments and to require the Issuer or the Bond Trustee, as the case may be, at the Company's expense, to protest and contest

any such taxes or assessments assessed or levied upon them and that the Company shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest, or contest would materially adversely affect the rights or interests of the Issuer or the Bond Trustee.

(h) *Tax Indemnification During Indexed Put Interest Period.* Upon the occurrence of a Determination of Taxability during an Indexed Put Interest Period, (1) the Company shall pay to the Original Purchaser an amount which, after deduction of all taxes, fees or other charges required to be paid in respect of the receipt of such amount under the laws or regulation of the United States or any political subdivision or any taxing authority there or therein, is equal to any interest, penalties or addition to federal income tax, which amounts are not deductible for federal income tax purposes, and which are payable by the Original Purchaser with respect to the Series 2010A Bonds in connection with the Determination of Taxability, (2) the Company shall pay to the Original Purchaser the amount of interest, penalties or additions to federal income tax which are deductible for federal income tax purposes and which are payable by the Original Purchaser with respect to the Series 2010A Bonds in connection with the Determination of Taxability, and (3) the Company shall pay to the Original Purchaser an amount equal to the difference between (i) interest calculated on the Outstanding Series 2010A Bonds at the Prime Rate and (ii) the interest otherwise previously earned on the Series 2010A Bonds, for the period from the date on which interest on the Series 2010A Bonds became includable in gross income for federal income tax purposes.

(i) *Prepayment Premium During Indexed Put Interest Period.* If any payment of principal is made on the Bonds by or on behalf of the Company to the Original Purchaser during an Indexed Put Interest Period more than 15 days in advance of the scheduled payment date, whether as a result of acceleration or otherwise, other than permitted prepayments under Sections **302(a)(iv)(B)(a)**, **(b)** and **(c)** of the Bond Indenture, the Company shall pay to the Original Purchaser a yield maintenance premium equal to the positive difference, if any, between (i) the present value of all scheduled payments of principal and interest under the Bonds, including the principal amount due at maturity, that would otherwise come due but for the prepayment (each a “Future Payment” and collectively, the “Future Payments”), discounted at a per annum rate of interest equal to the Treasury Rate plus 150 basis points, minus (ii) the present value of the Future Payments discounted at a per annum rate of interest equal to the tax-equivalent yield of the Bond rate. For purposes of this calculation, “Treasury Rate” means the U.S. Treasury Constant Maturities rate, as reported in the Federal Reserve Statistical Release H.15 (Daily Update) having a release date two business days prior to the date of prepayment, having a constant maturity equal to the Remaining Average Life of the Bond as of the date of prepayment, rounded downward to the nearest reported maturity. “Remaining Average Life” shall be determined as of the date of prepayment by dividing (i) the sum of the products obtained by multiplying (a) each Future Payment by (b) the number of years (calculated to the nearest one-twelfth year) that will elapse between the date of prepayment and the scheduled due date of such Future Payment (but not longer than the next Indexed Put Date) by (ii) the total Future Payments. For purposes of determining the tax equivalent yield, the maximum federal corporate tax rate then in effect will apply, plus an assumed effective state tax rate of 6%. For purposes of calculating any prepayment premium, the final maturity of the Bonds shall be deemed to be the next Indexed Put Date following the date of prepayment. Any payment or repurchase of the Bonds in accordance with the exercise of any put option will be deemed to have been made as scheduled and shall not be subject to any yield maintenance premium.

(j) *Other Amounts Payable.* The Company shall pay to the Person or Persons entitled thereto, any other amounts which the Company has agreed to pay under this Loan Agreement or which the Company is required to pay under the Bond Indenture.

Section 4.5. Prepayment of the Loan. Subject to payment of a prepayment premium during the Indexed Put Interest Period as provided in **Section 4.4(i)**, the Company may prepay from time to time the amounts payable under this Loan Agreement in sums sufficient to redeem or to pay or cause to be paid all or part of the Bonds in accordance with the provisions of the Bond Indenture. Upon written notice and direction by the Company Representative to the Issuer to redeem Bonds subject to optional redemption under the Bond Indenture, the Issuer shall forthwith take all steps (other than the payment of the money required for such redemption) necessary under the applicable redemption provisions of the Bond Indenture to effect redemption of all or part of the then Outstanding Bonds, as may be specified by the Company, on the date established for such redemption. Whenever any Bonds shall have been called for optional redemption under any provision of the Bond Indenture, the Company shall deposit with the Bond Trustee Eligible Moneys in such amounts and at such times required to redeem such Bonds, including the principal, redemption premium, if any, and accrued interest thereon to the redemption date. The Company further agrees that in the event the payment of principal of and interest on the Loan is accelerated upon the occurrence of an Event of Default under this Loan Agreement, all Loan Payments payable for the remainder of the term of this Loan Agreement shall be accelerated and prepayment shall be made on the Loan in such amounts. Any such prepayments shall be deposited in the Debt Service Fund, and applied by the Bond Trustee in accordance with the provisions of the Bond Indenture.

Section 4.6. Obligations Absolute and Unconditional. The obligations of the Company under this Loan Agreement are general obligations of the Company, and the full faith and credit of the Company is pledged to the payment of all amounts due and payable by the Company under this Loan Agreement. The Company shall pay all such amounts due and payable under this Loan Agreement using any and all available resources of the Company, as necessary. The Company shall pay all Loan Payments and other payments due under this Loan Agreement and perform its obligations, covenants and agreements under this Loan Agreement, without notice or demand, and without abatement, deduction, set-off, counterclaim, recoupment, discrimination or defense or any right of termination or cancellation arising from any circumstances whatsoever, and regardless of the invalidity of any portion of this Loan Agreement, and, to the extent permitted by law, the Company waives the provisions of any statute or other law now or hereafter in effect contrary to any of its obligations, covenants or agreements under this Loan Agreement or which releases or purports to release the Company therefrom. Nothing in this Loan Agreement shall be construed as a waiver by the Company of any rights or claims the Company may have against the Issuer under this Loan Agreement or otherwise, but any recovery upon such rights or claims shall be had from the Issuer separately, it being the intent of this Loan Agreement that the Company, jointly and severally, shall be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under this Loan Agreement for the benefit of the owners of the Bonds.

Section 4.7. Assignment of Issuer's Rights. Under the Bond Indenture, the Issuer has pledged, assigned, transferred in trust and granted a security interest to the Bond Trustee in all of the Issuer's rights, title and interest under this Loan Agreement (except for the Issuer's rights to payment of its fees and expenses, the Issuer's right to indemnification in certain circumstances, the Issuer's rights under **Sections 5.7, 5.9 and 5.10** hereof, the Issuer's rights to receive notices and give consent and as otherwise expressly set forth in this Loan Agreement) as security for the Bonds, and such rights, title and interest may be exercised, protected and enforced for or on behalf of the owners of the Bonds in conformity with this Loan Agreement and the Bond Indenture. The Bond Trustee is hereby given the

right to enforce, as assignee of the Issuer, the performance of the obligations of the Company under this Loan Agreement, and the Company hereby consents to the same and agrees that the Bond Trustee may enforce such rights as provided in this Loan Agreement and in the Bond Indenture. The Issuer and the Company recognize that the Bond Trustee is a third party creditor-beneficiary of this Loan Agreement.

ARTICLE V

GENERAL COVENANTS AND PROVISIONS

Section 5.1. Existence. Except as otherwise expressly provided in this Loan Agreement, each entity that comprises the Company shall (1) preserve and keep in full force and effect its separate legal existence, and (2) remain qualified to do business and conduct its affairs in the State.

Section 5.2. Maintenance and Use of Project. Shumaker Properties shall maintain fee simple ownership of the portion of the Project comprised of the real property and improvements thereon, subject only to Permitted Encumbrances. Midwest Fiber shall maintain ownership of the portion of the Project comprised of equipment, subject only to Permitted Encumbrances. The Company shall cause the Project to be maintained, preserved and kept in good repair and working order and condition and in as safe condition as its operations will permit and shall make all repairs, renewals, replacements and improvements thereof necessary for the efficient conduct of its business and operations, and shall, during the term of the Bonds, operate the Project as a “project” within the meaning of the Act. Nothing in this Section shall obligate the Company to preserve, repair, renew or replace any portion of the Project no longer used or no longer useful in the conduct of its business, or prevent the Company from discontinuing the operation of any portion of the Project or from removing or demolishing any building or buildings, if such discontinuance is desirable in the conduct of its business. The Company may make additions, alterations and changes to the Project so long as such additions, alterations and changes are made in compliance with the provisions of this Loan Agreement and will not result in a violation of the provisions of this Loan Agreement, and the Company may dispose of any portion of the Project as permitted by this Loan Agreement. Notwithstanding the foregoing, the Company agrees not to assign, sublet, transfer or modify the use of the Project without the Issuer’s prior written consent, which consent shall not be unreasonably withheld or delayed.

Subject to the provisions of this Article, the Company shall have the right to use the Project for any purpose allowed by law and contemplated by the Act. Except as provided in this Loan Agreement, the Issuer reserves no power or authority with respect to the operation of the Project by the Company and activities incident thereto, it being the intention of the parties to this Loan Agreement that so long as the Company shall duly and faithfully observe and perform all of the terms, covenants, provisions and agreements of this Loan Agreement, the Company shall manage, administer and govern the Project and its activities and affairs on a continuing day-to-day basis.

The provisions of this Section are subject to the provisions of **Section 5.10** of this Loan Agreement.

Section 5.3. Compliance with Laws and Regulations. The Company shall conduct its affairs and carry on its business and operations in such manner as to comply with any and all applicable laws of the United States of America and the states in which it conducts business and observe and conform to all valid orders, regulations or requirements of any governmental authority applicable to the conduct of its business and operations and the ownership of the Project, including without limitation environmental laws, orders or regulations; provided, however, that nothing contained in this Loan

Agreement shall require the Company to comply with, observe and conform to any such law, order, regulation or requirement of any governmental authority so long as the applicability or validity thereof shall be contested in good faith by appropriate proceedings, provided that the Company shall have set aside on its books adequate reserves with respect to such contest and such contest shall not materially impair the ability of the Company to meet its obligations under this Loan Agreement.

Section 5.4. Payment of Taxes and Other Charges. The Company shall pay or cause to be paid as they become due and payable all taxes, assessments and other governmental charges lawfully levied or assessed or imposed upon the Company or its property or any part thereof, including the Project, or upon any income therefrom; provided, however, that the Company shall not be required to pay and discharge or cause to be paid and discharged any such tax, assessment or governmental charge to the extent that the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings and the Company shall have established and shall maintain adequate reserves on its books for the payment of the same.

Section 5.5. Licenses and Permits. The Company shall procure and maintain all licenses and permits necessary or desirable in the operation of its business, programs and facilities which the governance of the Company determines are appropriate; provided, however, that the Company shall not be required to procure or maintain in effect any permit or license that the governance of the Company determines in good faith, is not in the best interests of the Company and is no longer necessary or desirable in the conduct of its business and the lack of which will not materially impair the ability of the Company to perform its obligations under this Loan Agreement.

Section 5.6. Insurance. Subject to the right of the Company to increase the deductibles described herein, the Company shall at all times during the construction period maintain at its sole cost and expense, or cause the contractors under the construction contracts to maintain, in full force and effect a policy or policies of Builder's Risk-Completed Value Form Insurance insuring the Project against fire, lightning and all other risks covered by the extended coverage endorsement then in use in the State to the full insurable value of the Project (subject to reasonable loss deductible clauses not to exceed \$100,000).

After the construction period with respect to the Project, the Company shall at its sole cost and expense obtain and shall maintain (1) a policy or policies of insurance to keep the Project constantly insured against loss or damage by fire, lightning and all other risks covered by the extended coverage insurance endorsement then in use in the State, including but not limited to, loss by earthquake, windstorm, hail, explosion, riot, aircraft, smoke, vandalism, malicious mischief, and vehicle damage, in an amount not less than the full replacement cost thereof (subject to reasonable loss deductible clauses not to exceed \$100,000), (2) comprehensive public liability insurance covering claims for bodily injury, death and property damage, in amounts customarily maintained by owners of substantially similar property, and (3) flood insurance in the amount of the value of the Project unless the site of the Project is not located in an area designated by the Department of Housing and Urban Development as having special flood hazards. The insurance required pursuant to this Section shall be maintained at the Company's sole cost and expense, shall be maintained with generally recognized responsible insurance companies authorized to do business in the State as may be selected by the Company (and be acceptable to the Original Purchaser so long as the Original Purchaser is the owner of all of the Bonds). Copies of the insurance policies required under this Section, or originals or certificates thereof, shall be delivered by the Company to the Bond Trustee. All such policies of insurance pursuant to this Section, and all renewals thereof, shall name the Company and the Bond Trustee as insureds as their respective interests may appear, and shall contain a provision that such insurance may not be canceled by the issuer thereof nor any material amendment made in such policies without at least 20 days' advance written notice to the Company and the Bond Trustee, and shall be payable to the Bond Trustee.

In the event of loss or damage to the Project, the net proceeds of casualty insurance carried pursuant to this Section shall be paid over to the Bond Trustee and, at the option of the Company, shall be deposited in the Project Fund and used to repair or replace such loss or damage, or deposited in the Bond Fund and used to redeem Bonds pursuant to **Section 302(a)(iv)** of the Bond Indenture.

Section 5.7. Financial Statements and Other Information. The Company shall keep proper books of record and account, in which full and correct entries shall be made of all dealings or transactions of or in relation to the properties, business and affairs of the Company in accordance with generally accepted accounting principles. The Company Representative shall furnish to the Bond Trustee, the Original Purchaser and the Issuer (but only upon request of the Issuer), the following:

(a) *Financial Statements.* As soon as practicable after they are available but in no event more than (1) 30 days after the last day of each fiscal quarter, consolidated financial statements of the Related Companies prepared by the Company, and (2) 120 days after the last day of each fiscal year, reviewed consolidated financial statements of the Related Companies for such fiscal year reviewed by the Company's independent certified public accountants, covering the operations of the Related Companies for such fiscal year and containing a balance sheet as of the end of such fiscal year and a statement of changes in stockholder's equity, statement of income and a statement of cash flows for such fiscal year. Such financial statements will be presented in comparative form with the preceding year, with the exception of the first year (December 31, 2010), which will be presented as a single year. Such financial statements will be presented in reasonable detail and be accompanied by an "Accountants Review Report" prepared by the Company's independent certified public accountants, stating that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles. Additionally, the Company shall provide, within 120 days after the end of each calendar year, the federal income tax return of each of the Related Companies.

(b) *Officer's Compliance Certificate.* Simultaneously with the delivery of financial statements referred in subsection (a) above, a certificate of a Company Representative stating that after due inquiry there does not exist on the date of such certificate any Event of Default or event which with notice or lapse of time or both would constitute an Event of Default under this Loan Agreement of which the Company is aware or, if any Event of Default does exist, stating that such event exists and setting forth the details thereof and the action that the Company is taking or propose to take with respect thereto.

The Company shall at any and all reasonable times, upon the written request of the Issuer, the Bond Trustee or the Original Purchaser and at the expense of the Company, permit the Issuer, the Bond Trustee or the Original Purchaser by their representatives to enter and inspect the properties, books of account, records, reports and other papers of the Company, except donor records, personnel records, and any other confidential records, and to take copies and extracts therefrom, and will afford and procure a reasonable opportunity to make any such inspection, and the Company shall furnish to the Issuer, the Bond Trustee or the Original Purchaser any and all information concerning the Company as the Issuer, the Bond Trustee or the Original Purchaser may reasonably request, at the expense of the requesting party, including statistical and other operating information requested on a periodic basis, in order to enable the requesting party to make any reports required by law, governmental regulations or the Bond Indenture in connection with the Bonds and to determine whether the covenants, terms and provisions of this Loan Agreement have been complied with by the Company.

Section 5.8. Continuing Disclosure. At any time the Bonds are not exempt from the disclosure requirements of Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, the Company will provide or cause to be provided, in accordance with the requirements of the Rule (i) certain annual financial information and operating data, if customarily prepared and publicly available, and (ii) timely notice of the occurrence of certain material events with respect to the Bonds, and will take all other actions as are necessary and appropriate to comply with and carry out the continuing disclosure requirements of the Rule. The Company acknowledges that the Company is the only “obligated person” with responsibility for continuing disclosure, and the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Section, and has no liability to any person, including any Beneficial Owner of the Bonds, with respect to the SEC Rule 15c2-12. A default under this Section shall not constitute an “Event of Default” under this Loan Agreement.

Section 5.9. Tax Covenants. The Company represents, warrants and agrees that the Tax Agreement executed and delivered by the Company concurrently with the issuance and delivery of the Bonds is true, accurate and complete in all material respects as of the date on which executed and delivered. The Company shall comply with the Tax Agreement and the Company covenants and agrees that it will not take any action or permit any action to be taken that would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Series 2010A Bonds and will take whatever action, or refrain from whatever action, necessary to comply with the requirements of the Internal Revenue Code to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2010A Bonds, and the Company will pay or provide for payment to the United States Government, all rebate payments required under Section 148(f) of the Internal Revenue Code and the Tax Agreement. This covenant shall survive payment in full or defeasance of the Series 2010A Bonds.

Section 5.10. Assignment by the Company; Transfer of Property. The Company shall not assign this Loan Agreement, as a whole or in part, unless the following conditions are met:

(a) No assignment shall relieve the Company from primary liability for any of its obligations under this Loan Agreement, and in the event of any such assignment, the Company shall continue to remain primarily liable for payment of the amounts specified in this Loan Agreement and the performance and observance of the other agreements to be performed and observed by the Company under this Loan Agreement to the same extent as though no assignment had been made;

(b) The assignee shall assume the obligations of the Company under this Loan Agreement to the extent of the interest assigned;

(c) The Bond Trustee and the Issuer shall have received a Favorable Opinion of Bond Counsel, in form and substance satisfactory to the Bond Trustee and the Issuer, to the effect that under then existing law the consummation of such assignment would not cause the interest payable on the Series 2010A Bonds to become includable in gross income under the Internal Revenue Code and that such transfer is consistent with the Bond Documents;

(d) The Company Representative shall give prior written notice of such assignment to the Issuer, the Bond Trustee and the Original Purchaser and, within thirty **30** days after the delivery thereof, shall furnish or cause to be furnished to the Issuer, the Bond Trustee and the Original Purchaser a true and complete copy of each assignment and assumption of obligations

and an Opinion of Counsel, delivered to the Bond Trustee and the Issuer, that such assignment is permitted by and in compliance with the provisions of this Loan Agreement; and

(e) At any time the Original Purchaser is the Owner of all Bonds Outstanding, the Original Purchaser shall have provided its written consent to the assignment.

The Bonds shall become due and payable if the Company, without the Original Purchaser's prior written consent during such period the Original Purchaser is the owner of all of the Bonds, sells or otherwise transfers either the legal or equitable title to the property comprising the Project. A "sale or transfer" means the conveyance of the property comprising the Project or any right, title or interest in the property comprising 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 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 property comprising the Project, or by any other method of conveyance of an interest in the property comprising the Project. If any grantor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than 50% of the voting stock, partnership interests or limited liability company interests, as the case may be, of such grantor.

Section 5.11. Covenants under Bond Documents. The Company shall perform or cause to be performed all covenants and agreements required or referenced, directly or by implication or otherwise, on the part of the Company under the Bond Indenture, the Bonds and the Tax Agreement, and shall deliver to the Bond Trustee all reports, opinions and other documents required by the Bond Indenture and all other Bond Documents to be submitted to the Bond Trustee at the times required by the Bond Indenture and all other Bond Documents.

Section 5.12. Liquidity Facility; Substitute Liquidity Facility.

(a) During any time that the Bonds are Daily Rate Bonds, Weekly Rate Bonds or Short-Term Rate Bonds, the Company shall maintain a Liquidity Facility with respect to the Bonds issued by a Qualified Financial Institution in an amount equal to the aggregate principal amount of all Outstanding Bonds, plus an amount equal to the number of days interest required by any Rating Agency then maintaining a rating on the Bonds at the Maximum Rate, other than Liquidity Provider Bonds, under which the Related Liquidity Provider is required to purchase Bonds tendered for purchase in accordance with the Bond Indenture. The Company will not voluntarily terminate the Liquidity Facility with respect to the Bonds while the Bonds are Daily Rate Bonds, Weekly Rate Bonds or Short-Term Rate Bonds without at least 30 days written notice to the Bond Trustee without providing for a Substitute Liquidity Facility.

(b) Subject to any restrictions contained in the existing Liquidity Facility, at any time the Company may furnish a Substitute Liquidity Facility in substitution for the existing Liquidity Facility subject to the following limitations and the other limitations set forth in this Section:

(i) The Substitute Liquidity Facility must be issued by a Qualified Financial Institution.

(ii) The stated amount of the Substitute Liquidity Facility must be not less than that required by **Section 5.12(a)** and the terms of the Substitute Liquidity Facility regarding the purchase, holding and sale of Bonds thereunder must be in all material respects the same as those of the existing Liquidity Facility.

(iii) The form and content of the Substitute Liquidity Facility must be acceptable to the Bond Trustee and the Remarketing Agent (whose consents shall not be unreasonably withheld).

(iv) The term of the Substitute Liquidity Facility must be at least 364 days.

(v) On or prior to the effective date of a Substitute Liquidity Facility, the Company shall furnish to the Bond Trustee:

(1) an Opinion of Counsel acceptable to the Bond Trustee to the effect that the Substitute Liquidity Facility has been duly authorized, executed and delivered by the Liquidity Provider and is a valid and binding obligation of the Liquidity Provider enforceable in accordance with its terms (subject as to enforceability to standard exceptions respecting bankruptcy, insolvency and similar laws and principles of equity) and that the exemption of the Bonds (or any securities evidenced thereby) from the registration requirements of the Securities Act of 1933, as amended, and the exemption of the Bond Indenture from qualification under the Trust Indenture Act of 1939, as amended, shall not be impaired by such Substitute Liquidity Facility or that the applicable registration or qualification requirements of such acts have been satisfied, and

(2) a Favorable Opinion of Bond Counsel.

(vi) The Company shall give written notice to the Issuer, the Bond Trustee, the Tender Agent, the Liquidity Provider, the Remarketing Agent and each Rating Agency. Such notice shall be given not less than 30 days prior to the effective date of any replacement of a Liquidity Facility with a Substitute Liquidity Facility and not less than 30 days prior to the Expiration Date of a Liquidity Facility then in effect, specifying that the Company intends to replace the Liquidity Facility with a Substitute Liquidity Facility on or before the Expiration Date of the Liquidity Facility then in effect. Upon receipt of such notice, the Bond Trustee shall promptly mail a notice of the anticipated delivery of the Substitute Liquidity Facility by first-class mail to the Remarketing Agent and each Owner of the Bonds (which notice to each Owner may be combined with the notice of mandatory tender required by the Bond Indenture). A draft of each Substitute Liquidity Facility and appropriate information concerning the issuer of the Substitute Liquidity Facility shall be submitted by the Company to each Rating Agency.

(vii) The Company shall cause to be delivered to the Bond Trustee not less than 30 days prior to the Expiration Date of an existing Liquidity Facility (1) a commitment by the Liquidity Provider that will issue the Substitute Liquidity Facility, and (2) written notice from each Rating Agency stating whether the substitution of the Substitute Liquidity Facility will result in a reduction or withdrawal of its rating then in effect on the Bonds. The Bonds shall be subject to mandatory tender as provided in the Bond Indenture.

(c) The Company shall exercise its best efforts to arrange for the delivery to the Bond Trustee of a Substitute Liquidity Facility to replace any Liquidity Facility then in effect at or before the expiration thereof prior to the end of any then current Interest Period or upon the occurrence of any of the following events or circumstances:

(i) If the Liquidity Provider has rescinded, terminated or repudiated the Liquidity Facility, or the Liquidity Provider or any governmental authority with jurisdiction over the Liquidity Facility is challenging the validity of the Liquidity Facility or if the Liquidity Provider is in default under the Liquidity Facility.

(ii) If the Liquidity Provider refuses to extend the Expiration Date with respect to the current Liquidity Facility then in effect, but the term of such Substitute Liquidity Facility need not (but may) begin prior to the Expiration Date of the current Liquidity Facility then in effect. The Company shall not terminate the current Liquidity Facility until the term of the Substitute Liquidity Facility has begun.

(iii) Receipt by the Bond Trustee of written notice from the Liquidity Provider that an “Event of Default” or an “event of termination” as defined in the Liquidity Facility has occurred and is continuing under the Liquidity Facility.

(iv) Failure of the Liquidity Provider to honor its obligation under the Liquidity Facility to purchase the Bonds.

Section 5.13. Bond Counsel Opinion. The Company agrees to pay all costs associated with the rendering of a Bond Counsel opinion pursuant to **Section 610** of the Bond Indenture.

Section 5.14. Title Insurance; Construction Matters and Survey. The Company will purchase, on behalf of the Bond Trustee, at its expense, from a company duly qualified to issue such insurance in the State, a lender’s policy of title insurance in an amount at least equal to the par amount of the Series 2010A Bonds (\$4,685,000) and covering the real property and improvements secured by the Mortgage. The policy shall contain endorsements as required by the Original Purchaser, including but not limited to endorsements insuring that the improvements conform to all conditions, covenants and restrictions of record, that there are neither encroachments of existing improvements onto adjacent land or encroachments from adjacent land onto the Project, and that the intended use of the Project complies with all applicable zoning ordinances. Copies of said policy or a commitment therefor will be delivered to the Bond Trustee by the Company on or before the Closing Date. The policy shall include mechanic’s lien endorsement coverage during the construction period.

The Company will provide an “as built” survey in form and from a surveyor acceptable to the Original Purchaser, showing all lot and street boundaries as well as the location of all improvements, easements and encroachments, if any.

Section 5.15 Condemnation. In the event all or any material or substantial portion of the Project is condemned or threatened with condemnation, the net proceeds of any condemnation award or settlement shall be paid over to the Bond Trustee and shall be deposited in the Debt Service Fund and used to redeem Bonds pursuant to **Section 302(a)** of the Bond Indenture, unless the Original Purchaser shall consent otherwise.

Section 5.16. Environmental Compliance. The Company, jointly and severally, agrees that it will comply with all applicable environmental, hazardous waste or substance, toxic substance and underground storage laws, rules and regulations and obtain any permits, licenses or similar approvals required by such laws, rules and regulations.

Section 5.17. Liens on Property; Right of Contest. The Company shall not create or incur, or permit to be created or incurred, or to exist any lien on any portion of the Project except Permitted Encumbrances.

Section 5.18. Maintenance of Guaranty Agreements. The Company, jointly and severally, agrees to cause the Guarantors to maintain each of the Guaranty Agreements until such time that the Guaranty Agreements expire according to their terms.

Section 5.19. Debt Service Coverage Ratio. The Company, jointly and severally, agrees that the Related Companies shall maintain a consolidated Debt Service Coverage Ratio of at least 1.20 to 1.0 for each rolling four (4) consecutive fiscal quarter periods commencing December 31, 2010. The Company agrees to deliver to the Bond Trustee and the Original Purchaser, within 30 days following the end of each fiscal quarter, commencing December 31, 2010, a calculation showing the Debt Service Coverage Ratio.

Section 5.20. Funded Debt Ratio. The Company, jointly and severally, agrees that the Related Companies shall have, as of the last day of each fiscal quarter period of the Related Companies commencing with the fiscal quarter of the Related Companies ending next after the Closing Date, a ratio of (i) Funded Debt to (ii) EBITDA for the immediately preceding four (4) consecutive fiscal quarter period not in excess of the following ratios, all determined on a consolidated basis in accordance with generally accepted accounting principles and tested quarterly on a rolling 4-quarter basis:

- (a) 5.00 to 1.00 beginning December 31, 2011;
- (b) 4.25 to 1.00 beginning December 31, 2012; and
- (c) 3.50 to 1.00 beginning December 31, 2013, and continuing for each four (4) consecutive fiscal quarter period thereafter.

The Company agrees to deliver to the Bond Trustee and the Original Purchaser, within 30 days following the end of each fiscal quarter, commencing the Closing Date, a calculation showing the Funded Debt Ratio.

Section 5.21. Leverage Ratio. The Company shall maintain a ratio of total liabilities to Tangible Net Worth of not more than 2.75 to 1.00 as of the last day of each fiscal quarter of the Company, commencing with the first fiscal quarter ending after the Closing Date. The Company agrees to deliver to the Bond Trustee and the Original Purchaser, within 30 days following the end of each fiscal quarter ending after the Closing Date, a calculation showing the Leverage Ratio.

ARTICLE VI

AMENDMENTS, CHANGES AND MODIFICATIONS

Subsequent to the issuance of the Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Bond Indenture), and except as otherwise herein expressly provided, this Loan Agreement may not be effectively amended, changed, modified, altered or terminated except with the written consent of the Bond Trustee and otherwise in accordance with the provisions of **Article X** of the Bond Indenture.

ARTICLE VII

TERM OF LOAN AGREEMENT

This Loan Agreement shall remain in full force and effect from the date hereof until such time as the Company has paid all amounts payable hereunder or has made provision in accordance with the Bond Indenture for the payment of the Outstanding Bonds and all other amounts payable under the Bond Indenture. Notwithstanding any termination of this Loan Agreement, all indemnification and rebate payment provisions, provisions for the payment of any expenses of the Issuer (including without limitation such provisions contained in **Section 8.2**) and any provisions which, if not complied with, would adversely affect the validity of the Bonds or the exclusion from gross income for federal income tax purposes of the interest on the Series 2010A Bonds, shall survive the termination of this Loan Agreement.

ARTICLE VIII

DISCLAIMER OF WARRANTIES; INDEMNITY

Section 8.1. Disclaimer of Warranties. The Issuer makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the Company of the Project or any component thereof, or any other representation or warranty with respect to the Project or any component thereof or the adequacy of the proceeds of the Bonds to finance the Project. In no event shall the Issuer be liable for incidental, indirect, special or consequential damages in connection with or arising out of this Loan Agreement or the use of the Project or any component thereof.

Section 8.2. Release and Indemnification Covenants.

(a) Subject to the limitation set forth in **paragraph (d)** of this Section, the Company, jointly and severally, agrees to pay, and agrees to protect, indemnify and save the Issuer and the Bond Trustee and their respective trustees, members, directors, officers, employees and agents harmless from and against any and all liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees and expenses), causes of action, suits, claims, demands and judgments of any nature arising from the issuance of the Bonds and the execution of this Loan Agreement and the other Bond Documents, including, but not limited to, those arising in connection with or as a result of:

(i) any injury to or death of any person or damage to property asserted by or on behalf of any person, firm, corporation or governmental authority arising out of or in any way connected to the Project or resulting from or connected with the use, non-use, occupancy, condition, possession, conduct or management of, or any work done in or about the Project;

(ii) any obligations or matters arising out of or in connection with the Bond Documents;

(iii) any obligations or matters arising out of any contract, agreement or restriction relating to the Project;

- (iv) any obligations or matters arising out of any law, ordinance or regulation relating to the ownership, occupancy or use of the Project;
- (v) the construction, acquisition, equipping and installation of the Project or the failure to construct, acquire, equip or install the Project;
- (vi) the issuance and sale of the Bonds to the Original Purchaser or the execution, delivery and performance of any of the Bond Documents relating to the issuance of the Bonds;
- (vii) any act of the Company or any of its agents, contractors or licensees;
- (viii) any action or proceeding brought by reason of any such claim, demand, expense, penalty, fine or tax pursuant to (i) through (vii) above;
- (ix) any matter in connection with any inquiry, examination or audit related to the tax-exempt status of the Bonds or other tax consequences of issuing, administering or owning the Bonds; or
- (x) enforcing or administering any covenants or agreement of the Company contained in this Loan Agreement, Tax Agreement or the Bond Indenture of the Company.

Nothing contained in this Loan Agreement prohibits the Company from pursuing its remedies against the Issuer or the Bond Trustee for damages caused by the Issuer's or Bond Trustee's negligent or willful acts.

(b) The Company also agrees, jointly and severally, to indemnify and hold harmless the Bond Trustee against any loss, liability or expense incurred without gross negligence or bad faith on the part of the Bond Trustee arising out of or in connection with the acceptance or administration of the Bond Indenture including the costs and expense of a defense against any claim or liability.

(c) If any suit, claim, demand, action or proceeding is threatened or brought against the Issuer or the Bond Trustee or their respective trustees, members, directors, officers, employees or agents by reason of any such claim or demand, with respect to which indemnity may be sought under this Section, the Company, upon notice from the Issuer or the Bond Trustee, agrees to assume the defense of the suit, claim, demand, action or proceeding including the employment of counsel and the payment of all expenses. The Issuer and the Bond Trustee may, however, retain their own counsel and still be indemnified against the cost of employing counsel and all other expenses despite an assumption of the defense by the Company if the Issuer or the Bond Trustee believes in good faith that there are defenses available to the Issuer or the Bond Trustee which are not available to the Company or which are adverse to or in conflict with those available to the Company and which the Issuer or the Bond Trustee believes in good faith cannot be effectively asserted by common counsel. In addition to the right to have separate counsel as provided above, the Issuer and the Bond Trustee always have the right to employ separate counsel at the expense of the Company in the event the Company shall fail to employ counsel or such counsel shall fail to actively defend any such action or proceeding.

The duty of the Company to defend with respect to each agreement to indemnify under this Section shall commence from the time the claim is known and whether or not suit is filed or

proceedings commenced, and such duty shall exist and continue regardless of the merits of the claim.

In addition, the Company, jointly and severally, agrees that if it initiates any action, suit or other proceeding with respect to any claim, demand or request for relief, whether judicial or administrative, in which the Issuer is named or joined as a party, the Company will pay to and reimburse to the Issuer the full amount of all reasonable fees and expenses incurred by the Issuer with respect to the Issuer's defense of or participation in such action, suit or other proceeding.

(d) The indemnifications set forth in this Section shall survive the termination of this Loan Agreement and the resignation or removal of the Bond Trustee.

Section 8.3. Limitation of Issuer's Liability. No agreements or provisions contained herein nor any agreement, covenant or undertaking by the Issuer contained in any document executed by the Issuer in connection with any Project or the issuance, sale and delivery of the Bonds shall give rise to any pecuniary liability of the Issuer or its officers, directors or agents, or a general obligation of or a charge against its general credit or shall obligate the Issuer financially in any way, except with respect to the funds available hereunder or under the Bond Indenture and pledged to the payment of the Bonds, and their application as provided under the Bond Indenture. The taxing power of the Issuer is not pledged to the payment of the Bonds either as to principal or interest. No failure of the Issuer to comply with any term, covenant or agreement herein or in any document executed by the Issuer in connection with the Bonds, shall subject the Issuer to any pecuniary charge or liability except to the extent that the same can be paid or recovered from the funds available hereunder or under the Bond Indenture and pledged to the payment of the Bonds. Nothing herein shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant or agreement herein or in the Bond Indenture; provided, that no costs, expenses or other monetary relief shall be recoverable from the Issuer except as may be payable from the funds available hereunder or under the Bond Indenture and pledged to the payment of the Bonds.

ARTICLE IX

EVENTS OF DEFAULT AND REMEDIES

Section 9.1. Events of Default Defined. The following shall be "Events of Default" under this Loan Agreement and the term "Event of Default" shall mean any one or more of the following events:

(a) default in the payment of any interest on the Loan when such interest becomes due and payable; or

(b) default in the payment of the principal of (or premium, if any, on) the Loan when the same becomes due and payable (whether at maturity, upon proceedings for redemption, by acceleration or otherwise); or

(c) default in the payment of the purchase price of tendered Bonds required by **Section 4.3** hereof; or

(d) default in the performance, or breach, of any covenant or agreement of the Company in this Loan Agreement (other than a covenant or agreement a default in the

performance or breach of which is specifically dealt with elsewhere in this Section), and continuance of such default or breach for a period of **60** days after there has been given to the Company by the Issuer or the Bond Trustee or the owners of at least **25%** in principal amount of the Bonds Outstanding, a written notice specifying such default or breach and requiring it to be remedied; provided, that if such default cannot be fully remedied within such **60**-day period, but can reasonably be expected to be fully remedied, such default shall not constitute an Event of Default if the Company shall promptly upon receipt of such notice commence the curing of such default and shall thereafter prosecute and complete the same with due diligence and dispatch; or

(e) any representation or warranty made by the Company in this Loan Agreement or in any written statement or certificate furnished to the Issuer or the Bond Trustee or the purchaser of any Bond in connection with the sale of any Bond or furnished by the Company pursuant to this Loan Agreement proves untrue in any material respect as of the date of the issuance or making thereof and shall not be corrected or brought into compliance within **60** days after there has been given to the Company by the Issuer or the Bond Trustee or the owners of at least **25%** in principal amount of the Bonds Outstanding, a written notice specifying such default or breach and requiring it to be remedied; provided, that if such default cannot be fully remedied within such **60**-day period, but can reasonably be expected to be fully remedied, such default shall not constitute an Event of Default if the Company shall promptly upon receipt of such notice commence the curing of such default and shall thereafter prosecute and complete the same with due diligence and dispatch; or

(f) the entry of a decree or order by a court having jurisdiction in the premises for relief in respect of the Company, or adjudging Midwest Fiber or Shumaker Properties a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, adjustment or composition of or in respect of either Midwest Fiber or Shumaker Properties under the United States Bankruptcy Code or any other applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of or for Midwest Fiber or Shumaker Properties or any substantial part of their respective property, or ordering the winding up or liquidation of their affairs, and the continuance of any such decree or order remains unstayed and in effect for a period of **90** consecutive days; or

(g) the commencement by Midwest Fiber or Shumaker Properties of a voluntary case, or the institution by Midwest Fiber or Shumaker Properties of proceedings to be adjudicated a bankrupt or insolvent, or the consent by either to the institution of bankruptcy or insolvency proceedings against them, or the filing by either of a petition or answer or consent seeking reorganization, arrangement or relief under the United States Bankruptcy Code or any other applicable federal or state law, or the consent or acquiescence by Midwest Fiber or Shumaker Properties to the filing of any such petition or the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of Midwest Fiber or Shumaker Properties or any substantial part of their property, or the making by Midwest Fiber or Shumaker Properties of an assignment for the benefit of creditors, or the admission by either in writing of their inability or failure to pay their debts generally as they become due, or the taking of action by Midwest Fiber or Shumaker Properties in furtherance of any such action; or

(h) the Company's breach of the covenants in **Sections 5.18, 5.19, 5.20 and 5.21** of this Loan Agreement; or

(i) the occurrence and continuance of any “Event of Default” specified in the Bond Indenture that has not been waived or cured.

Promptly after the Company Representative may reasonably be deemed to have knowledge of a default hereunder, the Company Representative will deliver to the Bond Trustee a written notice specifying the nature and period of existence thereof and the action the Company is taking and proposes to take with respect thereto.

Section 9.2. Acceleration of Maturity; Rescission and Annulment. If an Event of Default under this Loan Agreement occurs and is continuing, the Bond Trustee, as assignee of the Issuer may, and if requested by the owners of not less than **25%** in principal amount of the Bonds Outstanding, shall, by written notice to the Company and the Issuer, declare the principal of the Loan and the interest accrued thereon to be due and payable, and upon any such declaration such principal and interest shall become immediately due and payable.

At any time after such a declaration of acceleration has been made, but before any judgment or decree for payment of money due on the Loan has been obtained by the Bond Trustee as hereinafter in this Article provided, the Bond Trustee may, by written notice to the Company, rescind and annul such declaration and its consequences if

- (a) the Company has deposited with the Bond Trustee a sum sufficient to pay
 - (1) all overdue installments of interest on the Loan;
 - (2) the principal of (and premium, if any, on) the Loan which has become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in the Bonds;
 - (3) all sums paid or advanced by the Bond Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Bond Trustee, its agents and counsel; and
- (b) all events of default, other than the non-payment of the principal of the Loan which has become due solely by such declaration of acceleration, have been cured or have been waived as provided in **Section 9.7** of this Loan Agreement.

No such rescission and annulment shall affect any subsequent default or impair any right consequent thereon.

Section 9.3. Exercise of Remedies by the Bond Trustee. Upon the occurrence and continuance of any Event of Default under this Loan Agreement, unless the same is waived as provided in this Loan Agreement, the Bond Trustee, as assignee of the Issuer, shall have the following rights and remedies, in addition to any other rights and remedies provided under this Loan Agreement or by law:

- (a) *Right to Bring Suit, Etc.* The Bond Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of the principal of, premium, if any, and interest on the Loan, including interest on overdue principal (and premium, if any) and on overdue installments of interest, and any other sums due under this Loan Agreement, to realize on or to foreclose any of its interests or liens under this Loan

Agreement, to enforce and compel the performance of the duties and obligations of the Company as set forth in this Loan Agreement and to enforce or preserve any other rights or interests of the Bond Trustee under this Loan Agreement existing at law or in equity.

(b) *Exercise of Remedies at Direction of Bondowners.* If requested in writing to do so by the owners of not less than **25%** in principal amount of Bonds Outstanding and if indemnified as provided in the Bond Indenture, the Bond Trustee shall be obligated to exercise such one or more of the rights and remedies conferred by this Article as the Bond Trustee shall deem most expedient in the interests of the bondowners.

(c) *Restoration of Positions.* If the Bond Trustee has instituted any proceeding to enforce any right or remedy under this Loan Agreement by suit, foreclosure, the appointment of a receiver, or otherwise, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Bond Trustee, then and in every case the Issuer, the Company, the Bond Trustee and the Bondowners shall, subject to any determination in such proceeding, be restored to their former positions and rights hereunder, and thereafter all rights and remedies of the Bond Trustee shall continue as though no such proceeding had been instituted.

Section 9.4. Application of Moneys Collected. Any moneys collected by the Bond Trustee pursuant to this Article (after the deductions for payment of costs and expenses of proceedings resulting in the collection of such moneys) together with any other sums then held by the Bond Trustee as part of the Trust Estate, shall be applied as provided in the Bond Indenture and, in case of the distribution of such money on account of principal (or premium, if any) or interest on the Bonds, shall be credited against amounts due on the Loan.

Section 9.5. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Bond Trustee is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 9.6. Delay or Omission Not Waiver. No delay or omission of the Bond Trustee to exercise any right or remedy accruing upon an Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Bond Trustee or to the Bondowners may be exercised from time to time and as often as may be deemed expedient by the Bond Trustee.

Section 9.7. Waiver of Past Defaults. Subject to the provisions of the Bond Indenture, before any judgment or decree for payment of money due has been obtained by the Bond Trustee as provided in this Article, the owners of a majority in principal amount of the Bonds Outstanding may, by written notice delivered to the Bond Trustee and the Company, on behalf of the owners of all the Bonds waive any past default hereunder and its consequences, except a default

(a) in the payment of the principal of (or premium, if any) or interest on any Bond (in which event a waiver shall require the consent of all of the Bondowners), or

(b) in respect of a covenant or provision hereof which under **Article VI** cannot be modified or amended without the consent of the owner of each Outstanding Bond affected (in which event a waiver shall require the consent of all of the Bondowners).

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Loan Agreement; but no such waiver shall extend to or affect any subsequent or other default or impair any right or remedy consequent thereon.

Section 9.8. Advances by Bond Trustee. If the Company fails to make any payment or perform any of its covenants in this Loan Agreement, the Bond Trustee may, at any time and from time to time, use and apply any moneys held by it under the Bond Indenture, or make advances, to effect payment or performance of any such covenant on behalf of the Company. All moneys so used or advanced by the Bond Trustee, together with interest at the Bond Trustee's announced prime rate per annum, shall be repaid by the Company upon demand and such advances shall be secured under the Bond Indenture prior to the Bonds. For the repayment of all such advances the Bond Trustee shall have the right to use and apply any moneys at any time held by it under the Bond Indenture but no such use of moneys or advance shall relieve the Company from any default hereunder.

Section 9.9. Remedies Subject to Provisions of Law. All rights, remedies and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law of the State, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Loan Agreement invalid or unenforceable under the provisions of any applicable law.

ARTICLE X

MISCELLANEOUS

Section 10.1. Further Agreements by the Company with Others. The rights and interests granted to the Company by this Loan Agreement are rights and interests granted by the Issuer and the covenants and agreements made by the Company in this Loan Agreement are made to the Issuer for the benefit of the Issuer, the Bond Trustee and the Bondowners. The Company may make additional covenants and agreements to others with respect to the matters and property covered hereby provided that they do not infringe upon the rights and interests granted to, or retained by, the Issuer, the Bond Trustee or the Bondowners.

Section 10.2. Further Assurances and Corrective Instruments. The Issuer and the Company will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such further instruments as may reasonably be required for carrying out the expressed intention of this Loan Agreement.

Section 10.3. The Issuer Representative and the Company Representative. Whenever under this Loan Agreement the approval of the Issuer or the Company is required or the Issuer or the Company is required to take some action at the request of the other, such approval or such request shall be given for the Issuer by the Issuer Representative and for the Company by the Company Representative; the Bond Trustee and any party hereto shall be authorized to act on any such approval or request.

Section 10.4. References to Bonds Ineffective After Bonds Paid. Upon payment in full of the Bonds (or provision for payment thereof having been made in accordance with the Bond Indenture) and all fees, expenses and any other amounts due to the Issuer or the Bond Trustee under the Bond Indenture or this Loan Agreement, all references in this Loan Agreement to the Bonds and the Bond Trustee shall be ineffective, and none of the Issuer, the Bond Trustee or the Owners of any of the Bonds shall thereafter have any rights hereunder, saving and excepting (i) indemnification provisions, (ii) those that shall have theretofore vested, and (iii) those that would affect the validity of the Bonds or the exclusion from gross income of the interest on the Series 2010A Bonds for purposes of federal income taxation.

Section 10.5. Notices. Any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by first class mail, postage prepaid, or sent by telegram, addressed as specified in **Section 1203** of the Bond Indenture.

Section 10.6. Issuer Not Liable. Notwithstanding any other provision of this Loan Agreement (a) the Issuer shall not be required to take action under this Loan Agreement unless the Issuer (i) is requested in writing by an appropriate person to take such action and (ii) is assured of payment of or reimbursement for any expense in such action, and (b) except with respect to any action for specific performance or any action in the nature of a prohibitory or mandatory injunction, neither the Issuer nor any trustee, officer, official, agent, employee or servant of the Issuer shall be liable to the Company, the Bond Trustee or any other person for any action taken by the Issuer or by its trustees, officers, officials, agents, employees or servants, or for any failure to take action under this Loan Agreement or the Bond Indenture, provided that the provisions of clause (b) notwithstanding, any liabilities of the Issuer hereunder shall be limited to the extent described in **Section 8.3** hereof. In acting under this Loan Agreement, or in refraining from acting under this Loan Agreement, the Issuer may conclusively rely on the advice of its counsel.

Section 10.7. Binding Effect. The covenants, agreements and conditions herein contained shall run with the Project and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The Bond Trustee and the Owners of the Bonds are third-party beneficiaries of this Loan Agreement.

Section 10.8. Severability. In the event any provision of this Loan 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 10.9. Execution in Counterparts. This Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.10. Applicable Law. This Loan Agreement shall be governed by and construed in accordance with the laws of the State.

Section 10.11. No Personal Liability. No covenant or agreement contained in this Loan Agreement shall be deemed to be a covenant or agreement of any incorporator, member, shareholder, director, trustee, officer, agent or employee, as such, of the Company in its individual capacity, and neither any such incorporator, member, shareholder, director, trustee, officer, agent or employee, as such, of the Company nor any officer executing this Loan Agreement shall be liable personally on this Loan Agreement or be subject to any personal liability or accountability by reason of the execution and delivery of this Loan Agreement.

Section 10.12. Business Days. Except as otherwise specifically provided herein, if any date specified herein shall not be a Business Day any payment required to be made on such date and any other action required to be taken on such date may be made or taken on the next succeeding Business Day with the same effect as if made or taken on such date, and no interest shall accrue with respect to any such payment for the period after such date.

Section 10.13. Immunity of Officers, Employees, Trustees and Members of the Issuer and the Company. No recourse shall be had for the payment of the principal of or premium or interest on the Bonds or for any claim based thereon or upon any representation, obligation, covenant or agreement in this Loan Agreement contained against any past, present or future trustee, officer, member, employee, director or agent of the Issuer or the Company, or, respectively, of any successor public or private corporation thereto, as such, either directly or through the Issuer, the Company, or respectively, any successor public or private corporation thereto, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such trustees, officers, members, employees, directors or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Loan Agreement and the issuance of the Bonds.

Section 10.14. No Violations of Law. Any other term or provision in this Loan Agreement to the contrary notwithstanding:

(a) In no event shall this Loan Agreement be construed as:

(1) depriving the Issuer of any right or privilege; or

(2) requiring the Issuer or any trustee, officer, agent, employee, representative or advisor of the Issuer to take or omit to take, or to permit or suffer the taking of, any action by itself or by anyone else;

which deprivation or requirement would violate, or result in the Issuer's being in violation of the Act or any other applicable state or federal law; and

(b) At no time and in no event will the Company permit, suffer or allow any of the proceeds of the Bonds to be transferred to any Person in violation of, or to be used in any manner which is prohibited by, the Act or any other state or federal law.

Section 10.15. Joint and Several Liability. Midwest Fiber and Shumaker Properties shall be jointly and severally liable for the payment and performance of all obligations of the Company hereunder. In addition, the Issuer, at its option, may consider the actions of either Midwest Fiber or Shumaker Properties to be an action taken by both of them.

Section 10.16. Electronic Storage. The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Issuer has caused this Loan Agreement to be executed in its name and with its official seal hereunto affixed and attested by its duly authorized officer and the entities which comprise the Company have caused this Loan Agreement to be executed in their corporate names by their duly authorized officer, all as of the date first above written.

TOWN OF NORMAL, ILLINOIS

By: _____

Name: Chris Koos

Title: President of the Board of Trustees

[SEAL]

ATTEST:

Name: Wendelbyn Briggs
Title: Town Clerk

MIDWEST FIBER, INC.,
an Illinois Corporation

By: _____
Name: Ronald W. Shumaker
Title: President

SHUMAKER PROPERTIES, L.L.C.,
an Illinois limited liability company

By: _____
Name: Ronald W. Shumaker
Title: Manager

TAX COMPLIANCE AGREEMENT

Dated as of November 1, 2010

Among

**TOWN OF NORMAL, ILLINOIS,
SHUMAKER PROPERTIES, L.L.C,**

MIDWEST FIBER, INC.,

and

**COMMERCE BANK, N.A.,
as Trustee**

Relating to

**\$4,685,000
SOLID WASTE DISPOSAL REVENUE BONDS
(MIDWEST FIBER PROJECT)
SERIES 2010A**

TAX COMPLIANCE AGREEMENT

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- Exhibit C** – Form 8038
 - Attachments to IRS Form 8038
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- Exhibit D** – Description of Property Comprising the Financed Facility
- Exhibit E** – Allocation of Sources and Uses
- Exhibit F** – Debt Service Schedule and Determination of Average Life

* * *

TAX COMPLIANCE AGREEMENT

THIS TAX COMPLIANCE AGREEMENT (the “Tax Agreement”), entered into as of November 1, 2010, among the **TOWN OF NORMAL, ILLINOIS**, a municipality and home rule unit of government organized and existing under the laws of the State of Illinois (the “Issuer”), **SHUMAKER PROPERTIES, L.L.C.**, a limited liability company organized and existing under the laws of the State of Illinois, and its successors and assigns (“Shumaker Properties”), **MIDWEST FIBER, INC.**, a corporation organized and existing under the laws of the State of Illinois, and its successors and assigns (“Midwest Fiber” and collectively with Shumaker Properties (the “Company”)), and **COMMERCE BANK, N.A.**, a national banking association duly organized, validly existing and authorized to accept and execute trusts of the character herein set out under the laws of the United States, and having its corporate trust office located in Kansas City, Missouri, as trustee (the “Trustee”).

RECITALS

1. This Tax Agreement is being executed and delivered in connection with the issuance by the Issuer of its Solid Waste Disposal Revenue Bonds (Midwest Fiber Project), Series 2010A, in the principal amount of \$4,685,000 (the “Bonds”). The Bonds are being issued under a Bond Trust Indenture dated as of November 1, 2010 (the “Indenture”), between the Issuer and the Trustee for the purpose of making a loan of the Bond proceeds to the Company under a Loan Agreement dated as of November 1, 2010 (the “Loan Agreement”), to provide funds for certain purposes as described in this Tax Agreement and in the Indenture and the Loan Agreement.

2. The Internal Revenue Code of 1986, as amended (the “Code”), and the applicable regulations and rulings issued by the U.S. Treasury Department (the “Regulations”), impose certain limitations on the uses and investment of the Bond proceeds and of certain other money relating to the Bonds and set forth the conditions under which interest on the Bonds will be excluded from gross income for federal income tax purposes.

3. The Issuer, the Company and the Trustee are entering into this Tax Agreement in order to set forth certain representations, facts, expectations, terms and conditions relating to the use and investment of the Bond proceeds and of certain related money, in order to establish and maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes, and to provide guidance for complying with the arbitrage rebate provisions of Code § 148(f).

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, covenants and agreements set forth in this Tax Agreement, the Issuer, the Company and the Trustee represent and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions of Words and Terms. Except as otherwise provided in this Tax Agreement or unless the context otherwise requires, capitalized words and terms used here have the same meanings as set forth in **Section 101** of the Indenture; and certain other words and phrases have the meanings assigned in Code § 148 and the Regulations. In addition, the following capitalized terms are

“Adjusted Gross Proceeds” means the Gross Proceeds of the Bonds, reduced by amounts (1) in a Bona Fide Debt Service Fund or a reasonably required reserve or replacement fund, (2) that as of the Issue Date are not expected to be Gross Proceeds, but which arise after the end of the applicable spending period, and (3) representing grant repayments or sale or Investment proceeds of any purpose Investment.

“Bona Fide Debt Service Fund” means a fund, which may include Bond proceeds, that is (a) used primarily to achieve a proper matching of revenues with principal and interest payments on the Bonds within each Bond Year, and (b) depleted at least once each Bond Year, except for a reasonable carryover amount not to exceed the greater of (1) the earnings on the fund for the immediately preceding Bond Year, or (2) one-twelfth of the principal and interest payments on the Bonds for the immediately preceding Bond Year.

“Bond” or **“Bonds”** means any bond or bonds of the Issuer’s Solid Waste Disposal Revenue Bonds (Midwest Fiber Project) Series 2010A, authenticated and delivered under the Indenture.

“Bond Counsel” means Gilmore & Bell, P.C., or other firm of nationally recognized bond counsel acceptable to the Issuer and the Company.

“Bond Year” means each one-year period (or shorter period for the first Bond Year) ending November 1.

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

“Company” means, collectively, Shumaker Properties and Midwest Fiber.

“Computation Date” means each date on which the rebate amount for the Bonds is computed. The Issuer or the Company may treat any date as a Computation Date, subject to the following limits:

- (1) the first rebate installment payment must be made for a Computation Date not later than 5 years after the Issue Date;
- (2) each subsequent rebate installment payment must be made for a Computation Date not later than 5 years after the previous Computation Date for which an installment payment of rebate was made; and
- (3) the date the last Bond is discharged is a Computation Date.

The Company selects November 1, 2015 as the first Computation Date but reserves the right to select a different date consistent with the Regulations.

“Costs of Issuance” means, generally, any cost or expense incurred on account of and in connection with the borrowing including, (1) Purchasers’ spread (whether realized directly or derived through purchase of the Bonds at a discount below the price at which they are expected to be sold to the public); (2) counsel fees (including bond counsel, Purchaser’s counsel, issuer’s counsel, company counsel in the case of borrowings such as those for exempt facilities, as well as any other specialized counsel fees incurred in connection with the borrowing); (3) financial advisor fees incurred in connection with the borrowing; (4) rating agency fees; (5) trustee fees incurred in connection with the borrowing; (6) paying agent and certifying and authenticating agent fees related to issuance of the Bonds; (7) accountant fees

engineering and feasibility studies necessary to the issuance of the Bonds (as opposed to studies related to completion of the Financed Facility, but not to the financing). But Costs of Issuance do not include fees and expenses directly related to the cost of credit enhancement for the Bonds to the extent those fees or expenses may be included as payments for a qualified guaranty in the calculation of the Bond Yield.

“Financed Facilities” means the property financed or refinanced with the proceeds of the Bonds as described on **Exhibit D**.

“Gross Proceeds” means (1) sale proceeds (any amounts actually or constructively received by the Issuer from the sale of the Bonds, including amounts used to pay underwriting discount or fees, but excluding pre-issuance accrued interest); (2) Investment proceeds (any amounts received from investing sale proceeds, other Investment proceeds, or transferred proceeds); (3) any transferred proceeds; (4) any amounts held in a sinking fund for the Bonds; (5) any amounts held in a pledged fund or reserve fund for the Bonds; and (6) any other replacement proceeds. Specifically, Gross Proceeds include all amounts held in the following funds and accounts:

- (1) the Series 2010A Account of the Project Fund.
- (2) Debt Service Fund.
- (3) Costs of Issuance Fund.
- (4) Rebate Fund.

“Guaranteed Investment Contract” is any Investment with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, including any agreement to supply Investments on two or more future dates (*e.g.*, a forward supply contract).

“Indenture” means the Bond Trust Indenture as originally executed by the Issuer and the Trustee, as amended and supplemented by Supplemental Indentures in accordance with the terms of the Indenture.

“Investment” means any security, obligation, annuity contract or other investment-type property that is purchased directly with, or otherwise allocated to, Gross Proceeds. This term does not include a tax-exempt bond, except for “specified private activity bonds” as defined in Code § 57(a)(5)(C), but it does include the investment element of most interest rate caps.

“IRS” means the United States Internal Revenue Service.

“Issue Date” means November __, 2010.

“Issuer” means the Town of Normal, Illinois, a municipal corporation duly organized and existing under the laws of the State of Illinois.

“Loan” means the loan of the Bond proceeds made by the Issuer to the Company under the Loan Agreement.

“Loan Agreement” means the Loan Agreement dated as of November 1, 2010, between the Issuer and the Company, as amended by Supplemental Loan Agreements in accordance with the terms of the Loan Agreement.

“Midwest Fiber” means Midwest Fiber, Inc., a corporation organized and existing under the laws

“Net Proceeds” means (a) any amounts actually or constructively received from the sale of such bonds, including amounts used to pay Purchasers’ discount or compensation, less (b) pre-issuance accrued interest, less (c) amounts deposited in a reasonably required reserve or replacement fund, plus (d) Investment earnings on such amounts.

“Opinion of Bond Counsel” means a written opinion of Bond Counsel to the effect that the proposed action or proposed failure to act will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

“Project” means the acquisition, construction, equipment and improvement of a solid waste disposal facility, including related structures, fixtures, equipment, furnishings and other property, as described on **Exhibit D**.

“Proposed Arbitrage Regulations” means the proposed arbitrage regulations REG 106143-07 (published at 72 Fed. Reg. 54606 (Sept. 26, 2007)).

“Proposed Solid Waste Regulations” means the proposed regulations § 1.142(a)(6)-1 (REG 140492-02) (published at 74 Fed. Reg. 47500 (Sept. 16, 2009)).

“Purchaser” means Clayton Holdings, LLC.

“Reasonable Retainage” means Gross Proceeds retained by the Company for reasonable business purposes, such as to ensure or promote compliance with a construction contract; but this amount may not exceed 5% of net sale proceeds of the Bonds on the date 18 months after the Issue Date.

“Rebate Analyst” means Gilmore & Bell, P.C., or any successor Rebate Analyst selected pursuant to this Tax Agreement.

“Regulations” means all regulations issued by the U.S. Treasury Department to implement the requirements of Code §§ 103 and 141 through 150 and applicable to the Bonds.

“Resolution of Intent” means the Issuer’s declaration of intent to issue bonds for the Financed Facility as defined in **Section 2.1(d)**.

“Series 2010B Bonds” means the Issuer’s \$925,000 Taxable Solid Waste Disposal Revenue Bonds (Midwest Fiber Project) Series 2010B being sold and issued at the same time as the Bonds.

“Shumaker Properties” means Shumaker Properties, L.L.C., a limited liability company organized and existing under the laws of the State of Illinois, and its successors and assigns.

“Solid Waste Disposal Facility” is defined in **Section 2.2(d)(2)**.

“Tax Agreement” means this Tax Compliance Agreement among the Issuer, Shumaker Properties, Midwest Fiber and the Trustee, as originally executed and as it may be amended and supplemented.

“Transcript” means the Transcript of Proceedings relating to the authorization and issuance of the Bonds.

“**Trustee**” means Commerce Bank, N.A., and its successor or successors, and any other corporation or association which at any time may be substituted in its place at the time serving as Trustee under the Indenture.

“**Yield**” means yield on the Bonds, computed under Regulations § 1.148-4, and yield on an Investment, computed under Regulations § 1.148-5.

ARTICLE II

GENERAL REPRESENTATIONS AND COVENANTS

Section 2.1. Representations and Covenants of the Issuer. In reliance on proceedings prepared by Bond Counsel, the Issuer represents and covenants to the Company and the Trustee as follows:

(a) *Organization and Authority.* The Issuer (1) is a municipality and home rule unit of government organized and existing under the laws of the State of Illinois, and (2) has lawful power and authority to issue the Bonds for the purposes set forth in the Indenture, to enter into, execute and deliver the Indenture, the Loan Agreement and this Tax Agreement and to carry out its obligations under such documents, and (3) by all necessary action has been duly authorized to execute and deliver the Indenture, the Loan Agreement and this Tax Agreement, acting by and through its duly authorized officials.

(b) *Tax-Exempt Status of Bonds—General Covenant.* The Issuer (to the extent within its power or direction) will not knowingly use any money on deposit in any fund or account maintained in connection with the Bonds, whether or not that money was derived from the proceeds of the sale of the Bonds or from any other source, in a manner that would cause the Bonds to be “arbitrage bonds,” within the meaning of Code § 148, and will not (to the extent within its power or direction) otherwise knowingly use or permit the use of any Bond proceeds or any other funds of the Issuer, directly or indirectly, in any manner, or take or permit to be taken any other action or actions, that would cause interest on the Bonds to be included in gross income for federal income tax purposes.

(c) *Private Activity Bond Volume Cap.* The Issuer has received from the State of Illinois an allocation of Private Activity Bond Volume Cap for the Bonds in the amount of \$4,685,040. Therefore, the Bonds comply with the volume cap requirements of Code § 146. The documentation regarding the volume cap allocation is included in the Transcript of Proceedings.

(d) *Public Hearing and Approval.* In connection with the issuance of the Bonds, the Issuer held a public hearing as required under Code § 147(f) regarding the proposed issuance of the Bonds, at 7:00 P.M. on Monday, October 18, 2010, at Council Chambers at City Hall, 100 E. Phoenix, Normal, Illinois, after published notice of the hearing advised the public that a public hearing would be held on that date to discuss the proposed issuance of the Bonds and that interested parties would have an opportunity to express their views at that hearing. The hearing was open to the public, and those present were invited to express their views relating to the issuance of the Bonds and the proposed use of the Bond proceeds. After the public hearing the President of the Board of Trustees, commonly known as the Mayor, of the Town of Normal, Illinois approved the issuance of the Bonds as required by Code § 147(f). The Certificate of Approval is attached to this Tax Agreement as **Exhibit A**, together with an affidavit of publication of the notice of the hearing.

Financed Facility prior to the issuance of those obligations (the “Resolution of Intent”). A copy of the Resolution of Intent is attached to this Tax Agreement as **Exhibit B**.

(f) *IRS Form 8038*. Bond Counsel will prepare IRS Form 8038 (Information Return for Private Activity Bond Issues) based on representations and covenants of the Issuer and the Company contained in this Tax Agreement or otherwise provided by the Issuer or Company. Bond Counsel will sign the return as paid preparer following completion and will then deliver copies to the Issuer for execution and for the Issuer’s records. The Issuer agrees to timely execute and return to Bond Counsel the execution copy of Form 8038 for filing with the IRS. A copy of the “as-filed” copy along with proof of filing will be included as **Exhibit C**. The Issuer will execute any other IRS Forms (such as IRS Form 8038T, (Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate)) in the future, based on the instructions of Bond Counsel or the Rebate Analyst

(g) *Registered Bonds*. The Indenture requires that all of the Bonds will be issued and held in registered form within the meaning of Code § 149(a).

(h) *Bank Qualified Tax-Exempt Obligation*. The Bonds are not “qualified tax exempt obligations” under Code § 265(b)(3).

(i) *Single Issue; No Other Issues*. The Bonds constitute a single “issue” under Regulations § 1.150-1(c). The Issuer’s Series 2010B Bonds will be sold and issued at the same time as the Bonds but constitute a separate issue from the Bonds because the interest on the Series 2010B Bonds is includable in gross income for federal income tax purposes. No other obligations of the Issuer (1) are being sold within 15 days of the sale of the Bonds, (2) are being sold under the same plan of financing as the Bonds, and (3) are expected to be paid from substantially the same source of funds as the Bonds (disregarding guarantees from unrelated parties, such as bond insurance).

(j) *Issuer Reliance on Other Parties*. The expectations, representations and covenants of the Issuer concerning certain uses of Bond proceeds and certain other moneys described in this Tax Agreement and other matters are based in whole or in part upon representations of the Company and other parties set forth in this Tax Agreement or its exhibits. Although the Issuer has made no independent investigation of the representations of other parties including the Company, the Issuer is not aware of any facts or circumstances that would cause it to question the accuracy or reasonableness of any representation made in this Tax Agreement or its exhibits.

Section 2.2. Representations and Covenants of the Company. The Company represents and covenants to the Issuer and the Trustee as follows:

(a) *Organization and Authority*.

(1) Midwest Fiber is a corporation duly organized and validly existing under the laws of the State of Illinois, has lawful power and authority to enter into, execute and deliver the Loan Agreement and this Tax Agreement and to carry out its obligations under such documents, and by all necessary corporate action has been duly authorized to execute and deliver the Loan Agreement and this Tax Agreement, acting by and through its duly authorized officers.

(2) Shumaker Properties is a limited liability company duly organized and validly existing under the laws of the State of Illinois, has lawful power and authority to enter into, execute

(b) *Tax-Exempt Status of Bonds—General Covenant.* In order to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes, the Company (1) will take whatever action, and refrain from whatever action, necessary to comply with the applicable requirements of the Code, (2) will not use or invest, or permit the use or investment of, any Bond proceeds, other money held under the Indenture, or other funds of the Company, in a manner that would violate applicable provisions of the Code; and (3) will not use, or permit the use of, any portion of the Financed Facility in a manner that would violate applicable provisions of the Code or the Proposed Solid Waste Regulations excluding Regulations § 1.103-8(f)(2)(ii) and Temporary Regulations § 17.1.

(c) *Expenditure of Bond Proceeds.*

(1) Reimbursement. No portion of the Net Proceeds of the Bonds will be used to reimburse an expenditure paid by the Company more than 60 days prior to the date the Resolution of Intent was adopted. The Company will evidence each allocation of the proceeds of the Bonds to an expenditure in writing. No reimbursement allocation will be made for an expenditure made more than three years prior to the date of the reimbursement allocation. In addition no reimbursement allocation will be made more than 18 months following the later of (A) the date of the expenditure or (B) the date the Financed Facility was placed in service.

(2) Final Allocation of Bond Proceeds to Expenditures. The Company understands that, under Regulations § 1.148-6(d), the Company is required to account for the allocation of Bond proceeds to Project expenditures (including expenditures made before and after the Issue Date of the Bonds) within 18 months after the later of (A) the date the expenditure is made, or (B) the date the Project is placed in service, and in any event not later than the date that is 60 days after the fifth anniversary of the Issue Date or the date the Bonds are retired, if earlier (a “Final Allocation”). The Company will maintain accurate records of all expenditures made for the Project, including the amount, the date paid, a description of the purpose, and the source of funds (whether Bond proceeds or other money) initially allocated to each Project expenditure. Not later than the time limit set forth above, the Company will prepare a Final Allocation, showing the allocation of Bond proceeds and other money to all Project costs and identifying the Financed Facility, and will maintain the Final Allocation in its books and records in accordance with **Section 5.8**. The Company reserves the right to make modifications to the expected allocation of Bond proceeds and other money following completion of the Financed Facility in accordance with, and within the time limits prescribed in, the Regulations. In the absence of such subsequent allocation, the Bond proceeds will be deemed allocated as shown on **Exhibit D**.

(d) *Solid Waste Disposal Facility.*

(1) 95% Requirement. At least 95% of the Net Proceeds will be used to finance or refinance “eligible costs” of a Solid Waste Disposal Facility. The Company will operate the Financed Facility as a Solid Waste Disposal Facility in compliance with Code § 142(a)(6) and the Proposed Solid Waste Regulations.

(2) Definition of Solid Waste Disposal Facility. A Solid Waste Disposal Facility is any facility to the extent the facility (1) processes Solid Waste (defined below) in a Qualified Solid Waste Disposal Process (defined below), (2) performs a Preliminary Function (defined below), or (3) is Functionally Related and Subordinate (defined below) to a Solid Waste Disposal

(A) *General Rule.* The term “Solid Waste” means garbage, refuse, and other solid material, derived from any agricultural, commercial, consumer, or industrial operation or activity that meets the following requirements:

(i) it is either Used Material (defined below) or Residual Material (defined below), and

(ii) the person who purchases or otherwise acquires the Used Material or Residual Material reasonably expects that it will be introduced within a reasonable time after purchase or acquisition into a Qualified Solid Waste Disposal Process.

Material that the acquiring party intends to store or resell to the general public is not Solid Waste.

(B) *Definition of Used Material.* Used Material means any material that has been used previously as an agricultural, commercial, consumer, or industrial product or as a component of any such product. This definition is intended to be interpreted broadly to encompass popularly understood uses of materials, but the definition does not apply to smaller products purchased by manufacturers and incorporated by such manufacturer into a larger product.

(C) *Definition of Residual Material.* Residual Material generally means any residual byproduct or excess unused raw material that remains from the production of any agricultural, commercial, consumer, or industrial product. But that material qualifies as Residual Material only to the extent that (i) it constitutes *less than 5%* of the total material introduced into the production process and (ii) it has a fair market value that is reasonably expected to be lower than that of any product made in that production process. This definition is intended to encompass a wide range of products from waste coal to byproducts of typical agricultural operations, and is intended to further encourage innovation in the full use of all resources.

(D) *Specific Exclusions From the Definition of Solid Waste.* The following items are specifically excluded from the definition of Solid Waste: (i) virgin material; (ii) solids within liquids and liquid waste; (iii) precious metals; (iv) hazardous material; and (v) radioactive material. “Virgin Material” encompasses all raw materials except to the extent the material becomes remainder material. A material does not cease to be virgin material until it has been processed to a point where no further processing is expected.

(4) Definition of Qualified Solid Waste Disposal Process. There are three eligible types of Solid Waste Disposal Processes: a “Final Disposal Process,” an “Energy Conversion Process,” and a “Recycling Process,” all defined below. A Solid Waste Disposal Process may employ any biological, engineering, industrial, or technological method.

(A) *Final Disposal Process.* Final Disposal Process means the placement of Solid Waste in a landfill, the incineration of Solid Waste without capturing any useful energy, and the containment of Solid Waste with the reasonable expectation that the

(B) *Energy Conversion Process.* Energy Conversion Process means a thermal, chemical, and other processes that are applied to Solid Waste to create and capture synthesis gas, heat, hot water, steam, or other useful energy. The Energy Conversion Process begins at the point of the first application of the process and ends generally at the point at which the first useful energy is created or captured in the form of a First Useful Product (defined below). But in all events, the Energy Conversion Process ends before any transfer or distribution of synthesis gas, heat, hot water, steam, or other useful energy.

(C) *Definition of Recycling Process.* Recycling Process means reconstituting, transforming, or otherwise processing Solid Waste into a useful product. The Recycling Process begins at the point of the first application of a process to reconstitute or transform the Solid Waste into a useful product, such as decontamination, melting, re-pulping, shredding, or other processing of the Solid Waste to accomplish this purpose and ends at the point of completion of production of the first useful product from the Solid Waste.

(D) *First Useful Product.* First Useful Product means the first product produced from Solid Waste that is useful for consumption in individual, commercial, industrial, or agricultural use and that could be sold for such use, whether or not actually sold. For this purpose, a useful product includes both a product useful to an individual or commercial consumer as an ultimate end-use product and a product useful to an industrial user as a material or input for processing in some stage of a manufacturing or production process to produce a different end-use product. Further, for this purpose, in the case of a continuous or integrated production process, the determination of when a useful product may result from such an integrated process may take into account operational constraints that affect the point in production when a useful product reasonably can be extracted or isolated and sold independently.

(5) Definition of Preliminary Function. A Preliminary Function is a function to collect, separate, sort, store, treat, process, disassemble, or handle Solid Waste that is preliminary to and directly related to a Qualified Solid Waste Disposal Process. A function qualifies as a Preliminary Function only if more than 50% of the total materials that result from the function is Solid Waste in each year that the Bonds are outstanding.

(6) Definition of Functionally Related and Subordinate. A Solid Waste Disposal Facility includes any facilities that are “functionally related and subordinate to” either a Solid Waste Disposal Facility or a Preliminary Function. These facilities include land, buildings, or other property that is located on the same site as the Solid Waste Disposal Facility and is of a character and size commensurate with the character and size of the Solid Waste Disposal Facility.

(7) Mixed Input Facilities. 35% or less of material that is not Solid Waste may be introduced each year into an Energy Conversion Process or a Recycling Process without disqualifying those processes as a Qualified Solid Waste Disposal Process. The percentage of Solid Waste used in an Energy Conversion Process or a Recycling Process is the percentage, by weight or volume, of total materials used in the process that constitute Solid Waste for that year.

(8) Allocation Between Solid Waste Disposal and Other Functions. In compliance with the Regulations cited in subsection (8) above, the Company has allocated the various components of the Project between Solid Waste disposal functions and other functions, as shown in Exhibit D.

(9) Limit on Office Space. Any office space financed with Net Proceeds must be located on the premises of the Solid Waste Disposal Facility, and all but a de minimis amount of the functions to be performed in that office space must be directly related to the day-to-day operations of the Solid Waste Disposal Facility.

(10) Description of Financed Facility. [To come].

(f) *Allocation of Sources and Uses.* The expected sources and uses of funds, including the Bond proceeds and other money contributed by the Company are shown on **Exhibit E**.

(g) *Land.* Less than 25% of the Net Proceeds will be used (directly or indirectly) for the acquisition of land (or any interest therein), and no Bond proceeds will be used (directly or indirectly) for the acquisition of land (or an interest therein) to be used for farming purposes.

(h) *Acquisition of Existing Property/Rehabilitation Requirements.* No proceeds of the Bonds will be used to acquire used property (other than land).

(i) *Prohibited Facilities.* No portion of the Bond proceeds will be used to provide any airplane, skybox, or other private luxury box, any facility primarily used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises, as such terms are used in Code § 147(e).

(j) *Limit on Costs of Issuance.* Not more than 2% of the lesser of the principal amount of the Bonds or the sale proceeds of the Bonds will be used to pay Costs of Issuance.

(k) *Limit on Maturity of Bonds.* A list of the assets comprising the Financed Facility and a computation of their “average reasonably expected economic life” is attached to this Tax Agreement as **Exhibit D**. Based on this computation, the “average maturity” of the Bonds, as computed by Bond Counsel, does not exceed 120% of the average reasonably expected economic life of the Financed Facility.

(l) *Bonds Not Federally Guaranteed.* To the extent within their power or direction, neither Shumaker Properties nor Midwest Fiber will take any action or permit any action to be taken which would cause the Bonds to be “federally guaranteed” within the meaning of Code § 149(b).

(m) *Reports to IRS; Form 8038.* The Company will instruct and assist the Issuer in filing all appropriate returns, reports and attachments to income tax returns required by the Code, including without limitation IRS Form 8038 (Information Return for Private Activity Bond Issues). The Company provided to the Issuer and Bond Counsel the information contained in Parts II through VI of IRS Form 8038, which is attached as **Exhibit C**, and this information is true, complete and correct as of the Issue Date. The Company specifically confirms the accuracy of the following information:

Type of Property Financed by Nonrefunding Proceeds	Amount
Land	\$0.00
Buildings and Structures	3,081,917.00
Equipment with Recovery Period of More Than 5 Years	633,825.00
Equipment with Recovery Period of 5 Years or Less	0.00

NAICS Classification Number	Amount of Non Refunding Proceeds
562920	\$4,591,300.00
Total-- (Should Equal Line 30 on Form 8038)	\$4,591,300.00

(n) *Hedge Bonds.* At least 85% of the net sale proceeds of the Bonds will be used to carry out the governmental purposes of the Bonds within 3 years after the Issue Date, and not more than 50% of the Bond proceeds will be invested in Investments having a substantially guaranteed Yield for 4 years or more.

(o) *Arbitrage Certifications.* The facts, estimates and expectations recited in **Article III** of this Tax Agreement are true and accurate as of the Issue Date; and the Company believes that the estimates and expectations recited in that Article are reasonable as of the Issue Date. The Issuer, the Trustee, Bond Counsel, and the Underwriter may rely on these statements and expectations. The Company does not expect that the Bond proceeds will be used in a manner that would cause any Bond to be an “arbitrage bond” within the meaning of Code § 148; and to the best of the Company’s knowledge and belief, there are no other facts, estimates or circumstances that would materially change these expectations.

(p) *Interest Rate Swap.* As of the Issue Date, the Company has not entered into an interest rate swap agreement or any other similar arrangement designed to modify its interest rate risk with respect to the Bonds. The Company will not enter into any swap or similar arrangement in the future without obtaining an Opinion of Bond Counsel.

(q) *Guaranteed Investment Contract.* As of the Issue Date, the Company does not expect to enter into a Guaranteed Investment Contract for any Gross Proceeds of the Bonds. The Company will be responsible for complying with **Section 4.3(d)** if it decides to enter into a Guaranteed Investment Contract at a later date.

(r) *Compliance with Future Tax Requirements.* The Company understands that the Code and the Regulations may impose new or different restrictions and requirements on the Company in the future. The Company must comply with any future restrictions that are necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

(s) *Written Policy and Procedures and Bond Compliance Officer.* The Company intends for this Tax Agreement to serve as part of its written policies and procedures for purposes of complying with the federal tax law requirements applicable to the Bonds and to supplement any other formal policies and procedures that the Issuer has established. For this purpose, the Company has selected its Vice President of Operations as the “Bond Compliance Officer.” The Bond Compliance Officer will be responsible for working with other Company officials, departments and administrators and for consulting with Bond Counsel, other legal counsel and outside experts to the extent necessary to carry out the requirements of federal tax law and this Tax Agreement.

Section 2.3. Representations and Covenants of the Trustee. The Trustee represents and

(a) The Trustee will comply with the provisions of this Tax Agreement that apply to it as Trustee and any written letter or Opinion of Bond Counsel, specifically referencing the Bonds and received by the Trustee, that sets forth any action necessary to comply with any statute, regulation or ruling that may apply to it as Trustee and relating to reporting requirements or other requirements necessary to preserve the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

(b) The Trustee, acting on behalf of the Company and the Issuer, may from time to time cause a firm of attorneys, consultants or independent accountants or an investment banking firm to provide the Trustee with such information as it may request in order to determine all matters relating to (1) the Yield on the Bonds as it relates to any data or conclusions necessary to verify that the Bonds are not “arbitrage bonds” within the meaning of Code § 148, and (2) compliance with arbitrage rebate requirements of Code § 148(f). The Company will pay all costs and expenses incurred in connection with supplying the foregoing information.

Section 2.4. Survival of Representations and Covenants. All representations, covenants and certifications of the Issuer, the Company and the Trustee contained in this Tax Agreement will survive the execution and delivery of this Tax Agreement and the issuance, sale and delivery of the Bonds, as representations of facts existing as of the date of execution and delivery of the instruments containing such representations. The foregoing covenants of this Section will remain in full force and effect notwithstanding the defeasance of the Bonds.

ARTICLE III

ARBITRAGE CERTIFICATIONS AND COVENANTS

Section 3.1. General. The purpose of this Article is to certify, pursuant to Regulations § 1.148-2(b), the expectations of the Issuer and the Company as to the sources, uses and investment of Bond proceeds and other money, in order to support the Issuer’s conclusion that the Bonds are not arbitrage bonds. The person executing this Tax Agreement on behalf of the Issuer and the Company are each an officer of the Issuer or the Company responsible for issuing the Bonds.

Section 3.2. Reasonable Expectations. The facts, estimates and expectations of the Issuer and the Company set forth in this Article are based upon the Issuer’s and Company’s understanding of the documents and certificates that comprise the Transcript, including (a) the Indenture, (b) the Loan Agreement, (c) this Tax Agreement, (d) representations and covenants of the Company and the Trustee contained in this Tax Agreement, and (e) representations contained in the Purchaser’s Receipt for Bonds and Closing Certificate. To the knowledge of the Issuer and the Company, the facts and estimates set forth in this Tax Agreement are accurate, and the expectations of the Issuer and the Company set forth in this Tax Agreement are reasonable. The Issuer has no knowledge that would cause it to believe that the representations, warranties and certifications described herein are unreasonable or inaccurate or may not be relied upon.

Section 3.3. Purposes of the Financing. The Bonds are being issued for the purpose of making a loan to the Company to provide funds to (a) finance the costs of a Solid Waste Disposal Facility for the Company and (b) pay Costs of Issuance.

- (1) Series 2010A Account and Series 2010B Account of the Project Fund
- (2) Debt Service Fund
- (3) Costs of Issuance Fund
- (4) Rebate Fund

Section 3.5. Amount and Use of Bond Proceeds and Other Money.

- (a) *Amount of Bond Proceeds.* The total proceeds to be received by the Issuer from the sale of the Bonds will be as follows:

Principal Amount	\$4,685,000.00
Accrued Interest	<u>0.00</u>
Total Proceeds	\$4,685,000.00

- (b) *Use of Bond Proceeds.* The Bond proceeds are expected to be expended as follows:

- (1) The accrued interest, if any, received from the sale of the Bonds will be deposited in the Debt Service Fund and used to pay interest on the Bonds.
- (2) \$_____ will be deposited in the Costs of Issuance Fund and used to pay Costs of Issuance.
- (3) \$_____ will be deposited in the Series 2010A Account of the Project Fund and used to pay costs of the Financed Facility.

- (c) *Use of Other Money.* Proceeds of the Series 2010B Bonds are expected to be expended as follows:

- (1) \$_____ will be deposited in the Costs of Issuance Fund and used to pay Costs of Issuance.
- (2) \$_____ will be deposited in the Series 2010B Account of the Project Fund and used to pay costs of the Project.

Section 3.6. Multipurpose Issue. The Issuer is not applying the arbitrage rules separately to different purposes of the issue pursuant to Regulations § 1.148-9.

Section 3.7. No Refunding. No proceeds of the Bonds will be used to pay principal or interest on any other debt obligation.

Section 3.8. Completion of Financed Facility. The Company has incurred, or will incur within 6 months after the Issue Date, a substantial binding obligation to a third party to spend at least 5% of the net sale proceeds of the Bonds on the Financed Facility. The completion of the Financed Facility and the allocation of the net sale proceeds of the Bonds to expenditures will proceed with due diligence. At least 85% of the net sale proceeds of the Bonds will be allocated to expenditures on the Financed Facility within three years after the Issue Date.

Section 3.9. Loan Agreement/Sinking Funds. The Issuer is making the Bond proceeds

Service Fund, neither the Issuer or the Company has established or expects to establish any sinking fund or other similar fund that is expected to be used to pay principal of or interest on the Bonds. The Debt Service Fund is used primarily to achieve a proper matching of revenues with principal and interest payments on the Bonds within each Bond Year, and the Issuer expects that the Debt Service Fund will qualify as a Bona Fide Debt Service Fund.

Section 3.10. Reserve, Replacement and Pledged Funds.

(a) *Debt Service Reserve Fund.* No reserve or replacement fund has been established for the Bonds.

(b) *No Other Replacement Funds.* None of the Bond proceeds will be used as a substitute for other funds that were intended or earmarked to pay costs of the Project, and that have been or will be used to acquire higher yielding Investments. Except for the Debt Service Fund, there are no other funds pledged or committed in a manner that provides a reasonable assurance that such funds would be available for payment of the principal of or interest on the Bonds if the Issuer or the Company encounter financial difficulty.

Section 3.11. Purpose Investment Yield. The Yield on the Loan will not exceed the Yield on the Bonds by more than 1/8%, as permitted by Regulations § 1.148-2(d)(2)(i). In determining the Loan Yield, “qualified administrative costs” of the Loan paid and to be paid by the Company will be taken into account to increase payments for, and reduce receipts from, the Loan, as permitted by Regulations § 1.148-5(e)(3). “Qualified administrative costs” are (1) costs or expenses paid, directly or indirectly, to purchase, carry, sell or retire the Loan, and (2) costs of issuing, carrying or repaying the Bonds, and the underwriting fees; but fees paid to the Issuer are not qualified administrative costs.

Section 3.12. Offering Prices and Yield on Bonds.

(a) *Offering Prices.* In the Purchaser’s Receipt for Bonds and Closing Certificate, the Purchaser has certified that it has purchased all of the Bonds as principal for its own accounts and has not acted as agent for any person or entity. As of the Issue Date, the Purchaser has not sold and has no present intention to sell the Bonds to any person. The aggregate initial offering price of the Bonds is \$4,685,000.00, plus accrued interest.

(b) *Bond Yield.* Because the Bonds bear interest at variable rates, the Yield on the Bonds cannot be computed at this time. Neither the Issuer nor the Company has entered into an interest rate swap agreement with respect to any portion of the Bonds.

Section 3.13. Miscellaneous Arbitrage Matters.

(a) *No Abusive Arbitrage Device.* The Bonds are not and will not be part of a transaction or series of transactions that has the effect of (1) enabling the Issuer or the Company to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, and (2) overburdening the tax-exempt bond market.

(b) *No Over-Issuance.* The sale proceeds of the Bonds, together with expected Investment earnings thereon and other money contributed by the Company, do not exceed the cost of the governmental purpose of the Bonds as described above.

Section 3.14. Conclusion. On the basis of the facts, estimates and circumstances set forth in this Tax Agreement, the Issuer does not expect that the Bond proceeds will be used in a manner that would cause any Bond to be an “arbitrage bond” within the meaning of Code § 148 and the Regulations.

ARTICLE IV

ARBITRAGE INVESTMENT AND REBATE INSTRUCTIONS

Section 4.1. Rebate Covenants. The Trustee agrees (a) to engage, at the expense of the Company, a Rebate Analyst to compute arbitrage rebate on the Bonds in accordance with the Regulations, and (b) to pay to the United States, but solely from amounts held in the Rebate Fund or money provided by the Company, all such arbitrage rebate in accordance with this Tax Agreement and the Regulations. The Company agrees to make payments to the Trustee as necessary to comply with the rebate requirements of Code § 148(f) and the Regulations.

Section 4.2. Temporary Periods/Yield Restriction. Except as described below, Gross Proceeds must not be invested at a Yield greater than the Yield on the Bonds:

(a) *Series 2010A Account of the Project Fund and Cost of Issuance Fund.* Bond proceeds deposited in the Series 2010A Account of the Project Fund and Cost of Issuance Fund and Investment earnings on those proceeds may be invested without Yield restriction for three years after the Issue Date. If any unspent proceeds remain in the Series 2010A Account of the Project Fund or the Costs of Issuance Fund after three years, those amounts may continue to be invested without Yield restriction so long as the Company pays to the IRS all Yield reduction payments in accordance with Regulations § 1.148-5(c). These payments are required whether or not the Bonds are exempt from the arbitrage rebate requirements of Code § 148.

(b) *Debt Service Fund.* To the extent that the Debt Service Fund qualifies as a Bona Fide Debt Service Fund, money in that account may be invested without Yield restriction for 13 months after the date of deposit. Earnings on those amounts may be invested without Yield restriction for one year after the date of receipt of those earnings.

(c) *Rebate Fund.* Money other than sale proceeds or Investment proceeds on deposit in the Rebate Fund may be invested without Yield restriction.

(d) *Minor Portion.* In addition to the amounts described above, Gross Proceeds not exceeding the Minor Portion may be invested without Yield restriction.

(e) *Series 2010B Account of the Project Fund.* Money other than sale proceeds or Investment proceeds of the Bonds on deposit in the Series 2010B Account of the Project Fund may be invested without Yield restriction.

Section 4.3. Fair Market Value.

(a) *General.* No Investment may be acquired with Gross Proceeds for an amount (including transaction costs) in excess of the fair market value of such Investment, or sold or otherwise disposed of for an amount (including transaction costs) less than the fair market value of the Investment. The fair

(b) *Established Securities Market.* Except for Investments purchased for a Yield-restricted defeasance escrow, if an Investment is purchased or sold in an arm's-length transaction on an established securities market (within the meaning of Code § 1273), the purchase or sale price constitutes the fair market value. Where there is no established securities market for an Investment, market value must be established using 1 of the paragraphs below. The fair market value of Investments purchased for a Yield-restricted defeasance escrow must be determined in a bona fide solicitation for bids that complies with Regulations § 1.148-5.

(c) *Certificates of Deposit.* The purchase price of a certificate of deposit (a "CD") is treated as its fair market value on the purchase date if (1) the CD has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal, (2) the Yield on the CD is not less than the Yield on reasonably comparable direct obligations of the United States, and (3) the Yield is not less than the highest Yield published or posted by the CD Company to be currently available on reasonably comparable CDs offered to the public.

(d) *Guaranteed Investment Contracts.* The Company is applying Regulations § 1.148-5(d)(6)(iii)(A) as amended by the Proposed Arbitrage Regulations (relating to electronic bidding of Guaranteed Investment Contracts) to the Bonds. The purchase price of a Guaranteed Investment Contract is treated as its fair market value on the purchase date if all of the following requirements are met:

(1) Bona Fide Solicitation for Bids. The Company makes a bona fide solicitation for the Guaranteed Investment Contract, using the following procedures:

(A) The bid specifications are in writing and are timely forwarded to potential providers, or are made available on an internet website or other similar electronic media that is regularly used to post bid specifications to potential bidders. A writing includes a hard copy, a fax, or an electronic e-mail copy.

(B) The bid specifications include all "material" terms of the bid. A term is material if it may directly or indirectly affect the Yield or the cost of the Guaranteed Investment Contract.

(C) The bid specifications include a statement notifying potential providers that submission of a bid is a representation (i) that the potential provider did not consult with any other potential provider about its bid, (ii) that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Company or any other person (whether or not in connection with the bond issue), and (iii) that the bid is not being submitted solely as a courtesy to the Company or any other person, for purposes of satisfying the requirements of the Regulations.

(D) The terms of the bid specifications are "commercially reasonable." A term is commercially reasonable if there is a legitimate business purpose for the term other than to increase the purchase price or reduce the Yield of the Guaranteed Investment Contract.

(E) The terms of the solicitation take into account the Company's reasonably expected deposit and draw-down schedule for the amounts to be invested.

(F) All potential providers have an equal opportunity to bid. If the bidding process affords any opportunity for a potential provider to review other bids before providing a bid, then providers have an equal opportunity to bid only if all potential providers have an equal opportunity to review other bids. Thus, no potential provider may be given an opportunity to review other bids that is not equally given to all potential providers (that is no exclusive “last look”).

(G) At least 3 “reasonably competitive providers” are solicited for bids. A reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of Investments being purchased.

(2) Bids Received. The bids received must meet all of the following requirements:

(A) At least 3 bids are received from providers that were solicited as described above and that do not have a “material financial interest” in the issue. For this purpose, (i) a lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until 15 days after the Issue Date of the issue, (ii) any entity acting as a financial advisor with respect to the purchase of the Guaranteed Investment Contract at the time the bid specifications are forwarded to potential providers has a material financial interest in the issue, and (iii) a provider that is a related party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue.

(B) At least 1 of the 3 bids received is from a reasonably competitive provider, as defined above.

(C) If an agent or broker is used to conduct the bidding process, the agent or broker did not bid to provide the Guaranteed Investment Contract.

(3) Winning Bid. The winning bid is the highest yielding bona fide bid (determined net of any broker’s fees).

(4) Fees Paid. The obligor on the Guaranteed Investment Contract certifies the administrative costs that it pays (or expects to pay, if any) to third parties in connection with supplying the Guaranteed Investment Contract.

(5) Records. The Company retains the following records with the bond documents until 3 years after the last outstanding Bond is redeemed:

(A) A copy of the Guaranteed Investment Contract.

(B) The receipt or other record of the amount actually paid for the Guaranteed Investment Contract, including a record of any administrative costs paid by the Company, and the certification as to fees paid, described in paragraph (d)(4) above.

(C) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results.

(D) The bid solicitation form and, if the terms of Guaranteed Investment Contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

(e) *Other Investments.* If an Investment is not described above, the fair market value may be established through a competitive bidding process, as follows:

(1) at least 3 bids on the Investment must be received from persons with no financial interest in the Bonds (*e.g.*, as underwriters or brokers); and

(2) the Yield on the Investment must be equal to or greater than the Yield offered under the highest bid.

Section 4.4. Certain Gross Proceeds Exempt from the Rebate Requirement.

(a) *General.* A portion of the Gross Proceeds of the Bonds may be exempt from rebate pursuant to one or more of the following exceptions. The exceptions typically will not apply with respect to all Gross Proceeds of the Bonds and will not otherwise affect the application of the Investment limitations described in **Section 4.2**. Unless specifically noted, the obligation to compute, and if necessary, to pay rebate as set forth in **Section 4.5** applies even if a portion of the Gross Proceeds of the Bonds is exempt from the rebate requirement. To the extent all or a portion of the Bonds is exempt from rebate the Rebate Analyst may account for such fact in connection with its preparation of a rebate report described in **Section 4.5**. The Company may defer the final rebate Computation Date and the payment of rebate for the Bonds to the extent permitted by Regulations §§ 1.148-7(b)(1) and 1.148-3(e)(2) but only in accordance with specific written instructions provided by the Rebate Analyst.

(b) *Applicable Spending Exceptions.*

(1) The 2-year spending exception is unavailable for the Bonds because the Financed Facility will not be owned by a governmental unit.

(2) The following optional rebate spending exceptions can apply to the Bonds:

(A) 6-month Exception (Code § 148(f)(4)(B) and Regulations § 1.148-7(c))

(B) 18-month Exception (Regulations § 1.148-7(d)).

(c) *Special Elections Made with Respect to Spending Exception Elections.* No special elections are being made in connection with the application of the spending exceptions.

(d) *Bona Fide Debt Service Fund.* To the extent that the Debt Service Fund qualifies as a Bona Fide Debt Service Fund, Investment earnings in the account cannot be taken into account in computing arbitrage rebate (1) if the Bonds meet the six-month spending exception from rebate described above, (2) if the Bonds meet the 18-month spending exception from rebate described above, or (3) for a given Bond Year, if the gross earnings on the Debt Service Account for that Bond Year are less than \$100,000. If the average annual debt service on the Bonds does not exceed \$2,500,000, the \$100,000 earnings test may be treated as satisfied in every Bond Year.

(e) *Documenting Application of Spending Exception.* At any time prior to the first

spending exceptions has been satisfied, and the extent to which the Company must continue to comply with **Section 4.5** of this Tax Agreement.

(f) *General Requirements for Spending Exception.* The following general requirements apply in determining whether a spending exception is met.

(1) Using Adjusted Gross Proceeds to pay principal of any Bonds is not taken into account as an expenditure for purposes of meeting any of the spending tests.

(2) The 6-month spending exception generally is met if all Adjusted Gross Proceeds of the Bonds are spent within six months following the Issue Date.

(3) The 18-month spending exception generally is met if all Adjusted Gross Proceeds of the Bonds are spent in accordance with the following schedule:

Time Period After the Issue Date	Minimum Percentage of Adjusted Gross Proceeds Spent
6 months	15%
12 months	60%
18 months (Final)	100%

(4) For purposes of applying the 18-month spending exception only, the failure to satisfy the final spending requirement is disregarded if the Company uses due diligence to complete the Financed Facility and the failure does not exceed the lesser of 3% of the aggregate issue price the Bonds or \$250,000. No such exception applies for any other spending period.

(5) For purposes of applying the 18-month year spending exception only, the Bonds meet the applicable spending test even if, at the end of the final spending period, proceeds not exceeding a Reasonable Retainage remain unspent, so long as the Reasonable Retainage is spent within 30 months after the Issue Date.

Section 4.5. Computation and Payment of Arbitrage Rebate.

(a) *Rebate Fund.* The Trustee will keep the Rebate Fund separate from all other funds and will administer the Rebate Fund under this Tax Agreement. Any Investment earnings derived from the Rebate Fund will be credited to the Rebate Fund, and any Investment loss will be charged to the Rebate Fund.

(b) *Computation of Rebate Amount.* The Trustee will provide the Rebate Analyst Investment reports relating to each fund held by the Trustee that contains Gross Proceeds of the Bonds at the times that reports are provided to the Company, and not later than ten days following each Computation Date. The Company will provide the Rebate Analyst with copies of investment reports for any funds containing Gross Proceeds that are held by a party other than the Trustee annually as of the end of each Bond Year and not later than ten days following each Computation Date. Each Investment report provided to the Rebate Analyst will contain a record of each Investment, including (1) purchase date, (2) purchase price,

disposition price, (9) any accrued interest received, and (10) disposition date. These records may be supplied in electronic form. The Rebate Analyst will compute rebate following each Computation Date and deliver a written report to the Trustee, the Company and the Issuer together with an opinion or certificate of the Rebate Analyst stating that arbitrage rebate was determined in accordance with the Regulations. Each report and opinion will be provided not later than 45 days following the Computation Date to which it relates. In performing its duties, the Rebate Analyst may rely, in its discretion, on the correctness of financial analysis reports prepared by other professionals. If the sum of the amount on deposit in the Rebate Fund and the value of prior rebate payments is less than the arbitrage rebate due, the Company will, within 55 days after that Computation Date, pay to the Trustee the rebate amount. If the sum of the amount on deposit in the Rebate Fund and the value of prior rebate payments is greater than the Rebate Amount, the Trustee will transfer that surplus from the Rebate Fund to the Debt Service Fund. After the final Computation Date or at any time if the Rebate Analyst has advised the Trustee, any money left in the Rebate Fund will be paid to the Company and may be used for any purpose not prohibited by law.

(c) *Rebate Payments.* Within 60 days after each Computation Date, the Trustee must pay (but solely from money in the Rebate Fund or provided by the Company) to the United States the rebate amount then due, determined in accordance with the Regulations. Each payment must be (1) accompanied by IRS Form 8038-T and such other forms, documents or certificates as may be required by the Regulations, and (2) mailed or delivered to the IRS at the address shown below, or to such other location as the IRS may direct:

Internal Revenue Service Center
Ogden, UT 84201

Section 4.6. Successor Rebate Analyst. If the firm acting as the Rebate Analyst resigns or becomes incapable of acting for any reason, or if either the Company or the Issuer desire that a different firm act as the Rebate Analyst, then the Company (so long as no event of default hereunder or under the Loan Agreement has occurred and is continuing), with the written consent of the Issuer (which consent will not be unreasonably withheld) or the Issuer, by an instrument or concurrent instruments in writing delivered to the Trustee, the firm then serving as the Rebate Analyst and any other party to this Tax Agreement, will engage a successor Rebate Analyst. In each case the successor Rebate Analyst must be a firm of nationally recognized bond counsel or a firm of independent certified public accountants and that firm must expressly agree to undertake the responsibilities assigned to the Rebate Analyst under this Tax Agreement. In the event the firm acting as the Rebate Analyst resigns or becomes incapable of acting for any reason and neither the Issuer nor the Company appoints a qualified successor Rebate Analyst within thirty (30) days following a request to appoint a successor Rebate Analyst, then the Trustee will appoint a firm to act as the successor Rebate Analyst.

Section 4.7. Rebate Report Records. The Trustee will retain copies of each arbitrage rebate report and opinion until three years after the final Computation Date.

Section 4.8. Filing Requirements. The Issuer (if requested in writing by the Company), the Trustee and the Company will file or cause to be filed with the IRS such reports or other documents as are required by the Code in accordance with an Opinion of Bond Counsel addressed and delivered to those parties.

Section 4.9. Survival after Defeasance. Notwithstanding anything in the Indenture to the

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.1. Term of Tax Agreement. This Tax Agreement will become effective upon the issuance and delivery of the Bonds and will continue in force and effect until the principal of, redemption premium, if any, and interest on all Bonds have been fully paid and all such Bonds are cancelled; except that the provisions of **Article IV** regarding payment of arbitrage rebate and all related penalties and interest will remain in effect until all such amounts are paid to the United States.

Section 5.2. Amendments. This Tax Agreement may be amended from time to time by the parties without notice to or the consent of any of the Bondholders, but only if any such amendment is in writing and accompanied by an Opinion of Bond Counsel to the effect that under then existing law, assuming compliance with this Tax Agreement as so amended, the Indenture and the Loan Agreement, such amendment will not cause any Bond to be an arbitrage bond under Code § 148 or otherwise cause interest on any Bond to be included in gross income for federal income tax purposes.

Section 5.3. Opinion of Bond Counsel. The Issuer, the Company or the Trustee may deviate from the provisions of this Tax Agreement if furnished with an Opinion of Bond Counsel to the effect that the proposed deviation will not adversely affect the validity of the Bonds or cause interest on any Bond to be included in gross income for federal income taxes. The Issuer, the Company and the Trustee further agree to comply with any further or different instructions provided to it in an Opinion of Bond Counsel to the effect that the further or different instructions need to be complied with in order to maintain the validity of the Bonds or the exclusion from gross income of interest on the Bonds.

Section 5.4. Reliance. In delivering this Tax Agreement, the Issuer and the Trustee are independently making only those certifications, representations and agreements specifically attributed to them. The balance of the certifications, representations and agreements contained in this Tax Agreement, except those made by the Purchaser, are those of the Company, and the Issuer and the Trustee are relying on the Company with respect to them. Neither the Issuer nor the Trustee is aware of any facts or circumstances which would cause it to question the accuracy of the facts, circumstances, estimates or expectations of the Company or the Purchaser and, to the best of its knowledge, those facts, circumstances, estimates and expectations are reasonable.

Section 5.5. Severability. If any provision in this Tax Agreement or in the Bonds is invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired.

Section 5.6. Benefit of Agreement. This Tax Agreement is binding upon the Issuer, the Company and the Trustee and their respective successors and assigns, and inures to the benefit of the parties and the owners of the Bonds. Nothing in this Tax Agreement or in the Indenture or the Bonds, express or implied, gives to any person, other than the parties to this Tax Agreement and their successors and assigns and the owners of the Bonds, any benefit or any legal or equitable right, remedy or claim under this Tax Agreement. The certifications, representations and expectations made in this Tax Agreement are intended, and may be relied upon, as a certification of an officer of Issuer given in good faith described in Regulations § 1.148-2(b)(2). The Issuer and the Company understand that the law firm of Gilmore & Bell, P.C. is relying on such certifications in rendering its opinion that the interest on the Bonds is excluded from gross

Section 5.7. Default, Breach and Enforcement. Any misrepresentation of a party contained in this document or any breach of a covenant or agreement contained in this Tax Agreement is an event of default under this Tax Agreement. This Tax Agreement is defined as a “Bond Document” in the Indenture, and remedies for an event of default under this Tax Agreement may be pursued pursuant to the terms of the Indenture, the Loan Agreement or any other document which references this Tax Agreement and gives remedies for an event of default thereunder.

Section 5.8. Record Keeping Responsibilities. The Trustee, the Issuer and the Company recognize (1) that investors purchase the Bonds with the expectation that interest on the Bonds is excluded from gross income for federal income tax purposes, (2) that the tax-exempt status of interest on the Bonds depends on the accuracy of the representations and the satisfaction of the covenants contained in this document by the Company, many of which relate to matters that will occur after the date the Bonds are issued, and (3) that as part of its ongoing tax-exempt bond audit program the IRS requires that records be created and maintained with respect to the following matters:

(a) Documentation evidencing expenditure of Bond proceeds in sufficient detail to determine the date of the expenditure, the asset acquired or the purpose of the expenditure.

(b) Documentation evidencing use of bond financed property by public and private persons (i.e., copies of Management Agreements or research agreements).

(c) Documentation evidencing all sources of payment or security for the Bonds.

(d) Documentation pertaining to any investment of Bond proceeds (including the purchase and sale of securities, SLGs subscriptions, actual investment income received from the investment of proceeds, guaranteed investment contracts, and (if required) rebate calculations). In addition to the record keeping duties specifically undertaken by the Trustee, the Company has procedures in place, or will establish procedures, to create and retain these records or to cause these records to be created and retained. Unless otherwise specifically instructed in a written opinion of Bond Counsel or to the extent otherwise provided in this Tax Agreement, the Company will retain and maintain these records until three years following the final maturity of (1) the Bonds or (2) any obligation issued to refund the Bonds. Any records maintained electronically must comply with Section 4.01 of Revenue Procedure 97-22.

Section 5.9. Tax Audits. The Issuer and the Company acknowledge that the IRS has a tax audit program in place, and that the cost of professional representation and compliance with requests for records and other information that are a part of an audit can be substantial, even if no violation of tax laws are found. The Issuer and the Company also recognize that, under current administrative procedures, the IRS must direct an audit, examination or inquiries to the Issuer, even though the Company has the primary responsibility for maintaining the exclusion of interest on the Bonds from gross income for federal income tax purposes. Upon receipt of notice of the commencement of any inquiry, examination or audit of the Bonds, the Company or the Issuer will notify the other promptly. Throughout the term of the inquiry, examination or audit and any subsequent proceedings, the Issuer and the Company will provide copies to one another of any correspondence received from or transmitted to the IRS by the other. The Issuer may hire its own legal counsel to represent its interests in connection with the inquiry, examination or audit or in any further proceeding that results from the inquiry, examination or audit. At the request of the Issuer, the Company will hire legal counsel to represent the Company in the inquiry, examination or audit. The Company, upon written request of the Issuer, will assume responsibility for responding to information and document requests made by the IRS that are within the knowledge or possession of the Company. The Company will also provide the Issuer with copies of all correspondence received from or transmitted to the IRS by the Company.

expenses). Neither the Issuer nor the Company will have the right to represent or otherwise bind the other party in connection with any settlement related to the tax-exempt status of the Bonds. Nothing contained in this section is intended to limit the rights of the Issuer to indemnification, defense or other recovery under the Loan Agreement or any other agreement or certificate executed in connection with the issuance of the Bonds.

Section 5.10. Execution in Counterparts. This Tax Agreement may be executed in any number of counterparts, each of which so executed will be deemed to be an original, but all counterparts will together constitute the same instrument.

Section 5.11. Governing Law. This Tax Agreement will be governed by and construed in accordance with the laws of the State of Illinois.

Section 5.12. Electronic Transactions. The parties agree that the transaction described in this Tax Agreement may be conducted, and related documents may be stored, by electronic means.

[Remainder of this page intentionally left blank]

THE PARTIES have caused this Tax Compliance Agreement to be duly executed by their duly authorized officers, all as of the day and year first above written.

TOWN OF NORMAL, ILLINOIS

By: _____

Name: Chris Koos

Title: President of the Board of Trustees

MIDWEST FIBER, INC.,

an Illinois Corporation

By: _____

Name: Ronald W. Shumaker

Title: President

SHUMAKER PROPERTIES, L.L.C.,

an Illinois limited liability company

By: _____

Name: Ronald W. Shumaker

Title: Manager

COMMERCE BANK, N.A.,

as Trustee

By: _____

Name: _____

Title: _____

EXHIBIT A

CERTIFICATE OF PUBLIC APPROVAL

EXHIBIT B

RESOLUTION OF OFFICIAL INTENT

EXHIBIT C

IRS FORM 8038

EXHIBIT D

DESCRIPTION OF PROPERTY COMPRISING THE FINANCED FACILITY

[See Spreadsheet]

EXHIBIT E

ALLOCATION OF SOURCES AND USES

[See Spreadsheet]

EXHIBIT F

DEBT SERVICE SCHEDULE AND DETERMINATION OF AVERAGE LIFE

TOWN COUNCIL ACTION REPORT

April 15, 2010

A Resolution Retaining the Town's 2010 Private Activity Bond Allocation for Qualified Projects within the Town of Normal

PREPARED BY: Steven D. Mahrt, Corporation Counsel

REVIEWED BY: Mark R. Peterson, City Manager

BUDGET IMPACT: Estimated revenue of approximately \$23,000.00 based on application fee of ½ of 1% of bonds issued.

STAFF RECOMMENDATION: Approval

ATTACHMENTS: Proposed Resolution

BACKGROUND

Pursuant to Federal Law, the Town of Normal has limited authority to issue private activity bonds based on the population of the municipality and the annual per capita dollar amount established by the Internal Revenue Service. Pursuant to Revenue Procedure 2008-66 published by the Internal Revenue Service, the volume limit on qualified private activity bonds adjusted for inflation for calendar year 2010 is \$90.00 multiplied by the municipality's population. The Office of the Governor has published guidelines for allocation of private activity bonding authority. The Office of the Governor estimates the Town of Normal population at 52,056 with a resulting bond authority of \$4,685,040.00.

In the past we have generally ceded this authority to the Illinois Housing Development Authority for use in assisting first time home buyers. This year Staff has been approached by Midwest Fiber, a recycling center located within the Town of Normal concerning issuance of private activity bonds by the Town in order to facilitate expansion of the Midwest Fiber recycling facility. Consequently, the Resolution proposed reserves the Town's 2010 Private Activity Bond Volume Cap for the issuance of private activity bonds by the Town of Normal in calendar year 2010.

DISCUSSION/ANALYSIS

Staff has received an application for issuance of private activity bonds in connection with the Midwest Fiber expansion project. The Town Staff has had preliminary conversations with Commerce Bank representing the financing entity Clayton Holdings. It is anticipated that Clayton Holdings will purchase the private activity bonds issued by the Town thereby financing the Midwest Fiber expansion project. Town Staff has had preliminary conversation with Town Bond Counsel, Kurt Froehlich, from Champaign. Mr. Froehlich is willing to assist the Town with this private issue. His fees will be paid out of bond proceeds.

RESOLUTION NO. _____

A RESOLUTION RETAINING THE TOWN'S 2010 PRIVATE ACTIVITY BOND ALLOCATION FOR QUALIFIED PROJECTS WITHIN THE TOWN OF NORMAL

WHEREAS, the Town of Normal is a home rule unit of local government with authority to legislate in matters concerning its local government and affairs; and

WHEREAS, pursuant to the Internal Revenue Code the Town of Normal is authorized to issue a certain amount of private activity bonds in each calendar year; and

WHEREAS, the Town of Normal has authority to cede or retain its Private Activity Bond Volume Cap Allocation as authorized by law; and

WHEREAS, it is in the best interests of the health, safety and welfare of the citizens of Normal to retain the Town's Private Activity Bond Volume Cap Allocation for 2010 (the "2010 Allocation") in order to facilitate qualified projects within the Town of Normal, including but not limited to, a proposed expansion of a solid waste facility by Midwest Fiber, Inc. and a related entity, Shumaker Properties, L.L.C.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES FOR THE TOWN OF NORMAL, ILLINOIS:

SECTION ONE: That the Town of Normal does hereby retain the Town's 2010 Allocation for qualified projects located within the Town of Normal, including but not limited to, a solid waste facility expansion project by Midwest Fiber, Inc. and a related entity, Shumaker Properties, L.L.C. The intent of this Resolution is to retain all of the Town's 2010 Allocation for qualified private projects within the Town of Normal.

SECTION TWO: That the Town Clerk be and she is hereby authorized and directed to provide proper notification to the State of Illinois, Office of the Governor, of the adoption of this Resolution and the retention of the 2010 Allocation by the Town of Normal for qualified projects within the Town of Normal.

SECTION THREE: That the 2010 Allocation retained hereby is at least \$4,685,040.00 based on population estimates published by the Office of the Governor effective January 1, 2010.

ADOPTED this ____ day of _____, 2010.

APPROVED:

President of the Board of Trustees of the Town of Normal,
Illinois

ATTEST:

Town Clerk
(Seal)

TOWN COUNCIL ACTION REPORT

June 17, 2010

Resolution Approving a Site Plan for Midwest Fiber (422 White Oak Road)

PREPARED BY: Mercy Davison, Town Planner

REVIEWED BY: Mark R. Peterson, City Manager
Steven D. Mahrt, Corporation Counsel
Greg Troemel, Director of Inspections

BUDGET IMPACT: N/A

STAFF RECOMMENDATION: Approval

PLANNING COMMISSION RECOMMENDATION: Approval (6-0)

REGIONAL PLANNING RECOMMENDATION: "C" Grade

ATTACHMENTS: Proposed Resolution; Aerial Map; Zoning Map; Landscaping Plan; Elevations; Consistency Review Form; Staff Report to the Planning Commission; Minutes of the June 10, 2010 Planning Commission are included in the Addendum.

BACKGROUND

Midwest Fiber currently occupies the 10.4 +/- acre property at 422 White Oak Road, where they operate a paper recycling facility. Midwest is surrounded by M-1 Restricted Manufacturing zoning with light manufacturing uses to the north, south, and west. There is an area of R-3A Medium Density Multiple Family zoning to the east, where duplexes were built in the 1990s. Based on the proximity of residential zoning, Site Plan approval is required for any new development on the site.

Midwest Fiber's current operation includes the collection, sorting and baling of paper products, which are then shipped out via truck or rail. Buildings on the site currently include a warehouse, small office building, and several covered outdoor storage areas. Midwest proposes to expand its operation to include more types of recyclables. Toward this end, Midwest proposes to construct a new 41,313 sq. ft. recycling building. At 36 feet in height, the building expansion requires a 1-foot transitional height variance because code limits the height to 35 feet when M-1 property is adjacent to R-3A property.

Trucks will enter the site from the existing access on White Oak Road and will then dump the recyclables into an indoor recycling machine. After sorting, Midwest will ship the materials to various vendors for processing. The site will operate from 8 a.m. until 5 p.m. Monday through Saturday. The proposed expansion also includes the construction of a 2-story, 10,790 sq. ft. office building and a working hard surface to the east of the building for equipment storage and vehicular maneuvering.

TOWN COUNCIL ACTION REPORT

The access on White Oak Road is under county control. Midwest is working with the county engineer to determine whether or not improvements, such as a turn lane, will be required on White Oak.

Additional elements on the Site Plan include additional parking, a monument sign and wall sign, an 8-foot fence topped with barbed wire, and the replacement of all gravel areas with hard surface. Where code requires at least 20% green space on the site, Midwest provides approximately 37%. A significant amount of green space is on the east side of the property near the R-3A residences. A mature tree line and shrubbery in that area will be preserved.

The Community Design Standards apply to the entire site. However, Town staff has consistently recommended applying the CDS landscaping provisions only to the newly developed portion of previously developed sites. In the case of Midwest Fiber, Town staff calculated the perimeter of the site adjacent to all of the new buildings and hard surfaces and generated a baseline number of required trees on that number rather than on the entire site perimeter. This approach requires a waiver.

DISCUSSION/ANALYSIS

Sec. 15.8-5 of the Municipal Code sets forth the Site Plan review standards, which include the minimization of incompatibilities between the development and surrounding properties, the extent to which the adjacent roadways can accommodate the development, and the extent to which the proposed development will favorably or adversely affect other persons or property.

Town staff finds the proposed expansion of Midwest Fiber to meet these standards. The site is almost entirely surrounded by light manufacturing uses and zoning. The multiple family zoning to the east is well screened by existing trees and shrubbery. Furthermore, there is more than 120 feet between the developed area of Midwest's site and the residential properties to the east. The outdoor light fixtures will not create any glare or light trespass. The business only operates during the day. These design elements will minimize the potential incompatibilities between Midwest Fiber and neighboring properties.

The Planning Commission considered the Midwest Fiber Site Plan at its June 10, 2010 meeting. Aside from a statement from the project architect, no public testimony was offered. Mr. Feid asked about increased truck and train traffic on the site. The project architect said the traffic figures are not yet known because Midwest is just now in the process of expanding its client base. Following its findings of fact, the Planning Commission voted 6-0 in favor of the Site Plan with a 1-foot variance for transitional height and a variance from the landscaping provisions of the Community Design Standards.

The regional planning staff committee also reviewed the project under its "Consistency Review" evaluation, which resulted in the grade of a "C". It is difficult for projects without a housing component to score higher than "C" due to the types of bonus design points available on the review form; however, the committee specifically noted its support for the expansion of a "green" manufacturing facility on an underutilized site within the community.

For these reasons, Town staff recommends the Town Council approve the Site Plan for the Midwest Fiber expansion with a 1-foot variance for transitional height and a variance from the landscaping provisions of the Community Design Standards to permit application of the ordinance only to the newly developed portion of the site.

EXHIBIT D TO TAX COMPLIANCE AGREEMENT

Description of Property Comprising the Financed Facility

Series 2010 Project										
Asset Description	Original Economic Life	Estimated Placed in Service Date	Elapsed Time from Issue Date	Estimated Remaining Economic Life	Asset Type	Cost	Cost Paid from 2010A Bond Proceeds	Cost Paid from 2010B Bond Proceeds	Cost Paid from Other Sources	Economic Life x Financed Cost
Land					Land				-	-
Acquisition of Existing Buildings	40	May-11	0.50	40.50	Building	536,000	-	536,000	-	-
Construction Costs	40	May-11	0.50	40.50	Building	3,051,917	3,051,917	-	-	123,602,639
Engineering and Architectural Fees	20	May-11	0.50	20.50	Other	225,000	-	-	225,000	-
Site Preparation	20	May-11	0.50	20.50	Other	293,239	293,239	-	-	6,011,400
Land improvements (sidewalks, parking, landscaping)	20	May-11	0.50	20.50	Other	582,319	582,319	-	-	11,937,540
Equipment	7	May-11	0.50	7.50	Equipment	3,917,750	558,825	372,700	2,986,225	4,191,188
Furniture	7	May-11	0.50	7.50	Equipment	75,000	75,000	-	-	562,500
Contingency*		November-10	0.00	0.00	Building	30,000	30,000	-	-	-
						8,711,225	4,591,300	908,700	3,211,225	146,305,265
Less land costs and contingency						-	(30,000)	-	-	
Net costs, excluding land and contingency						8,711,225	4,561,300	908,700	3,211,225	
Average, Reasonably Expected Economic Life:			32.08 years							
120% of Original Economic Life	120%		38.49 years							

* Contingency takes on the useful life of the entire project.

IRS FORM 8038 INFORMATION

PART V -- Description of Property Financed by Nonrefunding Proceeds	
a Land	-
b Buildings and Structures	3,081,917
c Equipment (recovery period more than 5 years)	633,825
d Equipment (recovery period 5 years or less)	-
e Other (site preparation and land improvements)	875,558

Exhibit E to Tax Compliance Agreement

**Town of Normal, Illinois
Solid Waste Disposal Revenue Bonds
(Midwest Fiber Project) Series 2010A**

ALLOCATION OF SOURCES & USES

SOURCES	Series 2010A Project Portion	Series 2010B Project Portion	Total Bonds	Equity Contribution	Total
Par	4,685,000.00	925,000.00	5,610,000.00	3,210,225.00	8,820,225.00
Plus OIP (less OID)	-	-	-	-	-
Sale Proceeds	4,685,000.00	925,000.00	5,610,000.00	3,210,225.00	8,820,225.00
Accrued Interest	-	-	-	-	-
Total Sources	4,685,000.00	925,000.00	5,610,000.00	3,210,225.00	8,820,225.00
Percentage	100.00%	0.00%	100.00%		
USES					
22 Accrued interest	-	-	-	-	-
Bond issuance Costs					-
Underwriting Fee	-	-	-	-	-
Other Costs	93,700.00	16,300.00	110,000.00		110,000.00
24 Total Issuance Costs	93,700.00	16,300.00	110,000.00	-	110,000.00
25 Credit Enhancement Fees	-	-	-	-	-
26 Reserve Fund	-	-	-	-	-
27 Current Refunding	-	-	-	-	-
28 Advance Refunding	-	-	-	-	-
29 Subtotal	93,700.00	16,300.00	110,000.00	-	110,000.00
30 Nonrefunding proceeds	4,591,300.00	908,700.00	5,500,000.00	3,210,225.00	8,710,225.00
Total Uses	4,685,000.00	925,000.00	5,610,000.00	3,210,225.00	8,820,225.00

Organizational Profile

Midwest Fiber Recycling is a family-owned business specializing in the collection, processing, and marketing of recyclable commodities. With facilities in Bloomington-Normal, Decatur, Springfield, and Peoria and a service area that extends throughout the Midwest, they have become central Illinois' largest recycler.

The company traces its history back to 1990 when current owners Ron and Linda Shumaker responded to a newspaper ad and purchased Decatur Recycle Paper Company in Decatur, Illinois. The business was small (5,000 square feet and three full-time employees) but the Shumaker's saw great potential.

In 1995, Decatur Recycle Paper Company moved its operation to a new 25,000 square foot building and purchased state-of-the-art equipment. The extra processing capabilities enabled the family to serve even more clients (beyond Decatur and Macon County) and consider yet another facility to accommodate demand. In 2001, the company purchased Weyerhaeuser Recycling in Normal, Illinois and formed Midwest Fiber Recycling. They continued to extend their reach, with additional facilities in Peoria (2005) and Springfield (2007).

Combined, Midwest Fiber Recycling has more than 250,000 square feet of processing and warehousing facilities on 30 acres and markets over 105,000 tons of recyclable material each year. Midwest Fiber Recycling employs 58 full-time employees, five of whom are employed through a temporary agency for permanent positions. The company offers a competitive benefit package that includes health insurance, dental insurance, a 401K plan, profit sharing, disability insurance, life insurance, paid holidays, and vacation time.

The team is lead by President Ron Shumaker and his sons Mike and Todd Shumaker. Mike serves as the Vice President of Operations while Todd is the Director of Sales and Marketing.

Project Details: Midwest Fiber will build a new facility and purchase single stream processing equipment to accommodate co-mingled materials in Bloomington-Normal Illinois. This location will be the hub of single stream recycling in central Illinois. Glass, plastics, paper, cardboard, and metal will be dropped off at the new plant, together without a need to sort, and put through a unique process. This process will involve both state-of-the-art equipment and many layers of manpower to make "new age" recycling possible.

Midwest Fiber, Inc.

Midwest Fiber, Inc., is an Illinois corporation organized on August 31, 2001. The company specializes in the collection, processing, and marketing of recyclable commodities from its facility at 422 South White Oak Road, Normal, Illinois.

The company is a family owned business. The principals of the company are:

Ron Shumaker, the President and a director of the company.

Linda Shumaker, the Secretary and a director of the company and Ron's wife.

Michael Shumaker, the Vice President - Operations and a director of the company and Ron and Linda's son.

Todd Shumaker, the Vice President - Marketing and a director of the company and Ron and Linda's son.

Midwest Fiber is owned by the living trusts of Michael and his wife Patricia; Ron; and Todd and his wife Michelle.

Midwest Fiber's affiliated companies, Midwest Fiber, Inc. of Decatur, Inc., and Midwest Fiber Recycling of Peoria, Inc., provide recycling services in Decatur, Springfield and Peoria. Together, Midwest Fiber and its affiliates have more than 250,000 square feet of processing and warehousing facilities, employ 58 full time employees and markets over 105,000 tons of recyclable material each year. Another affiliate, Confidential On-Site Paper Shredding, LLC, provides confidential document shredding services.

Shumaker Properties, L.L.C.

Shumaker Properties, L.L.C., was organized on June 7, 1995, as an Illinois limited liability company. Shumaker Properties is a real estate holding company and owns commercial property in several central Illinois cities. The company's properties include 422 South White Oak Road in Normal, which it leases to Midwest Fiber, Inc., and properties in Decatur and Peoria which it leases to Midwest Fiber, Inc. of Decatur, Inc., and Midwest Fiber Recycling of Peoria, Inc., respectively.

Ron Shumaker is the manager of the company. Shumaker Properties is owned by the living trusts of Linda Shumaker, Michael and Patricia Shumaker, Ron Shumaker, and Todd and Michelle Shumaker.

New Business

TOWN COUNCIL ACTION REPORT

October 14, 2010

Presentation of the Community-Wide Sustainability Plan and 2035 Report

PREPARED BY: Mercy Davison, Town Planner

REVIEWED BY: Mark R. Peterson, City Manager

BUDGET IMPACT: N/A

ATTACHMENTS: Community-Wide Sustainability Plan was previously distributed to the Town Council.

BACKGROUND

In late 2008 the Town Council authorized Town staff to hire the Hile Group to facilitate the public process of creating a Community-Wide Sustainability Plan. Mayor Koos then convened a Task Force in early 2009 and charged it with creating a vision of Normal as a community that stewards all resources responsibly, so that our Town can continue to thrive and grow for generations to come. The mayor selected 28 Task Force members to represent a broad cross-section of the community, including Council members (Mr. Fritzen and Mr. Scott), junior high school students, retired professionals, a physician, a sculptor, and more. A complete list of Task Force members is included in the plan.

Early in the process, the Task Force members agreed that sustainability encompasses more than traditional environmental such as water quality, air quality, and resource consumption. They settled on the commonly used “three-legged stool” concept, with the legs being Environmental Stewardship, Economic Vitality, and Social Progress. After significant brainstorming, the Task Force decided to focus on the following topics as vital components of sustainability:

- Arts & Culture
- Continuous Learning & Community Building
- Economic Development
- Educational Institutions
- Energy in the Built Environment & Energy Generation
- Food System
- Government Planning, Public Safety, and Public Services
- Health & Wellness
- Human Services & Spirituality
- Resource Carbon Management: Air
- Resource Carbon Management: Land
- Resource Carbon Management: Water
- Technology
- Transportation & Mobility

TOWN COUNCIL ACTION REPORT

Task Force members then reached out to community members with expertise or interest in the topics listed above, ultimately pulling more than 110 people into Work Groups. Council member Cheryl Gaines agreed to serve on the Work Group addressing Human Services and Spirituality. The scope of public involvement, combined with the sustainability plan's relationship to the *2030 Plan*, led the Mayor to deem the Task Force to be the 2035 Visioning Committee. Thus, the sustainability plan is also the *2035 Plan*.

DISCUSSION/ANALYSIS

The *Community-Wide Sustainability Plan and 2035 Report* includes a summary of the process and a set of guiding principles followed by the Task Force members. The plan highlights the Town's existing strengths and identifies four primary areas of concern – Air Quality, Energy, Human Services, and Water. The plan then lists five “Framing Opportunities” that pertain to the process of implementing the plan:

1. Preserve the Town's status as a Home Rule municipality.
2. Create a full-time Sustainability Coordinator position funded jointly by the EDC, EAC, ISU, Heartland College, and the Town.
3. Develop a unified Community-Wide Sustainability Statement across a coalition of the Town and other local organizations and associations.
4. Create a Quality of Life indicator that captures and communicates baseline and ongoing data on agreed-upon, essential markers of quality of life.
5. Leverage the strengths identified in the plan as the start of a sustainability resource guide.

Sustainability opportunities are then laid out within 13 of the 14 topic areas, with Technology left incomplete due to various coordination issues. The document wraps up with a list of Quick Starts, which are actions that should be quickly started but which may not be quickly finished.

It is expected that further development and implementation of the plan by the Town and other stakeholders will take place in the coming months and years.