

No. _____

THE COUNTY OF LAKE, ILLINOIS
TAXABLE PACE REVENUE NOTE
({PROPERTY ADDRESS 1} PROJECT)

<u>Principal Amount</u>	<u>Date of Issuance</u>	<u>Maturity Date of Assessment Contract</u>	<u>Interest Rate of Assessment Contract</u>
{FINANCED AMOUNT}	{CLOSING DATE}	{MATURITY DATE}	{INTEREST RATE}

Registered Owner: {CAPITAL PROVIDER}, {CAPITAL PROVIDER DESCRIPTION} (together with its successors and assigns, “**Registered Owner**”)

1. PAYMENT OBLIGATIONS

- 1.1 Obligation to Pay Amounts Due Under this Note from Pledged Revenues. The County of Lake, Illinois (the “**County**”), a public body municipal and corporate, in consideration of the Registered Owner’s funding of the Financed Amount or deposit of funds into escrow in accordance with the Assessment Contract ({PROPERTY ADDRESS 1} PROJECT), dated {CLOSING DATE}, between the County and {PROPERTY OWNER}, {PROPERTY OWNER DESCRIPTION} (together with its successors and assigns, “**Property Owner**”) attached hereto as Exhibit A (the “**Assessment Contract**” and, together with this Note, the “**PACE Documents**”), hereby promises to pay, in the amounts and at the times set forth in the Assessment Contract, to the Registered Owner, solely from the assessments and other amounts owed by the Property Owner under the Assessment Contract and assigned to the Registered Owner by the County hereunder, and from any other source identified herein (collectively, the “**Pledged Revenues**”), the principal sum of this Note set forth above, together with interest, fees, penalties, indemnities and other amounts payable on such amounts under the Assessment Contract or pursuant to applicable law, other than (i) amounts collected from direct or indirect indemnification rights for the benefit of the County or any person other than the Registered Owner pursuant to the Assessment Contract or any related document, (ii) amounts identified and assessed as administrative fees and expenses to the extent payable to or on behalf of the County or its agents in accordance with the Assessment Contract and (iii) 80% of the sums received by the County from the collection of penalties and statutory interest on delinquent payments under the Assessment Contract, which shall be retained by the County as collections fees.
- 1.2 Cumulative Obligations. The County’s obligation to pay amounts due under this Note from the Pledged Revenues shall be cumulative. For the purposes of this Note, the term “cumulative” shall mean that if any amounts due under this Note are not paid when due, such amounts shall remain due and payable until actually paid and shall be paid by the County as soon as any Pledged Revenues are available to pay all or any portion of such amounts.
- 1.3 Assignment and Pledge. The County hereby grants and assigns the Pledged Revenues to the Registered Owner and to the extent not assigned, conveys and pledges to the Registered Owner a first priority security interest in and to the Pledged Revenues. The

County may not issue additional notes payable from the Pledged Revenues or otherwise assign, pledge, or encumber the Pledged Revenues, without the written consent of the Registered Owner.

- 1.4 Principal Reductions. To the fullest extent permitted by applicable law, the County shall not permit any reduction or deferral in the amount due and owing under the Assessment Contract, without the written consent of the Registered Owner.
- 1.5 Payment Obligations Unconditional. The County's obligation to transfer or cause the transfer of the Pledged Revenues it receives from the Property Owner to the Registered Owner shall be unconditional, and the County shall make or cause such transfers without any deduction for any reason, including any set-off or defense the County may have or assert against the Registered Owner.
- 1.6 Term. All obligations of the County hereunder shall terminate on the date when all amounts due under the Assessment Contract have been received by the Registered Owner as set forth herein. No more than 30 days following receipt of final payment hereunder, Registered Owner shall deliver written confirmation thereof, so that a termination of the Assessment Contract may be recorded as required therein. Notwithstanding the foregoing or anything else set forth herein, and in addition thereto, if at any time all or any part of any payment received by the Registered Owner under or with respect to this Note is or must be rescinded or returned for any reason whatsoever (including, but not limited to, determination that said payment was a voidable preference or fraudulent transfer under insolvency, bankruptcy or reorganization laws), then the obligations hereunder shall, to the extent of the payment rescinded or returned, be deemed to have continued in existence, notwithstanding such previous receipt of payment by the Registered Owner, continue to be effective or be reinstated as to such payment, all as though such previous payment to the Registered Owner had never been made. The provisions of the foregoing sentence shall survive termination of this Note and shall remain a valid and binding obligation of County.
- 1.7 Adjustments to Scheduled Payments. To the extent that the Assessment Contract contemplates adjustments to Assessment Payments becoming due (such as interest rate changes or prepayments), the Registered Owner or its designee shall be responsible for making such calculations and delivering them to the Program Administrator in a timely fashion. So long as necessary information regarding adjustments to any scheduled Assessment Payment (as defined in the Assessment Contract) is delivered by the Registered Owner to the Program Administrator before {ANNUAL TAX FILING DATE} of each calendar year, then the County shall include such adjustments on the next tax roll applicable to the Property (as defined in the Assessment Contract). The Program Administrator shall promptly deliver any prepayment notices received from the Property Owner to the Registered Owner or its designee, and the Registered Owner shall promptly provide (a) a calculation of the required prepayment amount, including any prepayment premium and rebated interest, and (b) payment instructions. Upon receipt of such calculation, the Program Administrator shall deliver a payoff statement to the Property Owner in accordance with the Assessment Contract. The Program Administrator may conclusively rely on any payment calculations delivered by the Registered Owner hereunder.

2. REPRESENTATIONS AND WARRANTIES OF THE COUNTY.

The County hereby makes the following representations and warranties for the benefit of the Registered Owner as of the date hereof:

- 2.1 Authorization. The County has taken (i) all necessary official action required of it under the

Property Assessed Clean Energy Act, 50 ILCS 50/1 et. seq. (the “**PACE Act**”) to establish the property assessed clean energy program for the County, including approving the ordinance (the “**Ordinance**”) of the County Board of the County on {ORDINANCE DATE}, and (ii) all such action as may be required on the part of the County to carry out, give effect to and consummate the transactions contemplated in the PACE Documents.

- 2.2 Organization; Authority. The County is a political subdivision of the State of Illinois, duly organized and validly existing as a County under the laws of the State of Illinois, with the power to adopt the Ordinance, issue the PACE Documents, and perform the agreements on its part contained in or related to the PACE Documents.
- 2.3 PACE Act. This Note is issued pursuant to the provisions of, and in full compliance with, the PACE Act. This Note constitutes a “PACE bond” for purposes of the PACE Act.
- 2.4 Enforceability. When executed and delivered by the respective parties thereto, each of the PACE Documents executed by the County will constitute a legal, valid and binding obligation of the County enforceable in accordance with its terms.
- 2.5 Compliance with Laws and Agreements. The execution, delivery and performance by the County of each of the PACE Documents and the performance by the County of its obligations under each of the PACE Documents and the transactions contemplated hereby and thereby (i) do not contravene any provisions of law applicable to the County, and (ii) do not conflict with, and will not result (with or without the giving of notice or passage of time or both) in the breach of or constitute a default or require any consent under any credit agreement, indenture, mortgage, purchase agreement, deed of trust, security agreement, lease, guarantee or other instrument to which the County is a party, by which the County may be bound or to which the County or its property may be subject.
- 2.6 No Actions. To the best knowledge of the County after reasonable inquiry, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, or public board or body is pending or threatened, in any way affecting the existence of the County or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the execution and delivery of the Ordinance or the PACE Documents, or the consummation by the County of the transactions contemplated by the Ordinance, the PACE Documents, or in any way contesting or affecting the validity or enforceability of the Ordinance, the PACE Documents, any other applicable agreements, or any action of the County contemplated by any of those documents, or in any way contesting the powers of the County or its authority with respect to the Ordinance, the PACE Documents, any other applicable agreements, or any action of the County contemplated by any of such documents.
- 2.7 Consents and Approvals. No further approval of, or consent from, any governmental authority is required for the execution and delivery by the County of the PACE Documents or the consummation by the County of any other transaction contemplated by the PACE Documents that has not been obtained.

3. COVENANTS OF THE COUNTY.

- 3.1 Direction of Payments. The County will pay all Pledged Revenues to the account specified by the Registered Owner in a written notice to The Illinois Energy Conservation Authority NFP, as program administrator (together with any successor, the “**Program Administrator**”) within 30 days of receipt and identification.
- 3.2 PACE Note and Interest Fund. The County agrees that it shall establish funds for the collection of the Pledged Revenues as separate funds maintained on the County’s books

and records and to be held at a bank with which the County maintains a depository relationship. As set forth in Section 1.3, the County has assigned to the Registered Owner all of its right, title and interest in and to all Pledged Revenues maintained in such fund and further agrees that it holds such amounts in trust for the benefit of the Registered Owner.

- 3.3 Amendment to Assessment Contract. The County shall not amend the Assessment Contract in any manner that is materially adverse to the Registered Owner without the Registered Owner's prior written consent.
- 3.4 Property Tax Code Compliance. The County will comply with all requirements of the PACE Act, the Property Tax Code of the State of Illinois, as amended (the "**Property Tax Code**"), the Assessment Contract and this Note to assure the timely collection of the Pledged Revenues, including, without limitation, the enforcement of delinquent Assessment Payments (as defined in the Assessment Contract) as set forth in Section 3.5 and any other applicable law.
- 3.5 Delinquencies. If an Assessment Payment (as defined in the Assessment Contract) is delinquent according to the Property Tax Code, the County shall take such steps and follow such procedures to collect delinquent property tax payments as specified in the Property Tax Code. Upon receipt of any Pledged Revenues via the tax sale procedures available to the County pursuant to the Property Tax Code, the County shall within 30 days transfer such amounts to the Registered Owner at the Registered Owner's designated account.
- 3.6 Bankruptcy of the County. The County acknowledges and agrees that amounts collected by the County as Pledged Revenues are intended to be "special revenues" as defined in Section 902(2) of the United States Bankruptcy Code. The foregoing is a statement of intent and not a guaranty or assurance that such proceeds will be treated as special revenues. In the event that the County files a petition under Chapter 9 of the United States Bankruptcy Code, the County shall not oppose a post-petition motion by the Registered Owner seeking (a) to obtain relief from the automatic stay applicable in bankruptcy cases with respect to all Pledged Revenues received by the County prior to such petition being filed to enable such Pledged Revenues to be paid to the Registered Owner, or (b) to ensure that all Pledged Revenues received by the County following such petition being filed are timely paid to the Registered Owner.
- 3.7 Further Assurances. The County will adopt, make, execute and deliver any and all such further ordinances, resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the PACE Documents, and for the better assuring and confirming unto the County the rights and benefits provided in this Note.
- 3.8 Delegation of Duties. For the avoidance of doubt, to the extent permitted by applicable law, the County may cause the Program Administrator to perform any of its obligations under this Note.

4. EVENTS OF DEFAULT; REMEDIES.

- 4.1 Events of Default. Any one or more of the following events will constitute an "Event of Default":
 - (a) Default in the due and punctual payment of any amounts due under this Note by the County;
 - (b) Default by the County in the observance of any of its other covenants in the PACE Documents, and the continuation of such default for a period of thirty (30) days after the County has been given notice in writing of such default by the Registered Owner;

provided that, if such failure is curable, but not within such thirty (30) day period, such failure shall not constitute an Event of Default if, within such thirty (30) day period, the County diligently pursues such cure and such failure is cured within a reasonable period of time;

- (c) Failure of the Registered Owner to have a valid and binding priority lien and security interest in the Pledged Revenues; or
- (d) The filing by the County of a voluntary petition in bankruptcy, or failure by the County promptly to lift any adjudication of the County as bankrupt, or the approval by a court of competent jurisdiction of a petition applicable to the County in any proceedings instituted under the provisions of the United States Bankruptcy Code.

4.2 Remedies.

- (a) Following the occurrence of an Event of Default, Registered Owner will have the right:
 - (i) By mandamus or other suit or proceeding at law or in equity to enforce its, its rights against the County and any of the members, officers and employees of the County, and to compel the County or any such members, officers or employees to perform and carry out their duties under the PACE Act and their agreements herein;
 - (ii) By suit in equity to enjoin any actions or things that are unlawful or violate the rights of the Owners; or
 - (iii) To exercise every power and remedy available to it under the PACE Act or other applicable law.
- (b) No remedy herein conferred upon or reserved to the Registered Owner is intended to be exclusive of any other remedy. Every such remedy will be cumulative and will be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the PACE Act or any other law.

5. LIMITED RECOURSE.

THE SOLE SOURCE OF REPAYMENT OF THIS NOTE SHALL BE THE PLEDGED REVENUES. THE COUNTY WILL NOT BE IN ANY WAY LIABLE OR RESPONSIBLE FOR PAYMENT OF PLEDGED REVENUES TO REGISTERED OWNER, BEYOND REMITTING PLEDGED REVENUES PAID TO THE COUNTY BY PROPERTY OWNER OR IN CASES OF DEFAULT BY PROPERTY OWNER, BY A TAX PURCHASER VIA TAX SALE. EXCEPT AS SPECIFICALLY STATED IN THE ASSESSMENT CONTRACT, NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY OF THE STATE OF ILLINOIS SHALL BE AVAILABLE FOR THE PAYMENT OF THE PRINCIPAL, INTEREST OR PENALTIES ON THIS NOTE OR ANY COSTS INCIDENTAL THERETO. NO OFFICIAL, AGENT OR EMPLOYEE OF THE COUNTY WILL BE INDIVIDUALLY OR PERSONALLY LIABLE FOR THE PAYMENT OF AMOUNTS DUE UNDER THIS NOTE; BUT NOTHING HEREIN CONTAINED WILL RELIEVE ANY SUCH OFFICIAL, AGENT OR EMPLOYEE FROM THE PERFORMANCE OF ANY OFFICIAL DUTY PROVIDED BY LAW.

6. MISCELLANEOUS PROVISIONS.

- 6.1 Section Headings. Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each Section

applies equally to this entire Note.

- 6.2 Interpretation. This Note shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of the provision herein.
- 6.3 Severability of Provisions. Each provision of this Note shall be severable from every other provision of this Note for the purpose of determining the legal enforceability of any specific provision.
- 6.4 Counterparts; Electronic Execution. Delivery of an executed counterpart of this Note by electronic method of transmission shall be equally as effective as delivery of a manually executed counterpart of this Note.
- 6.5 Governing Law. This Note shall be governed by and construed according to the laws of the State of Illinois.
- 6.6 Assignments; Note Register. To register the transfer of this Note, Registered Owner must present to the County and the Program Administrator a duly executed Form of Assignment in substantially the form attached hereto as Exhibit B. The County shall cause {REGISTRAR} to keep a register of the ownership and transfers of this Note. The register will show the date, maturity amount, rate of interest and last Registered Owner and will at all times be open to inspection by the County and the Registered Owner during regular business hours on any Business Day, upon reasonable notice.
- 6.7 Interpretation. Unless the context of this Note clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms “includes” and “including” are not limiting, and the term “or” has, except where otherwise indicated, the inclusive meaning represented by the phrase “and/or.” The words “hereof,” “herein,” “hereby,” “hereunder,” and similar terms in this Note refer to this Note as a whole and not to any particular provision of this Note, as the case may be. Section, subsection, clause, schedule, and exhibit references herein are to this Note unless otherwise specified. Any reference in this Note to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). Any reference herein to any person or entity shall be construed to include such person’s or entity’s successors and assigns. The words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties. Any requirement of a writing contained herein shall be satisfied by the transmission of a record and any record transmitted shall constitute a representation and warranty as to the accuracy and completeness of the information contained therein.

[Signature page follows.]

IN WITNESS WHEREOF The County of Lake, Illinois, by its County Board, has caused this Note to be executed by the manual or duly authorized facsimile signature of the [Authorized Officer] and the [Authorized Officer], all as appearing hereon and as of the dated date identified above.

[Authorized Officer]

[Authorized Officer]

Date of Authentication: {CLOSING DATE}

CERTIFICATE
OF
AUTHENTICATION

Note Registrar and Paying Agent:
{REGISTRAR}
{Registrar City},{Registrar State}

This Note is one of the Notes described in the within-mentioned Ordinance and is one of the Taxable PACE Revenue Notes, ({PROPERTY ADDRESS 1} Project) having a dated date of {CLOSING DATE}, of The County of Lake, Illinois.

{REGISTRAR},
as Note Registrar

By _____
Authorized Officer

EXHIBIT A

Assessment Contract

See attached.

EXHIBIT B

Form of Assignment

ASSIGNMENT

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

[Here insert identifying number such as
TID, SSN, or other]

(Name and Address of Assignee)

the within Note and does hereby irrevocably constitute and appoint
[name of Note Registrar] to transfer such Note on the books kept for registration thereof with full
power of substitution in the premises.

Dated:

Signature: _____