NEW ISSUE – (BOOK-ENTRY ONLY) **NOT RATED**

In the opinion of Katten Muchin Rosenman LLP, Bond Counsel, under existing law, interest on the hereinafter defined Series 2021 Bonds is not includable in the gross income of the owners of the Series 2021 Bonds for Federal income tax purposes and, assuming continuing compliance with the applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Series 2021 Bonds will continue to be excluded from the gross income of the owners of the Series 2021 Bonds for Federal income tax purposes. Interest on the Series 2021 Bonds is not an item of tax preference for purposes of computing the alternative minimum tax imposed by the Code. Interest on the Series 2021 Bonds is not exempt from state income taxation by the State of Illinois. See "TAX EXEMPTION" herein and Appendix F hereto.

ROYCEMORE

$8,275,000
CITY OF EVANSTON, ILLINOIS
EDUCATIONAL FACILITY REVENUE BONDS, SERIES 2021
(ROYCEMORE SCHOOL)

Dated: Date of Delivery **Due: April 1, as shown on the inside cover**

The City of Evanston, Illinois Educational Facility Revenue Bonds, Series 2021 (Roycemore School) (the "Series 2021 Bonds") to be issued by the City of Evanston, Cook County, Illinois (the "Issuer") will be issued under a Bond Trust Indenture, dated as of April 1, 2021 (the "Indenture"), between the Issuer and Wilmington Trust, National Association, as trustee (the "Trustee"), and pursuant to an ordinance adopted by the City Council of the Issuer on April 12, 2021. The Series 2021 Bonds are issuable only as fully registered bonds in denominations of $100,000 and integral multiples of $5,000 in excess thereof. When issued, the Series 2021 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Series 2021 Bonds will be made in book-entry only form. Purchasers of beneficial interests in the Series 2021 Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interests in the Series 2021 Bonds. Interest on the Series 2021 Bonds, together with the principal of and redemption premium, if any, on the Series 2021 Bonds, will be paid directly to DTC, so long as the Series 2021 Bonds are held in book-entry only form. The final disbursements of such payments to the Beneficial Owners of the Series 2021 Bonds will be the responsibility of DTC, the DTC Participants and the Indirect Participants, all as defined and more fully described herein. See "DESCRIPTION OF THE SERIES 2021 BONDS – Book-Entry Only System."

Pursuant to a Loan Agreement, dated as of April 1, 2021, between the Issuer and the Borrower (the "Loan Agreement"), the proceeds of the Series 2021 Bonds will be loaned by the Issuer to Roycemore School (the "Borrower" or the "School"), an Illinois not for profit corporation that operates an independent, accredited, coeducational college-preparatory day school in Evanston, Illinois for students in pre-kindergarten through grade 12. The Borrower will use the Series 2021 Bond proceeds to (i) refinance the outstanding portion of a taxable loan incurred by the Borrower that was used to refinance the Issuer's Educational Facility Revenue Bonds, Series 2011 (Roycemore School Project); (ii) fund a debt service reserve fund; and (iii) pay certain costs incurred in connection with the issuance of the Series 2021 Bonds. See "PLAN OF FINANCING" and "ESTIMATED SOURCES AND USES OF FUNDS."

The Series 2021 Bonds are subject to optional and mandatory redemption prior to maturity as described herein. See "DESCRIPTION OF THE SERIES 2021 BONDS – Redemption Provisions."

The Series 2021 Bonds are special limited obligations of the Issuer and will be payable solely from the payments to be made on the Series 2021 Note (defined herein), amounts payable under the Loan Agreement (except for certain Unassigned Rights), certain funds pledged under the Indenture and certain income from the investment of the foregoing. The Series 2021 Bonds and certain future indebtedness are further secured by a mortgage lien on the School Facility, as well as a pledge of the Borrower's Gross Revenues. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS."

THE SERIES 2021 BONDS AND THE INTEREST THEREON DO NOT AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR AN OBLIGATION, GENERAL OR MORAL, OR A PLEDGE OF THE FULL FAITH OR A LOAN OF CREDIT OF THE ISSUER, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE PURVIEW OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR PROVISION AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE CITY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS. THE ISSUER IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2021 BONDS AND OTHER COSTS INCIDENTAL THERETO ONLY FROM THE SOURCES SPECIFIED IN THE INDENTURE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWERS, IF ANY, OF THE ISSUER OR THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2021 BONDS OR OTHER COSTS INCIDENTAL THERETO, EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE. NO OWNER OF ANY SERIES 2021 BOND SHALL HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE ISSUER, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2021 BONDS.

The Series 2021 Bonds may only be offered to and purchased by: (1) "Qualified Institutional Buyers" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the "Securities Act"); (2) "Accredited Investors" as defined in Regulation D promulgated under the Securities Act; or (3) a broker-dealer registered under the Securities Exchange Act of 1934 or an investment adviser registered under the Investment Advisers Act of 1940, in each case whether purchasing for its own account or on behalf of a Qualified Institutional Buyer or Accredited Investor. Initial purchasers of the Series 2021 Bonds will be required to execute an investor letter in the form attached hereto as "APPENDIX H – FORM OF INVESTOR LETTER."

THIS COVER PAGE CONTAINS ONLY A SUMMARY OF INFORMATION REGARDING THE SERIES 2021 BONDS. POTENTIAL INVESTORS SHOULD READ THE ENTIRE LIMITED OFFERING MEMORANDUM PRIOR TO MAKING AN INVESTMENT DECISION.

The Series 2021 Bonds are being offered when, as and if issued by the Issuer, and subject to the approval of legality by Katten Muchin Rosenman LLP, Chicago, Illinois, Bond Counsel to the Issuer. Certain legal matters will be passed upon for the Issuer by its special counsel, Chapman and Cutler LLP, Chicago, Illinois; for the Borrower by its counsel, Applegate & Thorne-Thomsen, P.C., Chicago, Illinois; and for the Underwriter by its counsel, Quarles & Brady LLP, Milwaukee, Wisconsin. It is expected that the Series 2021 Bonds will be available for delivery in New York, New York, through the facilities of DTC on or about April 22, 2021.

STIFEL

Dated: April 14, 2021

ROYCEMORE SCHOOL
EVANSTON, ILLINOIS



$8,275,000
CITY OF EVANSTON, ILLINOIS
EDUCATIONAL FACILITY REVENUE BONDS, SERIES 2021
(ROYCEMORE SCHOOL)

Maturity Date	Principal Amount	Interest Rate	Yield	Price	Cusip[(1)]
April 1, 2032	$1,915,000	4.000%	4.000%	100.000%	299231AD**2**
April 1, 2041	$2,360,000	4.375%	4.390%	99.799%	299231AE0
April 1, 2051	$4,000,000	4.625%	4.625%	100.000%	299231AE7

(1) CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by S&P Global Market Intelligence. CUSIP numbers have been assigned by an independent company not affiliated with the Issuer, the Borrower or the Underwriter and are included solely for the convenience of the holders of the Series 2021 Bonds. None of the Issuer, the Borrower or the Underwriter are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2021 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Series 2021 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2021 Bonds.

NOTICE TO INVESTORS OF THE SERIES 2021 BONDS

Purchasers of the Series 2021 Bonds or any interest therein, are hereby given notice as follows:

(a) The Series 2021 Bonds may only be offered to and purchased by (1) "Qualified Institutional Buyers" as defined in Rule 144A promulgated under the Securities Act of 1933 (the "Securities Act"); (2) "Accredited Investors" as defined in Regulation D promulgated under the Securities Act; or (3) a broker-dealer registered under the Securities Exchange Act of 1934 or an investment adviser registered under the Investment Advisers Act of 1940, in each case whether purchasing for its own account or on behalf of a Qualified Institutional Buyer or Accredited Investor. The Indenture contains provisions limiting transfers of the Series 2021 Bonds and the face of each Series 2021 Bond will contain a legend indicating that it is subject to transfer restrictions as set forth in the Indenture. See "THE SERIES 2021 BONDS – Restrictions on Purchase and Transfer" herein. Each initial purchaser of the Series 2021 Bonds will be required to execute an Investor Letter in the form attached hereto as "APPENDIX H – FORM OF INVESTOR LETTER."

(b) The Series 2021 Bonds are special, limited obligations of the Issuer payable solely from revenues to be derived by the Issuer under the Loan Agreement, the Series 2021 Note, all money and investments held for the credit of the funds and accounts established by or under the Indenture (except the Rebate Fund) and in certain events out of amounts secured through the exercise of the remedies provided in the Indenture, the Loan Agreement or the Mortgage. See "SECURITY FOR THE SERIES 2021 BONDS." The Series 2021 Bonds will never be payable out of any funds of the Issuer except with the revenues and in the amounts described above. THE SERIES 2021 BONDS AND THE INTEREST THEREON SHALL NEVER CONSTITUTE A DEBT OR INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY PROVISION OR LIMITATION OF THE STATUTES OR CONSTITUTION OF THE STATE OF ILLINOIS AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE CITY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS. NO OWNER OF THE SERIES 2021 BONDS SHALL HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE ISSUER, THE STATE OF ILLINOIS OR ANY OTHER POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF THE SERIES 2021 BONDS OR THE INTEREST OR PREMIUM, IF ANY, THEREON.

(c) Neither the Issuer nor any member, director, officer, alderman, employee, official or agent of the Issuer nor any person executing the Series 2021 Bonds shall be liable personally for the Series 2021 Bonds or be subject to any personal liability or accountability by reason of the issuance of the Series 2021 Bonds, and the purchaser must not rely upon any of such parties, with respect to information appearing anywhere in this Limited Offering Memorandum, other than the information under the captions "THE ISSUER," and "LITIGATION – The Issuer" (the "Issuer's Portion" of the Limited Offering Memorandum). None of such parties have participated in the preparation of this Limited Offering Memorandum except with respect to the Issuer's Portion of this Limited Offering Memorandum.

(d) Each purchaser must review this entire Limited Offering Memorandum and the Appendices hereto, including the information relating to the sources of repayment of the Series 2021 Bonds, the plan of finance and the Borrower (including financial and operating data). This Limited Offering Memorandum is not guaranteed as to its accuracy or completeness.

(e) Each purchaser must be able to bear the economic risk associated with a purchase of securities such as the Series 2021 Bonds and must have the knowledge and experience in business and financial matters, including the analysis of a participation in the purchase of similar investments, necessary so as to be capable of evaluating the merits and risks of an investment in the Series 2021 Bonds on the basis of the information and review described herein.

No dealer, salesman, or other person has been authorized to give any information or to make any representation, other than the information contained in this Limited Offering Memorandum, in connection with the offering of the Series 2021 Bonds, and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer, the Borrower or the Underwriter. The information in this Limited Offering Memorandum is subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, the Borrower or the Underwriter since the date hereof. This Limited Offering Memorandum does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

TABLE OF CONTENTS

Page

INTRODUCTION 1
- General 1
- Forward-Looking Statements 2

THE ISSUER 3
THE BORROWER 3
PLAN OF FINANCING 3
- General 3
- Prior Bonds 3

ESTIMATED SOURCE AND USES OF FUNDS[(1)] 4
THE SERIES 2021 BONDS 5
- General Description 5
- Payment of Principal and Interest 5
- Redemption Provisions 6
- Exchange and Transfer 8
- Mandatory Tender for Purchase in Lieu of Redemption 9
- Issuer and State of Illinois Not Liable on the Series 2021 Bonds 9

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS 10
- General 10
- Security for the Series 2021 Bonds 10
- Mortgage 11
- The Loan Agreement 11
- Debt Service Reserve Fund 11
- Repair and Replacement Fund 12
- Flow of Funds 12
- Lock-Box Provisions 13
- Deposit Account Control Agreement 13
- Additional Indebtedness 14
- Financial Covenants 14

AGGREGATE DEBT SERVICE ON THE SERIES 2021 BONDS 15
BONDHOLDERS' RISKS 16
- Special, Limited Obligations of the Issuer 16
- Factors Affecting the Financial Performance of the Borrower 16
- Operating History; Reliance on Projections 17
- Student Enrollment and Tuition 17
- Competition for Students 18
- Financial Aid 18
- Damage or Destruction 18
- Changes in Administration 18
- Fundraising 18
- Possible Changes in Tax Exempt Status 18

Foreclosure 19
Factors that Could Affect the Security Interest in the Pledged Revenues and Mortgaged Property 19
Value of School Facility 19
Amendment of the Indenture and Loan Agreement 19
Additional Indebtedness 20
Bankruptcy of the Borrower 20
No Rating 20
Claims and Insurance Coverage 20
Hazardous Materials; Environmental Risks 21
Limitations on Enforcement of Remedies 21
Cybersecurity 21
Secondary Market 22
Risk of Loss from Nonpresentment upon Redemption 22
Failure to Provide Ongoing Disclosure 22
Litigation 22
Impact of the Spread of COVID-19 22
TAX EXEMPTION 23
Summary of Bond Counsel Opinion 23
Series 2021 Bonds Purchased at a Premium or at a Discount 24
Exclusion from Gross Income: Requirements 24
Risks of Non-Compliance 25
Other Federal Income Tax Consequences 25
Change of Law 26
LITIGATION 26
The Issuer 26
The Borrower 26
LEGAL MATTERS 26
NOT RATED 27
UNDERWRITING 27
CONTINUING DISCLOSURE 27
AUDITED FINANCIAL STATEMENTS 28
MISCELLANEOUS 28

APPENDIX A – ROYCEMORE SCHOOL
APPENDIX A1 – CERTAIN INFORMATION REGARDING THE AREA OF THE BORROWER
APPENDIX B – FINANCIAL STATEMENTS
APPENDIX C – FORM OF INDENTURE
APPENDIX D – FORM OF LOAN AGREEMENT
APPENDIX E – FORM OF MORTGAGE
APPENDIX F – FORM OF BOND COUNSEL OPINION
APPENDIX G – FORM OF CONTINUING DISCLOSURE AGREEMENT
APPENDIX H – FORM OF INVESTOR LETTER
APPENDIX I – FINANCIAL FORECAST AND PROJECTION
APPENDIX J – BOOK-ENTRY ONLY SYSTEM

REGARDING USE OF THIS LIMITED OFFERING MEMORANDUM

This document constitutes a Limited Offering Memorandum with respect to the Series 2021 Bonds that has been "deemed final" by the Issuer and the Borrower as of the date hereof.

This Limited Offering Memorandum is being provided in connection with the sale of the Series 2021 Bonds referred to herein and may not be reproduced for use, in whole or in part, for any other purpose. The information set forth herein under the captions "THE ISSUER," and "LITIGATION – The Issuer" has been obtained from the Issuer. All other information set forth herein has been obtained from the Borrower and other noted sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

No dealer, salesman, or other person has been authorized to give any information or to make any representation, other than the information contained in this Limited Offering Memorandum, in connection with the offering of the Series 2021 Bonds, and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer, the Borrower or the Underwriter. The information in this Limited Offering Memorandum is subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, the Borrower or the Underwriter since the date hereof. This Limited Offering Memorandum does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

The Series 2021 Bonds have not been registered with the Securities and Exchange Commission in reliance upon an exemption from the Securities Act of 1933, as amended (the "Securities Act"), and the Indenture has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. The registration or qualification of the Series 2021 Bonds in accordance with applicable provisions of securities laws of the states in which the Series 2021 Bonds have been registered or qualified, if any, and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof.

THE CUSIP NUMBERS INCLUDED IN THIS LIMITED OFFERING MEMORANDUM ARE FOR THE CONVENIENCE OF THE OWNERS AND THE POTENTIAL OWNERS OF THE SERIES 2021 BONDS. NO ASSURANCE CAN BE GIVEN THAT THE CUSIP NUMBERS FOR THE SERIES 2021 BONDS WILL REMAIN THE SAME AFTER THE DATE OF ISSUANCE AND DELIVERY OF THE SERIES 2021 BONDS.

NONE OF THE BORROWER, ITS COUNSEL, ITS FINANCIAL ADVISOR OR BOND COUNSEL MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS LIMITED OFFERING MEMORANDUM REGARDING THE DEPOSITORY TRUST COMPANY OR ITS BOOK-ENTRY-ONLY SYSTEM DESCRIBED UNDER "THE SERIES 2021 BONDS–BOOK ENTRY-ONLY SYSTEM" HEREIN.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE BORROWER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY BODY, AND NO SUCH AUTHORITIES HAVE CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS LIMITED OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2021 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Limited Offering Memorandum.

The Underwriter has provided the following sentence for inclusion in this Limited Offering Memorandum. The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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LIMITED OFFERING MEMORANDUM

$8,275,000
CITY OF EVANSTON, ILLINOIS
EDUCATIONAL FACILITY REVENUE BONDS, SERIES 2021
(ROYCEMORE SCHOOL)

INTRODUCTION

General

The purpose of this Limited Offering Memorandum is to set forth certain information concerning the issuance and sale by the City of Evanston, Cook County, Illinois (the "Issuer") of $8,275,000 its Educational Facility Revenue Bonds, Series 2021 (Roycemore School), dated their date of delivery (the "Series 2021 Bonds"). The Series 2021 Bonds are being issued pursuant to the home rule powers of the Issuer under Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois, an ordinance adopted by the City Council of the Issuer on the 12th day of April, 2021, and a Bond Trust Indenture dated as of April 1, 2021 (the "Indenture"), between the Issuer and WILMINGTON TRUST, NATIONAL ASSOCIATION, as trustee (the "Trustee"). The Series 2021 Bonds are being issued to obtain moneys which will be used to provide the Borrower with a portion of the funds necessary to: (i) refinance the outstanding portion of the $10,000,000 original amount of a taxable note (the "Taxable Note"), currently outstanding in the aggregate amount of $7,900,000; (ii) fund a debt service reserve fund; and (iii) pay certain costs incurred in connection with the issuance of the Series 2021 Bonds. The Taxable Note was used by the Borrower to refinance the Issuer's Educational Facility Revenue Bonds, Series 2011 (Roycemore School Project) (the "Prior Bonds"), which the Issuer had issued for the benefit of the Borrower and loaned to the Borrower to pay the costs of: (i) the acquisition of approximately 2.4 acres of land with an existing three level building thereon (the "Building") located at 1200 Davis Street, Evanston, Illinois 60201 (the "Campus"); (ii) the renovation, remodeling, improvement, and equipping of the now 66,000 square foot Building (together with the Campus, the "School Facility"); and (iii) the construction and equipping of a gymnasium on the School Facility (collectively, the "Prior Project"). The Prior Project is owned and operated by the Borrower. See "PLAN OF FINANCING" and "ESTIMATED SOURCES AND USES OF FUNDS." The Issuer will lend the proceeds of the Series 2021 Bonds to the Borrower through the purchase of the Promissory Note, Series 2021, issued by the Borrower on the date of issuance of the Series 2021 Bonds (the "Series 2021 Note") pursuant to a Loan Agreement dated as of April 1, 2021 (the "Loan Agreement"), between the Issuer and the Borrower.

Pursuant to its home rule powers, the Issuer is authorized and empowered to exercise any power or perform any function pertaining to its government or affairs, including the issuance of revenue bonds to finance projects within the territorial limits of the Issuer or to refund bonds issued to finance said projects, and may authorize the issuance of such revenue bonds by ordinance adopted by the City Council of the Issuer.

The Borrower is a not for profit Illinois corporation and a 501(c)(3) organization as determined by the Internal Revenue Service. The Borrower is qualified to do business in the State of Illinois. The Borrower owns and operates an independent, accredited, coeducational college-preparatory day school in Evanston, Illinois for students in pre-kindergarten through grade 12. See "APPENDIX A – ROYCEMORE SCHOOL."

The Series 2021 Bonds are special limited obligations of the Issuer and will be payable solely from the payments to be made on the Series 2021 Note, amounts payable under the Loan Agreement (except for certain Unassigned Rights), certain funds pledged under the Indenture and certain income from the investment of the foregoing. The Series 2021 Bonds and certain future indebtedness are further secured by a mortgage lien on the School Facility, as well as a pledge of the Borrower's Gross Revenues. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS – Mortgage," and "Deposit Account Control Agreement."

THE SERIES 2021 BONDS AND THE INTEREST THEREON DO NOT AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR AN OBLIGATION, GENERAL OR MORAL, OR A PLEDGE OF THE FULL FAITH OR A LOAN OF CREDIT OF THE ISSUER, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE PURVIEW OF ANY CONSTITUTIONAL OR STATUTORY

LIMITATION OR PROVISION AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE CITY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS. THE ISSUER IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2021 BONDS AND OTHER COSTS INCIDENTAL THERETO ONLY FROM THE SOURCES SPECIFIED IN THE INDENTURE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWERS, IF ANY, OF THE ISSUER OR THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2021 BONDS OR OTHER COSTS INCIDENTAL THERETO, EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE. NO OWNER OF ANY SERIES 2021 BOND SHALL HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE ISSUER, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2021 BONDS. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS."

No recourse shall be had for the payment of the principal of, premium, if any, or the interest on the Series 2021 Bonds or for any claim based thereon or upon any obligation, covenant or agreement in the Loan Agreement or the Indenture against any past, present or future member, officer, alderman, agent, employee or official of the Issuer. No covenant, stipulation, promise, agreement or obligation contained in the Series 2021 Bonds, the Loan Agreement, the Indenture or any other document executed in connection therewith shall be deemed to be the covenant, stipulation, promise, agreement or obligation of any present or future official, officer, alderman, agent or employee of the Issuer in his or her individual capacity and neither any official of the Issuer nor any officers executing the Series 2021 Bonds shall be liable personally on the Series 2021 Bonds or be subject to any personal liability or accountability by reason of the issuance of the Series 2021 Bonds.

The information contained under the caption "INTRODUCTION" is qualified by reference to the entire Limited Offering Memorandum, including the Appendices hereto. This introduction is only a brief description, and a full review should be made of the entire Limited Offering Memorandum, including the Appendices, as well as the documents summarized or described herein. The summaries and descriptions of and references to all of the documents, statutes and other instruments referred to and included in this Limited Offering Memorandum, including the Appendices, do not purport to be complete and are qualified in their entirety by reference to the full text of each such document, statute or instrument. The order and placement of materials in this Limited Offering Memorandum, including the Appendices, are not to be deemed to be a determination of relevance, materiality or relative importance, and this Limited Offering Memorandum, including the Appendices, which are integral parts of this Limited Offering Memorandum, must be considered in its entirety. All capitalized terms used in this Limited Offering Memorandum that are not otherwise defined herein shall have the meanings ascribed to them in the Indenture and the Loan Agreement, copies of which are attached as appendices hereto.

Forward-Looking Statements

This Limited Offering Memorandum contains statements relating to future results that are forward-looking statements of the type defined in the Private Litigation Reform Act of 1995. When used in this Limited Offering Memorandum, the words "estimate," "expect," "project," "intend," "anticipate," "believe," "may," "will," "continue" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty and risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and actual results, and that those differences could be material.

THE ISSUER

The Issuer is a municipality and a home rule unit of government duly organized and validly existing under the Constitution and the laws of the State of Illinois. Pursuant to Section 6 of Article VII of the 1970 Constitution of the State of Illinois, the Issuer is authorized to (i) issue the Series 2021 Bonds, (ii) lend the proceeds from the sale of the Series 2021 Bonds to the Borrower to refinance the Prior Project and (iii) secure the Series 2021 Bonds by an assignment and pledge to the Trustee of certain payments to be received by the Issuer pursuant to the Loan Agreement. To accomplish such action, the Issuer is authorized to enter into the Loan Agreement and the Indenture.

The responsibilities for management and operation of the School is the Borrower's and not the Issuer's.

The Series 2021 Bonds are special, limited obligations of the Issuer as described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS" herein.

The Issuer has not participated in the preparation of this Limited Offering Memorandum and makes no representation with respect to the accuracy or completeness of any of the material contained in this Limited Offering Memorandum, except for the information relating to the Issuer under the headings "THE ISSUER" and "LITIGATION – The Issuer." The Issuer is not responsible for providing any purchaser of the Series 2021 Bonds with any information relating to the Series 2021 Bonds or any of the parties or transactions referred to in this Limited Offering Memorandum or for the accuracy or completeness of any such information obtained by any purchaser.

THE BORROWER

The Borrower is an Illinois not for profit corporation and has received a determination letter from the Internal Revenue Service stating it is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code") and is, therefore, exempt from federal income taxation. Established in 1915 and currently located adjacent to Northwestern University's campus, the Borrower owns and operates an independent, accredited, coeducational college-preparatory day school in Evanston, Illinois for students in pre-kindergarten through grade 12. The School is located on an approximately 2.4 acre site located at 1200 Davis Street in Evanston, Illinois, and currently serves 231 students. For more information regarding the Borrower, see "APPENDIX A – ROYCEMORE SCHOOL."

PLAN OF FINANCING

General

Proceeds of the Series 2021 Bonds will be used by the Borrower to (i) refinance the outstanding portion of the $10,000,000 original amount of Taxable Note, currently outstanding in the aggregate amount of $7,900,000. The Taxable Note was used by the Borrower to refinance the Prior Bonds.

Prior Bonds

The Prior Bonds were issued in July 2011, in the original amount of $13,590,000, to, among other things, finance the costs of the acquisition and renovation of the Campus. The Borrower had a payment default with respect to the Prior Bonds and subsequently entered into a Forbearance Agreement on June 30, 2016 (the "Forbearance Agreement") with the consent of the holders of the Prior Bonds. The Borrower filed a material events notice relating to these matters on July 1, 2016. Such notice is available on the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org. In February 2018, the Borrower and the holder of the Prior Bonds settled all agreements relating to the Prior Bonds and entered into a nondisclosure agreement (the "Nondisclosure Agreement") agreeing to keep confidential certain terms of the Prior Bonds.

In February 2018, an individual benefactor and parent of an alumna of the Borrower offered a taxable loan refinancing option to the Borrower in the principal amount of $10,000,000 as evidenced by the Taxable Note and

secured by a mortgage, which resolved all agreements relating to the Prior Bonds. Between February 2018 and the present time, the Borrower paid down the Taxable Note to the current outstanding principal balance of $7,900,000.

ESTIMATED SOURCE AND USES OF FUNDS

The following table sets forth anticipated sources and uses of funds in connection with the plan of finance described above:

Sources	**Total**
Par Amount	$8,275,000.00
Original Issue Discount	(4,743.60)
Borrower Cash Contribution (cost of issuance over 2.00%)	224,546.23
Cash Contribution (50% of Debt Service Reserve Fund)	255,000.00
Taxable Note Principal Reserve	70,108.04
Total:	$8,819,910.67
Uses	
Taxable Note Refinance	$7,900,000.00
Accrued Interest on Taxable Note	19,914.58
Debt Service Reserve Fund	510,000.00
Costs of Issuance[(1)]	389,996.09
Total:	$8,819,910.67

[(1)] Includes Underwriter's discount, issuer fee, legal fees, financial forecast fee, trustee fee, printing and other costs of issuance.

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THE SERIES 2021 BONDS

The following is a summary of certain provisions applicable to the Series 2021 Bonds. Reference is made to the Indenture, a copy of which is included in "APPENDIX C – FORM OF INDENTURE" for a more complete description of the Series 2021 Bonds. The discussion herein is qualified by such reference.

General Description

The Series 2021 Bonds will be issued only in fully registered form in denominations of $100,000 or any integral multiples of $5,000 in excess thereof ("Authorized Denominations"). The Series 2021 Bonds will bear interest (based on a 360-day year of twelve 30-day months) at the respective rates per annum and mature, subject to earlier redemption, in the amounts and on the dates set forth on the cover page of this Limited Offering Memorandum. The Series 2021 Bonds will bear interest from their dates, payable on April 1 and October 1 (the "Interest Payment Dates") of each year, commencing October 1, 2021. The Series 2021 Bonds, as initially issued, will be dated their date of delivery.

The Series 2021 Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Series 2021 Bonds. Individual purchases of interests in the Series 2021 Bonds will be made in book-entry form only, in Authorized Denominations. Purchasers of such interests will not receive certificates representing their interest in the Series 2021 Bonds. So long as Cede & Co. is the registered owner, the Trustee will pay such principal of and redemption price, if any, and interest on the Series 2021 Bonds to DTC, which will remit such principal, redemption price, if any, and interest to the Beneficial Owners (as hereinafter defined) of the Series 2021 Bonds. For a description of the method of payment of principal, and interest on the Series 2021 Bonds and matters pertaining to transfers and exchanges while in the book-entry only system, see "APPENDIX J – BOOK-ENTRY ONLY SYSTEM." For additional information with respect to the payment of the principal and interest on the Series 2021 Bonds, see "DESCRIPTION OF THE SERIES 2021 BONDS – Payment of Principal and Interest."

Payment of Principal and Interest

The principal of, premium, if any, and interest on the Series 2021 Bonds are payable solely from (a) payments or prepayments on the Series 2021 Note, (b) payments or prepayments made under the Loan Agreement (other than Unassigned Rights), (c) moneys and investments held by the Trustee under, and to the extent provided in, the Indenture and (d) in certain circumstances, proceeds from insurance, condemnation awards and proceeds from sales made under threat of condemnation, which Series 2021 Note and payments are hereby specifically assigned and pledged to the payment of the Series 2021 Bonds in the manner and to the extent herein specified, and nothing in the Series 2021 Bonds or in the Indenture shall be considered as assigning or pledging any funds or assets of the Issuer (except the moneys, the Series 2021 Note and the Loan Agreement pledged under the Indenture). Such payments are further secured by a Mortgage, Security Agreement and Assignment of Rents and Leases, dated as of April 1, 2021 (the "Mortgage") from the Borrower to the Trustee.

In the event the book-entry only system is discontinued, the following provisions would apply. The principal of, premium, if any and interest on the Series 2021 Bonds at maturity or redemption shall be payable (i) upon presentment at the designated corporate trust office of the Trustee, or its agent or successor as Trustee or any alternate paying agent, if any, named in the Series 2021 Bonds or (ii) as to any registered owner of $500,000 or more in aggregate principal amount of Series 2021 Bonds who so elects by wire transfer of funds sent on the principal payment date to such wire transfer address within the continental United States as such registered owner shall have furnished to the Trustee in writing on or prior to the Record Date for the principal payment date and upon compliance with the reasonable requirements of the Trustee. Payment of interest on any Bond on any Interest Payment Date will be made to the person appearing on the Bond Register as the registered owner at the close of business on the Record Date for such interest payment and shall be paid (i) by check or draft mailed to such registered owner on the applicable Interest Payment Date at such owner's address as it appears on the Bond Register or at such other address as is furnished to the Trustee in writing by such registered owner prior to the applicable Record Date, or (ii) as to any registered owner of $500,000 or more in aggregate principal amount of Series 2021 Bonds who so elects by wire transfer of funds to such wire transfer address within the continental United States as

such registered owner shall have furnished to the Trustee in writing by the Record Date for such interest payment and upon compliance with the reasonable requirements of the Trustee.

In the event of default in the payment of interest due on such Interest Payment Date, defaulted interest will be payable to the person in whose name such Series 2021 Bond is registered at the close of business on a special record date. The Trustee shall fix a special record date which shall be not more than 15 or less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Borrower of such special record date and cause notice to be mailed, first-class postage prepaid, not less than 10 days prior to such special record date to each owner of the Series 2021 Bonds.

Notwithstanding the foregoing, payments of the principal of and interest on any Series 2021 Bonds and all notices with respect to the Series 2021 Bonds that are subject to the book-entry system as provided in the Indenture shall be made in accordance with the rules, regulations and procedures established by the securities depository in connection with the book-entry system. See "APPENDIX J – BOOK-ENTRY ONLY SYSTEM" herein.

Redemption Provisions

The Series 2021 Bonds will be subject to optional, mandatory and extraordinary redemption, all as described below.

Optional Redemption. Outstanding Series 2021 Bonds are subject to redemption prior to maturity on or after April 1, 2029 at the option of the Issuer upon direction of the Borrower out of amounts prepaid on the Series 2021 Note and deposited in the Optional Redemption Fund, in whole or in part at any time, and if in part by maturities or portions thereof designated by the Borrower (and if less than all of a single maturity is being redeemed, in such manner as the Trustee shall deem appropriate), at a redemption price equal to 100% of the principal amount of the Series 2021 Bonds to be redeemed plus accrued interest thereon to the date of redemption, without premium.

Mandatory Sinking Fund Redemption. The Series 2021 Bonds maturing on April 1, 2032, April 2041 and April 1, 2051 are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date. The Issuer shall cause to be deposited into the Bond Sinking Fund a sum that is sufficient to redeem on April 1 of each of the following years (after credit as provided below) the following principal amounts of Series 2021 Bonds, plus accrued interest to the redemption dates, respectively, as set forth in the following schedules:

Series 2021 Bonds
Maturing April 1, 2032

Redemption Date	Amount
2022	$135,000
2023	150,000
2024	155,000
2025	160,000
2026	165,000
2027	175,000
2028	180,000
2029	185,000
2030	195,000
2031	205,000
2032†	210,000

†Final Maturity

Series 2021 Bonds
Maturing April 1, 2041

Redemption Date	Amount
2033	$220,000
2034	230,000
2035	240,000
2036	250,000
2037	260,000
2038	270,000
2039	285,000
2040	295,000
2041†	310,000

†Final Maturity

Series 2021 Bonds
Maturing April 1, 2051

Redemption Date	Amount
2042	$325,000
2043	340,000
2044	355,000
2045	370,000
2046	385,000
2047	405,000
2048	425,000
2049	445,000
2050	465,000
2051†	485,000

†Final Maturity

Extraordinary Optional Redemption. The Series 2021 Bonds shall be subject to extraordinary optional redemption by the Issuer prior to their scheduled maturities, in whole or in part and if in part by maturities or portions thereof designated by the Borrower (and if less than all of a maturity is being redeemed, in such manner as the Trustee shall deem appropriate), at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date without premium in the event of damage to or destruction of, or the condemnation of, or sale consummated under threat of condemnation of, the School Facility or any part thereof, if the Net Proceeds of insurance, condemnation or sale received in connection therewith and applied to make prepayments on the Series 2021 Note exceed $250,000.

If called for redemption in the events referred to in the paragraph above, the Series 2021 Bonds shall be subject to redemption by the Issuer at any time in whole or in part, and if in part by maturities or portions thereof designated by the Borrower (and if less than all of a maturity is being redeemed, in such random manner as the Trustee shall deem appropriate), at the principal amount thereof plus accrued interest to the redemption date and without premium from the Net Proceeds of such insurance or condemnation award but not in excess of the amount of such Net Proceeds applied to such purpose.

Selection for Redemption. No optional or extraordinary optional redemption of less than all of the Series 2021 Bonds at the time outstanding shall be made unless the total amount of funds available and to be used for such partial redemption for the Series 2021 Bonds is equal to or more than $100,000 and is an integral multiple of $5,000.

In lieu of redeeming Series 2021 Bonds, the Trustee may, at the request of the Borrower, use such funds otherwise available under the Indenture for redemption of Series 2021 Bonds to purchase Series 2021 Bonds in the open market at a price not exceeding the redemption price then applicable under the Indenture. In the case of any optional or extraordinary redemption or purchase and cancellation of Series 2021 Bonds with serial maturities, the Issuer shall receive credit against its required Bond Sinking Fund deposits with respect to such Series 2021 Bonds. In the case of any optional or extraordinary redemption or any purchase and cancellation of term Series 2021 Bonds, the Issuer shall receive credit against its required Bond Sinking Fund deposits with respect to the Series 2021 Bonds of the same maturity in such order as the Borrower shall designate prior to such optional or extraordinary redemption or purchase and cancellation or, if no such election is made, in the inverse order thereof.

Notice of Redemption. Notice of the call for any redemption shall state the following: (i) the name of the bond issue, (ii) the CUSIP number and bond certificate number of the Series 2021 Bonds to be redeemed, (iii) the original dated date of the bond issue, (iv) the interest rate and maturity date of the Series 2021 Bonds to be redeemed, (v) the date of the redemption notice, (vi) the redemption date, (vii) the redemption price and (viii) the address and telephone number of the designated corporate trust office of the Trustee. The redemption notice shall be given by mailing a copy of such notice of redemption by first class mail, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date to the registered owners of the Series 2021 Bonds to be redeemed to the address shown on the Bond Register; provided, however, that failure to give such notice by mailing or a defect in the notice or the mailing as to any Series 2021 Bond will not affect the validity of any proceedings for redemption as to any other Series 2021 Bond for which notice is properly given. While the Series 2021 Bonds are subject to the book-entry system of the Securities Depository, redemption notices will be given to the Securities Depository.

Except for a mandatory sinking fund redemption, prior to the date that the redemption notice is mailed as aforesaid, funds shall be placed with the Trustee to pay such Series 2021 Bonds and accrued interest thereon to the redemption date and the premium, if any, or such notice shall state that the redemption is conditional on such funds being deposited on the redemption date and that failure to make such a deposit shall not constitute an event of default under the Indenture. Upon the happening of the above conditions, the Series 2021 Bonds, or portions thereof, thus called for redemption shall not bear interest after the applicable redemption date, shall no longer be protected by the Indenture and shall not be deemed to be outstanding under the provisions of the Indenture. The Trustee shall redeem or purchase, in the manner provided in the Indenture, such an aggregate principal amount of Series 2021 Bonds at the principal amount thereof plus accrued interest to the redemption date, and premium, if any, as will exhaust as nearly as practicable such funds. At the direction of the Borrower, such funds may be invested in Government Obligations until needed for such redemption. If any owner of $500,000 or more in aggregate principal amount of Series 2021 Bonds to be redeemed on a single day delivers such Series 2021 Bonds for redemption on or prior to such redemption date, payment of such redemption price for such Series 2021 Bonds shall be made, if such owner so elects, by wire transfer of funds to such wire transfer address within the continental United States as such registered owner shall have furnished to the Trustee in writing and upon compliance with the reasonable requirements of the Trustee. Each redemption payment shall indicate the dollar amount of each CUSIP identification number being redeemed.

Exchange and Transfer

Upon surrender for transfer of any Series 2021 Bond at the designated corporate trust office of the Trustee, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Series 2021 Bond or Series 2021 Bonds in Authorized Denominations of and the same maturity for a like aggregate principal amount. Series 2021 Bonds may be exchanged at said office of the Trustee for a like aggregate principal amount of registered Series 2021 Bonds of other Authorized Denominations of the same maturity. All Series 2021 Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee, duly executed by the registered owner or by such owner's duly authorized attorney.

The Series 2021 Bonds may only be purchased in minimum authorized denominations of $100,000 and by (i) a "Qualified Institutional Buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended; (ii) an "Accredited Investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended; or (iii) a broker-dealer registered under the Securities Exchange Act of 1934 or an investment adviser

registered under the Investment Advisers Act of 1940, in each case whether purchasing for its own account or on behalf of a Qualified Institutional Buyer or Accredited Investor.

Mandatory Tender for Purchase in Lieu of Redemption

Pursuant to the Indenture, the Issuer and, by their acceptance of the Series 2021 Bonds, the Bondholders, irrevocably grant to the Borrower and any assigns of the Borrower with respect to this right, the option to purchase, at any time and from time to time, any Series 2021 Bond which is subject to optional redemption pursuant to the Indenture at a purchase price equal to the optional redemption price therefor. To exercise such option, the Borrower shall give the Trustee a Written Request exercising such option as though such Written Request were a written request of the Issuer for optional redemption, and the Trustee shall thereupon give the Bondholders of the Series 2021 Bonds to be purchased notice of such mandatory tender and purchase in the same manner as a notice of redemption specified in the Indenture. The purchase of such Series 2021 Bonds shall be mandatory and enforceable against the Bondholders and the Bondholders will not have a right to retain their Series 2021 Bonds. On the date fixed for purchase pursuant to any exercise of such option, the Borrower shall pay or cause to be paid the purchase price of the Series 2021 Bonds then being purchased to the Trustee in immediately available funds, and the Trustee shall pay the same to the sellers of such Series 2021 Bonds against delivery thereof. Following such purchase, the Trustee shall cause such Series 2021 Bonds to be registered in the name of the Borrower or its nominee or as otherwise directed by the Borrower and shall deliver them to the Borrower or its nominee or as otherwise directed by the Borrower. In the case of the purchase of less than all of the Series 2021 Bonds, the particular Series 2021 Bonds to be purchased shall be selected in accordance with the procedures in the Indenture for selection of Series 2021 Bonds for redemption. No purchase of the Series 2021 Bonds as described in this paragraph shall operate to extinguish the indebtedness of the Issuer evidenced thereby. Notwithstanding the foregoing, no such purchase shall be made unless the Borrower shall have delivered to the Trustee and the Issuer concurrently with such purchase an Opinion of Bond Counsel to effect that such purchase and any resale thereof will not affect the validity of the Series 2021 Bonds or any exemption from federal income taxation to which the interest on the Series 2021 Bonds would otherwise be entitled.

Issuer and State of Illinois Not Liable on the Series 2021 Bonds

THE SERIES 2021 BONDS AND THE INTEREST THEREON DO NOT AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR AN OBLIGATION, GENERAL OR MORAL, OR A PLEDGE OF THE FULL FAITH OR A LOAN OF CREDIT OF THE ISSUER, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE PURVIEW OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR PROVISION AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE CITY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS. THE ISSUER IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2021 BONDS AND OTHER COSTS INCIDENTAL THERETO ONLY FROM THE SOURCES SPECIFIED IN THE INDENTURE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWERS, IF ANY, OF THE ISSUER OR THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2021 BONDS OR OTHER COSTS INCIDENTAL THERETO, EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE. NO OWNER OF ANY OF THE SERIES 2021 BOND SHALL HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE ISSUER, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF, TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2021 BONDS.

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SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS

General

The Series 2021 Bonds are special limited obligations of the Issuer, payable solely from the payments to be made on the Promissory Note, Series 2021, issued by the Borrower, on the date of issuance of the Series 2021 Bonds pursuant to the Loan Agreement and from certain funds pledged under the Indenture. Certain moneys and investment earnings held by the Trustee may be transferred to a Rebate Fund held under the Indenture. Amounts held in such Rebate Fund will not be part of the "trust estate" pledged to secure the Series 2021 Bonds, and consequently will not be available to make payments on the Series 2021 Bonds. As further security for the Series 2021 Bonds, the Borrower has granted to the Trustee the Mortgage. See below under "– Mortgage."

To evidence its obligations under the Loan Agreement, the Borrower will execute and deliver to the Trustee, as the assignee of the Issuer, the Series 2021 Note, in a principal amount equal to the principal amount of the Series 2021 Bonds. Payments under the Series 2021 Note are scheduled to be made at the times and in the amounts required to pay debt service on the Series 2021 Bonds and will be credited against the Loan Payments required to be made by the Borrower under the Loan Agreement. The Series 2021 Note is a duly authorized promissory note of the Borrower issued pursuant to and secured by the Indenture.

The rights of the Issuer in and to the Series 2021 Note and the amounts payable thereon and the amounts payable to the Issuer under the Loan Agreement (other than payments with respect to Unassigned Rights) will be assigned to the Trustee under the Indenture to provide for and to secure the payment of principal of, premium, if any, and interest on the Series 2021 Bonds. The Borrower agrees under the Loan Agreement to make its payments on the Series 2021 Note pledged under the Indenture directly to the Trustee.

Security for the Series 2021 Bonds

Pursuant to the Indenture, the Series 2021 Note is secured by the pledge and assignment of a security interest in the Trust Estate. See "APPENDIX C – FORM OF INDENTURE." Under the Indenture the Trust Estate consists of:

(a) All right, title and interest of the Issuer in and to the Series 2021 Note pledged thereunder and all sums payable in respect of the indebtedness evidenced thereby;

(b) All right, title and interest of the Issuer in and to the Loan Agreement and the amounts payable to the Issuer under the Loan Agreement (excluding Unassigned Rights); and

(c) Any and all other property of every kind and nature from time to time, by delivery or by writing of any kind, conveyed, mortgaged, granted, pledged, assigned or transferred as and for additional security under the Indenture by the Issuer, the Borrower or by anyone on their behalf to the Trustee, including without limitation funds of the Borrower held by the Trustee as security for the Series 2021 Bonds.

In addition, the Trust Estate under the Indenture includes all goods, documents, instruments, tangible and electronic chattel paper, letter of credit rights, investment property, accounts, deposit accounts, general tangibles (including payment intangibles and software), money and other items of personal property, including proceeds (as each such term is defined in the UCC) which constitute any of the property described in the paragraphs above.

Pursuant to the Loan Agreement, the Borrower will pledge to the Trustee and grant a security interest in, all Gross Revenues of the Borrower, to the extent permitted by applicable law.

"Gross Revenues" means all receipts, revenues, rentals, income, insurance proceeds, condemnation awards and other moneys received by or on behalf of the Borrower, including (without limitation) revenues derived from (a) the ownership, operation or leasing of any portion of the School Facility and all rights to receive the same, whether in the form of accounts, general intangibles or other rights, and the proceeds of such accounts, general intangibles and other rights, whether now existing or hereafter coming into existence or whether now owned or held or hereafter

acquired, and (b) gifts, grants, bequests, donations and contributions heretofore or hereafter made that are legally available to meet any of the obligations of the Borrower incurred in the financing, operation, maintenance or repair of any portion of the School Facility; provided, however, excluded from Gross Revenues are any gifts, grants, bequests, donations and contributions to the Borrower, and the income and gains derived therefrom, which are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use for payments required under the Indenture.

THE SERIES 2021 BONDS AND THE INTEREST THEREON DO NOT AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR AN OBLIGATION, GENERAL OR MORAL, OR A PLEDGE OF THE FULL FAITH OR A LOAN OF CREDIT OF THE ISSUER, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE PURVIEW OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR PROVISION AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE CITY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS. THE ISSUER IS OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2021 BONDS AND OTHER COSTS INCIDENTAL THERETO ONLY FROM THE SOURCES SPECIFIED IN THE INDENTURE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWERS, IF ANY, OF THE ISSUER OR THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2021 BONDS OR OTHER COSTS INCIDENTAL THERETO, EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE. NO OWNER OF ANY SERIES 2021 BOND SHALL HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE ISSUER, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2021 BONDS.

Mortgage

The Series 2021 Bonds will further be secured by a first priority mortgage lien on the School Facility (the "Mortgaged Property") effected by the Mortgage. Reference is made to the Mortgage, a copy of which is included in "APPENDIX E – FORM OF MORTGAGE" for a more complete description of such mortgage lien.

The Loan Agreement

The Loan Agreement will provide that the Borrower shall make designated payments to the Trustee in amounts sufficient to pay the principal of, premium, if any, and interest on the Series 2021 Bonds when due. The Borrower's obligation to make payments on the Series 2021 Note shall be satisfied to the extent payments are made by the Borrower under the Loan Agreement and the Borrower will receive similar credit under the Loan Agreement for payments made by the Borrower on the Series 2021 Note. The Loan Agreement will also impose certain restrictions on the actions of the Borrower for the benefit of the Issuer and the owners of the Series 2021 Bonds. See "APPENDIX D – FORM OF LOAN AGREEMENT."

Debt Service Reserve Fund

The Series 2021 Bonds will also be secured by a Debt Service Reserve Fund held by the Trustee under the Indenture. The Trustee will establish within the Debt Service Reserve Fund the following separate accounts, the "Non-Proceeds Account" and the "Proceeds Account." A portion of the proceeds of the Series 2021 Bonds will be deposited into the Proceeds Account of the Debt Service Reserve Fund. An initial deposit to the credit of the Non-Proceeds Account of the Debt Service Reserve Fund will be made from cash equity of the Borrower; which portion may be subsequently replaced or supplemented with a deposit from a letter of credit, provided that (i) such letter of credit is issued by a commercial bank rated at least BBB from S&P or Fitch or Baa2 from Moody's (each as defined in the Bond Indenture), (ii) such deposit does not constitute more than 50% of the Debt Service Reserve Fund and (iii) an Opinion of Bond Counsel is delivered to effect that such replacement of substitution will not affect the validity of the Series 2021 Bonds or any exemption from federal income taxation to which the interest on the Series 2021 Bonds would otherwise be entitled. Under the Indenture, amounts on deposit in the Debt Service Reserve Fund will be administered by the Trustee. Moneys on deposit in the Debt Service Reserve Fund will be used only to make up deficiencies in the Interest Fund or the Bond Sinking Fund if there are no funds available in the Interest Fund or the Bond Sinking Fund and/or the Repair and Replacement Fund (in the order listed); if so required to make

up any such deficiencies, moneys shall be drawn first from the Non-Proceeds Account and then the Proceeds Account; provided that moneys used to make up deficiencies in the Repair and Replacement Fund shall only come from the Non-Proceeds Account of the Debt Service Reserve Fund. See "APPENDIX C – FORM OF INDENTURE."

Repair and Replacement Fund

The Loan Agreement provides that, commencing on October 15, 2022, the Borrower will make monthly payments of $1,667.00 until the amount on deposit in the Repair and Replacement Fund is equal to $100,000. In the event of any withdrawal from the Repair and Replacement Fund, beginning in the month after such withdrawal, the Borrower shall make payments on the fifteenth day of each month at the aforementioned amounts until the amount on deposit in the Repair and Replacement Fund is replenished to $100,000.

Prior to incurring any expense, for repairs and maintenance relating to the School Facility, the Borrower will deliver to the Trustee a Repair and Replacement Requisition Certificate substantially in the form of Exhibit B attached to the Loan Agreement. Each Repair and Replacement Requisition Certificate will be accompanied by a copy of invoices or other appropriate documentation satisfactory to the Trustee, supporting the payments or reimbursements requested. Upon receipt of the Repair and Replacement Requisition Certificate, the Trustee will give ten days' notice to the Majority of Bondholders and any other Bondholder requesting same, prior to disbursement of Repair and Replacement monies to the Borrower. See "APPENDIX D – FORM OF LOAN AGREEMENT."

The Indenture provides that moneys in the Repair and Replacement Fund will be disbursed for the payment of costs of repairs and maintenance of the School Facility by the Trustee to or for the account of the Borrower within seven days after receipt by the Trustee of a Repair and Replacement Requisition Certificate, to the Trustee. The Bond Trustee shall rely fully on any such Repair and Replacement Requisition Certificate delivered pursuant to the Loan Agreement and shall not be required to make any investigation in connection therewith. Upon written request from the Borrower, the Trustee will apply funds in the Repair and Replacement Fund to the Interest Fund or the Bond Sinking Fund, which will not constitute an event of default thereunder. Moneys in the Repair and Replacement Fund would be deposited into the Interest Fund and/or the Bond Sinking Fund before any draws from the Debt Service Reserve Fund. Notwithstanding anything in this Indenture or the Loan Agreement to the contrary, the requirement to maintain the Repair and Replacement Fund may be discontinued upon the written direction of the Borrower to the Trustee with the written consent of the Majority of Bondholders.

Flow of Funds

Under the Indenture and Loan Agreement, there shall be deposited into the appropriate fund established by the Indenture, as follows, in the following order of priority:

FIRST: On or before the fifteenth (15) day of each month commencing May 15, 2021 an amount equal to 1/6 of the forthcoming semi-annual interest payment due next regularly scheduled semi-annual Interest Payment Date;

SECOND: On or before the fifteenth (15) day of each month commencing May 15, 2021 and thereafter, an amount equal to not less than one twelfth (1/12) of the amount of principal becoming due on the Series 2021 Bonds on the next succeeding April 1 by maturity or mandatory bond sinking fund redemption;

THIRD: If on any valuation date the amount on deposit in the Debt Service Reserve Fund is less than 100% of the Debt Service Reserve Fund Requirement as a result of a decline in the market value of investments on deposit in the Debt Service Reserve Fund, the Borrower shall deposit an amount equal to the amounts of the deficiency in the Debt Service Reserve Fund in order to restore the amount on deposit in the Debt Service Reserve Fund to an amount equal to the Debt Service Reserve Fund Requirement within not more than 60 days following the date of any valuation shortfall;

FOURTH: If at any time the amount on deposit in the Debt Service Reserve Fund is less than 100% of the Debt Service Reserve Fund Requirement as a result of the Debt Service Reserve Fund having been drawn upon, the Borrower will restore the amount on deposit in the Debt Service Reserve Fund to an amount equal to such deficiency in not more than six (6) substantially equal monthly installments beginning with the first day after the month in which such draw occurred; and

FIFTH: Commencing on October 15, 2022, the Borrower will make monthly payments of $1,667 until the amount on deposit in the Repair and Replacement Fund is equal to $100,000. In the event of any withdrawal from the Repair and Replacement Fund, beginning in the month after such withdrawal, the Borrower will make payments on the fifteenth day of each month at the aforementioned amounts until the amount on deposit in the Repair and Replacement Fund is replenished to $100,000. See Section 7.2 in "APPENDIX D – FORM OF LOAN AGREEMENT" hereto.

Lock-Box Provisions

Upon the occurrence and during the continuance of a payment default as described in the Indenture, the Trustee will give to the Borrower a notice (the "Lock-Box Notice"), upon receipt of which Lock-Box Notice, (a) the Borrower will immediately commence depositing all Gross Revenues pursuant to the Deposit Account Control Agreement and (b) within seven days the Borrower will (i) engage a Management Consultant (a "Consultant") (which Consultant is not objected to by the Trustee and a Majority of Bondholders) to review the operating budget of the Borrower and (ii) submit to such Consultant and the Trustee a proposed operating budget for the Consultant's approval or modification. The proposed operating budget will include on a month-by-month basis all operating expenses to be paid by the Borrower.

The Consultant will notify the Borrower, any requesting Bondholder and the Trustee whether such budget is approved as submitted or of any modifications the Consultant will impose. A copy of the budget, as approved or modified (the "Lock-Box Budget"), will be sent to the Borrower, any single Bondholder holding a majority in interests of the Series 2021 Bonds outstanding, any requesting Bondholder and the Trustee. In the event that the Borrower fails to submit a proposed operating budget to the Consultant and the Trustee, the Consultant will modify the operating budget last submitted to the Consultant as it deems appropriate under the then existing circumstances and such modified operating budget will constitute the Lock-Box Budget. The Lock-Box Budget may be amended and modified by the Consultant at any time and from time to time as determined in the discretion of the Consultant. A copy of any amendment or modification to the Lock-Box Budget will be sent by the Consultant to the Borrower, any single Bondholder holding a majority in interests of the Series 2021 Bonds outstanding, any requesting Bondholder and the Trustee. Upon receipt of a Lock-Box Notice, the Trustee will make disbursements (from amounts deposited with it by the Borrower) in each month, to the Borrower to pay operating expenses in accordance with the Lock-Box Budget.

The provisions of the Lock-Box Notice shall remain in effect for six (6) months after the date all amounts due have been paid. Additionally, the Trustee with the consent of the Majority of Bondholders may in its discretion agree to suspend the provisions of such Lock-Box Notice by notifying the Borrower in writing. Thereafter, unless and until any subsequent Lock-Box Notice is received by the Borrower, Gross Revenues need not be deposited with the Trustee. See Section 715 in "APPENDIX C – FORM OF INDENTURE" hereto.

Deposit Account Control Agreement

As additional security for the Series 2021 Note, that secures payment of the Series 2021 Bonds, the Borrower has agreed in Section 10.7 of the Loan Agreement that, upon the occurrence of a payment default, the Borrower will enter into a deposit account control agreement (the "Deposit Account Control Agreement"), among the Borrower, the Trustee and Wintrust Bank (or such other banking counterparty) (the "Depository Bank"), with respect to a deposit account held by the Depository Bank (the "Deposit Account"). Pursuant to the Deposit Account Control Agreement, the Borrower will irrevocably deposit its Gross Revenues into the Deposit Account as provided in the Indenture. Pursuant to the Deposit Account Control Agreement, the Depository Bank will be required to comply with the directions of the Trustee to transfer moneys to the Trustee when payments pursuant to the Indenture are due. See Section 715 in "APPENDIX C – FORM OF INDENTURE" hereto.

Additional Indebtedness

The Loan Agreement provides that the Borrower may not issue, incur or guarantee any Indebtedness, except for the following:

(a) Long-Term Indebtedness (Indebtedness having a final maturity or final payment date of more than one year from the date of creation thereof or which is renewable or to a date more than one year) to finance capital expenditures if, before incurrence there is delivered to the Trustee, a study by a nationally recognized feasibility consultant demonstrating (i) a historic Debt Service Coverage Ratio of the Borrower of 1.20:1.00 for the previous two Fiscal Years and (ii) a projected Debt Service Coverage Ratio of 1.30:1.00 for the next two Fiscal Years inclusive of such proposed Long-Term Indebtedness, provided however, that if the additional Long-Term Indebtedness is for the construction of replacement improvements on the School Facility, the two years subject to the projected Debt Service Coverage Ratio would instead be the first two years following the placed in service date of such replacement improvements;

(b) Indebtedness to refund existing Long-Term Indebtedness if (i) the requirements of the Loan Agreement are met or (ii) the Borrower delivered an accountant's certificate certifying that the Maximum Annual Debt Service will not be increased by more than 15% following such refunding;

(c) Either Indebtedness (i) subordinated as to payment and security to the Series 2021 Note or (i) that is not a general obligation with no recourse, directly or indirectly, to the Borrower, in each case, only in the event there is delivered to the Trustee a study by a nationally recognized feasibility consultant demonstrating a projected Debt Service Coverage Ratio of 1.10:1.00 for the next two Fiscal Years, inclusive of such proposed Indebtedness. See "APPENDIX D – FORM OF LOAN AGREEMENT;"

(d) Indebtedness (having a final maturity or final payment date of not more than one year from the date of creation thereof), as long as such Indebtedness is made payable from such Revenues, if any, disbursed to the Borrower after the Trustee has made all of the other required transfers from the Revenue Fund;

(e) Indebtedness consisting of purchase money obligations with respect to any item of equipment related to the School Facility may be incurred without limitation; provided such Indebtedness is secured only by such equipment.

Financial Covenants

Minimum Days Cash on Hand Covenant

Under the Loan Agreement, the Borrower will covenant that, beginning with the Fiscal Year ending June 30, 2022, as of each June 30 it shall maintain Days Cash on Hand of not less than 60 days. If on any June 30 the Days Cash on Hand is below that required, the Borrower will retain a Management Consultant to make operational recommendations until the Borrower achieves 60 Days Cash on Hand in the following Fiscal Year. So long as a Management Consultant is retained and the Borrower makes best efforts to follow such Management Consultant's recommendations, the covenants set forth in the Loan Agreement shall be deemed to have been complied with even if the Days Cash on Hand is below the required level. See "APPENDIX D – FORM OF LOAN AGREEMENT."

"Days Cash on Hand" means, as of any June 30, the amount calculated as the quotient of (1) the sum of Unrestricted Cash and Investments (excluding any debt service reserve funds) less short-term indebtedness on such date; divided by (2) (x) operating expenses (excluding any noncash expenses) for the twelve months then ended, excluding depreciation and amortization expense; divided by (y) the number of days in such twelve month period.

Debt Service Coverage Ratio

Under the Loan Agreement, the Borrower agrees to maintain a Debt Service Coverage Ratio of not less than 1.20x as follows: the Debt Service Coverage Ratio shall be tested annually based upon the Borrower's audited financial statements. If the Debt Service Coverage Ratio falls below 1.20x but is above 1.00x beginning with the

Fiscal Year ending June 30, 2022, the Borrower will engage a Management Consultant the earlier of thirty (30) days after delivery of the audited financial statement or 150 days after the end of the Fiscal Year to make operational recommendations until the Debt Service Coverage Ratio equals 1.20x for two consecutive quarters. Notwithstanding anything to the contrary contained in the Loan Agreement, the Borrower's failure to maintain a Debt Service Coverage Ratio of at least 1.0 to 1.0 beginning in the Fiscal Year ending June 30, 2022, shall constitute an Event of Default under the Loan Agreement. See "APPENDIX D – FORM OF LOAN AGREEMENT."

AGGREGATE DEBT SERVICE ON THE SERIES 2021 BONDS

The following table sets forth, for each Fiscal Year ending June 30, the amounts required in each such year for the payment of principal at maturity, or mandatory redemption date, for the Series 2021 Bonds, the payment of interest on the Series 2021 Bonds, and the total principal and interest payments on the Series 2021 Bonds.

Aggregate Debt Service on the Series 2021 Bonds[(1)]

Period Ending	Principal	Interest	Total Debt Service	Debt Service Reserve Fund	Net Debt Service
2022	$135,000	$343,567	$478,567		$478,567
2023	150,000	359,450	509,450		509,450
2024	155,000	353,450	508,450		508,450
2025	160,000	347,250	507,250		507,250
2026	165,000	340,850	505,850		505,850
2027	175,000	334,250	509,250		509,250
2028	180,000	327,250	507,250		507,250
2029	185,000	320,050	505,050		505,050
2030	195,000	312,650	507,650		507,650
2031	205,000	304,850	509,850		509,850
2032	210,000	296,650	506,650		506,650
2033	220,000	288,250	508,250		508,250
2034	230,000	278,625	508,625		508,625
2035	240,000	268,563	508,563		508,563
2036	250,000	258,062	508,062		508,063
2037	260,000	247,125	507,125		507,125
2038	270,000	235,750	505,750		505,750
2039	285,000	223,938	508,938		508,938
2040	295,000	211,469	506,469		506,469
2041	310,000	198,562	508,562		508,563
2042	325,000	185,000	510,000		510,000
2043	340,000	169,969	509,969		509,969
2044	355,000	154,244	509,244		509,244
2045	370,000	137,825	507,825		507,825
2046	385,000	120,712	505,712		505,713
2047	405,000	102,906	507,906		507,906
2048	425,000	84,175	509,175		509,175
2049	445,000	64,519	509,519		509,519
2050	465,000	43,938	508,938		508,938
2051	485,000	22,431	507,431	(510,000)	(2,569)
Total	$8,275,000	$6,936,330	$15,211,330	$(510,000)	$14,701,330

[(1)]Columns may not add due to rounding.

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BONDHOLDERS' RISKS

Investment in the Series 2021 Bonds involves substantial risks. The following information should be considered by prospective investors in evaluating the Series 2021 Bonds. However, the following does not purport to be an exclusive listing of risks and other considerations which may be relevant to investing in the Series 2021 Bonds, and the order in which the following information is presented is not intended to reflect the relative importance of any such risks. Certain factors which could result in a reduction of revenues available to the Borrower and a corresponding reduction in payments made to the Issuer by the Borrower are discussed herein.

A number of factors could have an adverse impact on the ability of the Borrower to generate sufficient revenues to meet its obligations under the Loan Agreement, which could, in turn, have an effect on the Borrower's ability to make loan repayments. The ability of the Borrower to generate sufficient Gross Revenues is dependent upon a number of elements, including demand for schools like the one operated by the Borrower, the ability of the Borrower to provide the educational services and classes demanded by parents or to attract students generally, changes in the level of confidence in the school in particular and independent schools in general, competition, faculty recruitment, demographic changes, legislation, governmental regulations, changes in immigration policy, litigation and the Borrower's ability to achieve and maintain enrollment. This, in turn, is affected by numerous circumstances both within and outside the control of Borrower, including the competitive appeal and perceived quality of the Borrower's curriculum and the Borrower's abilities and those of its faculty and administration. **There can be no assurance given that Gross Revenues of the Borrower will not decrease. Any and all financial projections are only good faith estimates and are not intended as a representation or warranty as to the future financial condition of the Borrower.**

See "APPENDIX A – ROYCEMORE SCHOOL" hereto for more detailed information regarding the Borrower.

Special, Limited Obligations of the Issuer

The Series 2021 Bonds are special, limited, obligations of the Issuer, secured by and payable solely from funds payable by the Borrower under the terms and conditions of the Loan Agreement, the Indenture and as otherwise described herein. While the Borrower believes, based on present circumstances, that it will generate sufficient Gross Revenues to meet its obligations under the Loan Agreement, the basis of the assumptions utilized by the Borrower to formulate this belief may change, and no representation or assurance can be made that the Borrower will continue to generate sufficient Gross Revenues to meet such obligations.

Factors Affecting the Financial Performance of the Borrower

There are a number of factors affecting educational institutions in general, including the Borrower, which could have an adverse effect on the Borrower's ability to collect revenues, including Gross Revenues, sufficient to make the payments required under the Loan Agreement. These factors include, but are not limited to, the continued availability to the Borrower of revenues from a variety of sources sufficient to meet obligations such as the Borrower's operating expenses, debt service on other debt and extraordinary costs or expenses which may occur from time to time. Revenues and expenses of the Borrower will be affected by future events and conditions relating generally to, among other things: decreases in the number of students seeking to attend the Borrower at optimum levels for each grade level; the ability of the Borrower to provide the education desired and accepted by the population served; economic developments in the affected service area; diminution of the Borrower's reputation in its field; competition from other educational institutions, including charter schools, other private schools and public schools; lessened ability of the Borrower to attract and retain qualified teachers and staff at salaries that permit payment of debt service and expenses; increased costs associated with technological advances; changes in government regulation of the education industry or in the Illinois statutes governing schools; future claims for accidents at the Borrower's facilities and the extent of insurance coverage for such claims; and the occurrence of natural disasters such as floods or earthquakes; the abilities of the Borrower's Board and administration to direct, manage and operate the Borrower; the Borrower's ability to control expenses; the Borrower's ability to maintain or increase rates for tuition and other fees without adversely affecting enrollment; and the ability of the Borrower to maintain, or increase its endowment and other investments, or maintain or increase the results of investments of the

Borrower's endowment and other funds. No assurances can be given that these or other sources of revenues will be adequate to meet the expenses of the Borrower.

Future revenues and expenses of the Borrower will be subject to conditions which may differ from current conditions to an extent that cannot be determined at this time.

Operating History; Reliance on Projections

The Borrower has operated the School since the 1915 school year. The Borrower's ability to make payments under the Series 2021 Note sufficient to pay debt service on the Series 2021 Bonds depends on its ability to collect revenues. No market studies have been conducted with respect to operations of the Borrower pertinent to the Series 2021 Bonds. There is included in this Limited Offering Memorandum in Appendix I a Compiled Financial Forecast and Accountants' Compilation Report for the years ended June 30, 2022 through June 30, 2026, dated as of April 1, 2021 (the "Financial Forecast"), compiled by Novogradac & Company LLP based on information and assumptions provided by the Borrower.

The Financial Forecast is subject to disclaimers, including that the future operating and financial information contained in the Financial Forecast is for illustrative purposes only and based upon certain hypothetical assumptions and events over which the Borrower has only partial or no control. The Financial Forecast further notes that the selection of assumptions requires the exercise of judgment and is subject to uncertainty due to the effects that economic, legislative or other changes may have on future events. The assumptions relied on by management of the Borrower are those that the Borrower believes are most significant to the Financial Forecast; however, not all assumptions used in preparing the Financial Forecast have been set forth and a number of simplifying assumptions have been made in connection with the Financial Forecast. Variations in such assumptions could significantly affect the Financial Forecast. To the extent that assumed events do not materialize, actual results may vary substantially from the forecasted results. No accountant's report has been issued with respect to the Financial Forecast.

The Financial Forecast projections relate only to a limited number of fiscal years and do not cover the entire period that the Series 2021 Bonds will be outstanding. The Financial Forecast constitutes "forward-looking statements" and are subject to the general qualifications and limitations described under "INTRODUCTION — Forward-Looking Statements." The Underwriter has not independently verified Financial Forecast, and makes no representation and gives no assurances that such projections or the assumptions underlying them, are complete or correct.

THERE CAN BE NO ASSURANCE THAT THE PROJECTED INFORMATION CONTAINED IN THE FINANCIAL FORECAST OR ELSEWHERE HEREIN WILL CORRESPOND WITH THE RESULTS ACTUALLY ACHIEVED IN THE FUTURE BY THE BORROWER BECAUSE THERE CAN BE NO ASSURANCE THAT ACTUAL EVENTS WILL CORRESPOND WITH THE ASSUMPTIONS MADE BY THE BORROWER. ACTUAL OPERATING RESULTS MAY BE AFFECTED BY MANY FACTORS, INCLUDING, BUT NOT LIMITED TO, INCREASED COSTS, LOWER THAN ANTICIPATED REVENUES (AS A RESULT OF INSUFFICIENT ENROLLMENT, OR OTHERWISE), EMPLOYEE RELATIONS, CHANGES IN TAX LAWS, CHANGES IN APPLICABLE GOVERNMENT REGULATIONS, CHANGES IN DEMOGRAPHIC TRENDS, FACTORS ASSOCIATED WITH EDUCATION, COMPETITION FOR STUDENTS AND CHANGES IN LOCAL OR GENERAL ECONOMIC CONDITIONS.

Student Enrollment and Tuition

The adequacy of the Borrower's revenues will depend on maintaining enrollment levels as well as being able to charge sufficient rates for tuition and fees to cover the Borrower's operating expenses and debt service. There can be no assurance that the Borrower can continue to enroll a sufficient number of students to generate revenues sufficient to meet its payment obligations under the Loan Agreement, which would adversely affect the payment of debt service on the Series 2021 Bonds. See "APPENDIX A – ROYCEMORE SCHOOL."

Competition for Students

The Borrower will be competing for students with other independent schools, charter schools and local school districts. The Borrower's students come primarily from Evanston, Chicago, and the northern suburbs of Chicago. There can be no assurance that the Borrower will continue to attract and retain the number of students that are needed to produce the revenues adequate to meet its obligations under the Series 2021 Bonds. See "APPENDIX A – ROYCEMORE SCHOOL" for information regarding other schools that compete, or may in the future compete, with the Borrower.

Financial Aid

The Borrower currently provides financial aid to those students who need it to attend the School. The Borrower's ability to continue to provide such aid in the future may be impacted by a number of factors, including the Borrower's tuition and other revenues, continued charitable support for the Borrower and other economic factors. The Borrower's inability to continue to provide required financial aid may result in less students being able to attend the Borrower, which may adversely affect the Borrower's operations and overall financial position.

Damage or Destruction

Although the Borrower will be required to maintain certain insurance as set forth in the Loan Agreement, there can be no assurance that the Borrower will not suffer losses for which insurance cannot be, or has not been, obtained or that the amount of any such losses will not exceed the coverage of such insurance policies.

Changes in Administration

As is the case with any educational institution, changes in administration will occur over time. Such changes may adversely affect the future course of the Borrower, including its operations and financial results. For information on the Borrower's current administration, see "APPENDIX A – ROYCEMORE SCHOOL – ADMINISTRATION."

In addition, the creation of, and the philosophy of teaching in, independent schools such as the Borrower may reflect the vision and commitment of a few key persons on the board of trustees and/or the administration of the school ("Key Trustees/Administration"). Loss of any such Key Trustees/Administration, and the inability of the Borrower to find comparable qualified replacements, could adversely affect the operations or financial results of the Borrower. See "APPENDIX A – ROYCEMORE SCHOOL" for more information regarding the governance and administration of the Borrower.

Fundraising

The Borrower undertakes fundraising. Such fundraising efforts may be adversely affected by a number of factors, including general economic conditions, tax law changes affecting the deductibility of charitable contributions and less support from corporations, alumni and others associated with the Borrower. See "APPENDIX A – ROYCEMORE SCHOOL – FINANCIAL MATTERS – Fundraising."

Possible Changes in Tax Exempt Status

The possible modification or repeal of certain existing federal income or state tax laws or other loss by the Borrower of the present advantages of certain provisions of the federal income or state tax laws could materially and adversely affect the status of the Borrower and thereby its revenues. The Borrower is an exempt organization under Section 501(c)(3) of the Code. As an exempt organization, the Borrower is subject to a number of requirements affecting its operations. The failure of the Borrower to remain qualified as an exempt organization may affect the funds available for payments to be made under the Series 2021 Note.

Failure of the Borrower or the Issuer to comply with certain requirements of the Code, or adoption of amendments to the Code to restrict the use of tax-exempt bonds for facilities such as those being financed with

Series 2021 Bond proceeds, could cause interest on the Series 2021 Bonds to be included in the gross income of Series 2021 Bondholders or former Series 2021 Bondholders for federal income tax purposes. See "TAX EXEMPTION."

Foreclosure

There can be no assurance that the value of the Borrower's real property subject to the Mortgage will be sufficient to repay the Series 2021 Bonds in the event of an Event of Default and a subsequent foreclosure. It has been the experience of lenders in recent years that attempts to foreclose on commercial property or otherwise realize upon security for obligations are frequently met with defensive measures, such as protracted litigation or bankruptcy proceedings, and that such defensive measures can greatly increase the expense and time involved in achieving such foreclosure or other realization. The liquidation value of assets in a bankruptcy or creditors' proceeding is typically less than the replacement value of such assets for an ongoing business operation. All real property is subject to changes in value. The real property subject to the Mortgage, including any Substitute Mortgaged Property, may decline in value over time. In such case, the extent to which such real property otherwise would serve as security for the Series 2021 Bonds would be diminished. The real property which secures the Series 2021 Bonds under the Mortgage is subject to certain Permitted Encumbrances, which may impact the value of such property. In addition, it could be difficult to find a buyer or lessee for such property upon an Event of Default because the facilities subject to the Mortgage are not comprised of general purpose buildings and generally would not be suitable for uses other than their present educational use. Consequently, upon an Event of Default, the Trustee may not realize the amount of the outstanding Series 2021 Bonds from the sale or leasing of such facilities if it were necessary to proceed against such facilities, whether pursuant to a judgment, if any, against the Borrower, or otherwise.

Factors that Could Affect the Security Interest in the Pledged Revenues and Mortgaged Property

The effectiveness of the lien on the real property subject to the Mortgage and the security interest in the Borrower's Gross Revenues to the extent granted pursuant to the Mortgage and the Loan Agreement may be limited by a number of factors, including: (a) commingling of the Gross Revenues with other moneys of the Borrower not so pledged; (b) statutory liens; (c) rights arising in favor of the United States of America or any agency thereof; (d) constructive trusts, equitable or other rights impressed or conferred by a federal or state court in the exercise of its equitable jurisdiction; (e) federal bankruptcy laws which may affect the enforceability of the security interest in the revenues of the Borrower which are earned by the Borrower within 90 days preceding and at all times after any effectual institution of bankruptcy proceedings by or against the Borrower; (f) rights of third parties in Gross Revenues converted to cash and not in the possession of the Trustee; and (g) claims that might arise if appropriate financing or continuation statements are not filed in accordance with the Illinois Uniform Commercial Codes as from time to time in effect. The security interest in the Borrower's Gross Revenues will be secured at issuance of the Series 2021 Bonds by the filing of a Uniform Commercial Code financing statement, however, upon the occurrence and continuation of an event of default pursuant to the terms of the Bond Indenture, the Borrower's Gross Revenues will be subject to the terms of the Deposit Account Control Agreement and Lock-Box. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS – Lock-Box Provisions" hereto.

Value of School Facility

No appraisal will be conducted on the School Facility prior to the issuance of the Series 2021 Bonds. The value of the School Facility at any given time will be directly affected by market and financial conditions that are not in the control of the parties involved in this transaction. The School Facility is designed for use as an educational facility, and there is nothing associated with the School Facility that would suggest that its value would remain stable or would increase if the general values of property in the Borrower's service areas were to decline.

Amendment of the Indenture and Loan Agreement

Certain amendments to the Indenture and the Loan Agreement may be made with the consent of the owners of the Majority of Bondholders. Such amendments may adversely affect the security of the Bondholders. See "APPENDIX C – FORM OF INDENTURE" and "APPENDIX D – FORM OF LOAN AGREEMENT."

Additional Indebtedness

Additional Indebtedness may be issued by the Borrower and may be secured on a parity with the Series 2021 Bonds and all other bonds issued under the Indenture. Such additional indebtedness could adversely affect the Borrower's ability to pay its operating expenses and debt service, including debt service on the Series 2021 Bonds. Such additional indebtedness might not include additional security for the outstanding indebtedness, which would dilute the value of any collateral for the Series 2021 Bonds and any other outstanding indebtedness. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS."

Bankruptcy of the Borrower

The rights and remedies of the owners of the Series 2021 Bonds are subject to various provisions of the Federal Bankruptcy Code (the "Bankruptcy Code"). If the Borrower were to become a debtor in a bankruptcy case, its revenues and certain of its accounts receivable and other property created or otherwise acquired after the filing of such petition and for up to 90 days prior to the filing of such petition may not be subject to the security interest created under the Mortgage for the benefit of the owners of the Series 2021 Bonds. The filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the Borrower, and its property, and as an automatic stay of any act or proceeding to enforce a lien upon or to otherwise exercise control over its property. If the bankruptcy court so ordered, the property of the Borrower, including accounts receivable and proceeds thereof, could be used for the financial rehabilitation of the Borrower despite the security interest of the Trustee therein. While the Bankruptcy Code requires that the interest of the Trustee as lien owner be adequately protected before the collateral may be used by the Borrower, such protection could take the form of a replacement lien on assets of the Borrower acquired or created after the bankruptcy petition is instituted. The rights of the Trustee to enforce liens and security interests against the Borrower's assets could be delayed during the pendency of the rehabilitation proceedings.

The Borrower could file a plan for the reorganization of its debts in any such proceeding which could include provisions modifying or altering the rights of creditors generally, or any class of them, secured or unsecured. The plan, when confirmed by a court, binds all creditors who had notice or knowledge of the plan and discharges all claims against the debtor provided for in the plan. No plan may be confirmed unless certain conditions are met, among which are that the plan is in the best interests of creditors, is feasible and has been accepted by each class of claims impaired thereunder. Each class of claims has accepted the plan if at least two thirds in dollar amount and more than one half in number of the class cast votes in its favor. Even if the plan is not so accepted, it may be confirmed if the court finds that the plan is fair and equitable with respect to each class of non-accepting creditors impaired thereunder and does not discriminate unfairly.

No Rating

The Series 2021 Bonds have not received any credit rating by any recognized rating agency. The absence of any such rating could adversely affect the ability of holders to sell the Series 2021 Bonds or the price at which the Series 2021 Bonds can be sold.

Claims and Insurance Coverage

Litigation could arise from the activities of the Borrower, including from its status as an employer. Many of these risks are covered by insurance, but some are not. For example, claims arising from wrongful termination or sexual assault claims and business disputes may not be covered by insurance or other sources and may, in whole or in part, be a liability of the affected party if determined or settled adversely.

The Borrower covenants and agrees in the Loan Agreement that it will keep and maintain general liability, property and business interruption insurance with respect to the Facilities at levels set forth in the Loan Agreement. See "APPENDIX D – FORM OF LOAN AGREEMENT." There can be no assurance that any insurance in fact maintained will be adequate for the insured risk, nor in respect of the continued creditworthiness of insurance companies providing policies in respect of the School Facility.

Hazardous Materials; Environmental Risks

While governmental taxes, assessments and charges are common claims against the value of property, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized is a claim with regard to hazardous substances. In general, the Borrower may be required by law to remedy conditions of the Facilities relating to release of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws. Illinois laws with regard to hazardous substances are stringent and similar to certain federal acts. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of property whether or not the owner (or operator) had or has anything to do with the creation or handling of the hazardous substance. The effect, therefore, should the Facilities be affected by a hazardous substance, is generally to reduce the marketability and value of the parcel by the cost of remedying the condition. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling the hazardous substance. Any of these potentialities could significantly affect the value of the School Facility that would be realized upon a default and foreclosure.

There are potential risks relating to liabilities for environmental hazards with respect to the ownership of any real property or secured lending with respect thereto. If hazardous substances are found to be located on a property, owners of such property may be held liable for costs and other liabilities related to the removal of such substances which costs and liabilities could exceed the value of the Facilities or any portion thereof.

Limitations on Enforcement of Remedies

There exists common law authority and authority under various state statutes pursuant to which courts may terminate the existence of a nonprofit corporation or undertake supervision of its affairs on various grounds, including a finding that the Borrower has insufficient assets to carry out its stated charitable purposes or has taken some action which renders it unable to carry out such purposes. Such court action may arise on the court's own motion or pursuant to a petition of a state attorney general or other persons who have interests different from those of the general public, pursuant to the common law and statutory power to enforce charitable trusts and to see to the application of their funds to their intended charitable uses.

In addition to the foregoing, the realization of any rights under the Loan Agreement, Indenture, the Mortgage and the other security provided to the Trustee upon a default depends upon the exercise of various remedies specified in the Loan Agreement, the Indenture and the Mortgage. These remedies may require judicial action which is often subject to discretion and delay. Under existing law, certain of the remedies specified in the Loan Agreement, the Indenture and the Mortgage may not be readily available or may be limited. For example, a court may decide not to order the specific performance of the covenants contained in the Loan Agreement, the Indenture and the Mortgage. Accordingly, the ability of the Issuer or the Trustee to exercise remedies under the Loan Agreement, the Indenture and the Mortgage upon an Event of Default could be impaired by the need for judicial or regulatory approval.

Cybersecurity

Like many organizations, the Borrower is highly dependent on digital technologies. These systems necessarily hold large quantities of highly sensitive protected personal information that is highly valued on the black market for such information. As a result, the electronic systems and networks of organizations like the Borrower are considered likely targets for cyber-attacks and other potential breaches of their systems. In addition to regulatory fines and penalties, the educational entities subject to the breaches may be liable for the costs of remediating the breaches, damages to individuals whose information has been breached, reputational damage and business loss, and damage to the information technology infrastructure. The Borrower has taken, and continues to take, measures to protect its information technology system against such cyber-attacks, but there can be no assurance that the Borrower will not experience a significant breach. If such a breach occurs, the financial consequences of such a breach could have a materially adverse impact on the Borrower.

Secondary Market

There can be no assurance that there will be a secondary market for the purchase or sale of the Series 2021 Bonds, and there may be no market for the Series 2021 Bonds depending upon prevailing market conditions, the financial condition or market position of firms who make up the secondary market and the financial position and results of operations of the Borrower. The Underwriter is not obligated to create a secondary market for the purchase or sale of the Series 2021 Bonds. The Series 2021 Bonds and beneficial interests therein may be transferred, upon satisfaction of certain conditions, only to qualified institutional buyers and accredited investors. See "NOTICE TO INVESTORS OF THE SERIES 2021 BONDS" herein. There is no public market for the Series 2021 Bonds and none is expected to develop in the future. Therefore, investors should be aware that they might be required to bear the financial risks of an investment in the Series 2021 Bonds for an unknown period of time, and/or that to the extent there is a secondary market for the Series 2021 Bonds, the secondary market price for the Series 2021 Bonds may be affected as a result of the transfer restrictions described herein. The Series 2021 Bonds should therefore be considered long-term investments in which funds are committed to maturity.

Risk of Loss from Nonpresentment upon Redemption

The rights of the registered owners of the Series 2021 Bonds to receive interest will terminate on the date, if any, on which the Series 2021 Bonds are to be redeemed pursuant to a call for redemption, notice of which has been given under the terms of the Indenture.

Failure to Provide Ongoing Disclosure

The Borrower will execute and deliver a Continuing Disclosure Agreement with a dissemination agent counterparty for the benefit of Bondholders in connection with the issuance of the Series 2021 Bonds and to assist the Underwriter in marketing the Series 2021 Bonds. See "CONTINUING DISCLOSURE" and "APPENDIX G – FORM OF CONTINUING DISCLOSURE AGREEMENT." Failure by the Borrower to comply with such Continuing Disclosure Agreement in the future may adversely affect the liquidity for the Series 2021 Bonds and their market price in the secondary market.

Litigation

Schools are often the subject of litigation. Actions alleging wrongful conduct that seek punitive damages often are filed against education providers such as the Borrower. Litigation may also arise from the corporate and business activities of the Borrower, such as employee-related matters. As with educator's professional liability, many of these risks are covered by insurance, but some are not. For example, some business disputes and worker's compensation claims are not covered by insurance or other sources and, in whole or in part, may be a liability of the Borrower if determined or settled adversely. Although the Borrower maintains insurance policies covering educator's professional and general liability, management of the Borrower is unable to predict the availability, cost or adequacy of such insurance in the future. There is no known litigation pending or threatened against the Borrower as of the date of this Limited Offering Memorandum. Additionally, management of the Borrower has no knowledge of any litigation threatened against the Borrower, (i) which in any way questions or affects the validity of the Series 2021 Bonds, or any proceedings or transactions relating to their issuance, sale and delivery or (ii) which would, if adversely determined, cause any material adverse change in the financial conditions of the Borrower. See also "LITIGATION" herein.

Impact of the Spread of COVID-19

In late 2019, a novel strain of coronavirus which can cause the disease known as "COVID-19" emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and President Trump declaring a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments, school districts and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. The effects of the spread of COVID-19 and the government and private responses to the spread continue to rapidly evolve.

Governor Pritzker (the "Governor") signed various executive orders (each with 30- day periods of effectiveness which have been extended several times) to prevent the further spread of COVID-19 that, as originally issued, (i) required all Illinois residents (with certain exceptions) to stay in their homes; (ii) closed all bars and restaurants to dine-in customers, (iii) ceased operations for all non-essential businesses in the State and (iv) prohibited all public and private gatherings of 10 or more people. The Governor has implemented a five-phase approach to reopening the State's businesses, with each successive phase easing certain of the restrictions previously imposed by such executive orders. The State is currently in the fourth phase of this reopening plan, and the current executive orders extend through April 3, 2021. The Governor's reopening plan divides the State into regions, with COVID-19 mitigation strategies and restrictions being imposed individually on regions based on the positivity rate of that region. The Borrower is located in Region 10, suburban Cook County, Illinois. The Governor and the Illinois Department of Public Health ("IDPH") imposed additional COVID-19 resurgence mitigations in every region across the State, effective as of November 20, 2020, in an attempt to slow the spread of the virus. The mitigations build on the State's Resurgence Mitigation Plan released in July to suppress the spread of COVID-19 and prevent hospitals from becoming overrun. The latest round of mitigations aims to limit gatherings and encourages residents to stay home as much as possible and follow proper safety measures when out in public. On March 18, 2021, Governor Pritzker announced a metrics-based, vaccination-informed framework for Illinois to advance to Phase 5 of the State's Restore Illinois Plan, our new normal. Currently, every region of the State is in Phase 4 of the five-phase Restore Illinois mitigation plan, with Phase 5 comprising a post-pandemic normalcy. The newly announced metrics offer Illinois a bridge between the State's current Phase 4 restrictions and the "new normal" operations of Phase 5. This "Bridge Phase" will serve as a transition period with higher capacity limits and increased business operations, without prematurely embracing a reckless reopening before the majority of Illinoisans have been vaccinated. The Illinois State Board of Education ("ISBE"), in partnership with the IDPH, create directives to provide guidance to the Illinois education community regarding COVID-19.

For the 2020-21 school year, the Borrower developed "Roycemore Online" in response to demand for remote learning during COVID-19 as an option for students who chose to continue to participate in their courses remotely due to health and safety concerns. The Borrower created a full-time, off-campus option to accommodate the needs of those students. The Borrower also released an Academic Re-Entry Plan for 2020-2021, that shares information about its multiple enrollment options and in-depth details by division about academic learning for the 2020-2021 school year. The first day of the 2020-21 school year was August 25, 2020, and the Borrower opened in person/on campus. Due to strong mitigation efforts, the students continued to engage in online instruction even though the pandemic continued to disrupt life outside of school. See "APPENDIX A – ROYCEMORE SCHOOL – CURRICULUM – Pandemic Response" attached hereto.

COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which COVID-19 impacts the Borrower and its financial condition, operations and facilities will depend on future developments, which are highly uncertain, are changing rapidly, are not within the control of the Borrower and cannot be predicted by the Borrower, including the duration of the outbreak, measures taken to address the outbreak and how such matters may continue to lead to economic disruptions, market volatility and school closures.

In addition, the spread of COVID-19 could have an adverse effect on future enrollment. For example, if it is perceived that competitors of the Borrower, including traditional public schools or other private schools, are better equipped to handle the spread of COVID-19 or similar future outbreaks or to provide virtual learning, it could lead to lower enrollment in the future (see "RISK FACTORS – Competition for Students" and "– Operating History; Reliance on Projections").

TAX EXEMPTION

Summary of Bond Counsel Opinion

Katten Muchin Rosenman LLP, Bond Counsel, is of the opinion that under existing law, interest on the Series 2021 Bonds is not includable in the gross income of the Owners of the Series 2021 Bonds for Federal income tax purposes. If there is continuing compliance with the applicable requirements of the Code, Bond Counsel is of the opinion that interest on the Series 2021 Bonds will continue to be excluded from the gross income of the Owners of the Series 2021 Bonds for Federal income tax purposes. Bond Counsel is further of the opinion that the Series 2021 Bonds are "qualified 501(c)(3) bonds" within the meaning of Section 145(a) of the Code. Accordingly,

interest on the Series 2021 Bonds is not an item of tax preference for purposes of computing alternative minimum taxable income for the purpose of the corporate alternative minimum tax imposed by the Code.

The Code contains certain requirements that must be satisfied from and after the date of issuance of the Series 2021 Bonds in order to preserve the exclusion from gross income for Federal income tax purposes of Bond interest. These requirements relate to the use and investment of the proceeds of the Series 2021 Bonds and the facilities refinanced by such proceeds, the payment of certain amounts to the United States, the security and source of payment of the Series 2021 Bonds and the ownership and use of the property refinanced with the proceeds of the Series 2021 Bonds. The Borrower has covenanted in the Loan Agreement and the Tax Compliance Agreement (the "Tax Compliance Agreement") between the Borrower and the Issuer to comply with these requirements.

Bond Counsel is further of the opinion that the Series 2021 Bonds and the interest thereon are not exempt from present Illinois income taxation.

In rendering its opinion, Bond Counsel will rely upon the representations and certifications of the Borrower in the Tax Compliance Agreement with respect to certain material facts solely within the Borrower's knowledge relating to the application of the proceeds of the Series 2021 Bonds and the property refinanced with such proceeds.

Series 2021 Bonds Purchased at a Premium or at a Discount

The difference (if any) between the initial price at which a substantial amount of each maturity of the Series 2021 Bonds is sold to the public (the "Offering Price″) and the principal amount payable at maturity of such Series 2021 Bonds is given special treatment for Federal income tax purposes. If the Offering Price is higher than the maturity value of a maturity of Bonds, the difference between the two is known as "bond premium;" if the Offering Price is lower than the maturity value of a maturity of Bonds, the difference between the two is known as "original issue discount."

Bond premium and original issue discount are amortized over the term of the Series 2021 Bonds (or shorter period, as provided in the Income Tax Regulations) on the basis of the Owner's yield from the date of purchase to the date of maturity, compounded at the end of each accrual period of one year or less with straight line interpolation between compounding dates, as provided more specifically in the Income Tax Regulations. The amount of bond premium accruing during each period is treated as an offset against interest paid on Bonds and is subtracted from the Owner's tax basis in such Series 2021 Bonds. The amount of original issue discount accruing during each period is treated as interest (which is excludable from the gross income of an Owner of Bonds) for Federal income tax purposes, to the same extent and with the same limitations as ordinary interest, and is added to the Owner's tax basis in such Series 2021 Bonds. The Series 2021 Bonds' adjusted tax basis is used to determine whether, and to what extent, the Owner realizes taxable gain or loss upon the disposition of such Series 2021 Bonds (whether by reason of sale, acceleration, redemption prior to maturity or payment at maturity of such Series 2021 Bonds).

Owners who purchase Series 2021 Bonds at a price other than the Offering Price, after the termination of the initial public offering or at a market discount should consult their tax advisors with respect to the tax consequences of their ownership of such Series 2021 Bonds. In addition, Owners of Series 2021 Bonds should consult their tax advisors with respect to the state and local tax consequences of owning such Series 2021 Bonds; under the applicable provisions of state or local income tax law, bond premium and original issue discount may give rise to taxable income at different times and in different amounts than they do for Federal income tax purposes.

Exclusion from Gross Income: Requirements

The Code sets forth certain requirements that must be satisfied on a continuing basis in order to preserve the exclusion from gross income for Federal income tax purposes of Bond interest. Among those requirements are the following:

Restrictions on Ownership and Use. The Code requires that any property financed or refinanced with the proceeds of the Series 2021 Bonds be owned by a 501(c)(3) organization or by a governmental unit. In addition, the

Code generally requires that property financed or refinanced with the proceeds of the Series 2021 Bonds be used by a 501(c)(3) organization in an activity that is integrally related to its exempt purposes.

Investment Restrictions. Except during certain "temporary periods," the proceeds of the Series 2021 Bonds and investment earnings thereon (other than amounts held in a reasonably required reserve or replacement fund, if any, or as part of a "minor portion") may generally not be invested in investments having a yield that is "materially higher" than the yield on the Series 2021 Bonds.

Rebate of Permissible Arbitrage Earnings. Unless the Series 2021 Bonds qualify for one of several exemptions, earnings from the investment of the "gross proceeds" of the Series 2021 Bonds in excess of the earnings that would have been realized if such investment had been made at a yield equal to the yield on the Series 2021 Bonds are required to be paid to the United States at periodic intervals. For this purpose, the term "gross proceeds" includes the proceeds of the Series 2021 Bonds, amounts received as a result of investing such proceeds and amounts to be used to pay debt service on the Series 2021 Bonds.

Risks of Non-Compliance

In the event that the Issuer of Borrower fails to comply with the requirements of the Code, Bond interest may become includable in the gross income of the Bond Owners for Federal income tax purposes; in certain events, taxation may be retroactive to the date of issue of the Series 2021 Bonds. In such event, the Indenture does not require the payment of any additional interest or penalties to the Owners of the Series 2021 Bonds.

Other Federal Income Tax Consequences

Pursuant to Section 103 of the Code, Bond interest is not includable in the gross income of the Owners of the Series 2021 Bonds for Federal income tax purposes. However, the Code contains a number of provisions relating to the treatment of interest on the Series 2021 Bonds that may affect the taxation of certain types of Owners of Bonds depending on their particular tax situations. Some of the potentially applicable Federal income tax provisions are described in general terms below. *Prospective purchasers of the Series 2021 Bonds should consult their tax advisors concerning the particular Federal income tax consequences of their ownership of the Series 2021 Bonds.*

Cost of Carry. Owners of the Series 2021 Bonds will generally be denied a deduction for otherwise deductible interest on any debt that is treated for Federal income tax purposes as having been incurred or continued to purchase or carry the Series 2021 Bonds. Financial institutions are denied a deduction for their otherwise allowable interest expense in an amount determined by references to their adjusted basis in the Series 2021 Bonds.

Corporate Owners. Interest on the Series 2021 Bonds is generally taken into account in computing the earnings and profits of a corporation and consequently may be subject to Federal income taxes based thereon. Thus, for example, interest on the Series 2021 Bonds is taken into account in computing the branch profits tax imposed on certain foreign corporations, the passive investment income tax imposed on certain S corporations, and the accumulated earnings tax.

Individual Owners. Receipt of interest on the Series 2021 Bonds may increase the amount of Social Security and Railroad Retirement benefits included in the gross income of the recipients thereof for Federal income tax purposes.

Certain Blue Cross or Blue Shield Organizations. Receipt of interest on the Series 2021 Bonds may reduce a special deduction otherwise available to certain Blue Cross or Blue Shield organizations.

Property or Casualty Insurance Companies. Receipt of interest on the Series 2021 Bonds may reduce otherwise deductible underwriting losses of a property or casualty insurance company.

Financial Institutions. Financial institutions may be denied a deduction for their otherwise allowable interest expense in an amount determined by reference, in part, to their adjusted basis in the Series 2021 Bonds

Foreign Personal Holding Company Income. A United States shareholder of a foreign personal holding company may realize taxable income to the extent that Bond interest earned by such a company is properly allocable to the shareholder.

Change of Law

The opinion of Bond Counsel and the descriptions of the tax law in this Limited Offering Memorandum are based on statutes, judicial decisions, regulations, rulings, and other official interpretations of law in existence on the date the Series 2021 Bonds are issued. There can be no assurance that such law or the interpretation thereof will not be changed or that new provisions of law will not be enacted or promulgated at any time while the Series 2021 Bonds are outstanding in a manner that would adversely affect the value or tax treatment of ownership of the Series 2021 Bonds. Prospective purchasers should consult their own tax and investment advisors concerning the tax and investment consequences of a purchase of the Series 2021 Bonds.

LITIGATION

The Issuer

There is not now pending or, to the knowledge of the Issuer, threatened, any litigation restraining or enjoining the issuance or delivery of the Series 2021 Bonds or questioning or affecting the validity of the Series 2021 Bonds or the proceedings or Issuer under which the Series 2021 Bonds are to be issued. There is no litigation pending or, to the knowledge of the Issuer, threatened, which in any manner questions the right of the Issuer to enter into the Indenture or the Loan Agreement or to secure the Series 2021 Bonds in the manner provided in the Indenture.

The Borrower

The Borrower has advised that no litigation or proceedings are pending or, to its knowledge, threatened against it except litigation which, in the opinion of the Borrower, is not expected to result in a materially adverse change in the operations or condition, financial or otherwise, of the Borrower. The Borrower also has advised that there is no litigation pending, or to the knowledge of the Borrower, threatened, which in any manner questions the right of the Borrower to enter into the financing described herein or affecting the validity of the Loan Agreement, the Indenture, the Continuing Disclosure Agreement, the Series 2021 Bonds or the Series 2021 Note or contesting the corporate existence, powers or tax-exempt status of the Borrower.

LEGAL MATTERS

All legal matters incident to the authorization, issuance, sale and delivery of the Series 2021 Bonds by the Issuer are subject to the legal opinion of Katten Muchin Rosenman LLP, Chicago, Illinois, as Bond Counsel (the "Bond Counsel"), in substantially the form of the opinions set forth in "APPENDIX F – FORM OF BOND COUNSEL OPINION." The opinion of Bond Counsel will express no opinion and make no comment with respect to the sufficiency of the security for, or the marketability of, the Series 2021 Bonds.

Certain legal matters will be passed upon by Chapman and Cutler, LLP, as special counsel to the Issuer; by Applegate & Thorne-Thomsen, P.C, as counsel to the Borrower; and by Quarles & Brady LLP, Milwaukee, Wisconsin, as counsel to the Underwriter.

The various legal opinions to be delivered concurrently with the delivery of the Series 2021 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment of the transaction opined upon or of the future performance of parties to such transaction. Further, the various legal opinions to be delivered concurrently with the delivery of the Series 2021 Bonds will be

qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State and the United States of America and bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

NOT RATED

No ratings have been applied for with respect to the Series 2021 Bonds. No representation can be made that ratings with respect to the Series 2021 Bonds, if applied for, could be obtained.

UNDERWRITING

The Series 2021 Bonds are intended to be exempt securities under the Securities Act of 1933, as amended (the "Securities Act"), and the offer, sale and delivery of the Series 2021 Bonds does not require registration under the Securities Act or qualification of the Trust Indenture under the Trust Indenture Act of 1939. Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), has agreed to use its best efforts to place the Series 2021 Bonds with qualified institutional buyers and accredited institutional investors on behalf of the Borrower. The Borrower has agreed to pay the Underwriter upon sale of the Series 2021 Bonds an underwriter's discount in an amount equal to $165,405.12. In addition, the School will pay to the Underwriter additional underwriting compensation in the amount of $41,469.88 for its services as Underwriter. The Borrower has also agreed to indemnify the Underwriter, its directors, officers, employees and controlling persons (as defined in Section 15 of the Securities Act) with respect to all losses, claims, damages, liabilities and related legal expenses arising out of or based upon certain alleged violations of the Securities Act or material misstatements or omissions in the Limited Offering Memorandum, other than such misstatements or omissions made in reliance upon or in conformity with written information furnished by the Underwriter for use herein.

The purchaser of the Series 2021 Bonds is being furnished with a copy of this Limited Offering Memorandum, together with any supplements to this Limited Offering Memorandum. In addition, The purchaser is hereby offered the opportunity, prior to purchasing any Series 2021 Bonds and at any time the Series 2021 Bonds are outstanding, to ask questions of, and receive answers from, the Borrower concerning the terms and conditions of the offering, and to obtain any additional relevant information, to the extent the Borrower possesses the same or can acquire it without unreasonable effort or expense.

The purchaser is responsible for assessing the merits and risks of an investment in the Series 2021 Bonds and must be able to bear the economic risk of such investment in the Series 2021 Bonds.

The contents of this Limited Offering Memorandum are the responsibility of the Borrower, except that the Issuer is responsible for the statements under the sections "THE ISSUER," "LITIGATION – The Issuer" (to the extent that it relates to the Issuer), and the material under "APPENDIX J – BOOK-ENTRY ONLY SYSTEM" is based on information provided by DTC.

CONTINUING DISCLOSURE

The Borrower will enter into a Continuing Disclosure Agreement, dated as of April 1, 2021 (the "Continuing Disclosure Agreement"), with Wilmington Trust, National Association, as initial dissemination agent. The Continuing Disclosure Agreement is made for the benefit of owners of the Series 2021 Bonds and to assist the Underwriter in marketing the Series 2021 Bonds.

The Series 2021 Bonds are exempt from the continuing disclosure provisions of Securities and Exchange Commission ("SEC") Rule 15c2-12 (17 C.F.R. § 240.15c2-12) (the "Rule") based on the exemption provided in section (d)(1) of the Rule. Accordingly, the Borrower is not entering into the Continuing Disclosure Agreement to comply with the Rule, and this Continuing Disclosure Agreement is not an undertaking within the meaning of section (b)(5)(i) of the Rule. Failure by the Borrower to provide all or any portion of information required hereby shall not constitute a failure under the Rule and shall not give rise to a requirement to provide any notice to the Municipal Securities Rulemaking Board (the "MSRB").

In connection with the Prior Bonds, the Borrower voluntarily entered into a Continuing Disclosure Undertaking dated as of July 1, 2011 (the "2011 Undertaking"). Pursuant to the 2011 Undertaking, the Borrower agreed to provide an annual report with the Borrower's annual audit report and certain other information specified in the 2011 Undertaking, periodic financial and operating reports, and notice of certain specified events. Although the Borrower filed its annual audit report for the Fiscal Years ended June 30, 2016 and June 30, 2017, such filings were not timely under the 2011 Undertaking and also failed to include certain information contemplated under the 2011 Undertaking. In addition, the Borrower did not timely provide the periodic financial and operating reports contemplated, and failed to file notice of certain of the specified events under the 2011 Undertaking. The Prior Bonds (pursuant to which the 2011 Undertaking was entered into) were refunded in 2018. The Borrower has assigned Vicky Pickett, Director of Finance & Operations responsibility for meeting these requirements, and, as noted above, has engaged Wilmington Trust, National Association, to help ensure its compliance with the Continuing Disclosure Agreement in the future.

AUDITED FINANCIAL STATEMENTS

The annual financial statements of the Borrower for the years ended June 30, 2019 and 2018 (as redacted pursuant to the Nondisclosure Agreement; see "PLAN OF FINANCING – Prior Bonds"), and for the years ended June 30, 2020 and 2019 included in this Limited Offering Memorandum in "APPENDIX B – FINANCIAL STATEMENTS" have been audited by Mueller & Co., LLP (the "Auditor"), to the extent and for the periods indicated in their reports thereon. Potential purchasers should read such financial statements in their entirety for more complete information concerning the Borrower's financial position. The Borrower has not requested the Auditor to perform, and the Auditor has not performed, any additional examination, assessment, procedures or evaluation with respect to such financial statement since the date thereof. Although the inclusion of the financial statements in this Limited Offering Memorandum is not intended to demonstrate the fiscal condition of the Borrower since the date of the financial statements, in connection with the issuance of the Series 2021 Bonds, the Borrower represents that there has been no material adverse change in the financial position or results of operations of the Borrower, nor has the Borrower incurred any material liabilities, which would make such financial statements misleading.

MISCELLANEOUS

The references herein to the Series 2021 Bonds, the Series 2021 Note, the Indenture, the Loan Agreement, the Mortgage and the Continuing Disclosure Agreement are summaries of certain provisions thereof. Such summaries do not purport to be complete, and for full and complete statements of the provisions thereof reference is made to the Series 2021 Bonds, the Series 2021 Note, the Indenture, the Loan Agreement, the Mortgage and the Continuing Disclosure Agreement. If not otherwise attached hereto, copies of such documents are on file at the offices of the Underwriter and following the delivery of the Series 2021 Bonds will be on file at the offices of the Trustee. All estimates and other statements in this Limited Offering Memorandum involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

The attached Appendices are integral parts of this Limited Offering Memorandum and must be read together with all of the foregoing statements.

The Borrower has reviewed the information contained herein which relates to it, its property and operations, and has approved all such information for use within this Limited Offering Memorandum. The execution and delivery of this Limited Offering Memorandum has been duly authorized by the Borrower. The distribution of this Limited Offering Memorandum has been duly approved.

ROYCEMORE SCHOOL

By: /s/ Adrianne Finley Odell
Adrianne Finley Odell, Head of School

APPENDIX A

ROYCEMORE SCHOOL

ROYCEMORE SCHOOL
APPENDIX A
TABLE OF CONTENTS

INTRODUCTION 1
HISTORY AND MISSION 1
CURRICULUM 1
- Mission 1
- Vision 1
- Core Values 2
- Academics and Community 2
- Early Childhood 2
- Lower School 3
- Middle School 3
- Upper School 4
- Roycemore Online 5
- Technology 5
- Adobe Partnership 5
- Scholarship Programs 6
- All-School Events 6
- Interscholastic Sports 6
- Performance Opportunities 6
- Before and After Care 6
- Camps 7
- Food Service 7
- International Students 7
- Roycemore Family Association 7
- Pandemic Response 8

GOVERNANCE 9
ADMINISTRATION 14
FACULTY AND STAFF 18
ENROLLMENT AND ADMISSIONS 19
STUDENT OUTCOMES 21
TUITION & FINANCIAL AID 23
ACCREDITATION AND MEMBERSHIPS 23
PENSION PLAN 23
INSURANCE 23
LITIGATION 23
FINANCIAL MATTERS 24
- Accounting Matters 24
- Fundraising 24
- Budget Process 24
- Debt Summary 24
- Future Financing 24
- Conflicts of Interest Policy and Statements 25

APPENDIX A1 CERTAIN INFORMATION REGARDING THE AREA OF THE BORROWER 26

INTRODUCTION

Roycemore School, an Illinois not for profit corporation (the "Borrower" or the "School"), is a non-profit corporation organized under Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code") and is, therefore, exempt from federal income taxation under Section 501(a) of the Code. The Borrower owns and operates an independent, accredited, coeducational college-preparatory day school in Evanston, Illinois for students in pre-kindergarten through grade 12.

HISTORY AND MISSION

Founding Head of School Julia Henry and a group of North Shore parents opened the School in 1915 at 640 Lincoln Street, located adjacent to Northwestern University's campus in Evanston, Illinois (the "Original School Facility"). Ms. Henry had been principal of the Lower School at Girton School for Girls in Winnetka, and many of the faculty and students followed her to the School. The School was named after Ms. Henry's grandfather, Andrew Royce, who was a well-known Congregational minister in Barre, Vermont, in the 1800s. The Royce family crest was adopted for the School, inspiring the School's colors of blue and gold, the motto "*fortis et prudens simul*," or strength and careful judgement go together, and the School's mascot, the griffin. In 1968, the first boy graduated in a class of six.

Northwestern University has a longstanding relationship with the Borrower. Approximately 15% of the Upper School Roycemore students take classes at Northwestern University for full college credit. Northwestern University faculty receive a 15% discount on tuition for their children. The Borrower also serves as a student teaching venue for Northwestern University undergraduate and graduate students. The Original School Facility was on 1.4 acres of land leased to the Borrower from Northwestern University. The 99-year land lease was due to expire on June 30, 2014.

In 2011, the Borrower acquired approximately 2.4 acres of land located at 1200 Davis Street, Evanston, Illinois 60201 (the "Campus") with an existing three level, 66,000 square foot building (together with the Campus, the "School Facility"), and renovated, remodeled, improved, and equipped the School Facility, and constructed and equipped a gymnasium on the Campus. The School Facility is in a high visibility, accessible area of Evanston, three blocks from Metra and CTA Purple Line stops in downtown Evanston. The School Facility is designed to accommodate up to 350 students. As of March 8, 2021, the Borrower had approximately 230 students.

CURRICULUM

Mission

The mission of the Borrower is to inspire and nurture excellence and prepare each student for success in higher education and in a dynamic and complex world.

Vision

The vision of the Borrower is to sustain its legacy of outstanding college preparatory education within its nurturing community. The Borrower remains committed to enhanced opportunities for student learning as it develops new centers of academic excellence, increases its engagement with its local community and develops long range fiscal plans to sustain the School for future generations. Starting with Early Childhood, students are introduced to the seven habits of highly effective people through various activities and teachings. By developing a strong sense of personal accountability, good attitudes and tools for moving forward, the Borrower seeks to establish a solid ground of moral and intellectual responsibility.

Core Values

Through its curriculum, the Borrower works to establish the core values of Scholarship, Integrity, Community, Respect and Compassion in each of its students.

Academics and Community

The School provides rigorous yet individualized class work, while also offering creative outlets to reinforce and tailor learning. The School's Portrait of a Graduate identifies the skills and habits of mind that they believe are essential for young people to possess to achieve success in a rapidly changing and complex world. The Portrait of a Graduate provides strategic direction for the School as it engages in a process to take a closer look at its curriculum and assessment and build in a greater school-wide focus on the integration of critical skills and habits. The Portrait encompasses Scholarship, Citizenship and Emotional Intelligence as key areas of emphasis. With programs that include January Short Term in the Upper School, Personal Passion Project in the Middle School and Theme Week in the Lower School, its students integrate the knowledge they gain in the classroom with differentiating, life-changing projects to experience the triumphs that come with putting academic excellence to work.

As part of the Borrower's philosophy, its students are in the process of "becoming". They are walking into their own greatness and learning for a lifetime. The Borrower recognizes that its student's success in life goes beyond college acceptance. The Borrower's students acquire the tools and cultivate the networks they need to be at the forefront of innovation. An emphasis on the design thinking process gives the Borrower's students the ability to think creatively, critically and productively. At the center of this is community. By building and nurturing relationships, students learn how to work well with others and become confident leaders.

Early Childhood

Teaching Intentionally Through Play. Each child is unique, and the Borrower believes that it is its responsibility to meet each student's individual physical, social, intellectual, and emotional needs. Students in the Early Childhood program (preschool ages 3-5) experience a tremendous period of intense growth. The youngest students learn to think critically, develop social-emotional awareness, and become part of their classroom community that builds character. The Borrower has carefully crafted classrooms that are diverse learning centers that represent the students and the outside community through the choice of materials and activities. Students work collaboratively to complete projects as part of a team, bringing the projects to life and allowing the children to make sense of all they are learning.

Essential Components of Early Childhood:

- Social and Emotional Development
- Writing, Reading & Mathematics
- Science and Social Studies
- Music, Movement, World Language & Art

Pre-Kindergarten and Junior Kindergarten run from 8:30 to 11:30 a.m. Kindergarten is a full-day program, from 8:25 a.m. to 3:15 p.m. Extended care is available until 3:15 p.m. or 6 p.m. for an additional fee.

Lower School

In Lower School, which represents grades 1st through 4th, the Borrower strives to help children develop self-esteem and lifelong learning skills in a safe, nurturing and diverse community. Each student's personal success is cultivated through a stimulating and personalized college-preparatory curriculum focusing on the growth of the mind as a whole. Teachers know where each student is on a continuum of curriculum, and support their educational experience throughout the year. In addition to small class sizes, the support of both a Learning Specialist and a Gifted Coordinator helps to meet each student at a level appropriate to them. In Lower School, the core curriculum is taught by one main classroom teacher. Students also receive instruction in world languages, art, music, physical education and library skills from specialized faculty.

Essential Components of Lower School:

- Leadership & Community
- Reading, Writing & Math
- Theme Week

The Lower School faculty use a variety of educational approaches like differentiation of instruction and teaching on gifted models to ensure that all students are challenged at their own levels of achievement. Character education is taught and emphasized throughout the school day. The school day runs from 8:30 a.m. to 3:15 p.m. From 7:30 a.m. until the beginning of school, there is a designated room with supervised activities for all Lower School students arriving early.

For students in Grades K-4, after-school enrichment activities or clubs are offered daily until 4:00-4:15 p.m. Besides being fun, they emphasize academic skills, enhance the School's curriculum and involve socialization, higher-order thinking skills, and learning to follow directions. The clubs offered vary from year-to-year, depending on interest and sponsor availability. Some clubs are sponsored by teachers, some by parents, and others are offered for a fee through outside organizations. Currently, the Lower School students can participate in Chess Club, Creative Improv with Mudlark Theater, Cross Country running, STEAM, Fitness Fun Friday, Lego Club, Martial Arts, and the Sprout Gifted program.

Middle School

Collaboration Meets Hands-On Experience. A key component of the Middle School experience (which includes grades 5th through 8th) is the powerful relationship forged between teacher and student, as well as between peers. College-prep academics are balanced with a plethora of opportunities for social growth. Focused on critical thinking and creativity, the core Middle School curriculum emphasizes how to study, explore, research, and communicate effectively.

Essential Components of Middle School:

- Individualized Educational
- Interscholastic Sports
- Leadership, Character Education, and Social Emotional Learning
- Personal Passion Project (P3)

The Middle School provides authentic learning opportunities through hands-on explorations of topics in and out of the classroom. Different from any Middle School in the area, the Borrower's students

engage in unique learning opportunities that are challenging, individualized, engaging, and student-directed.

Core subjects taught include:

- Math and Science
- Humanities
- World Languages: French, Spanish
- Art
- Music
- Technology
- Physical Education/Wellness

Upper School

College-prep curriculum, person-to-person. As part of the Borrower's philosophy, if students are to achieve their full potential, they need and deserve an educational setting in which a person is not just a number, coursework is as interesting as it is challenging, there is unrestricted access to extracurricular activities, and there is opportunity to establish positive relationships with peers and adults. At the School, character development is celebrated as a way to ensure accountability, self-awareness, and independence in the effort to prepare a student for success in college and beyond. Within the context of the Borrower's overall mission, the Upper School program is rooted in academic, personal, and social growth objectives.

Programs:

- January Short Term (JST)
- NU Option (Dual Enrollment Program with Northwestern University)
- Personal College Counseling

With access to Northwestern University courses at no additional charge, each year approximately 15% of the Upper School students participate in the NU Option. The School also offers Adobe software partnerships and premier college counseling, so that the Borrower's students are prepared to become their best. Upper School provides a rigorous and comprehensive college-prep curriculum on a personal scale. The curriculum fosters the acquisition of the verbal, quantitative, and aesthetic skills necessary for a meaningful intellectual life through the reading and writing of English and world languages; the study of mathematics, the physical sciences, and fine arts, and the development of physical skills vital for health and recreation. The curriculum encourages the creative exploration of cultural ideas with an understanding of their genesis and development. The goal of the curriculum is the education of the individual student in preparation for success in college and in life. To this end, the Borrower promotes an active advisory program to encourage, aid, and guide the student in recognizing and fulfilling his or her unique potential. Each student is assigned an advisor. The advisor provides the student with academic planning to set long- and short-term goals, evaluates progress, encourages the development of strong study habits, to be involved in extracurricular activities, and addresses social emotional learning.

College Counseling. From the moment they enter the Upper School, future graduates and their families begin the very personal process of planning for college with a Coordinator of College Counseling, who builds a rapport with each student. In consultation with advisors and teachers, the College Counselor offers counseling on the best college choices based on each student's goals, academic profile and interests.

Roycemore Online

Roycemore Online was launched in response to demand for remote learning during COVID-19 as an option for students who chose to continue to participate in their courses remotely due to health and safety concerns. The Borrower created a full-time, off-campus option to accommodate the needs of those students. The Borrower expanded the Roycemore Online program to serve families who have children enrolled in other schools, but are seeking a way to supplement their child's education with high quality, online courses. All courses available are Upper School level courses and prerequisites apply for some options. Part-time students can enroll in up to two Roycemore Online courses at one given time. The fees for two Upper School year long courses is $2,990.00.

The remote learning experience through Roycemore Online varies by division. In the Middle and Upper School, students participate in courses synchronously from their homes while some students participate on campus. In the Lower School, students work directly with their classroom teacher for multiple one-on-one meetings during the week, with the majority of schoolwork taking place online.

Technology

The School believes that technology is an integral educational tool that is fundamental to the learning process. Technology, paired with teacher knowledge, facilitates transformative and innovative learning. The Borrower's aim is for devices to be seamlessly integrated into the learning environment. To this end, computer and technology lessons are integrated into classroom instruction whenever possible. Students use classroom sets of iPads and Chromebooks as tools for word processing, communication, research, presentations, creative expression, podcasts, digital photography, and many other projects. Classroom teachers work closely with the Director of Curriculum and Innovation to plan lessons. Computer skills are taught alongside the core curriculum. Using technology in a responsible and safe way is emphasized at all grade levels. Students and teachers use Google/G Suite tools (including Drive, Classroom, and Sites), the Adobe Cloud and SPARK (through the Borrower's unique collaboration with Adobe Inc.), online collaboration tools (such as Padlet), video editing and screencasting tools, subject-specific software, and several other resources for learning both in and out of the classroom. In addition to the Chromebook program, each classroom is equipped with a projection and sound system. Teachers also have access to various coding and robotics equipment, and the School hosts an annual Hour of Code celebration for its whole community in December. The Borrower strives for all technology tools to help students and teachers create, communicate, collaborate, and think critically throughout the school year.

Adobe Partnership

The Borrower has a partnership with Adobe Inc. ("Adobe") that brings important digital resources to the students of the School and extends their creative potential. The "Design Thinking" initiative introduces a problem-solving approach to the curriculum that all students experience, starting in Pre-K and continuing through high school. In the Design Thinking programs, teachers teach students a method of problem solving, to generate creative solutions. Whether it is employed by Middle School students to reimagine student spaces on Campus, by Upper School students to design a campaign to encourage students to read more, or by primary school students as they learn about architecture, and identify ways to improve designs to better support the needs of the user. This approach has been prevalent in businesses and organizations around the globe, but is relatively new to the educational world. Additionally, Adobe was instrumental in securing Creative Cloud licenses for the entire faculty and student population at the School. Adobe continues to provide additional teaching support based on the digital needs of the students.

Scholarship Programs

Robert Eisner Distinguished Scholar Program. As a world-renowned economist, Robert Eisner advised presidents, governments and the educational community. Mr. Eisner was a long-time supporter and benefactor of the School, and the Robert Eisner Distinguished Scholar Program was established in his memory. The Borrower awards at least one new full tuition scholarship each year to an incoming 9th or 10th grade student, based on a student's demonstrated academic achievement, social justice and civic engagement work, and leadership abilities. The scholarship is renewed for each subsequent year as long as the student maintains a 3.0 grade point average and contributes positively to the school community. Award winners are selected by an independent committee and announced by the Head of the School in late December. External candidates are encouraged to apply, as are currently enrolled students. The Borrower also participates with the Daniel Murphy Scholarship Program, LEARN Charter, HFS Chicago Scholars, and has a sliding scale tuition model that promotes economic diversity in the student body.

All-School Events

Several annual all-school activities bring the divisions of the School together, including Back-to-School Gatherings, All-School Assemblies, Founders Day, Carnival, Wassail, Hour of Code, Lunar New Year Celebration, Palio, Spirit Week, and the Young Evanston Artists Festival.

Interscholastic Sports

Beginning in Lower School, students may participate in cross country running; in Middle and Upper Schools, in cross country running, co-ed soccer and girls' volleyball in the fall, boys' basketball and girls' basketball in the winter, and boys' volleyball in the spring. Any student may become a member of a sports team. The School has a "no cut" policy, meaning that any student may become a member of a team if he or she is willing to make the necessary time commitment. There is also a year round e-sports team.

Performance Opportunities

Students are also encouraged to participate in performance opportunities, which build self-esteem, encourage teamwork, and promote positive leadership and school spirit, all within a safe and supportive environment. Performance opportunities include: Lower School Musical and Chorus; Middle School Chorus; Upper School Choir, Fall Musical, Spring Play, annual Variety Show, and Show Choir. The School's Tumbling program begins with third grade and advances through to high school. Students who may have never done a somersault before or are new to the School can soon be found participating in mounts, lifting other students or even flying through the air as part of the performance. This much beloved program culminates in three all-school performances, Winter Program, Palio (the School's oldest tradition) and the Spring Program with the gymnasium typically packed to capacity with fellow students, parents, and alumni who come to see the incredible performances.

Before and After Care

The Borrower's Extended Day Program ("EDP") is available for students in pre-kindergarten through Grade 6, for an additional fee. EDP provides socialization, outdoor and indoor physical activities, enrichment and snacks. A quiet homework room staffed with college student aides is also available. EDP begins at 7:30 a.m. and goes from after school until 6:00 p.m. There is no charge for morning EDP. The Extended Day Program is also offered during some vacation periods.

Camps

The Borrower's camps offer students a way to explore new topics during spring break and the summer. Led by the School staff, entertaining and challenging enrichment programs help propel students forward. Camp Griffin for ages 3 through 12, provide camp activities that include music, games, cooking, crafts, human chess, egg-drop experiments, soap slip-n-slide, and a range of field trips designed to make the most of our unique surroundings in Evanston and Chicago. Inspiration Factory are enrichment camps that are taught by School faculty and include offerings like LEGO Robotics, Orienteering, Science & Art Exploration and more, RoyceX Camp, is for middle and high school students and offers campers the opportunity to engage in transformative and personalized learning on campus and in the city. Offerings include Astronomy & Astrophysics, Creative Writing, Criminology, Engineering, Medicine, Psychology, Studio Art, and Xplore Courses that combine academics in the morning focused on sports business, sports psychology, and sports management. In the afternoon, campers refine their own game and work on their fitness, skill and speed with the School's coaching staff. The Borrower also offers a variety of virtual camps and courses in the summer that blend regular online meetings with independent project work. Some options give Upper School students (grades 9-12) the chance to earn High School credits.

Food Service

Lunch is prepared at the School by HandCut Foods, a local Chicago company, and is provided to all students, for a separate fee. Students participate in a cafeteria-style lunch in the dining hall, where they may choose from at least two entrees, salad bar, sandwiches, soup, milk, water and mostly fresh fruit for dessert.

International Students

The Borrower considers international students to be an integral part of its student body. The Borrower prides itself on having a diverse and friendly school community that brings together students of many nationalities, ethnicities, and religions in the pursuit of knowledge. Over the past 10 years, the School has had students from Afghanistan, Africa, China, Denmark, England, Germany, Greece, Japan, South Korea, and Spain attend the School. The School prepares students for college education and for responsible citizenship in a global society through its strong college prep curriculum and an emphasis on the individual student. The option to take classes at Northwestern University for qualified Upper School students is a way for students to become familiar with an American university. Students have the opportunity to make valuable connections to Northwestern faculty and peers, resulting in friendships that often last a lifetime.

Roycemore Family Association

All families are encouraged to volunteer, and are a member of the Roycemore Family Association ("RFA"). These may include chaperone duties, concessions, events, storytimes, class projects, proctoring exams, and gardening. Parents, guardians, and grandparents are welcome to volunteer cross-divisionally. Roycemore Family Association Chairs provide the leadership to the RFA. The chairs represent one or more persons from each division of the School: Early Childhood, Lower School, Middle School and Upper School who work together to create all School events, coordinate volunteerism, conduct divisional social gatherings and communicate with the School community. An administrative Chair and a Volunteer and Communications Coordinator are elected from this body to set and manage the annual budget, to set meeting times, and to create consistent communications regarding events and recruitment. The Chairs liaise with the Director of Development on a regular basis and meet at least quarterly. The Class Representative is the "Room Parent" and directly assists the teacher in the classroom with field trips, social events and classroom activities. The Class Representative will be called upon to distribute information regarding events. The

Class Representatives are also responsible for coordinating the creation, purchase of supplies and finishing of the class gift to be presented at the Annual Scholarship Dinner and Auction.

Pandemic Response

The top priority of the Borrower is to do all that it can to help keep its students, faculty, and staff safe. The Borrower has a planned response in place regarding pandemics, including the COVID-19 pandemic, that includes measures to help prevent the spread of communicable diseases within its community. This planned response to the COVID-19 pandemic includes both general information common to most organizations as well as specific information unique to the School. The Borrower also has a Health and Safety Re-Entry Plan on its website (originally released on June 3, 2020), along with a video from the Head of School introducing the plan. The plan was developed utilizing guidelines issued by the Center for Disease Control ("CDC"), World Health Organization ("WHO"), Illinois Department of Public Health ("IDPH") and Evanston Department of Health. In addition, the Borrower receives expert guidance from professional organizations such as the National Association of Independent Schools and its friends from leading independent schools around the country. The plan outlines the Borrower's response along three main categories:

- Protecting individuals in its community;
- Addressing appropriate social distancing; and
- The School's ongoing commitment to the continued disinfection of the School Facility.

The Borrower also released an Academic Re-Entry Plan for 2020-2021, that shares information about its multiple enrollment options and in-depth details per division about academic learning for the 2020-2021 school year:

- Option 1: 100% on-campus learning;
- Option 2: blended learning option;
- Option 3: 100% remote instruction & learning.

The School commenced mandatory remote learning on March 16, 2020, through the end of the 2019-20 school year. Several hourly employees were furloughed from April to June, 2020, however, all furloughed positions have been reinstated. Summer camps were offered from late June to August, 2020. The first day of the 2020-21 school year was August 25, 2020, and the School opened in person/on campus. Some students continued to engage in online instruction during this time.

The Board modified the Borrower's Tuition Refund Policy for the 2020-21 school year in response to the pandemic. The date for contracts to be finalized was shifted from June 30, 2020 to allow families the opportunity to receive the Health and Safety and Academic Re-Entry Plans and be comfortable with their commitment.

GOVERNANCE

Under its bylaws, the Borrower is governed by a Board of Trustees (the "Board"). The Board is authorized to consist of between 15 and 20 members, plus Life Trustees. Board members are elected for terms of three years. No person may serve more than seven consecutive years as a member. The Board elects a Chair and Vice Chair of the Board and a President, Secretary and Treasurer of the Borrower at the annual meeting of the Board. Each member shall hold office for the term for which he or she is elected and until his or her successor shall have been elected and qualified. Current members and officers of the Board, the years of service, the term expiration, and their principal professional affiliations are listed below:

TABLE A-1: BOARD OF TRUSTEES

Name	Years of Service	Term Expiration	Occupation/Employer
Kathleen Sheil Scheidt, Chair	3	June 2021	Partner, Ice Miller LLP
Anthony Chambers, Vice-Chair	3	June 2021	Chief Academic Officer, The Family Institute at Northwestern University
Liz Ellrodt, Secretary	3	June 2021	Retired
Holly Crilly, Treasurer	2	June 2022	Global Sales, Global Security Sales Organization at Cisco
Tim Costello	2	June 2022	Retired
Aleksandra Egelja-Maruszewski	3	June 2021	Vice President, North America, Ansys Customer Excellence at ANSYS
Kevin Foote	1	June 2023	Real Estate Investment Business Owner
Victoria Fromm	1	June 2023	Financial Consultant
Seema Gorla, M.D.	3	June 2021	Executive Medical Director, Astellas Pharma
Lori Hurley	2	June 2022	Senior Manager of Data Management at Allstate Insurance Company
Stephen Jackson	2	June 2022	Attorney, Bryant Legal Group
Scott Kinsloe ('72 Alum)	3	June 2021	Founder of Phoenix Yoga Project
Mark Lowry	2	June 2022	Business Operations Consultant
Deborah Pergament ('87 Alum)	6	June 2022	Attorney, Children's Law Group, LLC
Mairead Reidy	1	June 2023	Volunteer
Nicole Woodard Iliev	1	June 2023	Chief Operations Officer at the McGaw YMCA
Edith Eisner, Life Trustee	32	-	Retired
Thomas J. Ellis, Life Trustee	15	-	Director of Litigation, Nolan Law Group

Certain information concerning the background and experience of the Board's members is set forth below.

Kathleen Sheil Scheidt – Chair

Kathleen Sheil Scheidt serves as Chair of the Board and has served on the Board since 2018. Ms. Sheil Scheidt is currently a Partner in the Employee Benefits Group at the law firm of Ice Miller LLP. Ms. Sheil Scheidt's practice focuses on ERISA, Internal Revenue Code and securities law compliance for compensation and benefit programs, Total Rewards strategy, equity-based incentive arrangements, executive compensation and corporate governance. Ms. Sheil Scheidt attended college at the University of Notre Dame and law school at the University of Iowa.

Anthony Chambers – Vice-Chair

Dr. Anthony Chambers serves as Vice-Chair of the Board and has served on the Board since 2018. Dr. Chambers is the Chief Academic Officer, a Licensed Clinical Psychologist, and a Board Certified Couple and Family Psychologist on staff at The Family Institute at Northwestern University. Dr. Chambers is also the Director of Northwestern University's Center for Applied Psychological and Family Studies and is a Clinical Professor of Psychology. Dr. Chambers is also the 2016 President for the American Psychological Association's Society for Couple and Family Psychology and the 2018-2019 President-elect for the American Academy of Couple and Family Psychology. Dr. Chambers received his B.A. in Psychology from Hampton University, his M.A. & Ph.D. in Clinical Psychology at the University of Virginia.

Liz Ellrodt – Secretary

Liz Ellrodt serves as Secretary of the Board and has served on the Board since 2018. Ms. Ellrodt is currently the chair of the Williams College Museum of Art Visiting Committee, and a past trustee of the John Michael Kohler Arts Center, Lake Forest Country Day School, Lake Forest Academy and the Wolcott School. Previously, Ms. Ellrodt was a Copy Editor at Conde Nast in New York and then had a long career at Leo Burnett Advertising. Ms. Ellrodt received a B.A. degree in Art History from Williams College.

Holly Crilly – Treasurer

Holly Crilly serves as Treasurer of the Board and has served on the Board since 2019. Ms. Crilly currently leads Global Sales Enablement and Business Development for the Global Security Sales Organization at Cisco. Previously, Ms. Crilly was a Director in Cisco's Americas Marketing and Communications organization and also held sales strategy, planning and operations leadership roles at Cisco. Ms. Crilly also served on the Board of Rogers Park Montessori for seven years and was President of that Board for three of those years. Ms. Crilly received a B.A. degree in English from University of Wisconsin-Madison.

Tim Costello – Member

Tim Costello serves as a Member of the Board and has served on the Board since 2019. Mr. Costello has over 20 years of experience in education, having served as a teacher, Vice Principal, Division Head and Head of School for the School. Mr. Costello began his career in a volunteer program placing recent college graduates in inner-city schools. Mr. Costello taught fifth grade in California, and assumed the role of vice-principal in addition to his teaching responsibilities. Mr. Costello also taught fifth grade at an independent school for gifted students in Seattle, Washington. Mr. Costello was then named founding middle school head at Open Window School in Bellevue, Washington. Mr. Costello was then named the

7th Head of School for the Science & Arts Academy in Chicago, Illinois. Mr. Costello is active in the Independent Schools Association of the Central States and is a member of the Illinois Coalition of NonPublic Schools. Mr. Costello also serves on the board of the Lake Michigan Association of Independent Schools. Mr. Costello received his Bachelor of Arts degree from Villanova University, and his Master's Degree in School Leadership from the University of San Francisco.

Aleksandra Egelja-Maruszewski – Member

Aleksandra Egelja-Maruszewski serves as a Member of the Board and has served on the Board since 2018. Ms. Egelja-Maruszewski currently is Vice President, North America, Ansys Customer Excellence at ANSYS, Inc. Ms. Egelja-Maruszewski received a Ph.D in Computational Fluid Dynamics at the University of Erlangen-Nuremberg in Germany.

Kevin Foote – Member

Kevin Foote serves as a Member of the Board and has served on the Board since 2020. Mr. Foote currently owns and runs a real estate investment business, which he founded in 2011. Previously, Mr. Foote was an equities and derivatives trader with Goldman Sachs and the Hull Group, later co-managing an independent trading firm of his own. Mr. Foote has a history of work with youth-oriented philanthropic ventures including Adoption Center of Illinois, Children's Research Triangle, the Nettelhorst School, and the Chicago Yacht Club. Mr. Foote received a degree in Economics from Colgate University.

Victoria Fromm – Member

Victoria Fromm serves as a Member of the Board and has served on the Board since 2020. Ms. Fromm is currently engaged in financial consulting. Ms. Fromm began her career at The First National Bank of Chicago and retired from its successor organization, JPMorgan, where she was a Managing Director responsible for leading a team of investment, fiduciary and banking professionals. Ms. Fromm's past board and volunteer affiliations revolve in education and youth, including Chicago Arts Partnership for Education, Girls Scouts Illinois Crossroads Council, Omni Youth Services and Wings. Ms. Fromm is a graduate of Miami University in Ohio and earned her Master of Business Administration from the Kelly School of Business at Indiana University.

Seema Gorla – Member

Dr. Seema Gorla serves as a Member of the Board and has served on the Board since 2018. Dr. Gorla is Executive Medical Director and Group Lead of the Oncology and Ophthalmology Therapeutic Areas in pharmacovigilance at Astellas Pharma in Northbrook, Illinois. Previously, Dr. Gorla was in the pharmaceutical industry and her area of expertise is pharmacovigilance (drug safety). Dr. Gorla obtained her M.D. from The Ohio State University College of Medicine and then completed a general surgery residency at University of Illinois at Chicago and a breast oncology surgery fellowship at Northwestern University's Feinberg School of Medicine.

Lori Hurley – Member

Lori Hurley serves as a Member of the Board and has served on the Board since 2019. Ms. Hurley is Senior Manager of Data Management at Allstate Insurance Company. Previously, Ms. Hurley was an Information Architect for Allstate Insurance Company. Ms. Hurley began her career as a certified educator while teaching high school Spanish in Vermont. Ms. Hurley then ventured into technology, spending several years as a developer. Ms. Hurley also taught Spanish part-time in a Montessori program, served in volunteer leadership positions for her local school district, taught health and nutrition on international mission trips, and became a strong advocate for gifted education. Ms. Hurley received a degree in Government from Dartmouth College. Ms. Hurley also received a Master of Science in Library & Information Science from the University of Illinois Urbana-Champaign.

Stephen Jackson – Member

Stephen Jackson serves as a Member of the Board and has served on the Board since 2019. Mr. Jackson is a practicing attorney with Bryant Legal Group. Previously, Mr. Jackson was an Assistant State's Attorney in the Child Protection division for Cook County State's Attorney's Office. Mr. Jackson is a former adjunct faculty member of Columbia College and Concordia University. Mr. Jackson chaired the Borrower's annual scholarship dinner and auction for two years. Mr. Jackson served as Co-Chair for the Scholarship Gala Committee of Smart Love Family Services, a non-profit located in Logan Square that provides innovative psychological counseling, parenting programs, and early childhood education. Mr. Jackson received his B.A., summa cum laude, in Organizational Management from Concordia University Chicago and his J.D. from Chicago-Kent College of Law with a Certificate in Labor and Employment Law.

Scott Kinsloe – Member

Scott Kinsloe serves as a Member of the Board and has served on the Board since 2018. Mr. Kinsloe is founder of Phoenix Yoga Project, a not-for-profit 501(c)(3) organization that serves Chicago communities by providing complementary Yoga classes. Previously, Mr. Kinsloe assessed the revenue cycle and developed cash flow improvement strategies for hospitals and physician groups in a consulting capacity, and also led all marketing activities. Mr. Kinsloe received a B.A. degree in Psychology from Ripon College and an M.S. degree in Public Administration with concentration in hospital administration from DePaul University.

Mark Lowry – Member

Mark Lowry serves as a Member of the Board and has served on the Board since 2019. Mr. Lowry is an operations professional for Rotary International, and leads a diverse portfolio of globally shared services, including travel, data integrity, supply chain and property/facilities management. In addition, Mr. Lowry is a fiduciary for the organization's wholly-owned for-profit subsidiary in Pune, Maharashtra (Rotary International Infotech Pvt. Ltd.). Mr. Lowry received a B.S./B.A. degree in Business Administration and Marketing from The University of Phoenix.

Deborah Pergament – Member

Deborah Pergament serves as a Member of the Board and has served on the Board since 2015. Ms. Pergament is an attorney with Children's Law Group, LLC. Ms. Pergament's practice focuses on complex special education matters with a particular emphasis on representing children with cochlear implants, genetic disorders, and social-emotional disabilities. Previously, Ms. Pergament taught special education law at DePaul University College of Law and disability law at Case Western Reserve University School of Law. Ms. Pergament is an alumna of the School, and was the Distinguished Alumna in 2017. Ms. Pergament received an A.B. degree in History from Mount Holyoke College, an M.A. degree in History and an M.L.S. degree in Library Science from Indiana University, and her Juris Doctorate from Case Western Reserve University.

Mairead Reidy – Member

Mairead Reidy serves as a Member of the Board and has served on the Board since 2020. Dr. Reidy is currently involved in a variety of refugee and food security programs in Chicago and beyond. Previously, Dr. Reidy spent her research career at the Chapin Hall Center for Children at the University of Chicago working on state, federal and international child well-being. Dr. Reidy received a Ph.D. in Sociology and Social Policy at Oxford University in England.

Nicole Woodard Iliev – Member

Nicole Woodard Iliev serves as a Member of the Board and has served on the Board since 2020. Ms. Woodard Iliev is currently the Chief Operations Officer at the McGaw YMCA. Ms. Woodard Iliev is also the founding Director of the University of Chicago Charter School, Donoghue Campus, a Pre-K through 5th grade school focused on creating educational equity. Ms. Woodard Iliev has over 20 years of experience in education as a teacher, administrator, and Executive Director. Previously, Ms. Woodard Iliev was the Executive Director of Garfield Charter School in Redwood City, California, a community school serving grades PreK-8. Ms. Woodard Iliev received a master's degree from the Stanford University School of Graduate Education.

Edith Eisner – Life Trustee

Edith Eisner served as a Latin and English teacher at the School in 1956, and was an adviser to an award-winning yearbook staff for many years. Mrs. Eisner also served as the Borrower's Public Relations and Communications Coordinator, and later the Director of Admissions. Mrs. Eisner retired from Roycemore in 1985, and in 1989 was elected to the Board. Mrs. Eisner is the School's longest serving trustee, and after 29 years as an active trustee, the board conferred Mrs. Eisner the status of Life Trustee. Mrs. Eisner and her family have been steadfast benefactors of the School through philanthropy and deed. Mrs. Eisner married the Chair of the Board, Robert Eisner. Upon his passing, Mrs. Eisner established the Robert Eisner Distinguished Scholarship Program in his memory. This program provides students with tremendous benefits as it awards up to three new full tuition scholarships annually to the Borrower's students based on their academic achievement and outstanding leadership abilities. The Borrower bestow an honorary diploma to Mrs. Eisner, Class of 2018.

Thomas J. Ellis – Life Trustee

Thomas J. Ellis served as Chair of the Board for more than 10 years. Mr. Ellis led the Board through the Borrower's acquisition and relocation of its campus to 1200 Davis Street, Head of School searches, and long-term strategic planning. Mr. Ellis is currently the Director of Litigation for Nolan Law Group, a Chicago-based trial law firm, where he advocates for victims of aviation accidents and other catastrophic accidents. Mr. Ellis currently serves on the Development Committee for his independent school alma mater in St. Louis- Thomas Jefferson School, and devotes other time to the Brain Injury Association of Illinois.

ADMINISTRATION

The active manager and administrator of the School is the Head of School, appointed by the Board at such salary and under such terms as the Board may determine. The Head of School supervises and controls the active management and administration of the School and performs all duties incident to the office of the Head of School and such other duties as may be prescribed from time to time by the Board. The Head of School, among other duties, has authority on behalf of the Borrower to employ and discharge and, within the amount allowed in the budget, to fix the compensation of teachers and staff; to determine academic requirements, to accept, discipline, and discharge pupils and generally to do such things as may be necessary for the proper conduct of the School as such, subject only to the power of removal vested in the Board and to such budgetary restrictions as the Board may impose. The Head of School, in conjunction with the Finance Committee of the Board, prepares and submits to the Board annually a budget forecast for the succeeding year. The Board is the final authority in determining the form and substance of each year's budget. The Head of School serves pursuant to the term of a written employment contract which is subject to the terms of the bylaws of the Borrower.

Listed below are key administrators of the Borrower, along with a brief description of the responsibilities of their respective positions and biographical information pertaining to each.

Adrianne Finley Odell – Head of School

Adrianne Finley Odell began her tenure as the School's 12th Head of School in July 2017, and is under contract to remain in this position until June 30, 2022. Ms. Finley Odell moved to Evanston, Illinois from St. Petersburg, Florida where she served as the Assistant Head of School of Shorecrest Preparatory School, a PK-12 grade independent school with approximately 1,000 students. Ms. Finley Odell attended The Ohio State University, earning her Bachelor of Arts degree in International Studies with a minor in Economics. Ms. Finley Odell began her working career in Hawaii after obtaining her Master's degree from The University of Hawaii at Manoa in Political Science. Her first professional position was working for the state of Hawaii as an economic development specialist at The Natural Energy Laboratory of Hawaii. A few years later she was hired as one of the original employees of the USS Missouri Memorial Association that worked with the U.S. Navy to relocate the Battleship Missouri to Pearl Harbor and turn it into a memorial-museum. Ms. Finley Odell is proud to have been a part of the small team of dedicated individuals who launched a nationwide capital campaign to restore the USS Missouri, that today is one of the top tourist attractions in Hawaii. After successfully leading the first phase of the campaign, Ms. Finley Odell relocated to Washington, D.C. to serve as the Vice President for Development of The Worldwatch Institute, a global think-tank that focuses on environmental sustainability. It was while she was at Worldwatch that she enrolled her daughter for kindergarten at an independent school in southern Maryland, The Calverton School. Before her daughter started kindergarten, she received a call from the Head of School who convinced her to come work for the school. That decision was a pinnacle one for her as she fell in love with the field of education and the joy of seeing mission in action every day in the eyes of children. Soon realizing that this was her "calling," she took on every opportunity she could to learn about the work of

schools. Ms. Finley Odell participated in the NAIS Fellowship for Aspiring Heads and accepted a variety of leadership roles at the school. Her move to Shorecrest Preparatory School in St. Petersburg provided many opportunities to continue to learn and grow. While there, she participated in a variety of professional development opportunities including one at The Harvard Graduate School of Education. Over the course of many years, Ms. Finley Odell learned a great deal about independent school leadership that prepared her to become the School's Head of School.

Darcy Aksamitowski – Lower School Division Head

Having spent time at Brookline Elementary in Massachusetts and Crow Island Elementary in Winnetka, Illinois, Darcy Aksamitowski has enjoyed the emphasis on innovative teaching ideas, experiential learning, and witnessing profound growth and excitement among her young learners. Ms. Aksamitowski has been with the School since 2017, where she taught third grade, providing leadership to strengthen and advance the Lower School math and reading program. She has been the Lower School Division Head since 2020. She was instrumental in synthesizing mindfulness into daily routines, raising the profile of the Leader in Me program, and spearheaded the School's participation in the Race Against Hate. Ms. Aksamitowski also participated in the Teacher Evaluation Committee to design a new evaluation program for the School, added her voice to important NextGen Roycemore discussions on advancing the School and served as the President of the Roycemore Faculty Club. Ms. Aksamitowski received a Bachelor of Arts (Psychology & Philosophy) from Tulane University, a Master of Education (Elementary Education) from Lesley College and a Master of Science in Education (Educational Leadership) from Western Governors University.

Adrienne Floro – Middle School Division Head

Adrienne Floro served as the Middle School Principal for Chartiers Valley Middle School in Pennsylvania until August of 2019, when she was hired as the School's Middle School Division Head. Prior, Ms. Floro was the Assistant Middle School Principal and District Assessment Coordinator for Quaker Valley Middle School. Ms. Floro has been a fifth and sixth grade teacher, providing instruction in math, English language arts and social studies. Prior to moving from the classroom to school administration, Ms. Floro served as the Academic Specialist in the Quaker Valley School District serving the needs of gifted and talented students. Ms. Floro was a finalist for Pennsylvania Teacher of the Year in 2012, and was named the Outstanding Middle-Level Administrator of the Year by the Pennsylvania Association of Middle Level Educators in 2018-19. Ms. Floro received her a Bachelor of Science (Secondary Social Studies) from Duquesne University and a M.A. (Public Administration) from Carnegie Mellon University. Ms. Floro has been published in ASCD's Educational Leadership magazine "From Apathy to Mastery."

Stefanie Rivera – Upper School Division Head & Theater Director

Stefanie Rivera has spent 14 years as an educator, and is in her 7th year at the School. Ms. Rivera spent 10 years as a classroom teacher of English and Performing Arts before stepping into her current role as Upper School Division Head in 2017. Before becoming an educator, Ms. Rivera had a career in theatre and still uses those skills on a daily basis. Ms. Rivera earned her a Bachelor of Arts from Wesleyan University and a Master of Arts in Teaching from National Louis University.

Vicky Pickett – Director of Finance & Operations

Vicky Pickett has worked as a finance and operations specialist in the not-for-profit sector for nearly all of her career. After more than 25 years in financial management and business process improvement areas at Northwestern University, Ms. Pickett joined the School in August of 2017. Ms. Pickett received a degree in Music Education/Theater from Bethel College, Biblical Studies, Chicago Bible Institute.

Amanda Avery – Director of Admissions & Financial Aid

Amanda Avery has worked in education for over 15 years, and served as Director of Admissions and Financial Aid at the School for the past eight years. Ms. Avery's primary job responsibilities include, identifying and recruiting qualified students in grades PK through 12 and tracking the admissions process in its entirety. Ms. Avery serves as the primary contact for new families at the School and hosts individual tours 5 days/week, as well as Admissions Coffees, Open Houses and school fairs on a regular basis. Ms. Avery believes in the importance of providing a comprehensive and personalized approach to admissions, as unique as each family who goes through the process. Ms. Avery has also played a key role in growing the international student population at the School. The School has hosted students from over 10 countries in the past seven years. Additionally, Ms. Avery oversees and designates financial aid to qualified families and leads retention efforts at the School. Also a member of the Marketing Committee of the Board, Ms. Avery plays a key role in advancement efforts at the School. Ms. Avery received a Bachelor of Arts from the University of Wisconsin.

Michael Organ – Director of Marketing and Communications

Michael Organ has been leading marketing and communication initiatives for over 25 years. Mr. Organ brings to the School insights from optimizing marketing campaigns for over 500 clients, including academic institutions. Mr. Organ's campaigns are often distinguished by microtargeted message development, outreach innovations, and data-driven optimization. Prior to joining the School, Mr. Organ was a Managing Director at the PR agency, Kivvit, was the Founder of CauseMarketing.com and Vice President of Digital Marketing at AKPD Message & Media. Mr. Organ served on both of Barack Obama's presidential campaigns, as Director of Online Marketing and Director of Messaging. Mr. Organ began his career at Ogilvy & Mather, working on traditional television and print advertising. Mr. Organ also co-founded a direct marketing company that served college students, and served as Vice President of Marketing for Accenture Procurement Solutions. Mr. Organ was also an early internet-advertising pioneer, both for commercial and non-profit organizations. In 1999, Mr. Organ leveraged his internet marketing expertise to found Charity Guide, a 501(c)3 non-profit organization, where he served for 16 years as its Executive Director. Mr. Organ received a B. Com (H) from Queen's University.

Both Long – Athletic Director, Physical Education Teacher, Spanish Teacher, Camp Director

Both Long studied at the Universitat Pompeu Fabra in Barcelona, Spain and the Universidad Catolica Argentina in Buenos Aires, Argentina. Mr. Long is Fluent in Khmer and Spanish. Mr. Long was recognized as a member of the United States Soccer Coaches "30 Under 30" in 2018 and worked in the Athletic Department at Beaver Country Day School in Chestnut Hill, Massachusetts, where he also taught Spanish. At Beaver Country Day School, Mr. Long designed and led Advanced Spanish courses studying Latin American Social Movements. Students extended their learning through projects they created and through multiple guest speakers that led to a dynamic classroom environment. Prior to Beaver Country Day School, Mr. Long worked at St. Mark's School in Southborough, Massachusetts, where he taught Spanish, served as the Associate Director of Diversity and coached soccer and basketball. Additional experience includes serving as the Assistant Coach and Director of Education for The Technical Institute in Houston,

Texas, where Mr. Long designed and taught training curriculum and supervised staff coaches for the Women's Premier Soccer League. Mr. Long also previously served as Director of Operations and Residential Director at Arsenal Soccer Schools, New York, and F.C. Barcelona Escola Soccer Camps, London, England. Mr. Long received his a Bachelor of Arts from Boston College and a Master's degree from Johan Cryuff Institute.

Elizabeth Shutters – Director of Curriculum & Innovation

Elizabeth Shutters has worked at the School since 2006, when she joined the faculty as Technology Coordinator and math teacher. Previously, Ms. Shutters was a high school math teacher in Chicago. Since 2006, Ms. Shutters has taken on several different roles at the School, arriving at the role of Director of Curriculum and Innovation in the 2020-21 school year. Ms. Shutters' commitment to supporting the school's innovation efforts, helping teachers be the best they can be, and inspiring lifelong learning for all has remained strong. Ms. Shutters frequently present at local, regional, and national conferences. Recent presentation topics include effective professional development, design thinking, and using Google tools in the classroom. Ms. Shutters is a Google for Education Certified Trainer and Educator. Ms. Shutters received her a Bachelor of Science (Mathematics) from University of Illinois and a Master of Education (Technology in Education) from National Louis University.

Sara Keely McGuire – Director of Development & Yearbook Co-Sponsor

Sara Keely McGuire has served as the Director of Development for the School since April of 2017, however she has been in fundraising for the better part of the last 18 years. Philanthropy has always been a part of Ms. McGuire's life. Ms. McGuire moved to Chicago from Colorado with her husband, Erik to pursue a career in theatre, specifically as a playwright. Over the years several of Ms. McGuire's plays have been produced in Chicago, New York, Denver and on a Zuni Reservation and taught in the Women's Studies program at Northern Illinois University. Ms. McGuire ran several theatre companies over the years and currently serves as President of the Women's Theatre Alliance of Chicago. Each year she mentors playwrights in Chicago through the New Play Development Workshop. Ms. McGuire also shares the responsibility of the Yearbook with fellow educator, Dori Franck. After many years of creating Annual Reports for various organization she matches these skills to the yearbook process and helps students understand the power of print, and telling a good story. Ms. McGuire received her Bachelor of Arts (Speech Communications) from Metropolitan State University.

Tanise Robnett – Systems & Operations Coordinator

A graduate of Northwestern University, Tanise Robnett comes to the School after many years at the Illinois Housing Development Authority. Ms. Robnett is currently Systems and Operations Coordinator for the School. Previous to Ms. Robnett's time working for the state of Illinois, she worked with General Star Management Company. Prior to this, Ms. Robnett served as a drama teacher, teaching assistant, artist/teacher and writing teacher in St. Louis, Evanston and Chicago. She served for a year as an AmeriCorps volunteer through the Northwestern University Settlement House. Ms. Robnett is an actress, writer and theatrical producer. Ms. Robnett is the co-artistic director of Talif Productions and has also worked with The Women's Theater Alliance, Stockyards Theatre Project, and BYOT Productions. Talif Productions will be venturing into training and development in the coming year, including classes for children and adults. Ms. Robnett also has a new event management company. Ms. Robnett received a Bachelor's degree from Northwestern University and a Master's in Training & Development from Roosevelt University.

FACULTY AND STAFF

The Borrower is an Equal Opportunity Employer of minorities, females, protected veterans, and individuals with disabilities, and does not discriminate on the basis of gender, race, color, creed, gender preference or national or ethnic origin in the administration of its policies.

The Borrower currently employs 48 full-time equivalent faculty and staff members. There are 15 faculty members with more than 10 years of experience, and there is a combined student-teacher ratio of 6:1. The following table sets forth the average number of full-time equivalent staff and faculty members at the School for the past two academic years:

TABLE A-2: FACULTY AND PROFESSIONAL STAFF

Faculty and Staff	2019-20	2020-21
Teachers	29	29
Administrators	7	8
Educational Aides	4	4
Counselors	3	3
Auxiliary Staff (Maintenance, Technical, Office, Nurse)	4	4
Total	47	48
Faculty Experience		
Beginning Teachers	0	0
1 Year of Experience	0	0
2-3 Years of Experience	2	2
4-9 Years of Experience	13	12
10+ Years of Experience	14	15
Faculty Degrees		
No Degree/Not Listed	0	1
Bachelor's Degree	19	19
Master's Degree	6	6
Ph.D/J.D.	4	3

The Borrower's faculty members have an average teaching experience of approximately 17 years, with an average of approximately 5.36 years teaching at the School. Thirty percent (30%) of the faculty holds masters or doctorate degrees. Every member of the faculty at the School holds the appropriate degree or credential for the subject taught. The School does not grant tenure status for faculty. No faculty members are represented by any labor union. The teacher retention rates for the School for the years 2019-20 and 2020-21 are set forth in the table below:

TABLE A-3: TEACHER RETENTION RATES

2019-20	2020-21
82%	68%[1]

[1] Note: Due to the pandemic, a number of teachers either decided to retire or stay home with children for the 2020-21 school year. Those teachers who decided to stay at home with children full-time may come back for the 2021-22 school year.

ENROLLMENT AND ADMISSIONS

The School is perceived as a high quality educational provider compared to other local private schools. This fact is reflected in the volume of applications received. The chart below outlines the selectivity of the School over the past three school years.

TABLE A-4: APPLICATIONS, ACCEPTANCES AND RETENTION

		2018-19	2019-20	2020-21
All Grades	Applications	**133**	**151**	**174**
	Acceptances	97	115	111
	New Enrollment	62	65	76
	Retained from Prior Year	151	150	154
	Retention %	78.2	79.4	79.7
	Total Enrollment	213	215	231

The following table sets forth data provided by the Borrower regarding its historical and projected enrollment. For the years 2014-15 through 2020-21 data is based on actual student counts in May of each school year. For 2021-22 and thereafter, data is projected by the Borrower and is subject to the general qualifications and limitations described under "INTRODUCTION – Forward-Looking Statements" above.

TABLE A-5: HISTORICAL AND PROJECTED ENROLLMENT BY GRADE*

Grade	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
K	47	41	32	35	42	40	39	41	41
1	14	14	12	12	9	15	15	12	14
2	13	13	15	13	12	12	15	16	13
3	19	14	11	15	15	14	13	15	16
4	12	15	18	17	12	15	16	13	17
5	11	10	15	16	17	16	16	16	14
6	10	7	13	10	19	18	17	15	17
7	11	9	10	18	14	21	19	16	17
8	20	8	9	14	21	14	22	20	17
Subtotal	**157**	**131**	**135**	**150**	**161**	**165**	**172**	**164**	**166**
9	13	22	12	12	15	30	20	28	28
10	25	10	27	15	12	13	30	20	28
11	25	28	14	25	18	13	15	30	21
12	22	23	27	13	25	19	15	16	30
Subtotal	**85**	**83**	**80**	**65**	**70**	**75**	**80**	**94**	**107**
Total	**242**	**214**	**215**	**215**	**231**	**240**	**252**	**258**	**273**

*Enrollment projections are based on current admissions activity, including significant applications for 9th grade, and stronger retention rates for 8th and 9th grades. Growth assumption is believed to be accurate by the School's administration, based on historic average of number of new student additions, as well as persistent challenges in area public schools that are anticipated to continue in the future.

The Borrower's students are drawn from many different kinds of backgrounds and families, primarily, from throughout Evanston, Chicago, and the northern suburbs of Chicago. The following table outlines the student body by Zip Code in the 2020-21 academic year:

TABLE A-6: STUDENT BODY BY ZIP CODE

Zip Code	City	Distance	Percent
60201	Evanston	-	26.19%
60202	Evanston	1.5 miles	14.76%
60626	Chicago	4.0 miles	6.67%
60076	Skokie	3.5 miles	6.19%
60091	Wilmette	4.0 miles	4.76%
60657	Chicago	10.0 miles	4.29%
60203	Evanston/Skokie	2.0 miles	3.33%
60614	Chicago	11.0 miles	2.86%
60659	Chicago	5.5 miles	2.86%
60660	Chicago	5.0 miles	2.86%
60053	Morton Grove	6.0 miles	2.38%
60625	Chicago	7.0 miles	2.38%
60045	Lake Forest/ Mettawa/Lincolnshire	20.0 miles	1.90%
60077	Skokie	4.5 miles	1.90%
60618	Chicago	8.5 miles	1.43%
60630	Chicago	9.0 miles	1.43%
Aggregate Other Below 1%	-	-	13.82%

Four schools are considered to be direct competitors with the School. The following is a summary of the competitive schools' enrollment and tuition. See "RISK FACTORS - Competition for Students."

TABLE A-7: COMPETING SCHOOLS

School	Roycemore	Baker Demonstration	Beacon Academy	North Shore Country Day School	Chiaravalle Montessori
Distance from Roycemore	n/a	1.8 miles	0.7 miles	3.6 miles	1.1 miles
Grades Served	PK-12	PK-8	9-12	PK-12	Nursery-8
Enrollment	230	184	213	535	344
Tuition - K	$17,486	$23,475	n/a	$24,060	$18,775
Tuition - Grade 1	$21,108	$23,995	n/a	$29,090	$20,915
Tuition - Grade 6	$24,871	$28,435	n/a	$32,445	$21,790
Tuition - Grade 12	$28,792	n/a	$30,500	$35,415	n/a

STUDENT OUTCOMES

The Borrower uses a variety of assessments to collect qualitative and quantitative information regarding student performance. The following table sets forth the Upper School graduation rate of School students over the past three years.

TABLE A-8: UPPER SCHOOL GRADUATION RATE

2017-18	100%
2018-19	100%
2019-20	100%

The following table sets forth the percentage of Upper School graduates admitted to a 4-year college over the past three years.

TABLE A-9: PERCENTAGE OF UPPER SCHOOL GRADUATES ADMITTED TO A 4-YEAR COLLEGE

2017-18	96%
2018-19	92.6%
2019-20	92.3%

School graduates have been admitted to the following colleges over the last four school years, among others not listed:

College Acceptances 2017 - 2020

Adelphi University	Alfred University	Allegheny College
Art Center College of Design (CA)	Augustana College	Baylor University
Beloit College	Bentley University	Bethel College
Boston University	Bowling Green State University	Bradley University
Brandeis University	Bryn Mawr College	Butler University
California College of the Arts	California Lutheran University	Carnegie Mellon University Qatar
Carthage College	Case Western Reserve University	Centre College
Chapman University	Clark Atlanta University	Clark University
Coe College	Colby College	Colgate University
College of Charleston	College of the Holy Cross	College of Wooster
Colorado State University	Columbia College Chicago	Columbia University
Connecticut College	Cornell College	Creighton University
Culinary Institute of America	Curry College	Dartmouth University
DePaul University	Dickinson College	Drew University
Duke University	Emerson College	Emory University
Fordham University	Franklin Pierce College	Gettysburg College
Grinnell College	Hamilton College	Hartwick College
Haverford College	Hofstra University	Illinois Institute of Technology
Illinois Wesleyan University	Indiana State University	Indiana University
Iowa State University	Kalamazoo College	Kenyon College
Knox College	Lafayette College	Lake Forest College
Landmark College	Lawrence University	Lewis and Clark College
List College	Loyola University Chicago	Lynn University

Macalester College	Manhattanville College	Marlboro College
Marquette University	Maryland School of Art and Design	Marymount Manhattan College
Maryville University of St. Louis	Massachusetts College of Art & Design	Michigan State University
Michigan Technological University	Monmouth University	Muhlenberg College
New College of Florida	New England College	New York University
Northeastern University	Northwestern University	Oberlin College
Ohio State University	Ohio Wesleyan University	Otis School of Art and Design
Pace University	Pacific Northwest College of Art	Parsons School of Design, New School
Pennsylvania State University	Pepperdine University	Portland State University
Pratt Institute	Purdue University	Reed College
Rhode Island School of Design	Ringling College of Art and Design	Ripon College
Rutgers University, Newark	Sarah Lawrence University	Savannah School of Art and Design
School of the Art Institute of Chicago	School of Visual Arts (NY)	Seattle University
Skidmore College	Smith College	St. Edward's University
St. Joseph's University	St. Louis University	Suffolk University
SUNY Stony Brook	Tulane University	University of British Columbia
University of California, Berkeley	University of California, Davis	University of California, Irvine
University of California, San Diego	University of California, Santa Barbara	University of California, Santa Cruz
University of Colorado, Boulder	University of Dayton	University of Delaware
University of Denver	University of Houston Downtown	University of Illinois at Urbana-Champaign
University of Illinois at Chicago	University of Iowa	University of Kansas
University of Maine	University of Maryland	University of Massachusetts, Amherst
University of Miami	University of Michigan	University of Minnesota, Twin Cities
University of Missouri	University of New England	University of New Hampshire
University of North Carolina, Charlotte	University of North Dakota	University of Northwestern Ohio
University of Oregon	University of Pennsylvania	University of Pittsburgh
University of Pittsburgh at Johnstown	University of Puget Sound	University of Rochester
University of South Carolina	University of Toronto	University of Vermont
University of Washington	University of Wisconsin, Madison	Valparaiso University
Vassar College	Wake Forest University	Warren Wilson College
Washington College	Washington University St. Louis	Wellesley College
Wesleyan University	West Virginia University	Western Colorado State University
Whitman College	Whitworth University	Willamette University
Wittenberg University		

TUITION & FINANCIAL AID

The following is a historical summary of the School's tuition by grade and academic school year:

TABLE A-10: TUITION

Academic Year	Three Day Pre-K (1/2 day to 11:30AM)	Three Day Pre-K (to 3:15PM)	Pre-K & JK (1/2 day to 11:30AM)	Pre-K & JK (to 3:15PM)	K	Lower School (1-4)	Middle School (5-8)	Upper School (9-12)
2016-17	n/a	n/a	$10,100	$16,100	$16,100	$17,050	$21,850	$25,300
2017-18	n/a	$9,500	$9,500	$15,250	$15,250	$18,550	$22,550	$25,850
2018-19	$5,040	$9,600	$9,600	$16,013	$16,013	$19,329	$22,776	$26,367
2019-20	$5,292	$10,088	$10,088	$16,813	$16,813	$20,296	$23,914	$27,685
2020-21	$5,504	$10,492	$10,492	$17,486	$17,486	$21,108	$24,871	$28,792

Currently, nearly half of all students receive some form of financial aid. For the 2020-2021 academic year, the Borrower provided $1,361,809 in assistance to 112 students with an average of $12,159 (average of 63% of per student tuition cost) per assisted student.

ACCREDITATION AND MEMBERSHIPS

The Borrower is an accredited member of the Independent Schools Association of the Central States ("ISACS"). The Borrower will comply with the requirements of accreditation as per the process of the 7-year cycle as outlined by ISACS. The Borrower is scheduled to be reviewed by ISACS in order to receive a new accreditation for an additional 7 years in 2025. The Borrower has also been granted full recognition by the Illinois State Board of Education ("ISBE") to be in substantial compliance with applicable State and Federal regulations, statutes, and case law. The Borrower applies to the ISBE annually for such recognition.

PENSION PLAN

The Borrower has a Pension Plan (the "Plan"), which consists of an annuity arrangement under the Internal Revenue Code Section 403(b)(1) for the benefit of the faculty and administrators. The Borrower's contributions to the Plan are based on a matching of the employees' contributions of up to 5% of a participant's salary.

INSURANCE

The Borrower carries standard industry insurance policies, including but not limited to property, $23,686,860 property, and $2,000,000 liability.

LITIGATION

The Borrower currently has no pending or threatening litigation.

FINANCIAL MATTERS

Accounting Matters

The following summaries and discussions of financial matters should be read in conjunction with the Borrower's Audited Financial Statements Years Ended June 30, 2020, 2019, and 2018, related notes, and independent auditors' report. The financial statements have been audited by Mueller & Co., LLP, Elgin, Illinois.

Fundraising

For more than 100 years, the School has prepared students for success not only in higher education, but in their life's journey. As an independent school, the School is reliant on the support of its entire community. The Borrower established the Annual Fund in 1915. Annual gifts provide opportunities to recruit and retain the best faculty and staff, to innovate in the classroom and help to maintain facilities. The charitable gifts also empower the financial assistance the Borrower has been committed to providing since it was founded in 1915. It is this assistance that creates a student body that is representative of the diverse surrounding community. The following table sets forth the amount of funds received by the School through fundraising efforts in the past three years:

TABLE A-11: FUNDRAISING

FY 2018	FY 2019	FY 2020
$1,059,250	$717,285	$863,386

Source: The Borrower

Budget Process

Each year in November, the Director of Finance and Operations prepares several versions of a budget for the following year with various enrollment scenarios, tuition percentage increases, salary percentage increases, along with estimates for any increase in expenses for the coming year. These scenarios are shared with the Head of School, discussed and adjustments made prior to sharing scenarios with a recommendation to the Finance Committee of the Board. The Finance Committee reviews, discusses and settles on a high level proposal that is presented to the Board of Trustees for early consideration. In late December, the Finance Committee meets again to decide on a final proposal that is then presented to the Board for approval in early January. The budget is again adjusted based on actual enrollment in September and presented for approval at the first Board meeting of the year.

Debt Summary

In April 2020, pursuant to the Coronavirus Aid, Relief, and Economic Security Act, the Borrower applied for a forgivable Paycheck Protection Program loan (the "PPP Loan") in the principal amount of $507,370. The interest rate on the loan is 1% and has a maturity date of May 4, 2022. The Borrower has applied for and received full forgiveness of the PPP Loan.

Upon the issuance of the Series 2021 Bonds, the Borrower will not have any other outstanding indebtedness.

Future Financing

The Borrower does not currently have any future financing plans within the next 12 months.

Conflicts of Interest Policy and Statements

The Borrower adopted a Conflict of Interest Policy on January 12, 2009 (the "Policy"). In relation to any actual or potential conflict of interest, and interested person must disclose the existence of a financial interest and be given the opportunity to present any and all material facts relevant to the financial interest to the Board and members of committees with delegated powers from the Board for determination of a conflict of interest. For the purposes of the Policy, any interested person is any individual who is a member of the Board, an officer of the Borrower, or a member of the administration of the Borrower. A financial interest is not necessarily a conflict of interest, and a person who has a financial interest may have a conflict of interest only if the Board decides that a conflict of interest exist. Any report or disclosure of an actual or potential financial interest shall be made in writing to the Chair of the Board with a copy to the Headmaster. Upon a determination by majority vote by the Board that an interested person has failed to make an appropriate disclosure of an actual or potential conflict of interest, or that an interested person has a conflict of interest, the Board shall take the disciplinary and/or corrective action it deems appropriate upon the circumstances, which may include but is not limited removal from the Board. In all circumstances in which any interested person is found to have a conflict of interest, the interested person shall be prohibited from participating in any and all matters to which the conflict of interest relates, whatsoever, including attendance at an observation of any deliberations and voting. Each trustee, corporate officer and member of the administration of the Borrower shall annually sign a statement which affirms each such a person a) has received a copy of the Policy; b) has read and understand the Policy; c) has agreed to comply with the Policy; and d) understands the Borrower is charitable and in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

APPENDIX A1

CERTAIN INFORMATION REGARDING THE AREA OF THE BORROWER

This appendix provides certain information regarding the economic and demographic conditions of the area of the Borrower. The information is historic, and it is not possible to predict whether any past trends will continue in the future.

Population

The following tables sets forth population statistics for the City of Evanston, Cook County, and the State of Illinois.

Table A1-1:
Comparative Population

Year	City of Evanston	Percent Change	Cook County	Percent Change	State of Illinois	Percent Change
1990	73,233	N/A	5,105,067	N/A	11,430,602	N/A
2000	74,239	1.37%	5,376,741	5.32%	12,419,293	8.65%
2010	74,486	0.33%	5,194,675	-3.39%	12,830,632	3.31%
2011	74,791	0.41%	5,217,080	0.43%	12,869,259	0.30%
2012	75,420	0.84%	5,231,351	0.27%	12,875,255	0.05%
2013	75,579	0.21%	5,240,700	0.18%	12,882,135	0.05%
2014	75,657	0.10%	5,246,456	0.11%	12,880,580	-0.01%
2015	75,523	-0.18%	5,238,216	-0.16%	12,859,995	-0.16%
2016	74,899	-0.83%	5,203,499	-0.66%	12,801,539	-0.45%
2017	74,752	-0.20%	5,211,263	0.15%	12,802,023	0.00%
2018	74,110	-0.86%	5,180,493	-0.59%	12,741,080	-0.48%
2019	73,470	-0.86%	5,150,233	-0.58%	12,671,821	-0.54%

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates, Census 2010, Census 2000, and 1990 Census.

Table A1-2:
Population by Age

	Cook County	City of Evanston
Under 5 Years	6.0%	5.5%
5 to 9 Years	5.7%	5.3%
10 to 14 Years	6.3%	6.0%
15 to 19 Years	6.0%	6.7%
20 to 24 Years	6.3%	10.1%
25 to 34 Years	16.3%	16.2%
35 to 44 Years	13.6%	10.8%
45 to 54 Years	12.4%	11.5%
55 to 59 Years	6.2%	4.9%
60 to 64 Years	6.1%	6.6%
65 to 74 Years	8.7%	9.1%
75 Years and over	4.5%	4.4%

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates (2019).

The median age for the residents of the City of Evanston is 35.1 years and for residents of Cook County is 37.2 years. The State-wide median age is 38.6 years. (Source: U.S. Census Bureau, American Community Survey 1-Year Estimates (2019)).

Income

The following table sets forth median household income for the City of Evanston, Cook County and the State of Illinois.

Table A1-5:
Median Household Income

	City of Evanston	Cook County	State of Illinois
2015	$70,969	$56,851	$59,588
2016	66,165	60,046	60,960
2017	77,821	61,405	62,992
2018	82,470	63,353	65,030
2019	81,543	69,429	69,187

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates.

Unemployment

The following table sets forth information related unemployment.

Table A1-6:
Unemployment

	2015	2016	2017	2018	2019	Dec. 2020
City of Evanston	5.0%	4.8%	4.0%	3.3%	3.0%	7.5%
Cook County	6.2%	6.0%	5.1%	4.1%	3.8%	9.3%
State of Illinois	6.0%	5.8%	4.9%	4.3%	4.0%	7.5%
United States	5.3%	4.9%	4.4%	3.9%	3.7%	6.5%

Source: Bureau of Labor Statistics

Education Attainment

The following table sets forth information related to the level of education attained by Cook County and City of Evanston residents.

Table A1-7:
Education Attainment

	Cook County		City of Evanston	
	Population	Percent	Population	Percent
Less Than 9th Grade	219,213	6.1%	550	1.1%
9th Grade to 12th Grade	216,326	6.0%	1,172	2.4%
High School Diploma	816,922	22.8%	4,697	9.6%
Some College	642,445	17.9%	5,118	10.5%
Associate's Degree	240,359	6.7%	1,253	2.6%
Bachelor's Degree	853,414	23.8%	15,657	32.1%
Graduate Degree or Higher	601,685	16.8%	20,258	41.6%

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates (2019).

Major Area Employers

Table A1-8:
Major Area Employers

Location	Name	Product/Service	Approximate Employment
Evanston	Northwestern University	Higher Education	7,100
Northfield	Medline Industries, Inc.	Corporate Headquarters; Medical Equipment and Supplies	5,000
Skokie	Federal-Mogul Motorparts	Rubber Product Fabricators	1,300
Skokie	Skokie Hospital	General Hospital	1,200
Niles	Woodward, Inc.	Aerospace Components	1,000
Morton Grove	John Crane, Inc.	Corporate Headquarters; Mechanical Products	700
Morton Grove	Xylem	Pumps and Pumping Equipment	650
Northfield	College of American Pathologists	College	600
Niles	Shure, Inc.	Corporate Headquarters; Microphones	600
Niles	The Bradford Exchange	Direct Marketing Services	550
Skokie	Georgia Nut Co., Inc.	Candy and Snacks	550
Niles	Specialty Print Communications	Corporate Headquarters; Commercial Printing	510
Skokie	Generation Brands, LLC	Corporate Headquarters; Lighting Fixtures	500
Skokie	The Village of Skokie	Local Government	500

Source: 2020 Illinois Manufacturers Directory and 2020 Illinois Services Directory; Northwestern University.

APPENDIX B

FINANCIAL STATEMENTS

The annual financial statements of the Borrower for the years ended June 30, 2019 and 2018 (as redacted pursuant to the Nondisclosure Agreement; see "PLAN OF FINANCING – Prior Bonds"), and for the years ended June 30, 2020 and 2019 included in this "APPENDIX B – FINANCIAL STATEMENTS" have been audited by Mueller & Co., LLP (the "Auditor"), to the extent and for the periods indicated in their reports thereon. Potential purchasers should read such financial statements in their entirety for more complete information concerning the Borrower's financial position. The Borrower has not requested the Auditor to perform, and the Auditor has not performed, any additional examination, assessment, procedures or evaluation with respect to such financial statement since the date thereof. Although the inclusion of the financial statements in this Limited Offering Memorandum is not intended to demonstrate the fiscal condition of the Borrower since the date of the financial statements, in connection with the issuance of the Series 2021 Bonds, the Borrower represents that there has been no material adverse change in the financial position or results of operations of the Borrower, nor has the Borrower incurred any material liabilities, which would make such financial statements misleading.

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MUELLER & CO., LLP

Certified Public Accountants – Business & Financial Advisors

ASSURANCE

ROYCEMORE SCHOOL

AUDITED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

MUELLER

Elgin/Orland Park/Chicago
www.muellercpa.com
847.888.8600 Phone
847.888.0635 Fax

CONTENTS

	PAGE
Basic Financial Statements	
Independent Auditor's Report	1-2
Statements of Financial Position	3-4
Statements of Activities	5-6
Statements of Functional Expenses	7-8
Statements of Cash Flows	9
Notes to Financial Statements	10-25

MUELLER & CO., LLP
1707 N. Randall Road, Suite 200 ■ Elgin, Illinois ■ 60123
Ph: 847.888.8600 ■ Fax: 847.888.0635 ■ www.muellercpa.com

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Roycemore School
Evanston, Illinois

Report on the Financial Statements

We have audited the accompanying statements of financial position of Roycemore School, as of June 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Roycemore School as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 of the financial statements, for the year ended June 30, 2020, Roycemore School adopted Accounting Standards Update No. 2018-08, *Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

Mueller & Co., LLP

Elgin, Illinois
November 16, 2020

ROYCEMORE SCHOOL

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2020 AND 2019

ASSETS

	2020	2019
Current assets:		
Cash and cash equivalents	$ 852,553	960,729
Cash - restricted	102,279	123,705
Accounts receivable, net of allowance for doubtful accounts of $1,000 for 2020 and 2019	26,307	47,403
Note receivable, net of allowance for doubtful accounts of $44,094 for 2020 and 2019	-	-
Total current assets	981,139	1,131,837
Property and equipment:		
Building improvements	8,941,645	8,941,645
Building	5,040,000	5,040,000
Land	560,000	560,000
Furniture and equipment	416,883	416,883
Buses	-	47,600
	14,958,528	15,006,128
Less accumulated depreciation	(3,360,035)	(3,062,240)
	11,598,493	11,943,888
Other assets -		
Beneficial interest in assets held by others	22,864	22,680
	$ 12,602,496	13,098,405

The accompanying notes are an integral part of these financial statements.

LIABILITIES AND NET ASSETS

	2020	2019
Current liabilities:		
Accounts payable	$ 27,002	30,296
Accrued expenses	515,515	556,415
Paycheck Protection Program loan	507,370	-
Current portion of notes payable	9,000,000	150,000
Deferred revenue	1,768,566	2,033,039
Total current liabilities	11,818,453	2,769,750
Noncurrent liabilities -		
Notes payable, net of current portion	-	9,600,000
Net assets:		
Without donor restrictions:		
Undesignated	761,179	705,975
Board designated - endowments	17,864	17,680
Total without donor restrictions	779,043	723,655
With donor restrictions	5,000	5,000
	784,043	728,655
	$ 12,602,496	13,098,405

The accompanying notes are an integral part of these financial statements.

ROYCEMORE SCHOOL

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

	WITHOUT DONOR RESTRICTIONS				
	UNDESIGNATED	BOARD DESIGNATED - ENDOWMENTS	TOTAL	WITH DONOR RESTRICTIONS	TOTAL
Support and revenues:					
Tuition and fees	$ 5,981,582	-	5,981,582	-	5,981,582
Charitable giving and memorials	715,610	-	715,610	-	715,610
Summer school fees	106,470	-	106,470	-	106,470
Auction fundraiser	144,776	-	144,776	-	144,776
Miscellaneous	64,666	-	64,666	-	64,666
Change in interest in net assets held by Evanston Community Foundation	-	184	184	-	184
Interest and dividends	2	-	2	-	2
Total support and revenues	7,013,106	184	7,013,290	-	7,013,290
Less: financial aid and tuition remission:					
School year financial aid	1,281,509	-	1,281,509	-	1,281,509
Faculty children	344,804	-	344,804	-	344,804
School year Northwestern discounts	162,642	-	162,642	-	162,642
Distinguished scholarships	83,055	-	83,055	-	83,055
	1,872,010	-	1,872,010	-	1,872,010
Net public support and revenues	5,141,096	184	5,141,280	-	5,141,280
Expenses:					
Program services	4,339,668	-	4,339,668	-	4,339,668
Supporting services:					
Management and general	628,809	-	628,809	-	628,809
Development and fundraising	117,415	-	117,415	-	117,415
	5,085,892	-	5,085,892	-	5,085,892
Changes in net assets	55,204	184	55,388	-	55,388
Net assets, beginning of year	705,975	17,680	723,655	5,000	728,655
Net assets, end of year	$ 761,179	17,864	779,043	5,000	784,043

The accompanying notes are an integral part of these financial statements.

ROYCEMORE SCHOOL

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2019

	WITHOUT DONOR RESTRICTIONS				
	UNDESIGNATED	BOARD DESIGNATED - ENDOWMENTS	TOTAL	WITH DONOR RESTRICTIONS	TOTAL
Support and revenues:					
Tuition and fees	$ 5,418,702	-	5,418,702	-	5,418,702
Charitable giving and memorials	536,145	-	536,145	-	536,145
Summer school fees	190,964	-	190,964	-	190,964
Auction fundraiser	181,140	-	181,140	-	181,140
Miscellaneous	70,410	-	70,410	-	70,410
Change in interest in net assets held by Evanston Community Foundation	-	905	905	-	905
Interest and dividends	548	-	548	-	548
Release from restrictions	760	-	760	(760)	-
Total support and revenues	6,398,669	905	6,399,574	(760)	6,398,814
Less: financial aid and tuition remission:					
School year financial aid	1,088,046	-	1,088,046	-	1,088,046
Faculty children	246,417	-	246,417	-	246,417
School year Northwestern discounts	143,400	-	143,400	-	143,400
Distinguished scholarships	176,878	-	176,878	-	176,878
	1,654,741	-	1,654,741	-	1,654,741
Net public support and revenues	4,743,928	905	4,744,833	(760)	4,744,073
Expenses:					
Program services	4,240,642	-	4,240,642	-	4,240,642
Supporting services:					
Management and general	848,548	-	848,548	-	848,548
Development and fundraising	152,859	-	152,859	-	152,859
	5,242,049	-	5,242,049	-	5,242,049
Change in net assets after other income	(498,121)	905	(497,216)	(760)	(497,976)
Net assets, beginning of year	1,204,096	16,775	1,220,871	5,760	1,226,631
Net assets, end of year	$ 705,975	17,680	723,655	5,000	728,655

The accompanying notes are an integral part of these financial statements.

ROYCEMORE SCHOOL

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2020

		SUPPORTING SERVICES		
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	DEVELOPMENT AND FUNDRAISING	TOTAL
Compensation:				
Faculty, substitutes and teachers aides	$ 1,846,886	-	-	1,846,886
Administrative and staff salaries	501,065	294,105	76,249	871,419
Payroll taxes	235,153	28,852	7,480	271,485
Employee benefits	177,752	21,809	5,654	205,215
Summer salaries	49,061	-	-	49,061
Total compensation	2,809,917	344,766	89,383	3,244,066
Educational programs:				
Lunchroom	261,566	-	-	261,566
Educational materials and textbooks	78,561	1,689	438	80,688
General administration	92,640	44,370	7,477	144,487
Promotions	-	62,314	-	62,314
Transportation	49	-	-	49
Student activities	128,503	42,294	15	170,812
Summer	7,006	-	-	7,006
Total educational programs	568,325	150,667	7,930	726,922
Facility:				
Other buildings and grounds	113,871	7,354	1,348	122,573
Utilities	78,824	5,022	921	84,767
Building repairs	5,938	384	70	6,392
Technology hardware	28,817	1,351	350	30,518
Total facility	227,450	14,111	2,689	244,250
Other:				
Interest	397,248	48,741	12,636	458,625
Depreciation	320,872	20,724	3,799	345,395
Bad debt expense	-	11,366	-	11,366
Miscellaneous	-	-	474	474
Professional fees	15,856	38,434	504	54,794
Total other	733,976	119,265	17,413	870,654
Total functional expenses	$ 4,339,668	628,809	117,415	5,085,892

The accompanying notes are an integral part of these financial statements.

ROYCEMORE SCHOOL

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2019

		SUPPORTING SERVICES		
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	DEVELOPMENT AND FUNDRAISING	TOTAL
Compensation:				
Faculty, substitutes and teachers aides	$ 1,749,217	-	-	1,749,217
Administrative and staff salaries	396,246	292,945	75,372	764,563
Payroll taxes	235,692	35,592	8,969	280,253
Employee benefits	140,590	21,231	5,349	167,170
Summer salaries	43,920	-	-	43,920
Total compensation	2,565,665	349,768	89,690	3,005,123
Educational programs				
Lunchroom	301,057	-	-	301,057
Educational materials and textbooks	80,805	3,058	770	84,633
General administration	120,770	193,323	9,761	323,854
Promotions	-	95,222	-	95,222
Transportation	5,497	-	-	5,497
Student activities	107,357	26,170	20	133,547
Summer	20,678	-	-	20,678
Total educational programs	636,164	317,773	10,551	964,488
Facility				
Other buildings and grounds	123,631	7,985	1,464	133,080
Utilities	94,332	6,032	1,106	101,470
Building repairs	5,530	357	65	5,952
Technology hardware	43,375	4,989	1,257	49,621
Total facility	266,868	19,363	3,892	290,123
Other				
Interest	444,217	67,082	16,902	528,201
Depreciation	324,943	20,987	3,848	349,778
Amortization	-	16,364	-	16,364
Miscellaneous	-	-	4,263	4,263
Centennial event	-	-	23,607	23,607
Professional fees	2,785	57,211	106	60,102
Total other	771,945	161,644	48,726	982,315
Total functional expenses	$ 4,240,642	848,548	152,859	5,242,049

The accompanying notes are an integral part of these financial statements.

ROYCEMORE SCHOOL

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2020 AND 2019

		2020	2019
Cash provided by (applied to) operating activities:			
Change in net assets	$	55,388	(497,976)
Adjustments to reconcile change in net assets to net cash provided by (applied to) operating activities:			
Depreciation		345,395	349,778
Amortization of notes payable loan fees		-	16,364
Beneficial interest in assets held by others		(184)	(905)
Gain on forgiveness of notes payable converted to charitable giving and memorials		(150,000)	-
Changes in:			
Accounts receivable, net		21,096	22,417
Prepaid expenses		-	55,666
Accounts payable		(3,294)	29,531
Accrued expenses		(40,900)	70,751
Deferred revenue		(264,473)	145,398
		(36,972)	191,024
Cash applied to investing activities -			
Purchase of property and equipment		-	(9,786)
Cash provided by (applied to) financing activities:			
Proceeds from Paycheck Protection Program loan		507,370	-
Payments on notes payable		(600,000)	(500,000)
		(92,630)	(500,000)
Net decrease in cash, cash equivalents and restricted cash		(129,602)	(318,762)
Cash, cash equivalents and restricted cash, beginning of year		1,084,434	1,403,196
Cash, cash equivalents and restricted cash, end of year	$	954,832	1,084,434
Other cash flow information -			
Interest paid	$	458,625	528,201
Noncash financing transaction -			
Forgiveness of notes payable converted to charitable giving and memorials	$	150,000	-
Summary of cash accounts:			
Cash and cash equivalents	$	852,553	960,729
Cash - restricted		102,279	123,705
	$	954,832	1,084,434

The accompanying notes are an integral part of these financial statements.

ROYCEMORE SCHOOL

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF OPERATIONS

Roycemore School (School) is a not-for-profit school established in 1915 in Evanston, Illinois, providing primary and secondary education.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are presented using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash, Cash Equivalents and Restricted Cash

For purposes of reporting cash flows, cash is defined as cash on hand, amounts held at financial institutions and short-term highly liquid investments that are readily convertible to known amounts of cash. Investments with an original maturity of three months or less are considered short-term for these purposes.

Investments

Investments are measured at fair value, determined by quoted market price, in the statement of financial position. Investment income or loss (including gains and losses on investments and interest) is included in the statement of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Accounts Receivable and Allowance for Doubtful Accounts

The School carries its accounts receivable at the outstanding principal balance adjusted for the allowance for doubtful accounts. The allowance for doubtful accounts is estimated based on the length of time the receivables are outstanding and the anticipated future collectible amounts based on historical experience. Accounts deemed uncollectible are charged to the allowance for doubtful accounts. The allowance for doubtful accounts at June 30, 2020 and 2019 was $1,000.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Property and Equipment

Property and equipment over $5,000 have been recorded at cost if purchased or at fair value at time of donation if received as a gift. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. The useful lives of property and equipment for purposes of computing depreciation are as follows:

Building improvements	40 years
Building	40 years
Furniture and equipment	5 - 7 years
Buses	5 years

Depreciation expense for the years ended June 30, 2020 and 2019 was $345,395 and $349,778, respectively.

Deferred Revenue

Deferred revenue results from the School recognizing registration and tuition revenue in the period in which the related educational instruction is performed. Accordingly, registration and tuition fees received for the next school term are deferred until the instruction commences.

Net Assets

Net assets, revenue, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operation and not subject to donor-imposed restrictions. The Board of Trustees of the School (Board) has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – The School reports contributions restricted by donors as increase in net assets without donor restriction if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Support, Revenue and Expenses

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

The School reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the School reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The School and its students enter into a contract for the School to provide education for a fee. Many students pay in advance for the future academic year. The School earns program revenue as it provides education to the students enrolled, measured by the academic year. Advance payments related to the academic year for which the School has not yet provided education are recorded in the financial statements as deferred revenue.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Functional Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance and other, which are allocated on the basis of estimates of time and effort.

Advertising

Advertising costs are expensed as incurred. Advertising expense was $62,314 and $95,222 for the years ended June 30, 2020 and 2019, respectively.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Accounting Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Income Taxes

The School is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and is classified by the Internal Revenue Service (IRS) as other than a private foundation. Accordingly, a provision for income taxes has not been made on the financial statements.

The School has evaluated its tax position taken for all open tax years. Currently, the 2016, 2017 and 2018 tax years are open and subject to examination by the IRS and the Department of Revenue of certain states; however, the School is not currently under audit nor has the School been contacted by any of these jurisdictions.

Based on the evaluation of the School's tax positions, management believes all positions taken would be upheld under an examination; therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended June 30, 2020 and 2019.

Concentration of Credit Risk

The School maintains its cash in bank deposits, which, at times, may exceed federally insured limits. The School believes it is not exposed to significant credit risk on these accounts.

Going Concern Evaluation

In accordance with accounting principles generally accepted in the United States of America, management performed an evaluation to determine if adverse conditions or events, considered in the aggregate, raise substantial doubt about the School's ability to continue as a going concern. Management's assessment did identify conditions or events raising substantial doubt about the School's ability to continue as a going concern for the period from November 16, 2020 to November 16, 2021. Further details regarding management's evaluation for the year ended June 30, 2020 are provided in Note 15.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Change in Accounting Principle – Contributions Received and Made

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-08, Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU No. 2018-08 improves the current guidance on determining whether transactions are contributions or exchange transactions. ASU No. 2018-08 also requires determining if a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. The School adopted ASU No. 2018-08 on July 1, 2019 on a modified prospective basis. Accordingly, there is no effect on net assets in connection with the implementation of ASU No. 2018-08.

New Accounting Standard – Revenue from Contracts

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which supersedes the revenue recognition requirements in Accounting Standards Codification 605, Revenue Recognition. ASU No. 2014-09 provides for a single five-step model to be applied to all revenue contracts with customers. ASU No. 2014-09 also requires additional financial statement disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments. ASU No. 2014-09 is effective for annual reporting periods beginning after December 15, 2019. The School is currently evaluating the methods of adoption allowed by ASU No. 2014-09 and the effect that ASU No. 2014-09 is expected to have on its financial position, results of operations, cash flows and related disclosures.

New Accounting Standard – Leases

In February 2016, the FASB issued ASU No. 2016-02, Leases, which is intended to improve financial reporting about leasing transactions. ASU No. 2016-02 requires that leased assets be recognized as assets on the statements of financial position and the liabilities for the obligations under the lease also be recognized on the statements of financial position. ASU No. 2016-02 requires disclosures to help financial statement users better understand the amount, timing and uncertainty of cash flows arising from leases. The required disclosures include qualitative and quantitative requirements. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The School is currently evaluating the methods of adoption allowed by ASU No. 2016-02 and the effect that ASU No. 2016-02 is expected to have on its financial position, changes in net assets, cash flows and related disclosures.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Subsequent Events

Subsequent events have been evaluated through November 16, 2020 the date that the financial statements were available for issue.

NOTE 3 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

		2020	2019
Financial assets at year-end:			
Cash and cash equivalents	$	852,553	960,729
Accounts receivable, net		26,307	47,403
		878,860	1,008,132
Less: amounts not available for general expenditures within one year, due to:			
Board designated		17,864	17,680
Purpose restricted		5,000	5,000
		22,864	22,680
Financial assets available to meet cash needs for general expenditures within one year	$	855,996	985,452

Our endowment consists of a $5,000 gift that is donor-restricted to endowment and $17,864 that is board restricted to endowment. Although the School does not intend to spend from this board-designated endowment, this amount could be made available if necessary following a resolution by the Board.

Operating cash is maintained in a business banking account and is available for current operations.

NOTE 4 - FAIR VALUE MEASUREMENTS

Accounting standards generally accepted in the United States of America established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under generally accepted accounting principles are described below:

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the School has the ability to access.

Level 2 — Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at June 30, 2020 and 2019.

Following is a description of the valuation methodologies used for assets measured at fair value.

Beneficial interest: Fair value is measured at the daily net asset value (NAV) per share based on the fair value of the underlying investments. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

NOTE 4 - FAIR VALUE MEASUREMENTS, CONTINUED

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the School believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the School's assets at fair value as of June 30, 2020 and 2019:

	Assets at Fair Value as of June 30, 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at NAV[(a)]				$ 22,864

	Assets at Fair Value as of June 30, 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at NAV[(a)]				$ 22,680

[(a)] In accordance with subtopic 820-10, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position.

For the years ended June 30, 2020 and 2019, there were no significant transfers between Levels 1 and 2 and no transfers into or out of Level 3.

Investments Measured Using the Net Asset Value per Share Practical Expedient

The following table summarizes investments measured at fair value based on the NAV per share practical expedient as of June 30, 2020 and 2019.

June 30, 2020	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Beneficial interest	$ 22,864	N/A	Quarterly	45 days

June 30, 2019	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Beneficial interest	$ 22,680	N/A	Quarterly	45 days

NOTE 5 - NOTE RECEIVABLE

The School entered into a note agreement with an individual owing tuition in August 2016. The note required four (4) monthly payments of $500 for the months of September through December 2016 and twenty (20) monthly payments of $2,500 from January 2017 until August 2017 or until the balance is reduced to $20,000. The note is currently in default, since timely payments have not been received.

		2020	2019
Notes receivable	$	44,094	44,094
Allowance for doubtful accounts		44,094	44,094
	$	-	-

NOTE 6 - ACCRUED EXPENSES

Accrued expenses as of June 30, 2020 and 2019 consisted of the following:

		2020	2019
Payroll, taxes and benefits	$	406,196	444,339
Loan fees		100,000	100,000
Other		9,319	12,076
	$	515,515	556,415

NOTE 7 - NOTES PAYABLE

Notes payable at June 30, 2020 and 2019 consisted of the following:

	NOTES PAYABLE JUNE 30, 2020		
	PRINCIPAL	LOAN FEES	NET
Note payable, vendor, with interest at 3.25% applicable margin LIBOR plus interest at 2.00% applicable margin – prime rate through the maturity date of July 14, 2020. The note was extended to February 14, 2021. The note is secured by the land and building. In addition, a reserve account was set up and starting in March 2018, the School is required to deposit $50,000 every month into the reserve account.	$ 9,000,000	-	9,000,000
Less current portion	(9,000,000)	-	(9,000,000)
	$ -	-	-

	NOTES PAYABLE JUNE 30, 2019		
	PRINCIPAL	LOAN FEES	NET
Note payable, vendor, with interest at 0% (increasing to 5% if the loan is in default) with all unpaid principal and interest due October 2019. The note was converted into a contribution in July 2019.	$ 150,000	-	150,000
Note payable, vendor, with interest at 3.25% applicable margin LIBOR plus interest at 2.00% applicable margin – prime rate through the maturity date of November 15, 2019. The note was extended to July 14, 2020. The proceeds of this note were used to pay off bonds payable in February 2018. The note is secured by the land and building. In addition, a reserve account was set up and starting in March 2018, the School is required to deposit $50,000 every month into the reserve account.	9,600,000	-	9,600,000
	9,750,000	-	9,750,000
Less current portion	(150,000)	-	(150,000)
	$ 9,600,000	-	9,600,000

NOTE 7 - NOTES PAYABLE, CONTINUED

The note which had an outstanding principal balance of $9,000,000 and $9,600,000 as of June 30, 2020 and 2019, respectively, had initial loan fees of $26,182. The fee was amortized using the effective interest method over the one-year life of the note. Amortization expense for the years ended June 30, 2020 and 2019 was $0 and $16,364, respectively.

Accumulated amortization for the years ended June 30, 2020 and 2019 was $26,182.

NOTE 8 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

In 2010, the School transferred $10,000 to Evanston Community Foundation to establish an endowment fund. Under the terms of the agreement, the School will be offered the annual net spending amount as calculated by the Evanston Community Foundation. The annual spending objective for Evanston Community Foundation is a maximum of 6% and a minimum of 3.5% of the three-year moving average of the market value of the endowment fund.

The School may elect to receive the annual spending amount in full or in part, or it may elect to receive no distribution in a given year. At June 30, 2020 and 2019, no distributions were elected and the endowment fund had a value of $22,864 and $22,680, respectively, which is reported in the statements of financial position as beneficial interest in assets held by others.

The funds are invested by Evanston Community Foundation in various financial instruments. These financial instruments are exposed to various risks, such as interest rate, market and credit. Due to the level of uncertainty related to changes in interest rates, market volatility and credit risks, it is at least reasonably possible that changes in these risks could materially affect the fair value of the asset.

NOTE 9 - BOARD DESIGNATED NET ASSETS

At June 30, 2020 and 2019, net assets without donor restrictions of $17,864 and $17,680, respectively, have been designated by the School's Board as reserved for an endowment.

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at June 30, 2020 and 2019:

		2020	2019
Purpose -			
Endowment fund	$	5,000	5,000

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2020 and 2019:

		2020	2019
Net assets released from restrictions	$	-	760

NOTE 11 - PAYCHECK PROTECTION PROGRAM LOAN

In April 2020, pursuant to the Coronavirus Aid, Relief, and Economic Security Act, the School applied for a forgivable $507,370 Paycheck Protection Program (PPP) loan. The loan will be forgiven as long as the proceeds are used to cover payroll costs and most mortgage interest, rent, and utility costs over the twenty-four week period after the loan is made. In addition, employee and compensation levels are required to be maintained. The interest rate on the loan is 1% and has a maturity date of May 4, 2022. The School intends to comply with all requirements to qualify for loan forgiveness. The School has applied for and expects to receive full forgiveness of the loan.

NOTE 12 - RETIREMENT PLAN

The Pension Plan (Plan) consists of an annuity arrangement under IRC Section 403(b)(1) for the benefit of the School faculty and administrators. The School's contributions to the Plan are based on a matching of the employees' contributions of up to 5% of a participant's salary.

Benefits are provided by individually insured contracts issued by the annuity carrier. Contribution expense was $73,184 and $83,704 for the years ended June 30, 2020 and 2019, respectively, and is included in payroll taxes in the statements of functional expenses.

NOTE 13 - RELATED PARTY TRANSACTIONS

Several board members have children attending the School. Tuition payments from these related parties included in net tuition and fees amount to $133,838 and $364,028 for the years ended June 30, 2020 and 2019, respectively.

NOTE 14 - ENDOWMENT

The School's endowment consists of endowment funds held with the Evanston Community Foundation described in Note 8. It has been designated by the Board to function as an endowment. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees has interpreted the Illinois Uniform Prudent Management of Institutional Funds Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary.

As a result of this interpretation, the School classifies the original value of gifts donated to the permanent endowment, the original value of subsequent gifts to the permanent endowment is added to the fund as net assets with donor restrictions. Gifts to the endowment received with donor stipulations amounted to $0 for the years ended June 30, 2020 and 2019.

Changes in endowment net assets for the year ended June 30, 2020:

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Endowment net assets, July 1, 2019	$ 17,680	5,000	22,680
Investment return - Change in interest in net assets held by Evanston Community Foundation	184	-	184
Endowment net assets, June 30, 2020	$ 17,864	5,000	22,864

NOTE 14 - ENDOWMENTS, CONTINUED

Changes in endowment net assets for the year ended June 30, 2019:

		WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Endowment net assets, July 1, 2018	$	16,775	5,000	21,775
Investment return - Change in interest in net assets held by Evanston Community Foundation		905	-	905
Endowment net assets, June 30, 2019	$	17,680	5,000	22,680

Endowment net asset composition by type of fund as of June 30, 2020:

		WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Board designated endowment fund	$	17,864	5,000	22,864

Endowment net asset composition by type of fund as of June 30, 2019:

		WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Board designated endowment fund	$	17,680	5,000	22,680

NOTE 15 - CONTINUATION AS A GOING CONCERN

Management believes that the current financial condition of the School is stable and will improve in the coming year and years. The School continues to see positive trends of increased enrollment over the past 3 years. The School also continues high fundraising revenues, including a $1 million gift in the fall of 2020. Lastly, while the long-term impact of the COVID-19 pandemic on the economy is uncertain, the Board and administration have developed and continue to advance plans to mitigate the impact of the COVID-19 pandemic. Given the School's growing enrollment and ability to maintain on campus instruction, these plans appear to be successful.

Management is confident in the School's ability to continue as a going concern. Current liabilities exceeding current assets includes $1,768,566 in deferred revenue, which represents advance tuition payments received in Fiscal Year 2020 but earned in Fiscal Year 2021. These advance payments represent confidence in the School by families who are committed enough to pay tuition upfront.

The School received a $1 million gift in September 2020. This gift was applied in full to a bridge loan with our current lender. With this payment, along with an additional payment from the loan reserve fund, the balance of the bridge loan as of November 16, 2020 is $7.9M. The School is in the process of securing long-term traditional financing to replace the current $7.9M balance of the original $10M bridge loan. The School's discussions with potential lenders have been extensive. The School is currently in the process of refinancing the loan. If it cannot be completed by the maturation date of the bridge loan, it is expected that the School will be able to renegotiate the terms with the lender until financing can be obtained. Fundraising efforts and philanthropic support remain strong.

The School owns a building, improvements and land which were appraised at $16,200,000 in August of 2019.

Original value of building, improvements and land	$ 14,541,645
Accumulated depreciation through June 30, 2020	2,971,099
Net book value at June 30, 2020	$ 11,570,546

Management believes the inability to account for the fair market value in the building, building improvements, and land is significant and material and would result in a favorable outcome that cannot be reflected in the financial statements.

Marketing and school improvement efforts have resulted in the lowest attrition since Fiscal Year 2013-2014, as well as the highest opening day enrollment and newly enrolled students since Fiscal Year 2016-2017. The School has achieved this positive enrollment outcome while also increasing its selectivity in admissions and counseling out students that the school could not well serve, thereby improving the overall academic profile of enrolled students. Enhanced marketing and messaging initiatives under the leadership of a new Director of Enrollment, Marketing and Communications, with the support of a Board Marketing Committee comprised of experts in the field, have strengthened the brand and reputation of the School and significantly increased interest in the School.

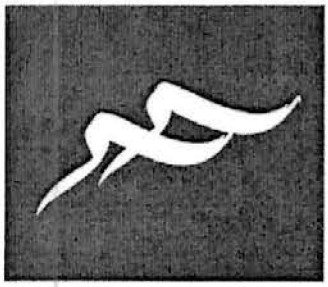
NOTE 15 - CONTINUATION AS A GOING CONCERN, CONTINUED

Continued collaboration with Northwestern University's School of Education and Social Policy and the Osher Lifelong Learning Institute have helped to position the School as an educational leader. The collaboration with Adobe Corporation that put Creative Cloud software into the hands of all the School's students and facilitated the addition of Design Thinking to the curriculum continues. Adobe Corporation hosted the world's first high school Creative Jam at the School in November 2019 in partnership with Northwestern University's Medill School of Journalism. Additional programmatic changes are being planned for the years ahead that will further strengthen the offerings at the School.

NOTE 16 - IMPACT OF COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. The extent of the impact of COVID-19 on the School's financial condition will depend on certain developments, such as the duration and spread of the outbreak and the impact on our funders, employees and students, all of which are unpredictable. The School incurred additional expenses to provide for the health and safety of students, faculty and staff on campus, and due to the pandemic, the School lost some revenue in the summer due to the shorter duration and limited scope of its summer programs. The School has, however, experienced increased student enrollment due to the pandemic and inquiries are at a four-year high.

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MUELLER & CO., LLP

Certified Public Accountants – Business & Financial Advisors

ASSURANCE

ROYCEMORE SCHOOL

AUDITED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2019 AND 2018

MUELLER

Elgin/Orland Park/Chicago
www.muellercpa.com
847.888.8600 Phone
847.888.0635 Fax

CONTENTS

	PAGE
Basic Financial Statements	
Independent Auditor's Report	1-2
Statements of Financial Position	3-4
Statements of Activities	5-6
Statements of Functional Expenses	7-8
Statements of Cash Flows	9
Notes to Financial Statements	10-26

MUELLER & CO., LLP
1707 N. Randall Road, Suite 200 ■ Elgin, Illinois ■ 60123
Ph: 847.888.8600 ■ Fax: 847.888.0635 ■ www.muellercpa.com

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Roycemore School
Evanston, Illinois

Report on the Financial Statements

We have audited the accompanying statements of financial position of Roycemore School, as of June 30, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Roycemore School as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 of the financial statements, for the year ended June 30, 2019, Roycemore School adopted Accounting Standards Update 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Mueller & Co., LLP

Elgin, Illinois
November 22, 2019

ROYCEMORE SCHOOL

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2019 AND 2018

ASSETS

	2019	2018
Current assets:		
Cash and cash equivalents	$ 960,729	1,028,820
Cash - restricted	123,705	374,376
Accounts receivable, net of allowance for doubtful accounts of $1,000 and $124,000 for 2019 and 2018, respectively	47,403	69,820
Notes receivable, net of allowance for doubtful accounts of $44,094 for 2019 and 2018	-	-
Prepaid expenses	-	55,666
Total current assets	1,131,837	1,528,682
Property and equipment:		
Building improvements	8,941,645	8,941,645
Building	5,040,000	5,040,000
Land	560,000	560,000
Furniture and equipment	416,883	365,751
Capital lease equipment	-	41,346
Buses	47,600	47,600
	15,006,128	14,996,342
Less accumulated depreciation	(3,062,240)	(2,712,462)
	11,943,888	12,283,880
Other assets -		
Beneficial interest in assets held by others	22,680	21,775
	$ 13,098,405	13,834,337

The accompanying notes are an integral part of these financial statements.

LIABILITIES AND NET ASSETS

	2019	2018
Current liabilities:		
Accounts payable	$ 30,296	765
Accrued expenses	556,415	485,664
Current portion of notes payable	150,000	83,636
Deferred revenue	2,033,039	1,887,641
Total current liabilities	2,769,750	2,457,706
Noncurrent liabilities -		
Notes payable, net of current portion	9,600,000	10,150,000
Net assets:		
Without donor restrictions:		
Undesignated	705,975	1,204,096
Board designated - endowments	17,680	16,775
Total without donor restrictions	723,655	1,220,871
With donor restrictions	5,000	5,760
	728,655	1,226,631
	$ 13,098,405	13,834,337

The accompanying notes are an integral part of these financial statements.

ROYCEMORE SCHOOL

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2019

	WITHOUT DONOR RESTRICTIONS				
	UNDESIGNATED	BOARD DESIGNATED - ENDOWMENTS	TOTAL	WITH DONOR RESTRICTIONS	TOTAL
Support and revenues:					
Tuition and fees	$ 5,418,702	-	5,418,702	-	5,418,702
Charitable giving and memorials	536,145	-	536,145	-	536,145
Summer school fees	190,964	-	190,964	-	190,964
Auction fundraiser	181,140	-	181,140	-	181,140
Miscellaneous	70,410	-	70,410	-	70,410
Change in interest in net assets held by Evanston Community Foundation	-	905	905	-	905
Interest and dividends	548	-	548	-	548
Release from restrictions	760	-	760	(760)	-
Total support and revenues	6,398,669	905	6,399,574	(760)	6,398,814
Less: financial aid and tuition remission:					
School year financial aid	1,088,046	-	1,088,046	-	1,088,046
Faculty children	246,417	-	246,417	-	246,417
School year Northwestern discounts	143,400	-	143,400	-	143,400
Distinguished scholarships	176,878	-	176,878	-	176,878
	1,654,741	-	1,654,741	-	1,654,741
Net public support and revenues	4,743,928	905	4,744,833	(760)	4,744,073
Expenses:					
Program services	4,240,642	-	4,240,642	-	4,240,642
Supporting services:					
Management and general	848,548	-	848,548	-	848,548
Development and fundraising	152,859	-	152,859	-	152,859
	5,242,049	-	5,242,049	-	5,242,049
Changes in net assets	(498,121)	905	(497,216)	(760)	(497,976)
Net assets, beginning of year	1,204,096	16,775	1,220,871	5,760	1,226,631
Net assets, end of year	$ 705,975	17,680	723,655	5,000	728,655

The accompanying notes are an integral part of these financial statements.

ROYCEMORE SCHOOL

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

	WITHOUT DONOR RESTRICTIONS				
	UNDESIGNATED	BOARD DESIGNATED - ENDOWMENTS	TOTAL	WITH DONOR RESTRICTIONS	TOTAL
Support and revenues:					
Tuition and fees	$ 5,853,042	-	5,853,042	-	5,853,042
Charitable giving and memorials	546,346	-	546,346	371,583	917,929
Summer school fees	196,288	-	196,288	-	196,288
Auction fundraiser	141,321	-	141,321	-	141,321
Miscellaneous	50,464	-	50,464	-	50,464
Change in interest in net assets held by Evanston Community Foundation	-	1,212	1,212	-	1,212
Interest and dividends	2,828	-	2,828	-	2,828
Release from restrictions	366,632	-	366,632	(366,632)	-
Total support and revenues	7,156,921	1,212	7,158,133	4,951	7,163,084
Less: financial aid and tuition remission:					
School year financial aid	1,199,731	-	1,199,731	-	1,199,731
Faculty children	264,450	-	264,450	-	264,450
School year Northwestern discounts	109,543	-	109,543	-	109,543
Distinguished scholarships	180,950	-	180,950	-	180,950
	1,754,674	-	1,754,674	-	1,754,674
Net public support and revenues	5,402,247	1,212	5,403,459	4,951	5,408,410
Expenses:					
Program services	4,757,566	-	4,757,566	-	4,757,566
Supporting services:					
Management and general	644,852	-	644,852	-	644,852
Development and fundraising	165,746	-	165,746	-	165,746
	5,568,164	-	5,568,164	-	5,568,164
Changes in net assets before other income	(165,917)	1,212	(164,705)	4,951	(159,754)
Other Income-					
Gain on settlement of debt	2,047,877	-	2,047,877	-	2,047,877
Change in net assets after other income	1,881,960	1,212	1,883,172	4,951	1,888,123
Net assets, beginning of year	(677,864)	15,563	(662,301)	809	(661,492)
Net assets, end of year	$ 1,204,096	16,775	1,220,871	5,760	1,226,631

The accompanying notes are an integral part of these financial statements.

ROYCEMORE SCHOOL

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2019

		SUPPORTING SERVICES		
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	DEVELOPMENT AND FUNDRAISING	TOTAL
Compensation:				
Faculty, substitutes and teachers aides	$ 1,749,217	-	-	1,749,217
Administrative and staff salaries	396,246	292,945	75,372	764,563
Payroll taxes	235,692	35,592	8,969	280,253
Employee benefits	140,590	21,231	5,349	167,170
Summer salaries	43,920	-	-	43,920
Total compensation	2,565,665	349,768	89,690	3,005,123
Educational programs:				
Lunchroom	301,057	-	-	301,057
Educational materials and textbooks	80,805	3,058	770	84,633
General administration	120,770	193,323	9,761	323,854
Promotions	-	95,222	-	95,222
Transportation	5,497	-	-	5,497
Student activities	107,357	26,170	20	133,547
Summer	20,678	-	-	20,678
Total educational programs	636,164	317,773	10,551	964,488
Facility:				
Other buildings and grounds	123,631	7,985	1,464	133,080
Utilities	94,332	6,032	1,106	101,470
Building repairs	5,530	357	65	5,952
Technology hardware	43,375	4,989	1,257	49,621
Total facility	266,868	19,363	3,892	290,123
Other:				
Interest	444,217	67,082	16,902	528,201
Depreciation	324,943	20,987	3,848	349,778
Bad debt expense	-	-	-	-
Amortization	-	16,364	-	16,364
Miscellaneous	-	-	4,263	4,263
Centennial event	-	-	23,607	23,607
Professional fees	2,785	57,211	106	60,102
Total other	771,945	161,644	48,726	982,315
Total functional expenses	$ 4,240,642	848,548	152,859	5,242,049

The accompanying notes are an integral part of these financial statements.

ROYCEMORE SCHOOL

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2018

		SUPPORTING SERVICES		
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	DEVELOPMENT AND FUNDRAISING	TOTAL
Compensation				
Faculty, substitutes and teachers aides	$ 1,836,744	-	-	1,836,744
Administrative and staff salaries	405,725	333,156	85,763	824,644
Payroll taxes	210,148	36,004	9,192	255,344
Employee benefits	112,648	19,299	4,928	136,875
Summer salaries	29,521	-	-	29,521
Total compensation	2,594,786	388,459	99,883	3,083,128
Educational programs				
Lunchroom	260,033	-	-	260,033
Educational materials and textbooks	146,686	-	-	146,686
General administration	203,137	34,802	8,886	246,825
Promotions	84,143	-	-	84,143
Transportation	11,496	-	-	11,496
Student activities	120,399	-	-	120,399
Summer	43,488	-	-	43,488
Total educational programs	869,382	34,802	8,886	913,070
Facility				
Other buildings and grounds	99,805	17,099	4,366	121,270
Utilities	84,548	14,485	3,699	102,732
Building repairs	9,385	1,608	410	11,403
Technology hardware	16,711	2,863	731	20,305
Total facility	210,449	36,055	9,206	255,710
Other				
Interest	531,755	91,103	23,260	646,118
Depreciation	357,645	61,273	15,644	434,562
Bad debt expense	127,656	21,871	5,583	155,110
Amortization	24,051	4,121	1,052	29,224
Miscellaneous	14,330	2,455	627	17,412
Centennial event	-	-	401	401
Professional fees	27,512	4,713	1,204	33,429
Total other	1,082,949	185,536	47,771	1,316,256
Total functional expenses	$ 4,757,566	644,852	165,746	5,568,164

The accompanying notes are an integral part of these financial statements.

ROYCEMORE SCHOOL

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Cash provided by (applied to) operating activities:		
Change in net assets	$ (497,976)	1,888,123
Adjustments to reconcile change in net assets to net cash provided by (applied to) operating activities:		
Depreciation	349,778	434,562
Amortization of bond discounts and issuance costs	-	19,406
Amortization of notes payable loan fees	16,364	9,818
Beneficial interest in assets held by others	(905)	(6,212)
Write off of notes receivable	-	24,094
Gain on settlement of debt	-	(2,047,877)
Changes in:		
Accounts receivable	22,417	(9,390)
Contributions receivable	-	450
Related party receivable	-	80,562
Prepaid expenses	55,666	(33,008)
Accounts payable	29,531	(29,638)
Accrued expenses	70,751	(453,651)
Deferred revenue	145,398	31,507
	191,024	(91,254)
Cash applied to investing activities -		
Purchase of property and equipment	(9,786)	-
Cash provided by (applied to) financing activities:		
Payments on notes payable	(500,000)	(691,562)
Proceeds on notes payable	-	250,000
Payments on notes payable loan fees	-	(26,182)
Payments on capital lease obligation	-	(5,774)
	(500,000)	(473,518)
Net decrease in cash, cash equivalents and restricted cash	(318,762)	(564,772)
Cash, cash equivalents and restricted cash, beginning of year	1,403,196	1,967,968
Cash, cash equivalents and restricted cash, end of year	$ 1,084,434	1,403,196
Other cash flow information -		
Interest paid	$ 528,201	1,167,047

The accompanying notes are an integral part of these financial statements.

NOTE 1 - NATURE OF OPERATIONS

Roycemore School (School) is a not-for-profit school established in 1915 in Evanston, Illinois, providing primary and secondary education.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are presented using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash, Cash Equivalents and Restricted Cash

For purposes of reporting cash flows, cash is defined as cash on hand, amounts held at financial institutions and short-term highly liquid investments that are readily convertible to known amounts of cash. Investments with an original maturity of three months or less are considered short-term for these purposes.

Investments

Investments are measured at fair value, determined by quoted market price, in the statement of financial position. Investment income or loss (including gains and losses on investments and interest) is included in the statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law.

Accounts Receivable and Allowance for Doubtful Accounts

The School carries its accounts receivable at the outstanding principal balance adjusted for the allowance for doubtful accounts. The allowance for doubtful accounts is estimated based on the length of time the receivables are outstanding and the anticipated future collectible amounts based on historical experience. Accounts deemed uncollectible are charged to the allowance for doubtful accounts. The allowance for doubtful accounts at June 30, 2019 and 2018 is $1,000 and $124,000, respectively.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Property and Equipment

Property and equipment have been recorded at cost if purchased or at fair value at time of donation if received as a gift. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. The useful lives of property and equipment for purposes of computing depreciation are as follows:

Building improvements	40 years
Building	40 years
Furniture and equipment	5 - 7 years
Capital lease equipment	3 years
Buses	5 years

Depreciation expense for the years ended June 30, 2019 and 2018 is $349,778 and $434,562, respectively.

Deferred Revenue

Deferred revenue results from the School recognizing registration and tuition revenue in the period in which the related educational instruction is performed. Accordingly, registration and tuition fees received for the next school term are deferred until the instruction commences.

Net Assets

Net assets, revenue, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operation and not subject to donor-imposed restrictions. The Board of trustees of the School (Board) has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – The School reports contributions restricted by donors as increase in net assets without donor restriction if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Support, Revenue and Expenses

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Support, Revenue and Expenses, Continued

The School reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the School reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The School and its students enter into a contract for the School to provide education for a fee. Many students pay in advance for the future academic year. The School earns program revenue as it provides education to the students enrolled, measured by the academic year. Advance payments related to the academic year for which the School has not yet provided education are recorded in the financial statements as deferred revenue.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Functional Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance and other, which are allocated on the basis of estimates of time and effort.

Advertising

Advertising costs are expensed as incurred. Advertising expense was $95,222 and $84,143 for the years ended June 30, 2019 and 2018, respectively.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Accounting Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Income Taxes

The School is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and is classified by the Internal Revenue Service (IRS) as other than a private foundation. Accordingly, a provision for income taxes has not been made on the financial statements.

The School has evaluated its tax position taken for all open tax years. Currently, the 2015, 2016 and 2017 tax years are open and subject to examination by the IRS and the Department of Revenue of certain states; however, the School is not currently under audit nor has the School been contacted by any of these jurisdictions.

Based on the evaluation of the School's tax positions, management believes all positions taken would be upheld under an examination; therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended June 30, 2019 and 2018.

Concentration of Credit Risk

The School maintains its cash in bank deposits, which, at times, may exceed federally insured limits. The School believes it is not exposed to significant credit risk on these accounts.

Going Concern Evaluation

In accordance with Accounting Standards Update (ASU) No. 2014-15 management performed an evaluation to determine if adverse conditions or events, considered in the aggregate, raise substantial doubt about the School's ability to continue as a going concern. Management's assessment did identify conditions or events raising substantial doubt about the School's ability to continue as a going concern for the period from November 22, 2019 to November 22, 2020. Further details regarding management's evaluation for the year ended June 30, 2019 are provided in Note 16.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Change in Accounting Principle – Financial Statement Presentation

On August 18, 2016, the Financial Accounting Standard Board (FASB) issued ASU No. 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. ASU No. 2016-14 addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The School has implemented ASU No. 2016-14 and has adjusted the presentation in these financial statements accordingly.

The primary differences between these and previously-issued financial statements, as they relate to the School, are: 1) the renaming of the captions in the statement of financial position and statement of activities from unrestricted and temporarily restricted net assets to net assets without donor restrictions and net assets with donor restrictions, respectively and 2) the new footnote disclosure of quantitative and qualitative information concerning the School's liquidity.

New Accounting Standard – Revenue from Contracts

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which supersedes the revenue recognition requirements in Accounting Standards Codification 605, Revenue Recognition. ASU No. 2014-09 provides for a single five-step model to be applied to all revenue contracts with customers. ASU No. 2014-09 also requires additional financial statement disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments. ASU No. 2014-09 is effective for annual reporting periods beginning after December 15, 2018. The School is currently evaluating the methods of adoption allowed by ASU No. 2014-09 and the effect that ASU No. 2014-09 is expected to have on its financial position, results of operations, cash flows and related disclosures.

New Accounting Standard – Contributions Received and Made

In June 2018, FASB issued ASU No. 2018-08, Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. ASU No. 2018-08 improves the current guidance on determining whether transactions are contributions or exchange transactions. ASU No. 2018-08 also requires determining if a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. ASU No. 2018-08 is effective for resource recipients for annual reporting periods beginning after December 15, 2018 and for resource providers for annual reporting periods beginning after December 15, 2019. The School is currently evaluating the methods of adoption permitted by ASU No. 2018-08 and the effect that ASU No. 2018-08 is expected to have on its financial position, results of operations, cash flows and related disclosures.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

New Accounting Standard – Leases

In February 2016, the FASB issued ASU No. 2016-02, Leases, which is intended to improve financial reporting about leasing transactions. ASU No. 2016-02 requires that leased assets be recognized as assets on the statements of financial position and the liabilities for the obligations under the lease also be recognized on the statements of financial position. ASU No. 2016-02 requires disclosures to help investors and other financial statement users better understand the amount, timing and uncertainty of cash flows arising from leases. The required disclosures include qualitative and quantitative requirements. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2020 and interim periods within those fiscal years beginning after December 15, 2021. Early adoption is permitted. ASU No. 2016-02 must be adopted using a modified retrospective transition, and provides for certain practical expedients. Transition will require application of the new guidance at the beginning of the earliest comparative period presented. The School is currently evaluating the methods of adoption allowed by ASU No. 2016-02 and the effect that ASU No. 2016-02 is expected to have on its financial position, results of operations, cash flows and related disclosures.

Subsequent Events

Subsequent events have been evaluated through November 22, 2019, the date that the financial statements were available for issue.

NOTE 3 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Financial assets at year-end:		
Cash and cash equivalents	$	960,729
Accounts receivable		47,403
	$	1,008,132
Less: amounts not available for general expenditures within one year, due to:		
Board designated		17,680
Purpose restricted		5,000
Financial assets available to meet cash needs for general expenditures within one year	$	985,452

NOTE 3 - LIQUIDITY AND AVAILABILITY, CONTINUED

Our board-designated endowment consists of a $5,000 gift that is donor-restricted to endowment and $17,680 that is board restricted to endowment. Although we do not intend to spend from this board-designated endowment, these amounts could be made available if necessary following a resolution by the Board of Trustees.

Operating cash is maintained in a business banking account and is available for current operations.

NOTE 4 - FAIR VALUE MEASUREMENTS

Accounting standards generally accepted in the United States of America established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under generally accepted accounting principles are described below:

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the School has the ability to access.

Level 2 — Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

NOTE 4 - FAIR VALUE MEASUREMENTS, CONTINUED

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at June 30, 2019 and 2018.

Following is a description of the valuation methodologies used for assets measured at fair value.

Beneficial interest: Fair value is measured at the daily net asset value (NAV) per share based on the fair value of the underlying investments. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the School believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the School's assets at fair value as of June 30, 2019 and 2018:

	Assets at Fair Value as of June 30, 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at NAV[(a)]				$ 22,680

	Assets at Fair Value as of June 30, 2018			
	Level 1	Level 2	Level 3	Total
Assets measured at NAV[(a)]				$ 21,775

[(a)] In accordance with subtopic 820-10, certain investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position.

For the years ended June 30, 2019 and 2018, there were no significant transfers between Levels 1 and 2 and no transfers into or out of Level 3.

NOTE 4 - FAIR VALUE MEASUREMENTS, CONTINUED

Investments Measured Using the Net Asset Value per Share Practical Expedient

The following table summarizes investments measured at fair value based on the NAV per share practical expedient as of June 30, 2019 and 2018.

June 30, 2019	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Beneficial interest	$ 22,680	N/A	Quarterly	45 days

June 30, 2018	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Beneficial interest	$ 21,775	N/A	Quarterly	45 days

NOTE 5 - NOTES RECEIVABLE

The School entered into a note agreement with an individual owing tuition in August 2016. The note required four (4) monthly payments of $500 for the months of September through December 2016 and twenty (20) monthly payments of $2,500 from January 2017 until August 2017 or until the balance is reduced to $20,000. The note is currently in default, since timely payments have not been received.

		2019	2018
Notes receivable	$	44,094	44,094
Allowance for doubtful accounts		44,094	44,094
	$	-	-

NOTE 6 - ACCRUED EXPENSES

Accrued expenses as of June 30, 2019 and 2018 consisted of the following:

		2019	2018
Payroll, taxes and benefits	$	444,339	479,304
Loan fees		100,000	-
Other		12,076	6,360
	$	556,415	485,664

NOTE 7 - LEASE COMMITMENTS

The School leased a Wi-Fi system under a capital lease with minimum monthly rental payments of approximately $640. The lease was paid in full during 2018 and was not renewed.

Property recorded under the capital lease included the following amounts at June 30, 2018:

	2018
Assets	$ 41,346
Less: accumulated depreciation	(41,346)
Net capitalized lease property	$ -

NOTE 8 - BOND PAYABLE

[redacted]

NOTE 9 - NOTES PAYABLE

Notes payable at June 30, 2019 and 2018 consisted of the following:

	NOTES PAYABLE JUNE 30, 2019		
	PRINCIPAL	LOAN FEES	NET
Note payable, vendor, with interest at 0% (increasing to 5% if the loan is in default) with all unpaid principal and interest due October 2019. Subsequent to year end, the note was converted into a contribution.	$ 150,000	-	150,000

NOTE 9 - NOTES PAYABLE, CONTINUED

	NOTES PAYABLE JUNE 30, 2019		
	PRINCIPAL	LOAN FEES	NET
Note payable, vendor, with interest at 3.25% applicable margin LIBOR plus interest at 2.00% applicable margin – prime rate through the maturity date of November 15, 2019. The note was extended to July 14, 2020. The proceeds of this note were used to pay off the bond payable in Note 8. The note is secured by the land and building. In addition, a reserve account was set up and starting in March 2018, the School is required to deposit $50,000 every month to the reserve account.	9,600,000	-	9,600,000
	9,750,000	-	9,750,000
Less current portion	(150,000)	(-)	(150,000)
	$ 9,600,000	-	9,600,000

	NOTES PAYABLE JUNE 30, 2018		
	PRINCIPAL	LOAN FEES	NET
Note payable, vendor, with interest at 0% (increasing to 5% if the loan is in default) with all unpaid principal and interest due November 2018. Subsequent to June 2018, the School made payments of $100,000 and the remaining balance was renegotiated into a new note maturing October 2019. Subsequent to year end, the note was converted to a contribution.	$ 250,000	-	250,000
Note payable, vendor, with interest at 1.10% applicable margin LIBOR through May 31, 2018 and 2.75% applicable margin LIBOR through the maturity date of February 2019. Subsequent to June 2018, the School received a letter of intent to extend the maturity date to November 30, 2019. The proceeds of this note were used to pay off the bond payable in Note 8. The note is secured by the land and building. In addition, a reserve account was set up with $275,000 deposited on the closing date with $25,000 added on February 27, 2018.			

NOTE 9 - NOTES PAYABLE, CONTINUED

	NOTES PAYABLE JUNE 30, 2018		
	PRINCIPAL	LOAN FEES	NET
Starting in March 2018, the School is required to deposit $50,000 every month to the reserve account.	10,000,000	16,364	9,983,636
	10,250,000	16,364	10,233,636
Less current portion	(100,000)	(16,364)	(83,636)
	$ 10,150,000	-	10,150,000

The $10,000,000 note had a loan fee of $26,182. The fee is being amortized using the effective interest method over the one year life of the note. Amortization expense for the years ended June 30, 2019 and 2018 was $9,818 and $16,364, respectively.

Accumulated amortization for the years ended June 30, 2019 and 2018 was $26,182 and $16,364, respectively.

NOTE 10 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

In 2010, the School transferred $10,000 to Evanston Community Foundation to establish an endowment fund. Under the terms of the agreement, the School will be offered the annual net spending amount as calculated by the Evanston Community Foundation. The annual spending objective for Evanston Community Foundation is a maximum of 6% and a minimum of 3.5% of the three-year moving average of the market value of the endowment fund.

The School may elect to receive the annual spending amount in full or in part, or it may elect to receive no distribution in a given year. At June 30, 2019 and 2018, no distributions were elected and the endowment fund had a value of $22,680 and $21,775, respectively, which is reported in the statements of financial position as beneficial interest in assets held by others.

The funds are invested by Evanston Community Foundation in various financial instruments. These financial instruments are exposed to various risks, such as interest rate, market and credit. Due to the level of uncertainty related to changes in interest rates, market volatility and credit risks, it is at least reasonably possible that changes in these risks could materially affect the fair value of the asset.

NOTE 11 - BOARD DESIGNATED NET ASSETS

At June 30, 2019 and 2018, net assets without donor restrictions of $17,680 and $16,775, respectively, have been designated by the School's Board of Trustees as reserved for an endowment.

NOTE 12 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at June 30, 2019 and 2018:

		2019	2018
Purpose:			
Classroom innovation	$	-	760
Endowment fund		5,000	5,000
	$	5,000	5,760

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2019 and 2018:

		2019	2018
Net assets released from restrictions	$	760	366,632

NOTE 13 - RETIREMENT PLAN

The Pension Plan (Plan) consists of an annuity arrangement under IRC Section 403(b)(1) for the benefit of the School faculty and administrators. The School's contributions to the Plan are based on a matching of the employees' contributions of up to 5% of a participant's salary.

Benefits are provided by individually insured contracts issued by the annuity carrier. Contribution expense was $83,704 and $63,445 for the years ended June 30, 2019 and 2018, respectively and is included in payroll taxes in the statement of functional expenses.

NOTE 14 - RELATED PARTY TRANSACTIONS

A member of the Board of Trustees owed $80,562 to the School for tuition as of June 30, 2017. The balance was paid in full during 2018 and there are no additional outstanding balances. There were no related party receivables for 2019.

Several board members have children attending the School. Tuition payments from these related parties included in net tuition and fees amount to $364,028 and $162,320 for the years ended June 30, 2019 and 2018, respectively.

NOTE 15 - ENDOWMENTS

The School's endowment consists of endowment funds held with the Evanston Community Foundation described in Note 10. It has been designated by the Board of Trustees to function as an endowment. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees has interpreted the Illinois Uniform Prudent Management of Institutional Funds Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary.

As a result of this interpretation, the School classifies the original value of gifts donated to the permanent endowment, the original value of subsequent gifts to the permanent endowment and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund as permanently restricted net assets. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the School. Gifts to the endowment received with donor stipulations amounted to $0 and $5,000 for the years ended June 30, 2019 and 2018, respectively.

Changes in endowment net assets for the year ended June 30, 2019:

NOTE 15 - ENDOWMENTS, CONTINUED

		WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Endowment net assets, July 1, 2018	$	16,775	5,000	21,775
Investment return - Change in interest in net assets held by Evanston Community Foundation		905	-	905
Endowment net assets, June 30, 2019	$	17,680	5,000	22,680

Changes in endowment net assets for the year ended June 30, 2018:

		WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Endowment net assets, July 1, 2017	$	15,563	-	15,563
Investment return - Change in interest in net assets held by Evanston Community Foundation		1,212	-	1,212
Contribution		-	5,000	5,000
Endowment net assets, June 30, 2018	$	16,775	5,000	21,775

Endowment net asset composition by type of fund as of June 30, 2019:

		WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Board designated endowment fund	$	17,680	5,000	22,680

Endowment net assets composition by type of fund as of June 30, 2018:

		WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Board designated endowment fund	$	16,775	5,000	21,775

NOTE 16 - CONTINUATION AS A GOING CONCERN

As shown in the accompanying financial statements, Roycemore School has incurred declines in net assets before other income for consecutive years, and current liabilities exceed current assets by $1,637,913.

Those factors create uncertainly about Roycemore School's ability to continue as a going concern. Management has evaluated these conditions and determined that the following plans would alleviate this uncertainty:

Management is confident in the school's ability to continue as a going concern. The current liabilities of $2,769,750 which exceed current assets by the amount of $1,637,913, include liability for deferred revenue in the amount of $2,033,029. This deferred revenue represents advance tuition payments received in FY 2019 but earned in FY 2020. This actually represents a positive development for the school indicating greater tuition revenue for the coming year. In addition, the $150,000 current portion of notes payable also represents a loan that was converted to a gift in July 2019.

The school continues to pursue aggressive efforts to reduce its debt. In August 2019, the school paid down an additional $200,000 of principal on its $9.6M loan existing at the end of FY 2019. The school is well into the process of securing long-term traditional financing to replace the current $9.4M balance of the original $10M loan that was intended as a bridge loan. The school's discussions with banks as potential lenders have been substantial and encouraging. In the interim, the school secured an agreement with its current lender to extend the maturity of the loan to July 14, 2020. Fundraising efforts, including those to reduce debt, have continued to be strong.

Original value of building, improvements and land	$	14,541,645
Accumulated depreciation through June 30, 2019		2,621,558
Net book value at June 30, 2019	$	11,920,087

Management believes the inability to account for the fair market value in the building, building improvements, and land is significant and material and would result in a favorable outcome that cannot be reflected in the financial statements.

Marketing and school improvement efforts have resulted in the lowest attrition since 2013-2014, as well as the highest opening day enrollment and newly enrolled students since 2016-2017. The school has achieved this positive enrollment outcome while also increasing its selectivity in admissions and counseling out students that the school could not well serve, thereby improving the overall academic profile of enrolled students. The popular school ranking organization, Niche.com, ranked Roycemore as the #5 best private K-12 school in Illinois and the #8 best private high school in Illinois for 2020 (up from #9 the prior year). Enhanced marketing and messaging initiatives under the leadership of anew Director of Enrollment, Marketing and Communications, with the support of a Board Marketing Committee comprised of experts in the field, have strengthened the brand and

NOTE 16 - CONTINUATION AS A GOING CONCERN, CONTINUED

reputation of the school and significantly increased interest in Roycemore. Continued collaboration with Northwestern University's School of Education and Social Policy and the Osher Lifelong Learning Institute have helped to position Roycemore as an educational leader. The collaboration with Adobe Corporation that put Creative Cloud software into the hands of all Roycemore students and facilitated the addition of Design Thinking to the curriculum continues. Adobe Corporation will be hosting the world's first high school Creative Jam at Roycemore School in partnership with Northwestern University's Medill School of Journalism. Additional programmatic changes are being planned for the years ahead that will further strengthen the offerings at Roycemore.

NOTE 17 - RECLASSIFICATIONS

Certain amounts in the 2018 financial statements have been reclassified to conform with the year 2019 presentation.

APPENDIX C

FORM OF INDENTURE

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BOND TRUST INDENTURE

Between

CITY OF EVANSTON, COOK COUNTY, ILLINOIS

and

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Bond Trustee

Dated as of April 1, 2021

$8,275,000 City of Evanston, Illinois
Educational Facility Revenue Bonds, Series 2021
(Roycemore School)

BOND TRUST INDENTURE

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS **4**

Section 101. Definitions **4**
Section 102. Rules of Construction **13**

ARTICLE II THE BONDS **13**

Section 201. Authorized Amount of Bonds **13**
Section 202. Issuance of Series 2021 Bonds **13**
Section 203. Execution; Limited Obligation **15**
Section 204. Authentication **15**
Section 205. Form of Series 2021 Bonds and Temporary Bonds **16**
Section 206. Delivery of Series 2021 Bonds **16**
Section 207. Mutilated, Lost, Stolen or Destroyed Bonds **17**
Section 208. Transfer and Exchange of Series 2021 Bonds; Persons Treated as Owners **17**
Section 209. Cancellation **18**
Section 210. Book-Entry Only System **18**
Section 211. Payments and Notices to Cede & Co. **19**
Section 212. Successor Securities Depository; Transfers Outside Book-Entry Only System **19**

ARTICLE III APPLICATION OF FUNDS **20**

Section 301. Application of Funds **20**
Section 302. Expense Fund **20**

ARTICLE IV REVENUES AND FUNDS **20**

Section 401. Source of Payment of Series 2021 Bonds **20**
Section 402. Transfer Fund **21**
Section 403. Revenue Fund **21**
Section 404. Interest Fund **21**
Section 405. Bond Sinking Fund **21**
Section 406. Optional Redemption Fund **22**
Section 407. Debt Service Reserve Fund **22**
Section 408. [Reserved] **23**
Section 409. Repair and Replacement Fund **23**
Section 410. Investment of Funds **24**
Section 411. Trust Funds **25**
Section 412. Excluded Funds; Transfers to Rebate Fund **25**

ARTICLE V REDEMPTION OF SERIES 2021 BONDS **25**

Section 501. Redemption Dates and Prices **25**
Section 502. Bond Sinking Fund Deposits – Mandatory Deposits **26**
Section 503. Notice of Redemption **27**
Section 504. Mandatory Tender for Purchase **28**

ARTICLE VI GENERAL COVENANTS **29**

Section 601. Payment of Principal, Premium, If Any, and Interest 29
Section 602. Performance of Covenants; Legal Authorization 29
Section 603. Ownership; Instruments of Further Assurance 30
Section 604. Recording and Filing 30
Section 605. Required Reporting to the City 31
Section 606. Bond Register 31
Section 607. Rights Under the Loan Agreement and the Series 2021 Note; Bond Trustee as Holder of the Series 2021 Note 31
Section 608. Designation of Additional Paying Agents 31
Section 609. Arbitrage; Compliance with Tax Compliance Agreement 31
Section 610. Prohibited Activities 31

ARTICLE VII EVENTS OF DEFAULT; REMEDIES 32

Section 701. Extension of Payment; Penalty 32
Section 702. Events of Default 32
Section 703. Acceleration 33
Section 704. Remedies; Rights of Bondholders 33
Section 705. Direction of Proceedings by Bondholders 34
Section 706. Appointment of Receivers 34
Section 707. Application of Moneys 34
Section 708. Remedies Vested in Bond Trustee 35
Section 709. Rights and Remedies of Bondholders 36
Section 710. Termination of Proceedings 36
Section 711. Waiver of Events of Default 36
Section 712. Corporation's Right of Possession and Use of Its Property 37
Section 713. Waiver of Redemption; Effect of Sale of the Corporation's Property 37
Section 714. Notice of Default; Endorsement of Series 2021 Note 37
Section 715. Lock-Box Provisions 37
Section 716. Debt Service Reserve Fund Disbursements 38
Section 717. Default by City — Limited Liability 38

ARTICLE VIII THE BOND TRUSTEE 38

Section 801. Acceptance of the Trusts 38
Section 802. Fees, Charges and Expenses of the Bond Trustee, the Bond Registrar and the City 41
Section 803. Notice to Bondholders if Default Occurs 42
Section 804. Intervention by Bond Trustee 42
Section 805. Successor Bond Trustee 42
Section 806. Bond Trustee Required; Eligibility 42
Section 807. Resignation by the Bond Trustee 42
Section 808. Removal of the Bond Trustee 43
Section 809. Appointment of Successor Bond Trustee by the Bondholders; Temporary Bond Trustee 43
Section 810. Judicial Appointment of Successor Trustee 44
Section 811. Concerning Any Successor Bond Trustees 44
Section 812. Bond Trustee Protected in Relying Upon Resolution, Etc. 44
Section 813. Successor Bond Trustee as Trustee of Funds, Paying Agent and Bond Registrar 44
Section 814. Representations, Warranties and Covenants of the Bond Trustee 44

ARTICLE IX SUPPLEMENTAL BOND INDENTURES **45**

Section 901. Supplemental Bond Indentures Not Requiring Consent of Bondholders **45**
Section 902. Supplemental Bond Indentures Requiring Consent of Bondholders **46**
Section 903. Consent of the Corporation **47**

ARTICLE X AMENDMENTS TO THE LOAN AGREEMENT **47**

Section 1001. Amendments, Etc. to Loan Agreement Not Requiring Consent **47**
Section 1002. Amendments, Etc. to Loan Agreement Requiring Consent of Bondholders **47**
Section 1003. No Amendment May Alter Series 2021 Note **48**

ARTICLE XI SATISFACTION OF THIS BOND INDENTURE **48**

Section 1101. Provision for Payment **48**
Section 1102. Liability of City Not Discharged **49**
Section 1103. Provision for any Portion of the Series 2021 Bonds **49**
Section 1104. When Refunding Is Not Permitted **50**
Section 1105. Redemption After Satisfaction of Indenture **50**

ARTICLE XII MANNER OF EVIDENCING OWNERSHIP OF SERIES 2021 BONDS; BONDS HELD BY CORPORATION **51**

Section 1201. Proof of Ownership **51**

ARTICLE XIII MISCELLANEOUS **52**

Section 1301. Limitation of Rights **52**
Section 1302. Unclaimed Moneys **52**
Section 1303. Severability **52**
Section 1304. Notices **52**
Section 1305. Bond Trustee as Paying Agent and Registrar **53**
Section 1306. Counterparts **53**
Section 1307. Governing Law **53**
Section 1308. Provisions for Payment of Expenses **53**
Section 1309. Immunity of Officials, Aldermen, Agents, Employees and Members of the City **53**
Section 1310. Payments Due on Non-Business Days **54**

Exhibit A – Form of Series 2021 Bond
Exhibit B – Investor Letter

THIS BOND TRUST INDENTURE (the "*Bond Indenture*") dated as of April 1, 2021, between the CITY OF EVANSTON, COOK COUNTY, ILLINOIS (the "*City*"), a municipal corporation and home rule unit of local government organized and existing under the Constitution and the laws of the State of Illinois (the "*State*"), and Wilmington Trust, National Association, as bond trustee (the "*Bond Trustee*"), a national banking association duly organized and validly existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States, with a designated corporate trust office, domicile and post office address at 230 West Monroe Street, Chicago, Illinois 60606;

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Section 6(a) of Article VII of the 1970 Constitution of the State, the City, as a municipality and home rule unit of the State, is authorized and empowered to exercise any power or perform any function pertaining to its government or affairs, including the issuance of revenue bonds to finance projects within the territorial limits of the City or to refund bonds issued to finance said projects, and may authorize the issuance of such revenue bonds by ordinance adopted by the City Council of the City (the "*City Council*"); and

WHEREAS, Roycemore School (the "*Corporation*"), an Illinois not for profit corporation, has requested that the City Council approve the issuance by the City of qualified 501(c)(3) revenue bonds under Section 145 of the Internal Revenue Code of 1986, as amended, through the issuance of its $8,275,000 Educational Facility Revenue Bonds, Series 2021 (Roycemore School) (the "*Series 2021 Bonds*" or the "*Bonds*"); and

WHEREAS, the City will loan all of the proceeds of the Series 2021 Bonds to the Corporation pursuant to a Loan Agreement dated as of April 1, 2021 (the "*Loan Agreement*") between the Corporation and the City, pursuant to which the Corporation will covenant to make payments at such times and in such amounts (including principal, interest and premium, if any) so as to provide for the payment of the principal of, premium, if any, and interest on the Series 2021 Bonds outstanding under this Bond Indenture; and

WHEREAS, the Corporation will use the proceeds of the bonds, together with other available funds of the Corporation to (i) refinance the outstanding portion of the $10,000,000 original amount of a taxable note (the "*Taxable Note*"), currently outstanding in the aggregate amount of $7,900,000; (ii) fund a debt service reserve fund; and (iii) pay certain costs incurred in connection with the issuance of the hereinafter defined Bonds (collectively, the "*Financing Purposes*"); and

WHEREAS, the Taxable Note was issued by the Corporation to refinance the City of Evanston Educational Facilities Revenue Bonds, Series 2011 (the "*Series 2011 Bonds*"), the proceeds of which financed and refinanced (a) the acquisition of approximately 2.4 acres of land located at 1200 Davis Street, Evanston, Illinois 60201 (the "*Campus*") with an existing three level, 66,000 square foot building (the "*Facility*" and together with the Campus, the "*School Facility*"); (b) the renovation, remodeling, improvement, and equipping of the School Facility; (c) the construction and equipping of a gymnasium on the Campus (collectively, the "*Project*"); (d) the funding of certain working capital; (e) the payment of capitalized interest with respect to certain portions of the Project; (f) the funding of a debt service reserve fund; and (g) the payment of certain costs incurred in connection with the issuance of the Series 2011 Bonds; and

WHEREAS, the City is authorized under an ordinance adopted by the City Council on the 12th day of April, 2021 (the "*Ordinance*") to issue the Series 2021 Bonds on behalf of the Corporation and lend the proceeds of the Series 2021 Bonds to the Corporation to finance the Financing Purposes, and the City has determined that the loan of the proceeds of the Series 2021 Bonds to the Corporation to finance the Financing Purposes will be economically beneficial to the Corporation and will enable the Corporation to offer more of its services to the City's residents, thereby promoting the well-being of the residents of the

City, and will enhance the quality of life of the residents of the City, and therefore is for a proper public purpose; and

WHEREAS, the execution and delivery of this Bond Indenture and the issuance of the Bonds under the Ordinance have been in all respects duly and validly authorized by the Ordinance; and

WHEREAS, as further security for the repayment of the Series 2021 Bonds, the Corporation will issue to the City its Promissory Note, Series 2021 (the "*Series 2021 Note*"), in the principal amount of $8,275,000, pursuant to the Loan Agreement; and

WHEREAS, as further security for the repayment of the Series 2021 Bonds, the Corporation will be entering into, among other things, a Mortgage, Security Agreement and Assignment of Leases and Rents dated as of April 1, 2021 (the "*Mortgage*") between the Corporation and the Bond Trustee; and

WHEREAS, the Series 2021 Bonds, and the Bond Trustee's certificate of authentication to be endorsed thereon, are to be in substantially the forms set forth as Exhibit A hereto, with necessary and appropriate variations, omissions and insertions as permitted or required by this Bond Indenture; and

WHEREAS, all things necessary to make the Series 2021 Bonds, when authenticated by the Bond Trustee and issued as in this Bond Indenture provided, the valid, binding and legal special, limited obligations of the City according to the import thereof, and to constitute this Bond Indenture a valid assignment and pledge of the payments and prepayments upon the Series 2021 Note to be applied to the payment of the principal of, premium, if any, and interest on the Series 2021 Bonds and a valid assignment of the right, title and interest of the City under the Loan Agreement and amounts payable under the Loan Agreement (except Unassigned Rights, as hereinafter defined), have been done and performed, and the creation, execution and delivery of the Bond Indenture, and the creation, execution and issuance of the Series 2021 Bonds, subject to the terms hereof, have in all respects been duly authorized:

NOW, THEREFORE, THIS BOND INDENTURE WITNESSETH:

That the City in consideration of the premises and of the purchase of the Series 2021 Bonds and of other good and lawful consideration, the receipt of which is hereby acknowledged, and to secure the payment of the principal of, premium, if any, and interest on the Series 2021 Bonds and the performance and observance of all of the covenants and conditions herein or therein contained, has executed and delivered this Bond Indenture and has conveyed, granted, assigned, transferred, pledged, set over and confirmed and granted a security interest in and by these presents does hereby convey, grant, assign, transfer, pledge, set over and confirm and grant a security interest in, unto the Bond Trustee, its successor or successors and its or their assigns forever, with power of sale, all and singular the property hereinafter described (said property being herein sometimes referred to as the "*trust estate*") to wit:

GRANTING CLAUSES

DIVISION I

All right, title and interest of the City in and to the Series 2021 Note pledged hereunder and all sums payable in respect of the indebtedness evidenced thereby;

DIVISION II

All right, title and interest of the City in and to the Loan Agreement and the amounts payable to the City under the Loan Agreement (excluding Unassigned Rights);

DIVISION III

Any and all other property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, conveyed, mortgaged, granted, pledged, assigned or transferred as and for additional security hereunder to the Bond Trustee, including without limitation funds of the Corporation held by the Bond Trustee as security for the Series 2021 Bonds;

EXCEPTED PROPERTY

There is, however, expressly excluded from the lien and operation of this Bond Indenture amounts on deposit in the Rebate Fund established by the Tax Compliance Agreement (as such terms are hereinafter defined) and amounts required to be deposited therein;

TO HAVE AND TO HOLD, all and singular, the Trust Estate, unto the Bond Trustee and its successors and assigns forever, in trust, nevertheless, with power of sale for the equal and pro rata benefit and security of each and every owner of the Series 2021 Bonds issued and to be issued hereunder, without preference, priority or distinction as to participation in the benefit and protection hereof of one Bond over or from the others, by reason of priority in the issue or negotiation or maturity thereof, or for any other reason whatsoever, except as herein otherwise expressly provided, so that each and all of such Series 2021 Bonds shall have the same right, lien and privilege under this Bond Indenture and shall be equally secured hereby with the same effect as if the same had all been made, issued and negotiated simultaneously with the delivery hereof and were expressed to mature on one and the same date;

PROVIDED, NEVERTHELESS, and these presents are upon the express condition, that if the City or its successors or assigns shall well and truly pay or cause to be paid the principal of such Series 2021 Bonds with interest according to the provisions set forth in the Series 2021 Bonds or shall provide for the payment or redemption of such Series 2021 Bonds by depositing or causing to be deposited with the Bond Trustee the entire amount of funds or securities required 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, then these presents and the estate and rights hereby granted shall cease, determine and become void, and thereupon the Bond Trustee, on payment of its lawful charges and disbursements then unpaid, upon the payment of the cost and expenses thereof, shall duly execute, acknowledge and deliver to the City and the Corporation such instruments of satisfaction or release as may be necessary or proper to discharge this Bond Indenture, including if appropriate any required discharge of record, and if necessary shall grant, reassign and deliver to the City, its successors or assigns, all and singular the property, rights, privileges and interests by it hereby granted, conveyed and assigned, and all substitutes therefor, or any part thereof, not previously disposed of or released as herein provided; otherwise this Bond Indenture shall be and remain in full force.

AND IT IS HEREBY COVENANTED, DECLARED AND AGREED by and between the parties hereto that all Series 2021 Bonds are to be issued, authenticated and delivered, and that all the trust estate is to be held and applied, subject to the further covenants, conditions, releases, uses and trusts hereinafter set forth, and the City, for itself and its successors, does hereby covenant and agree to and with the Bond Trustee and its respective successors in said trust, for the benefit of those who shall own the Series 2021 Bonds, or any of them as follows:

ARTICLE I

Definitions

Section 1.1. Definitions. In addition to the words and terms defined elsewhere in this Bond Indenture, the following words and terms as used herein shall have the following meanings unless the context or use indicates another or different meaning:

"*Authorized Corporation Representative*" means such person at the time and from time to time designated to act on behalf of the Corporation by written certificate furnished to the City and the Trustee, containing the specimen signature of such person, signed on behalf of the Corporation by the member, the manager or an authorized officer of the Corporation. Such certificate may designate an alternate or alternates.

"*Authorized Denomination*" means $100,000 and integral multiples of $5,000 in excess thereof.

"*Bond Counsel*" means a nationally recognized firm of municipal bond attorneys which are Independent Counsel and who are acceptable to the City and the Bond Trustee.

"*Bond Financed Property*" means all of the property of the Corporation financed or refinanced with the proceeds of the Series 2021 Bonds.

"*Bond Indenture*" means this Bond Trust Indenture dated as of April 1, 2021 between the City and the Bond Trustee, as it may from time to time be amended or supplemented.

"*Bond Register*" means the registration books of the City kept by the Bond Trustee to evidence the registration and transfer of the Series 2021 Bonds.

"*Bond Registrar*" means, with respect to the Series 2021 Bonds, a person or entity, if any, designated by the City herein to keep a register of the Series 2021 Bonds and of the transfer and exchange of the Series 2021 Bonds, and its successors and assigns, and any other person or entity which may at any time be substituted for it pursuant hereto.

"*Bond Trustee*" means Wilmington Trust, National Association, its successors and assigns, or any successor bond trustee under this Bond Indenture.

"*Bond Year*" means the period of 12 consecutive months ending April 22 of any year in which Bonds are Outstanding.

"*Bonds*" means the Series 2021 Bonds.

"*Bondholder*," "*holder*," "*owner*" or "*owner of the Bonds*" each means the registered owner of any Bond.

"*Business Day*" means a day which is not (a) a Saturday, Sunday or legal holiday on which banking institutions in the State of Illinois or the State of New York or in any city in which the designated corporate trust office of the Bond Trustee is located, are required or authorized by law to close or (b) a day on which the New York Stock Exchange is closed.

"*Closing Date*" means the date of the initial issuance and delivery of the Bonds.

"*Code*" means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code shall be deemed to include the United States Treasury Regulations, including temporary and proposed regulations, relating to such section which are applicable to the Bonds or the use of the proceeds thereof.

"*Commitment Indebtedness*" means the obligation of the Corporation to repay amounts disbursed pursuant to a binding commitment from a financial institution (including a line of credit, letter of credit, standby bond purchase agreement, reimbursement agreement or similar credit or liquidity facility or arrangement established in connection with the issuance or incurrence of any Indebtedness of the Corporation) to refinance, pay, purchase or redeem when due, tendered or required to be paid, purchased or redeemed, other Indebtedness of the Corporation, which other Indebtedness was incurred were issued in accordance with the Loan Agreement, and the obligation of the Corporation to pay interest payable on amounts disbursed for such purposes, plus any fees payable to such financial institution for such commitment.

"*Corporation*" means Roycemore School, an Illinois not for profit corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

"*Days Cash on Hand*" means, as of any applicable date of determination, the amount calculated as the quotient of

(1) the sum of Unrestricted Cash and Investments (excluding any debt service reserve funds) less short-term indebtedness on such date; divided by

(2) (x) operating expenses (excluding any noncash expenses) for the twelve months then ended, excluding depreciation and amortization expense; divided by (y) the number of days in such twelve month period.

"*Debt Service Coverage Ratio*" means, for any Fiscal Year, the ratio of Income Available for Debt Service in such Fiscal Year to the Maximum Annual Debt Service Requirements for such Fiscal Year.

"*Debt Service Requirements*" means, for any Fiscal Year and with respect to any Outstanding Bonds, the sum of (a) the amount required to pay the interest coming due on such Outstanding Bonds during such Fiscal Year, plus (b) the amount required to pay the principal coming due on such Outstanding Bonds during such Fiscal Year, whether at maturity or upon mandatory sinking fund redemption.

"*Debt Service Reserve Fund Requirement*" means an amount equal to the lesser of (i) the maximum annual principal and interest requirements on the Series 2021 Bonds then outstanding, (ii) an amount equal to 10% of the outstanding principal amount of the Series 2021 Bonds (determined in accordance with the provisions of U.S. Treasury Regulation Section 1.148-l(b)) or (iii) an amount equal to 125% of the average annual debt service payment amount during any Fiscal Year on the Series 2021 Bonds.

"*Defaulted Interest*" means interest on any Bond which is payable but not duly paid on the date due.

"*Deposit Account Control Agreement*" means that certain Deposit Account Control Agreement among the Corporation, the Bond Trustee and Wintrust Bank (or such other banking counterparty), entered into pursuant to Section 10.7 of the Loan Agreement.

"*DTC*" means The Depository Trust Company, New York, New York, and its successors and assigns appointed pursuant to Section 210 hereof.

"*DTC Participants*" means those broker dealers, banks and other financial institutions reflected on the books of DTC.

"*Expenses*" means, for any period, the aggregate of all expenses calculated under generally accepted accounting principles, including without limitation any taxes, incurred by the Corporation during such period, but excluding (a) interest on Long-Term Indebtedness, (b) depreciation and amortization, (c) any unrealized loss resulting from changes in the value of investment securities, (d) non-recurring, non-cash expenses (including without limitation losses on the sale of assets other than in the ordinary course of business and losses on the extinguishment of debt), and (e) losses resulting from any reappraisal, revaluation or write-down of assets.

"*Fiscal Year*" means any twelve month period beginning on July 1st of any calendar year and ending on June 30th of the succeeding calendar year, or any other twelve month period selected by the Corporation as the fiscal year of the Corporation by written notice to the Trustee.

"*Fitch*" means Fitch Ratings Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "*Fitch*" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Corporation with written notice to the Bond Trustee and the City.

"*Governing Body*" means the board of directors, the board of trustees or similar group in which the right to exercise the powers of corporate directors or trustees is vested.

"*Government Obligations*" means securities which consist of (a) United States Government Obligations or (b) evidences of a direct ownership in future interest or principal payments on United States Government Obligations, which obligations are held in a custody account by a custodian satisfactory to the Bond Trustee pursuant to the terms of a custody agreement.

"*Gross Revenues*" means all receipts, revenues, rentals, income, insurance proceeds, condemnation awards and other moneys received by or on behalf of the Corporation, including (without limitation) revenues derived from (a) the ownership, operation or leasing of any portion of the School Facility and all rights to receive the same, whether in the form of accounts, general intangibles or other rights, and the proceeds of such accounts, general intangibles and other rights, whether now existing or hereafter coming into existence or whether now owned or held or hereafter acquired, and (b) gifts, grants, bequests, donations and contributions heretofore or hereafter made that are legally available to meet any of the obligations of the Corporation incurred in the financing, operation, maintenance or repair of any portion of the School Facility; provided, however, that there shall be excluded from Gross Revenues gifts, grants, bequests, donations and contributions to the Corporation heretofore or hereafter made, and the income and gains derived therefrom, which are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use for payments required under this Bond Indenture.

"*Immediate Notice*" means notice by telephone, telex, telecopier or electronic mail to such address as the addressee shall have directed in writing, promptly followed by written notice by first class mail, postage prepaid; provided, however, that if any Person required to give an Immediate Notice shall not have been provided with the necessary information as to the telephone, telex, telecopier number or electronic mail address of an addressee, Immediate Notice shall mean written notice by first class mail, postage prepaid.

"*Income Available for Debt Service*" means, for any period of time, the excess of Revenues over Expenses.

"*Indebtedness*" means (a) all indebtedness of the Corporation for borrowed money including guarantees or that has been incurred in connection with the acquisition of assets**,** excluding, however, indebtedness incurred in connection with a gift, bequest or devise of Property that is secured by a Lien on such Property and liability for which is effectively limited to the Property subject to such Lien with no recourse, directly or indirectly, to any other Property of the Corporation and (b) the capitalized value of the liability under any lease of Property which is properly capitalized on the balance sheet of the Corporation in accordance with generally accepted accounting principles. Indebtedness shall not include any Interest Rate Agreement.

"*Independent Counsel*" means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include independent legal counsel for the City, the Corporation or the Bond Trustee.

"Initial Bondholders" means each of the initial purchasers of the Bonds.

"*Interest Payment Date*" means each April 1 and October 1, commencing October 1, 2021. If any date so specified is not a Business Day, the Interest Payment Date shall be the immediately following Business Day.

"*Interest Rate Agreement*" means an interest rate exchange, hedge or similar agreement, expressly identified in an Officer's Certificate of the Corporation delivered to the Trustee as being entered into in order to hedge the interest payable on all or a portion of any Indebtedness, which agreement may include, without limitation, an interest rate swap, a forward or futures contract or an option (e.g. a call, put, cap, floor or collar) and which agreement does not constitute an obligation to repay money borrowed, credit extended or the equivalent thereof.

"*Issuance Costs*" means items of expense payable or reimbursable directly or indirectly by the City or the Corporation and related to the authorization, sale and issuance of the Series 2021 Bonds and authorization and execution of this Loan Agreement, which items of expense shall include, but not be limited to, application fees and expenses, publication costs, printing costs, title insurance costs, costs of reproducing documents, filing and recording fees, Bond Counsel fees, fees of the Issuer and its counsel, costs of credit ratings, initial fees of the Bond Trustee, Underwriter's fees, charges for execution, transportation and safekeeping of the Series 2021 Bonds and related documents, and other costs, charges and fees in connection with the foregoing.

"*Lien*" means, with respect to the Loan Agreement, any mortgage, pledge of, security interest in or lien, charge, restriction or encumbrance on any Unrestricted Cash and Investments of the Corporation involved in favor of, or which secures any obligation to, any Person other than the Corporation.

"*Lien*" means, with respect to the Mortgage, any mortgage, pledge or lease of, security interest in or lien, charge, restriction or encumbrance on any Mortgaged Property of the Person involved in favor of, or which secures any obligation to, any Person other than the Mortgagor.

"*Limited Offering Memorandum*" means the Limited Offering Memorandum dated April 14, 2021 prepared in connection with the issuance and sale of the Series 2021 Bonds.

"*Loan Agreement*" means the Loan Agreement dated as of April 1, 2021 between the City and the Corporation, as it may from time to time be amended and supplemented.

"*Long-Term Indebtedness*" means Indebtedness having a final maturity or final payment date of more than one year from the date of creation thereof or which is renewable or extendible at the option of the obligor to a date more than one year from the date of creation thereof.

"*Majority of Bondholders*" means any one person or entity owning all of the aggregate principal amount of the outstanding Bonds; provided, however, if no single person or entity holds all of the outstanding Bonds, "Majority of Bondholders" shall mean the holder or holders of at least fifty percent (50%) in aggregate principal amount of outstanding Bonds.

"*Management Consultant*" means a firm selected by the Corporation and qualified to pass upon questions relating to the financial affairs, condition and operations of legal entities similar to the Corporation engaged in activities similar to those of the Corporation and having a favorable and nationally recognized reputation for skill and experience in the analysis of such financial affairs, which firm shall have no interest, direct or indirect, in the Corporation and shall not have a partner, member, trustee, officer or employee who is a member, trustee, officer or employee of the Corporation; it being understood that an arms-length contract with the Corporation for the performance of service shall not be regarded as creating an interest in or an employee relationship with such firm.

"*Maximum Annual Debt Service Requirement*" means, with respect to any Bonds, the maximum Debt Service Requirements on such Bonds in the current or any succeeding Fiscal Year of the Corporation; provided, however, that in making such determination, the amount of principal and interest payable on any Bonds in any Fiscal Year of the Corporation shall be reduced by any amount which will be released during such Fiscal Year from the Debt Service Reserve Fund as a result of the amortization of the Bonds in such Fiscal Year or a prior Fiscal Year.

"*Moody's*" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "*Moody's*" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Corporation by notice to the Bond Trustee and the City.

"*Mortgage*" means the Mortgage, Security Agreement and Assignment of Leases and Rents dated as of April 1, 2021 between the Corporation, as Mortgagee, and Wilmington Trust, National Association, as Bond Trustee, as Mortgagor.

"*NRSRO*" or "*Nationally Recognized Statistical Rating Organization*" means a credit rating agency registered with the United States Securities and Exchange Commission or its successor pursuant to the Securities Exchange Act of 1934, as amended.

"*Officer's Certificate*" means a certificate signed, in the case of a certificate delivered by a corporation, by the President, any Vice-President or any other officer or agent authorized to sign by resolution of the Governing Body of such corporation or, in the case of a certificate delivered by any other Person, the chief executive or chief financial officer of such other Person, in either case whose authority to execute such Certificate shall be evidenced to the satisfaction of the Bond Trustee.

"*Opinion of Bond Counsel*" means a written opinion of Bond Counsel in form and substance acceptable to the City and the Bond Trustee (which opinion may be based on a ruling or rulings of the Internal Revenue Service).

"*Ordinance*" means Ordinance No. 26-O-21 adopted by the City Council on April 12, 2021.

"*Outstanding Bonds,*" "*Outstanding Series 2021 Bonds*" or "*Bonds outstanding*" means, as of any given date, all Bonds which have been duly authenticated and delivered by the Bond Trustee under this Bond Indenture, except:

(a) Bonds canceled after purchase thereof in the open market or because of payment at or redemption prior to maturity;

(b) Bonds for the payment or redemption of which cash or noncallable Government Obligations or both shall have been theretofore deposited with the Bond Trustee (whether upon or prior to the maturity or redemption date of any such Bonds) in accordance with this Bond Indenture; provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Bond Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Bond Trustee shall have been filed with the Bond Trustee;

(c) Bonds in lieu of which others have been authenticated under Section 204, 205, 207 or 208 hereof; and

(d) For purposes of any consent, request, demand, authorization, direction, notice, waiver or other action to be taken by the holders of a specified percentage of Outstanding Bonds hereunder, all Bonds held by or for the account of the City or the Corporation, except that for purposes of any such consent, request, demand, authorization, direction, notice, waiver or action the Bond Trustee shall be obligated to consider as not being Outstanding only Bonds of which the Bond Trustee has actual notice to be so held.

"*Paying Agent*" means the bank or banks, if any, designated pursuant to this Bond Indenture to receive and disburse the principal of and interest on the Series 2021 Bonds. The Paying Agent is initially the Bond Trustee.

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

"*Purchase Agreement*" means the Bond *Purchase Agreement* dated April 14, 2021 among the Underwriter, the Corporation and the City, providing for the sale of the Series 2021 Bonds.

"*Qualified Investments*" means dollar denominated investments in any of the following for so long as such investments are rated in one of the four highest long-term rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any NRSRO:

(a) Government Obligations;

(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, and (ii) at the time of purchase, rated in one of the two highest long-term rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any NRSRO;

(c) any bond, debenture, note, participation certificate or other similar obligation issued by a government sponsored agency (such as the Federal National Mortgage Association, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation, the Federal Farm Credit Bank or the Student Loan Marketing Association) which is either (i) at the time of

purchase rated in at least the second highest long-term rating category by any Rating Agency, or (ii) backed by the full faith and credit of the United States of America;

(d) Demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, and certificates of deposit or bankers acceptances of depository institutions, including the Trustee or any of its affiliates, rated in at least the third highest long-term rating category (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) by any NRSRO;

(e) 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 NRSRO, and which matures not more than 270 days after the date of purchase;

(f) bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by a corporation which are, at the time of purchase, rated by any NRSRO in any of the three highest long-term rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise);

(g) investment agreements with banks with a national or state charter as a commercial bank or financial institutions that qualify pursuant to the terms herein (including the Bond Trustee to the extent it qualifies under the provisions herein) that at the time such agreement is executed are rated in one of the two highest long-term rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any NRSRO or investment agreements with non-bank financial institutions, provided that (1) 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 NRSRO at the time such agreement is executed in one of the two highest long-term 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 NRSRO in one of the two highest long-term 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 NRSRO. If such non-bank financial institution and any guarantor do not have any short-term or long-term debt, but do have a rating by any NRSRO in one of the two highest long-term 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;

(h) repurchase agreements with respect to and secured by Government Obligations or by obligations described in clause (b) and (c) above, which agreements may be entered into with a bank having a national or state charter as a commercial bank (including the Bond Trustee to the extent it qualifies under the provisions herein), a trust company, financial services firm or a broker dealer which is a member of the Securities Investors Protection Corporation, provided that (i) the Bond Trustee or a custodial agent of the Bond Trustee has possession of the collateral and that the collateral is, to the knowledge of the Bond Trustee, free and clear of third-party claims, (ii) a master repurchase agreement or specific written repurchase agreement governs the transaction, (iii) the collateral securities are valued no less frequently than monthly, and (iv) the fair market value of the collateral securities in relation to the amount of the repurchase obligation,

including principal and interest, is equal to at least 103%, and (v) such obligations must be held in the custody of the Bond Trustee or Bond Trustee's agent;

(i) investments in a money market fund, which may be funds of the Bond Trustee or an affiliate of the Bond Trustee, rated (at the time of purchase) in the highest rating category for this type of investment by any NRSRO; and

(j) shares in any investment company, money market mutual fund, fixed income mutual fund, Exchange Traded Fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, and the majority of whose investments consist solely of Qualified Investments, including money market mutual funds from which the Bond Trustee or its affiliates derive a fee for investment advisory or other services to the fund.

Any other legally permissible investment approved in writing by the Majority of Bondholders.

The Bond Trustee shall be entitled to assume that any investment which at the time of purchase is a Qualified Investment remains a Qualified Investment thereafter, absent receipt of written notice or information to the contrary.

For the purposes of this definition, obligations issued or held in the name of the Bond Trustee (or in the name of the City and payable to the Bond Trustee) in book-entry form on the books of the Department of Treasury of the United States shall be deemed to be deposited with the Bond Trustee.

"*Rating Agency*" means Moody's, S&P or Fitch and their respective successors and assigns.

"*Rebate Fund*" means the fund created under the Tax Compliance Agreement to comply with Section 148(f) of the Code.

"*Record Date*" means, with respect to Bonds, the March 15 or September 15 (whether or not a Business Day) next preceding an Interest Payment Date.

"*Representation Letter*" means the Blanket DTC Letter of Representations dated December 16, 1997 from the City accepted by DTC.

"*Revenues*" means, for any period, all revenues of the Corporation during such period as determined in accordance with generally accepted accounting principles; but excluding (i) any unrealized gain or loss resulting from changes in the value of investment securities, (ii) any gains on the sale or other disposition of fixed or capital assets not in the ordinary course, (iii) earnings resulting from any reappraisal, revaluation or write-up of fixed or capital assets, (iv) any payments from a tenant in the School Facility, a food service company serving the School Facility or any other Person with contractual arrangements with the Corporation relating to the School Facility, however, denominated and whether paid in a single payment or over a period of time, specifically designated by such tenant, food service company or other Person in its lease, management agreement or other operative document as being for improvements, equipment, initial inventory, initial supplies, brokerage commissions or other capital expenditures, (v) gifts, grants, bequests, donations and contributions to the Corporation heretofore or hereafter made, and the income and gains derived theretofore which are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use for payments required under the Bond Indenture.

"*School Facility*" means the Corporation's facility located at 1200 Davis Street, Evanston, Illinois 60201.

"*Series 2021 Bonds*" means the $8,275,000 aggregate principal amount of City of Evanston, Illinois Educational Facility Revenue Bonds, Series 2021 (Roycemore School) authorized to be issued pursuant to the terms and conditions of this Bond Indenture.

"*Series 2021 Note*" means the $8,275,000 principal amount Promissory Note, Series 2021 of the Corporation, in substantially the form attached to the Loan Agreement.

"*Special Record Date*" means the date fixed by the Bond Trustee pursuant to Section 202 of this Bond Indenture for the payment of Defaulted Interest.

"*State*" means the State of Illinois.

"*S&P*" means S&P Global Ratings, a corporation organized and existing under the laws of the State of New York, its successors and assigns and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "*S&P*" shall be deemed to refer to any other nationally recognized securities rating agency which has been designated by the Corporation by notice to the Bond Trustee and the City.

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

"*Tax Compliance Agreement*" means the Tax Compliance Agreement relating to the Series 2021 Bonds dated the Closing Date between the Corporation and the City and all amendments and supplements thereto.

"*Unassigned Rights*" means the right of the City to receive payment of its fees and expenses, the City's right to indemnification in certain circumstances, the City's right to receive notices and make determinations pursuant to Article IV and Section 8.1 of the Loan Agreement, and the City's right to execute and deliver supplements and amendments to the Loan Agreement.

"*Underwriter*" means Stifel, Nicolaus & Company, Incorporated.

"*United States Government Obligations*" means noncallable direct obligations of, or obligations the timely payment of the principal of and interest on which is fully guaranteed by, the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America.

"*Unrelated Trade or Business*" means an activity which constitutes an "*unrelated trade or business*" within the meaning of Section 513(a) of the Code without regard to whether such activity results in unrelated trade or business income subject to taxation under Section 512(a) of the Code.

"*Unrestricted Cash and Investments*" means the sum of cash, cash equivalents, marketable securities, including without limitation board-designated assets, included in the balance sheet of the Corporation that are unrestricted and legally available for any purpose of the Corporation including the payment of debt service on the Indebtedness of the Corporation, but excluding (a) trustee-held funds other than those otherwise described in this definition; and (b) donor-restricted funds to the extent that the

payment of debt service on the Indebtedness of the Corporation would be inconsistent with the donor's restrictions.

"*Written Request*" with reference to the City means a request in writing (which may be by electronic means acceptable to the Bond Trustee) signed by the Mayor, Manager, Corporation Counsel, Chief Financial Officer or Treasurer of the City, and with reference to the Corporation means a request in writing signed by the President, a Vice President, Secretary or Assistant Secretary of the Corporation, or any other officers designated by the City or the Corporation, as the case may be.

Section 1.2. Rules of Construction. Unless the context shall otherwise require,

(a) an accounting term not otherwise defined herein shall have the meaning assigned to it in accordance with generally accepted accounting principles;

(b) references to Articles and Sections are to the Articles and Sections of this Bond Indenture;

(c) words of any gender shall be deemed and construed to include correlative words of all genders;

(d) unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa;

(e) headings of Articles and Sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof; and

(f) all references in this instrument to designated "*Articles,*" "*Sections*" and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words "*herein,*" "*hereof*" and "*hereunder*" and other words of similar import refer to this Bond Indenture as a whole and not to any particular Article, Section or other subdivision unless the context indicates otherwise.

ARTICLE II

The Bonds

Section 2.1. Authorized Amount of Bonds. No Bonds may be issued under the provisions of this Bond Indenture except in accordance with this Article. The total aggregate principal amount of Series 2021 Bonds that may be issued is hereby expressly limited to $8,275,000.

Section 2.2. Issuance of Series 2021 Bonds.

(a) *Issuance of Series 2021 Bonds*. The Series 2021 Bonds shall be designated "City of Evanston, Illinois Educational Facility Revenue Bonds, Series 2021 (Roycemore School)." The Series 2021 Bonds shall bear interest from their dated date and shall be issuable as registered bonds in Authorized Denominations. Unless the City shall otherwise direct, the Series 2021 Bonds shall be numbered from R-l upward. The Series 2021 Bonds, as initially issued, will be dated as of their date of original issuance. Except as described in the next

sentence, subsequently issued Series 2021 Bonds will be dated the later of their date of original issuance or the most recent preceding Interest Payment Date to which interest has been paid thereon. Series 2021 Bonds issued on an Interest Payment Date to which interest has been paid will be dated as of such date. Interest on the Series 2021 Bonds will be payable on April 1 and October 1 of each year, commencing October 1, 2021. Interest on the Series 2021 Bonds shall be calculated on the basis of a year of 360 days and twelve 30-day months.

The Series 2021 Bonds shall bear interest (based on a 360-day year of twelve 30-day months) at the respective rates and shall mature on April 1 of each of the years and in the principal amounts set forth in the following schedule:

Year of Maturity (April 1)	Interest Rate	Principal Amount
2032	4.000%	$1,915,000
2041	4.375	2,360,000
2051	4.625	4,000,000

(b) *Payment of Principal and Interest*. The principal of, premium, if any, and interest on the Series 2021 Bonds shall be payable in any currency of the United States of America which, at the respective dates of payment thereof, in legal tender for the payment of public and private debts, and such principal and premium, if any, shall be payable (i) upon presentment at the designated corporate trust office of the Bond Trustee at is Wilmington Trust Corporate Trust Operations Attn: Workflow Management 1100 N. Market Street Wilmington, Delaware 19890, or its agent or successor as Bond Trustee, or at the office of any alternate Paying Agent named in any such Series 2021 Bond or (ii) as to any registered owner of $500,000 or more in aggregate principal amount of Series 2021 Bonds who so elects by wire transfer of funds to such wire transfer address within the continental United States as such registered owner shall have furnished to the Bond Trustee in writing on or prior to the Record Date and upon compliance with the reasonable requirements of the Bond Trustee. Except as provided below with respect to Defaulted Interest, payment of the interest on the Series 2021 Bonds shall be made to the person appearing on the Bond Register as the registered owner thereof as of the close of business of the Bond Trustee on the Record Date for such interest payment and shall be paid (i) by check or draft mailed to such registered owner on the applicable Interest Payment Date at such owner's address as it appears on the Bond Register or at such other address as is furnished to the Bond Trustee in writing by the Record Date by such owner, or (ii) as to any registered owner of $500,000 or more in aggregate principal amount of Series 2021 Bonds who so elects, by wire transfer of funds to such wire transfer address within the continental United States as such registered owner shall have furnished to the Bond Trustee in writing by the Record Date and upon compliance with the reasonable requirements of the Bond Trustee.

(c) *Defaulted Interest*. Defaulted Interest with respect to any Series 2021 Bond shall cease to be payable to the owner of such Series 2021 Bond on the relevant Record Date and, except as hereinafter provided, shall be payable to the person in whose name such Series 2021 Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Corporation shall notify the Bond Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Series 2021 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, at the same time, the Corporation shall deposit with the Bond Trustee 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, such money when deposited to be held in trust for the benefit of the owners of the Series 2021 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 or 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 Corporation of such Special Record Date and, in the name and at the expense of the Corporation, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, not less than 10 days prior to such Special Record Date to each owner of a Series 2021 Bond at the address of such owner as it appears on the Bond Register. Such Defaulted Interest shall be paid to the owners in whose names the Series 2021 Bonds on which such Defaulted Interest is to be paid are registered on such Special Record Date.

Section 2.3. Execution; Limited Obligation. The Series 2021 Bonds shall be executed on behalf of the City with the manual or facsimile signature of its Mayor and shall have impressed or imprinted thereon the official seal of the City or a facsimile thereof and shall be attested by the manual or facsimile signature of its City Clerk. All authorized facsimile signatures shall have the same force and effect as if manually signed. In case any official whose signature or a facsimile of whose signature shall appear on the Series 2021 Bonds shall cease to be such official before the delivery of such Series 2021 Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such official had remained in office until delivery. The Series 2021 Bonds may be signed on behalf of the City by such persons who, at the time of the execution of such Series 2021 Bonds, are duly authorized or hold the appropriate office of the City, although on the date of the Series 2021 Bonds such persons were not so authorized or did not hold such offices.

The Series 2021 Bonds, together with all principal and interest thereon and premium, if any, with respect thereto, are special, limited obligations of the City secured by the Loan Agreement and the Series 2021 Note pledged hereunder and shall always be payable solely from the revenues and income derived from the Loan Agreement and the Series 2021 Note (except to the extent paid out of moneys attributable to proceeds of the Series 2021 Bonds, the income from the temporary investment thereof or payments made pursuant to or derived from a credit enhancement device), are and shall always be a valid claim of the owner thereof only against the revenues and income derived from the Loan Agreement and the Series 2021 Note, which revenues and income shall be used for no other purpose than to pay the principal installments of, premium, if any, and interest on the Series 2021 Bonds, except as may be expressly authorized otherwise in this Bond Indenture and in the Loan Agreement.

The Series 2021 Bonds and the obligation to pay principal and interest thereon and any premium with respect thereto do not now and shall never constitute an indebtedness or an obligation of the City, the State or any political subdivision thereof, within the purview of any constitutional or statutory limitation or provision, or a charge against the general credit or taxing powers, if any, of any of them, but shall be secured as aforesaid, and shall be payable solely from the revenues and income derived from the Loan Agreement and the Series 2021 Note pledged hereunder (except as stated aforesaid). No owner of any of the Series 2021 Bonds shall have the right to compel the exercise of the taxing power of the City, the State or any political subdivision thereof, to pay any principal installment of, redemption premium, if any, or interest on the Series 2021 Bonds.

Section 2.4. Authentication. No Series 2021 Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Indenture unless and until a certificate of authentication on such Series 2021 Bond substantially in the form set forth in *Exhibit A* hereto shall have been duly executed by the Bond Trustee, and such executed certificate of the Bond Trustee upon any such Series 2021 Bond shall be conclusive evidence that such Series 2021 Bond has been authenticated and delivered under this Bond Indenture. The Bond Trustee's certificate of authentication on any Series 2021 Bond shall be deemed to have been executed by it if signed by an authorized signer of the Bond Trustee, but it shall not be necessary

that the same signer sign the certificate of authentication on all of the Series 2021 Bonds issued hereunder.

Section 2.5. Form of Series 2021 Bonds and Temporary Bonds. The Series 2021 Bonds shall be substantially in the form set forth in *Exhibit A*, hereto with such appropriate variations, omissions and insertions as are permitted or required by this Bond Indenture or deemed necessary by the Bond Trustee or the City.

The Series 2021 Bonds may be initially issued in temporary form exchangeable for definitive Series 2021 Bonds when ready for delivery. The temporary Series 2021 Bonds shall be of such denomination or denominations as may be determined by the City and may contain such reference to any of the provisions of this Bond Indenture as may be appropriate. Every temporary Series 2021 Bond shall be executed by the City and be authenticated by the Bond Trustee upon the same conditions and in substantially the same manner as the definitive Series 2021 Bonds. If the City issues temporary Series 2021 Bonds it will execute and furnish definitive Series 2021 Bonds without delay and thereupon the temporary Series 2021 Bonds may be surrendered for cancellation in exchange therefor at the designated corporate trust office of the Bond Trustee, and the Bond Trustee shall authenticate and deliver in exchange for such temporary Series 2021 Bonds an equal aggregate principal amount of definitive Series 2021 Bonds of the same maturity of authorized denominations. Until so exchanged, the temporary Series 2021 Bonds shall be entitled to the same benefits under this Bond Indenture as definitive Series 2021 Bonds authenticated and delivered hereunder.

Section 2.6. Delivery of Series 2021 Bonds. Upon the execution and delivery of this Bond Indenture, the City shall execute and deliver to the Bond Trustee and the Bond Trustee shall authenticate the Series 2021 Bonds to be issued in the aggregate principal amount of $8,275,000 and deliver such Series 2021 Bonds to the purchasers as may be directed by the City as hereinafter in this Section 206 provided.

Prior to the delivery by the Bond Trustee of any of the Series 2021 Bonds there shall be filed with or delivered to the Bond Trustee:

(a) a copy, duly certified by the City Clerk or Deputy City Clerk of the City or such other officer as the City may designate, of the Ordinance;

(b) a copy, duly certified by the Secretary or an Assistant Secretary of the Corporation, of the resolutions adopted and approved by the Corporation authorizing the execution and delivery of the Series 2021 Note, the Tax Compliance Agreement, the Loan Agreement, the Limited Offering Memorandum and the *Purchase Agreement* and approving this Bond Indenture and the issuance and sale of the Series 2021 Bonds;

(c) the original executed and authenticated Series 2021 Note and an original executed counterpart of this Bond Indenture, the Tax Compliance Agreement, the Limited Offering Memorandum, the Loan Agreement, the Mortgage, and the P*urchase Agreement*;

(d) an investor letter in the form of *Exhibit B* hereto from each of the Initial Bondholders;

(e) a request and authorization to the Bond Trustee on behalf of the City and signed by its Mayor, Treasurer, City Clerk, or such other officer as the City may designate to authenticate and deliver the Series 2021 Bonds in an aggregate principal amount not exceeding $8,275,000 to the purchasers therein identified upon payment to the Bond Trustee, but for the account of the City, of the net proceeds from the sale of the Series 2021 Bonds; and

(f) such other closing documents and opinions of counsel as the Bond Trustee or the City may reasonably specify in writing (which may be done through the inclusion of such items on the final closing agenda prepared in connection with the issuance of the Series 2021 Bonds).

Section 2.7. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any temporary or definitive Series 2021 Bond is mutilated, lost, stolen or destroyed, the City may execute and the Bond Trustee may authenticate a new Series 2021 Bond of like form, date, series, maturity and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Series 2021 Bond, such mutilated Series 2021 Bond shall first be surrendered to the City, and in the case of any lost, stolen or destroyed Series 2021 Bond, there shall be first furnished to the City and the Bond Trustee evidence of such loss, theft or destruction satisfactory to the City and the Bond Trustee, together with indemnity satisfactory to each of the City and the Bond Trustee. In the event any such Series 2021 Bond shall have matured or shall have been called for redemption, instead of issuing a duplicate Series 2021 Bond the City may pay the same without surrender thereof. The City and the Bond Trustee may charge the owner of such Series 2021 Bond with their reasonable fees and expenses in this connection.

Section 2.8. Transfer and Exchange of Series 2021 Bonds; Persons Treated as Owners. The City shall cause the Bond Register to be kept by the Bond Trustee at its designated corporate trust office. At reasonable times and under reasonable regulations established by the Bond Trustee, the Bond Register may be inspected and copied by the City.

Only upon surrender for transfer of any Series 2021 Bond at the designated corporate trust office of the Bond Trustee shall the City execute and the Bond Trustee authenticate and deliver in the name of the transferee or transferees a new fully registered Series 2021 Bond or Series 2021 Bonds of Authorized Denomination of the same maturity for the aggregate principal amount which the registered owner is entitled to receive. Any Series 2021 Bond or Series 2021 Bonds may be exchanged at said office of the Bond Trustee for a like aggregate principal amount of Series 2021 Bond or Series 2021 Bonds of the same maturity of other Authorized Denominations. The execution by the City of any Series 2021 Bond shall constitute full and due authorization of such Series 2021 Bond, and the Bond Trustee shall thereby be authorized to authenticate, date and deliver such Series 2021 Bond.

All Series 2021 Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Bond Trustee, duly executed by the registered owner or by such owner's duly authorized attorney.

No service charge shall be imposed upon the owner for any exchange or transfer of Series 2021 Bonds. The City and the Bond Trustee may, however, require payment by the person requesting an exchange or transfer of Series 2021 Bonds of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto, except in the case of the issuance of a Series 2021 Bond or Series 2021 Bonds for the unredeemed portion of a Series 2021 Bond surrendered for redemption in part.

The City and the Bond Trustee shall not be required to register the transfer of or exchange of any Series 2021 Bond after notice calling such Series 2021 Bond or portion thereof for redemption has been mailed or during the 15-day period next preceding the mailing of a notice of redemption of any Series 2021 Bonds of the same maturity.

New Series 2021 Bonds delivered upon any transfer or exchange shall be valid obligations of the City, evidencing the same debt as the Series 2021 Bonds surrendered, shall be secured by this Bond

Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Series 2021 Bond surrendered.

The City and the Bond Trustee may treat the registered owner of any Series 2021 Bond as the absolute owner thereof for all purposes, whether or not such Series 2021 Bond shall be overdue, and shall not be bound by any notice to the contrary. All payments of or on account of the principal of and premium, if any, and interest on any such Series 2021 Bond as herein provided shall be made only to or upon the written order of the registered owner thereof or such owner's legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2021 Bond to the extent of the sum or sums so paid.

The Series 2021 Bonds may only be purchased in minimum authorized denominations of $100,000 and by (i) a "Qualified Institutional Buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended; (ii) an "Accredited Investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended; or (iii) a broker-dealer registered under the Securities Exchange Act of 1934 or an investment adviser registered under the Investment Advisers Act of 1940, in each case whether purchasing for its own account or on behalf of a Qualified Institutional Buyer or Accredited Investor.

Section 2.9. Cancellation. Any Series 2021 Bond surrendered for the purpose of payment or retirement or for exchange or transfer or for replacement pursuant to Section 207 or Section 208 hereof, shall be cancelled upon surrender thereof to the Bond Trustee. If the City shall acquire any of the Series 2021 Bonds, the City shall deliver such Series 2021 Bonds to the Bond Trustee for cancellation and the Bond Trustee shall cancel the same. Certification of Series 2021 Bonds cancelled by the Bond Trustee shall be made to the City and to the Corporation. Cancelled Series 2021 Bonds may be destroyed by the Bond Trustee unless instructions to the contrary are received from the City or the Corporation. Upon the date of final maturity or redemption of all Series 2021 Bonds, the Bond Trustee shall destroy any inventory of unissued certificates.

Section 2.10. Book-Entry Only System. It is intended that the Series 2021 Bonds be registered so as to participate in a securities depository system with DTC (the "*DTC System*"), as set forth herein. The Series 2021 Bonds shall be initially issued in the form of a single fully registered Series 2021 Bond for each of the maturities thereof and the ownership of each such Series 2021 Bond shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. The City and the Bond Trustee are authorized to execute and deliver such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Representation Letter. DTC may exercise the rights of a Bondholder only in accordance with the terms hereof applicable to the exercise of such rights.

With respect to Series 2021 Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the City, the Bond Trustee and the Corporation shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Series 2021 Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "*DTC Participant*") or to any person on behalf of whom such a DTC Participant directly or indirectly holds an interest in the Series 2021 Bonds (each such person being herein referred to as an "*Indirect Participant*"). Without limiting the immediately preceding sentence, the City, the Bond Trustee or the Corporation shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Series 2021 Bonds, (ii) the delivery to any DTC Participant or any Indirect Participant or any other Person, other than a Bondholder, as shown in the Bond Register, of any notice with respect to the Series 2021 Bonds, including any notice of redemption, (iii) any consent given by DTC as registered

owner. So long as certificates for the Series 2021 Bonds are not issued pursuant to Section 212, the City, the Corporation and the Bond Trustee may treat DTC or any successor securities depository as, and deem DTC or any successor securities depository to be, the absolute owner of the Series 2021 Bonds for all purposes whatsoever, including without limitation (i) the payment of principal and interest on the Series 2021 Bonds (ii) giving notice of redemption and other matters with respect to the Series 2021 Bonds, (iii) registering transfers with respect to the Series 2021 Bonds and (iv) the selection of Series 2021 Bonds for redemption. While in the DTC System, no Person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Series 2021 Bond certificate with respect to any Series 2021 Bond. Upon delivery by DTC to the Bond Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Bond Indenture with respect to interest checks or drafts being mailed to the registered owner at the close of business on the Record Date applicable to any interest payment date, the name "*Cede & Co*." in this Bond Indenture shall refer to such new nominee of DTC.

Section 2.11. Payments and Notices to Cede & Co. Notwithstanding any other provision of this Bond Indenture to the contrary, so long as any of the Series 2021 Bonds is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Series 2021 Bond and all notices with respect to such Series 2021 Bond shall be made and given, respectively, in the manner provided in the Representation Letter. The Bond Trustee shall request in each notice sent to Cede & Co. pursuant to the terms of this Bond Indenture that Cede & Co. forward or cause to be forwarded such notice to the DTC Participants, but neither the Bond Trustee nor the City shall be liable if the Bond Trustee fails to make such request or if Cede & Co. fails to honor such request.

Section 2.12. Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that (a) the City or the Corporation determines that DTC is incapable of discharging its responsibilities described herein, (b) the Representation Letter shall be terminated for any reason or (c) the City or the Corporation determine that it is in the best interest of the beneficial owners of the Series 2021 Bonds that they be able to obtain certificated Series 2021 Bonds, the Bond Trustee shall so notify DTC. Upon receipt of such notice DTC will notify the DTC Participants of such request and such DTC Participants may utilize DTC's withdrawal procedure to withdraw their Series 2021 Bonds from DTC. In the event a DTC Participant utilizes such process, certificated Series 2021 Bonds will be prepared. The City and the Bond Trustee may conclusively rely upon (i) a certificate of DTC as to the identity of the participants in the book-entry system and (ii) a certificate of such participants as to the identity of, and the respective principal amounts of Series 2021 Bonds beneficially owned by, the beneficial owners. If all DTC Participants comply with such request, the City or the Bond Trustee may appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Series 2021 Bond certificates to such successor securities depository. In such event, the Series 2021 Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Series 2021 Bonds shall designate, in accordance with the provisions of this Bond Indenture.

ARTICLE III

Application of Funds

Section 3.1. Application of Funds. (a) The City, for and on behalf of the Corporation, shall deposit with the Bond Trustee all of the net proceeds loaned to the Corporation from the sale of the Series 2021 Bonds ($8,104,851.28), and the Bond Trustee shall out of such proceeds:

(i) Deposit $7,849,851.28 to the credit of the Transfer Fund to refinance the Taxable Note and accrued interest thereon; and

(ii) Deposit $255,000.00 to the credit of the Proceeds Account of the Debt Service Reserve Fund established under Section 407 hereof.

(b) The Corporation shall, from its equity, deposit with the Bond Trustee:

(i) $224,546.23 for credit to the Non-Proceeds Account of the Expense Fund established under Section 302 hereof; and

(ii) $255,000.00 for deposit to the Non-Proceeds Account of the Debt Service Reserve Fund.

Section 3.2. Expense Fund. The City shall establish with the Bond Trustee a fund to be known as the "Expense Fund – Roycemore School – Series 2021" (the "*Expense Fund*"). The Bond Trustee shall establish within the Expense Fund the following separate accounts, the "Non-Proceeds Account" and the "Proceeds Account." Moneys in the Non-Proceeds Account and Proceeds Account of the Expense Fund will be disbursed upon receipt of a Written Request for the payment of expenses for any recording, trustee's and depositary's fees and expenses, accounting and legal fees, financing costs and other fees and expenses incurred or to be incurred by or on behalf of the City or the Corporation in connection with or incident to the issuance and sale of the Series 2021 Bonds. At such time as the Bond Trustee is furnished with a Written Request stating that all such fees and expenses have been paid, and in no event later than November 1, 2021, the Bond Trustee shall transfer any moneys remaining in the Expense Fund to the Interest Fund.

ARTICLE IV

Revenues and Funds

Section 4.1. Source of Payment of Series 2021 Bonds. The Series 2021 Bonds herein authorized and all payments to be made by the City thereon and into the various funds established under this Bond Indenture are not general obligations of the City but are special, limited obligations payable solely from (a) payments or prepayments on the Series 2021 Note, (b) payments or prepayments made under the Loan Agreement (except for Unassigned Rights), (c) moneys and investments held by the Bond Trustee under, and to the extent provided in, this Bond Indenture and (d) in certain circumstances, proceeds from insurance, condemnation awards and proceeds from sales made under threat of condemnation.

Section 4.2. Transfer Fund. There is hereby created and established and ordered maintained with the Bond Trustee a special fund to be designated "Transfer Fund – Roycemore School – Series 2021." The proceeds of the Bonds designated in Section 301 shall be delivered to the Trustee for deposit into the Transfer Fund. Funds in the Transfer Fund shall be expended and disbursed in full to refinance the Taxable Note and the Transfer Fund shall then be closed.

Section 4.3. Revenue Fund. The City shall establish with the Bond Trustee and maintain so long as any of the Series 2021 Bonds are outstanding a separate account to be known as the "Revenue Fund – Roycemore School – Series 2021" (the "*Revenue Fund*"). All payments upon the Series 2021 Note pledged hereunder, all payments under the Loan Agreement and all transfers from the Rebate Fund, when received by the Bond Trustee, shall be deposited into the Revenue Fund and shall be held therein until disbursed as herein provided. Pursuant to the assignment and pledge of payments upon the Series 2021 Note set forth in the granting clauses contained herein, the City will direct the Corporation to make payments upon the Series 2021 Note pledged hereunder directly to the Bond Trustee when and as the same become due and payable.

Section 4.4. Interest Fund. The City shall establish with the Bond Trustee and maintain so long as any of the Series 2021 Bonds are outstanding a separate account to be known as the "Interest Fund – Roycemore School – Series 2021" (the "*Interest Fund*").

On or before the 15th day of each month commencing in May, 2021, the Bond Trustee shall deposit in the Interest Fund from moneys in the Revenue Fund an amount which, together with an equal amount to be deposited on the last Business Day of each month preceding the next semi-annual Interest Payment Date, is not less than the interest to become due on the next succeeding semi-annual Interest Payment Date of the Series 2021 Bonds.

Moneys on deposit in the Interest Fund, other than income thereon which is to be transferred to other funds created under this Bond Indenture or the Rebate Fund, must be used to pay interest on the Series 2021 Bonds as it becomes due.

In connection with any partial redemption or defeasance prior to maturity of the Series 2021 Bonds, the Bond Trustee may, at the request of the Corporation, use any amounts on deposit in the Interest Fund in excess of the amount needed to pay the interest on the Series 2021 Bonds remaining outstanding on the first interest payment date occurring on or after the date of such redemption or defeasance to pay the principal of and interest on the Series 2021 Bonds to be redeemed or defeased.

Section 4.5. Bond Sinking Fund. The City shall establish with the Bond Trustee and maintain so long as any of the Series 2021 Bonds are outstanding a separate account to be known as the "Bond Sinking Fund – Roycemore School – Series 2021" (the "*Bond Sinking Fund*").

On or before the 15th day of each month commencing in May, 2021 after making the deposit required by Section 404 hereof, the Bond Trustee shall deposit in the Bond Sinking Fund from moneys in the Revenue Fund an amount which is not less than one-twelfth (1/12) of the principal to become due on the Series 2021 Bonds on the next succeeding April 1 by maturity or mandatory Bond Sinking Fund redemption pursuant to Section 502 hereof. No such deposit need be made to the extent that there is a sufficient amount already on deposit and available for such purpose in the Bond Sinking Fund.

Moneys on deposit in the Bond Sinking Fund, other than income earned thereon which is to be transferred to other funds created hereunder or to the Rebate Fund, shall be applied by the Bond Trustee to pay principal of the Series 2021 Bonds as it becomes due and to redeem the Series 2021 Bonds in accordance with the mandatory Bond Sinking Fund redemption schedule provided in Section 502 hereof.

In lieu of such mandatory Bond Sinking Fund redemption, the Bond Trustee may, at the request of the Corporation, purchase for cancellation an equal principal amount of Series 2021 Bonds of the maturity to be redeemed in the open market at prices not exceeding the principal amount of the Series 2021 Bonds being purchased, with such interest portion of the purchase price to be paid from the Interest Fund and the principal portion of such purchase price to be paid from the Bond Sinking Fund. In addition, the amount of Series 2021 Bonds to be redeemed on any date pursuant to the mandatory Bond Sinking Fund redemption schedule shall be reduced by the principal amount of Series 2021 Bonds of the maturity required to be redeemed which are acquired by the Corporation and delivered to the Bond Trustee for cancellation.

In connection with any partial redemption or defeasance prior to maturity of the Series 2021 Bonds of any series, the Bond Trustee may, at the request of the Corporation, use any amounts on deposit in the Bond Sinking Fund in excess of the amount needed to pay principal on the Series 2021 Bonds remaining outstanding on the first principal or mandatory sinking fund payment date occurring on or after the date of such redemption or defeasance to pay the principal of and interest on the Series 2021 Bonds to be redeemed or defeased.

Section 4.6. Optional Redemption Fund. The City shall establish with the Bond Trustee and maintain so long as any of the Series 2021 Bonds are outstanding a separate account to be known as the "Optional Redemption Fund – Roycemore School – Series 2021" (the "*Optional Redemption Fund*"). In the event of (i) prepayment by or on behalf of the Corporation of amounts payable on the Series 2021 Note pledged under this Bond Indenture, including prepayment with condemnation, insurance or sale proceeds, or (ii) deposit with the Bond Trustee by the Corporation or the City of moneys from any other source for redeeming Series 2021 Bonds or purchasing Series 2021 Bonds for cancellation, except as otherwise provided in this Bond Indenture, such moneys shall be deposited into the Optional Redemption Fund. Moneys on deposit in the Optional Redemption Fund shall be used first to make up any deficiencies existing in the Interest Fund, the Bond Sinking Fund and the Debt Service Reserve Fund (in the order listed) and second for the redemption of Series 2021 Bonds in accordance with the provisions of Article V hereof.

Section 4.7. Debt Service Reserve Fund. The City shall establish with the Bond Trustee and maintain so long as any of the Series 2021 Bonds are outstanding a separate account to be known as the "Debt Service Reserve Fund" (the "*Debt Service Reserve Fund*"). The Bond Trustee shall establish within the Debt Service Reserve Fund the following separate accounts, the "Non-Proceeds Account" and the "Proceeds Account." A deposit to the credit of the Proceeds Account of the Debt Service Reserve Fund shall be made from the proceeds of the Series 2021 Bonds in accordance with the provisions of Section 301 hereof. An initial deposit to the credit of the Non-Proceeds Account of the Debt Service Reserve Fund shall be made from equity of the Corporation in accordance with the provisions of Section 301 hereof, which may be subsequently replaced or supplemented with a deposit from a letter of credit, *provided* that (i) such letter of credit is issued by a commercial bank rated at least BBB from S&P or Fitch or Baa2 from Moody's, (ii) such deposit does not constitute more than 50% of the Debt Service Reserve Fund and (iii) an Opinion of Bond Counsel is delivered to effect that such replacement of substitution will not affect the validity of the Series 2021 Bonds or any exemption from federal income taxation to which the interest on the Series 2021 Bonds would otherwise be entitled. Amounts on deposit in the Debt Service Reserve Fund shall be administered by the Bond Trustee as described in this Section 407. Moneys on deposit in the Debt Service Reserve Fund shall be used only to make up deficiencies in the Interest Fund, the Bond Sinking Fund or Repair and Replacement Fund if there are no funds available in the Interest Fund, the Bond Sinking Fund and the Replacement Fund (in the order listed); if so required to make up any such deficiencies, moneys shall be drawn first from the Non-Proceeds Account and then the Proceeds Account;

provided that moneys used to make up deficiencies in the Repair and Replacement Fund shall only come from the Non-Proceeds Account of the Debt Service Reserve Fund.

Moneys on deposit in the Debt Service Reserve Fund shall be invested in Qualified Investments. Qualified Investments in the Debt Service Reserve Fund shall be valued by the Bond Trustee on April 1 and October 1 of each year (the "*Valuation Date*"), on the basis of fair market value (which valuation shall take into account any accrued and unpaid interest). If on any Valuation Date the amount on deposit in the Debt Service Reserve Fund is less than 100% of the Debt Service Reserve Fund Requirement as a result of a decline in the market value of investments on deposit in the Debt Service Reserve Fund, the Loan Agreement requires the Corporation to deposit in the Debt Service Reserve Fund the amount necessary to restore the amount on deposit in the Debt Service Reserve Fund to an amount equal to the Debt Service Reserve Fund Requirement within 60 days following the date on which the Corporation receives notice of such deficiency of any valuation shortfall as measured. If at any time the amount on deposit in the Debt Service Reserve Fund is less than 100% of the Debt Service Reserve Fund Requirement as a result of the Debt Service Reserve Fund having been drawn upon, the Loan Agreement requires the Corporation to restore the amount on deposit in the Debt Service Reserve Fund to an amount equal to the Debt Service Reserve Fund Requirement by the deposit with the Bond Trustee of an amount equal to such deficiency in not more than six (6) substantially equal monthly installments beginning with the first day of the month following the date such draw occurred.

In connection with any partial redemption or defeasance prior to maturity of the Series 2021 Bonds, the Bond Trustee may, at the request of the Corporation, use any amounts on deposit in the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement after such redemption to pay the principal of or the principal portion of the redemption price of said Series 2021 Bonds to be redeemed or defeased. On the final maturity date of the Series 2021 Bonds, any moneys in the Debt Service Reserve Fund will be used to pay the principal of and interest on the Series 2021 Bonds on such final maturity date.

Section 4.8. [Reserved].

Section 4.9. Repair and Replacement Fund. The Bond Trustee shall establish and maintain a separate account to be known as the "Repair and Replacement Fund – Roycemore School" (the "*Repair and Replacement Fund*") for the term of the Bonds. All moneys received by the Bond Trustee and held in the Repair and Replacement Fund shall be trust funds under the terms of this Bond Indenture for the benefit of all of the Bonds outstanding hereunder (except as otherwise provided) and shall not be subject to lien or attachment of any creditor of the Corporation. Such moneys shall be held in trust and applied in accordance with the provisions of this Bond Indenture. Monies on deposit in the Repair and Replacement Fund shall be invested in Qualified Investments.

Moneys in the Repair and Replacement Fund shall be disbursed for the costs of repairs and maintenance of the School Facility by the Bond Trustee to or for the account of the Corporation within seven days after receipt by the Bond Trustee of a Certificate of the Corporation, the form of which is attached as Exhibit B to the Loan Agreement, to the Bond Trustee. Upon receipt of the Certificate of the Corporation, the Bond Trustee shall give ten days' notice to the Majority of Bondholders (at the address provided in Section 1304 hereof, as modified from time to time by written notice to the Bond Trustee), and any other Bondholder requesting same, prior to disbursement of Repair and Replacement monies to the Corporation. The Bond Trustee shall rely fully on any such Repair and Replacement Requisition Certificate

delivered pursuant to the Loan Agreement and shall not be required to make any investigation in connection therewith.

Upon written request from the Corporation, the Bond Trustee shall apply funds in the Repair and Replacement Fund to the Interest Fund or the Bond Sinking Fund, which shall not constitute an event of default hereunder. Nothwithstanding anything in this Bond Indenture or the Loan Agreement to the contrary, the requirement to maintain the Repair and Replacement Fund may be discontinued upon the written direction of the Corporation to the Bond Trustee with the written consent of the Majority of Bondholders.

Section 4.10. Investment of Funds. (a) Upon the filing by the Corporation of a Written Request with the Bond Trustee, moneys in the Transfer Fund, Revenue Fund, Interest Fund, Bond Sinking Fund, Debt Service Reserve Fund, Repair and Replacement Fund, Expense Fund and Optional Redemption Fund shall be invested only in Qualified Investments. Investment income on such Funds as of the end of each month shall be transferred monthly by the Bond Trustee in accordance with the provisions of this Section 410. All such investments shall be made so as to mature on or prior to the date or dates that moneys therefrom are anticipated to be required. The Bond Trustee, when authorized by the Corporation, may trade with itself and its affiliates in the purchase and sale of securities for such investment, and may charge its ordinary and customary fees for such trades, including cash sweep account fees; provided, however, that in no case shall any investment be otherwise than in accordance with the investment limitations contained herein and in the Tax Compliance Agreement. The Bond Trustee shall not be liable or responsible for any loss resulting from any such investments.

(b) All income in excess of the requirements of the funds specified in subsection (a) of this Section derived from the investment of moneys on deposit in any such funds shall be deposited in the following funds, in the order listed:

(i) From the Debt Service Reserve Fund, to the extent necessary for the amount in the Debt Service Reserve Fund to equal the Debt Service Reserve Fund Requirement, then in the order listed below;

(ii) The Interest Fund to the extent of the estimated amount required to be deposited therein to make any interest payment on the Series 2021 bonds occurring within 13 months of the date of deposit;

(iii) The Bond Sinking Fund to the extent of the amount required to be deposited therein to make the next required principal payment on the Series 2021 Bonds occurring within 13 months of the date of deposit;

(iv) After the transfers described in (ii) and (iii) above, the balance, if any, in the Interest Fund;

(v) The Repair and Replacement Fund Earnings shall remain in the Repair and Replacement Fund; and

(vi) The Expense Fund earnings shall remain in the Expense Fund.

(c) Although the City and the Corporation each recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the City and the Corporation 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 4.11. Trust Funds. All moneys received by the Bond Trustee under the provisions of this Bond Indenture shall, except as provided in Section 412 hereof, be trust funds under the terms hereof for the benefit of all Series 2021 Bonds outstanding hereunder (except as otherwise provided) and shall not be subject to lien or attachment of any creditor of the City or the Corporation. Such moneys shall be held in trust and applied in accordance with the provisions of this Bond Indenture.

Section 4.12. Excluded Funds; Transfers to Rebate Fund. The foregoing provisions of this Article IV notwithstanding, (i) the Rebate Fund shall not be considered a part of the "*trust estate*" created by this Bond Indenture and (ii) the Bond Trustee shall be permitted to transfer moneys on deposit in any of the trust funds established under Article III or this Article IV to the Rebate Fund in accordance with the provisions of the Tax Compliance Agreement.

ARTICLE V

Redemption of Series 2021 Bonds

Section 5.1. Redemption Dates and Prices. (a) The Series 2021 Bonds are callable for redemption prior to maturity (i) in the event of damage to or destruction of, or the condemnation of, or sale consummated under threat of condemnation of, the School Facility or any part thereof, if the Net Proceeds of insurance, condemnation or sale received in connection therewith and applied to make prepayments on the Series 2021 Note exceed $250,000; or (ii) in the event the Corporation shall exercise its option to prepay the Series 2021 Note in an amount sufficient to redeem all or a portion of the Series 2021 Bonds then outstanding. If called for redemption in the events referred to in (i) above, the Series 2021 Bonds shall be subject to redemption by the City at any time, in whole or in part, and if in part by maturities or portions thereof designated by the Corporation (and if less than all of a maturity is being redeemed, in such random manner as the Bond Trustee shall deem appropriate), at the principal amount thereof plus accrued interest to the redemption date and without premium from the Net Proceeds of such insurance or condemnation award but not in excess of the amount of such Net Proceeds applied to such purpose. If called for redemption in the event referred to in (ii) above, Series 2021 Bonds shall be subject to redemption, in whole or in part, at the times and in the manner and with the same premium set forth below as if such Series 2021 Bonds were being redeemed at the option of the City.

(b) Outstanding Series 2021 Bonds are subject to redemption prior to maturity on or after April 1, 2029 at the option of the City upon direction of the Corporation out of amounts prepaid on the Series 2021 Note and deposited in the Optional Redemption Fund, in whole or in part at any time, and if in part by maturities or portions thereof designated by the Corporation (and if less than all of a single maturity is being redeemed, in such manner as the Bond Trustee shall deem appropriate), at a redemption price equal to 100% of the principal amount of the Series 2021 Bonds to be redeemed plus accrued interest thereon to the date of redemption, without premium.

(c) No redemption of less than all of the Series 2021 Bonds at the time outstanding shall be made pursuant to the foregoing provisions of this Section 501 unless the aggregate principal amount of Series 2021 Bonds to be redeemed is equal to or greater than $100,000 and is an Authorized

Denomination and the aggregate principal amount of Series 2021 Bonds outstanding after the redemption is an Authorized Denomination.

(d) The Series 2021 Bonds may be called for redemption by the Bond Trustee pursuant to this Section 501 upon receipt by the Bond Trustee at least 45 days prior to the redemption date of a Written Request of the City requesting such redemption and a Written Request of the Corporation authorizing the expenditure of funds for such redemption. Such Written Request shall specify the principal amount of the Series 2021 Bonds to be called for redemption, the maturity date, the applicable redemption price or prices and the provision or provisions above specified pursuant to which such Series 2021 Bonds are to be called for redemption.

(e) In lieu of redeeming Series 2021 Bonds pursuant to this Section 501, the Bond Trustee may, at the request of the Corporation, use such funds otherwise available hereunder for redemption of Series 2021 Bonds to purchase Series 2021 Bonds in the open market at a price not exceeding the redemption price then applicable hereunder. In the case of any such optional or extraordinary redemption or any purchase and cancellation of Series 2021 Bonds with serial maturities, the City shall receive credit against its required Bond Sinking Fund deposits with respect to the Series 2021 Bonds of such serial maturities. In the case of any optional or extraordinary redemption or any purchase and cancellation of term Series 2021 Bonds, the City shall receive credit against its required Bond Sinking Fund deposits with respect to such term Series 2021 Bonds in such order as the Corporation elects in writing prior to such optional or extraordinary redemption or purchase and cancellation or, if no election is made, in the inverse order thereof.

(f) In addition to the foregoing, the Series 2021 Bonds are redeemable pursuant to the sinking fund redemptions in the manner specified in Section 502 hereof.

Section 5.2. Bond Sinking Fund Deposits – Mandatory Deposits. With respect to the payment of Series 2021 Bonds by maturity through the Bond Sinking Fund, the City shall have on deposit in the Bond Sinking Fund moneys in the amounts and at the times, respectively, as follows:

With respect to the payment of Series 2021 Bonds maturing on April 1, 2032 through the Bond Sinking Fund, the City shall have on deposit in the Bond Sinking Fund moneys in the amounts and at the times respectively as follows:

April 1 of the Year		**Principal Amount**
2022		$135,000
2023		150,000
2024		155,000
2025		160,000
2026		165,000
2027		175,000
2028		180,000
2029		185,000
2030		195,000
2031		205,000
2032		210,000

With respect to the payment of Series 2021 Bonds maturing on April 1, 2041 through the Bond Sinking Fund, the City shall have on deposit in the Bond Sinking Fund moneys in the amounts and at the times, respectively, as follows:

April 1 of the Year		Principal Amount
2033		$220,000
2034		230,000
2035		240,000
2036		250,000
2037		260,000
2038		270,000
2039		285,000
2040		295,000
2041		310,000

With respect to the payment of Series 2021 Bonds maturing on April 1, 2051 through the Bond Sinking Fund, the City shall have on deposit in the Bond Sinking Fund moneys in the amounts and at the times, respectively, as follows:

April 1 of the Year		Principal Amount
2042		$325,000
2043		340,000
2044		355,000
2045		370,000
2046		385,000
2047		405,000
2048		425,000
2049		445,000
2050		465,000
2051		485,000

The deposits required pursuant to this Section 502 shall be reduced (i) by the amount of Series 2021 Bonds acquired and delivered in accordance with Section 405 hereof in satisfaction of such Series 2021 Bond Sinking Fund requirements and (ii) in connection with a partial redemption of Series 2021 Bonds if the Corporation elects to reduce mandatory Bond Sinking Fund redemptions for the Series 2021 Bonds in the manner provided in the third to last paragraph of Section 501. Moneys on deposit in the Bond Sinking Fund on April 1 of each of the years 2022 through 2050 shall be applied to the payment of Series 2021 Bonds maturing on April 1, 51 in such random manner as the Bond Trustee may deem appropriate, upon the notice and in the manner provided in this Article V and moneys on deposit in the Bond Sinking Fund on April 1, 2051 shall be applied to the payment of the Series 2021 Bonds maturing on such date.

Payment of the Series 2021 Bonds through the Bond Sinking Fund shall be without premium.

Section 5.3. Notice of Redemption. Notice of the call for any redemption pursuant to Section 501 or 502 hereof shall state the following: (i) the name of the bond issue, (ii) the CUSIP number and bond certificate number of the Series 2021 Bonds to be redeemed, (iii) the

original dated date of the bond issue, (iv) the interest rate and maturity date of the Series 2021 Bonds to be redeemed, (v) the date of the redemption notice, (vi) the redemption date, (vii) the redemption price and (viii) the address and telephone number of the designated corporate trust office of the Bond Trustee. The redemption notice shall be given by mailing a copy of such notice of redemption by first class mail, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date to the registered owners of the Series 2021 Bonds to be redeemed to the address shown on the Bond Register; provided, however, that failure to give such notice by mailing or a defect in the notice or the mailing as to any Series 2021 Bond will not affect the validity of any proceedings for redemption as to any other Series 2021 Bond for which notice is properly given.

Except for a redemption pursuant to Section 502, prior to the date that the redemption notice is mailed as aforesaid, funds shall be placed with the Bond Trustee by or on behalf of the Corporation to pay such Series 2021 Bonds and accrued interest thereon to the redemption date and the premium, if any, or such notice shall state that the redemption is conditional on such funds being deposited on the redemption date and that failure to make such a deposit shall not constitute an event of default hereunder. Upon the happening of the above conditions, the Series 2021 Bonds, or portions thereof, thus called for redemption shall not bear interest after the applicable redemption date, shall no longer be protected by this Bond Indenture and shall not be deemed to be outstanding under the provisions of this Bond Indenture. The Bond Trustee shall redeem or purchase, in the manner provided in this Article V, such an aggregate principal amount of Series 2021 Bonds at the principal amount thereof plus accrued interest to the redemption date, and premium, if any, as will exhaust as nearly as practicable the funds placed on deposit with the Bond Trustee. At the direction of the Corporation, such funds may be invested in Government Obligations until needed for such redemption. If any owner of $500,000 or more in aggregate principal amount of Series 2021 Bonds to be redeemed on a single day delivers such Series 2021 Bonds for redemption on or prior to such redemption date, payment of such redemption price for such Series 2021 Bonds shall be made, if such owner so elects, by wire transfer of funds to such wire transfer address within the continental United States as such registered owner shall have furnished to the Bond Trustee in writing and upon compliance with the reasonable requirements of the Bond Trustee. Each redemption payment shall indicate the dollar amount of each CUSIP identification number being redeemed.

Section 5.4. Mandatory Tender for Purchase. The City and, by their acceptance of the Series 2021 Bonds, the bondholders, irrevocably grant to the Corporation and any assigns of the Corporation with respect to this right, the option to purchase, at any time and from time to time, any Series 2021 Bond which is subject to optional redemption pursuant to clause (ii) of Section 501(a) at a purchase price equal to the optional redemption price therefor. To exercise such option, the Corporation shall give the Bond Trustee a Written Request exercising such option within the time period specified in Section 501 hereof as though such Written Request were a written request of the City for redemption, and the Bond Trustee shall thereupon give the bondholders of the Series 2021 Bonds to be purchased notice of such mandatory tender and purchase in the same manner as a notice of redemption specified in Section 503 hereof. The purchase of such Series 2021 Bonds shall be mandatory and enforceable against the Bondholders and Bondholders will not have the right to retain their Series 2021 Bonds. On the date fixed for purchase pursuant to any exercise of such option, the Corporation shall pay or cause to be paid the purchase price of the Series 2021 Bonds then being purchased to the Bond Trustee in immediately available funds not later than 10:00 a.m. Chicago Time on the purchase date, and the Bond Trustee shall pay the same to the sellers of such Series 2021 Bonds against delivery thereof. Following such purchase, the Bond Trustee shall cause such Series 2021 Bonds to be registered in the name of the Corporation or its nominee or as otherwise directed by the Corporation and shall deliver them to the Corporation or its nominee or as otherwise directed by the Corporation. In the case of the purchase of less than all of a maturity of such Series 2021 Bonds, the particular Series 2021 Bonds to be purchased shall be selected in accordance with Section 501 hereof. No

purchase of the Series 2021 Bonds pursuant to this Section 504 shall operate to extinguish the indebtedness of the City evidenced thereby. Notwithstanding the foregoing, no purchase shall be made pursuant to this Section 504 unless the Corporation shall have delivered to the Bond Trustee and the City concurrently with such purchase an Opinion of Bond Counsel to effect that such purchase and any resale thereof will not affect the validity of the Series 2021 Bonds or any exemption from federal income taxation to which the interest on the Series 2021 Bonds would otherwise be entitled.

ARTICLE VI

General Covenants

Section 6.1. Payment of Principal, Premium, If Any, and Interest. Subject to the limited source of payment hereinafter referred to, the City covenants that it will promptly pay the principal of, premium, if any, and interest on every Series 2021 Bond issued under this Bond Indenture at the place, on the dates and in the manner provided herein and in said Series 2021 Bonds according to the true intent and meaning thereof. The principal of and interest and premium, if any, on the Series 2021 Bonds are payable solely from (a) payments or prepayments on the Series 2021 Note, (b) payments or prepayments made under the Loan Agreement (other than Unassigned Rights), (c) moneys and investments held by the Bond Trustee under, and to the extent provided in, this Bond Indenture and (d) in certain circumstances, proceeds from insurance, condemnation awards and proceeds from sales made under threat of condemnation, which Series 2021 Note and payments are hereby specifically assigned and pledged to the payment of the Series 2021 Bonds in the manner and to the extent herein specified, and nothing in the Series 2021 Bonds or in this Bond Indenture shall be considered as assigning or pledging any funds or assets of the City (except the moneys, the Series 2021 Note and the Loan Agreement pledged under this Bond Indenture).

Section 6.2. Performance of Covenants; Legal Authorization. The City covenants that it will faithfully perform on its part at all times any and all covenants, undertakings, stipulations and provisions contained in this Bond Indenture, in any and every Series 2021 Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining thereto; provided, however, that except for the matters set forth in any documents hereof relating to payment of the Series 2021 Bonds, the City shall not be obligated to take any action or execute any instrument pursuant to any provision hereof until it shall have been requested to do so by the Corporation or by the Bond Trustee, or shall have received the instrument to be executed and at the option of the City shall have received from the party requesting such action or execution assurance satisfactory to the City that the City shall be reimbursed for its reasonable expenses, including legal counsel fees, incurred or to be incurred in connection with taking such action or executing such instrument. The City covenants that it is duly authorized under the Constitution and the laws of the State, including particularly its home rule powers and the Ordinance, to issue the Series 2021 Bonds authorized hereby and to execute this Bond Indenture and the Loan Agreement to grant the security interest herein provided, to assign and pledge the Loan Agreement and the Series 2021 Note pledged hereunder (except as otherwise provided herein) and to assign and pledge the amounts hereby assigned and pledged in the manner and to the extent herein set forth, that all action on its part for the issuance of the Series 2021 Bonds and the execution and delivery of this Bond Indenture has been duly and effectively taken, and that the Series 2021 Bonds in the hands of the owners thereof are and will be valid and enforceable obligations of the City according to the terms thereof and hereof; except to the extent that such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other

similar laws affecting generally the enforcement of creditors' rights and equitable principles. Anything contained in this Bond Indenture to the contrary notwithstanding, it is hereby understood that none of the covenants of the City contained in this Bond Indenture are intended to create a general or pecuniary obligation of the City.

Section 6.3. Ownership; Instruments of Further Assurance. The City represents that it lawfully owns the Series 2021 Note and that the pledge and assignment thereof and the assignment of its interest in the Loan Agreement (except for Unassigned Rights) to the Bond Trustee hereby made are valid and lawful. The City covenants that it will defend the title to the Series 2021 Note and its interest in the Loan Agreement and the assignment thereof (except for Unassigned Rights) to the Bond Trustee, for the benefit of the owners of the Series 2021 Bonds against the claims and demands of all persons whomsoever. The City covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as the Bond Trustee may reasonably require for the better assuring, transferring, mortgaging, conveying, pledging, assigning and confirming unto the Bond Trustee, the Series 2021 Note, the Loan Agreement and all payments thereon and thereunder (except for Unassigned Rights) pledged hereby to the payment of the principal of, premium, if any, and interest on the Series 2021 Bonds.

Section 6.4. Recording and Filing. In order to perfect the security interest of the Bond Trustee in the Trust Estate and to perfect the security interest in the Series 2021 Note pledged hereunder, the City, to the extent permitted by law, and as specifically requested by the Corporation or by the Bond Trustee, will execute such security agreements or financing statements, naming the Bond Trustee as assignee and pledgee of the Trust Estate assigned and pledged under this Bond Indenture for the payment of the principal of, premium, if any, and interest on the Series 2021 Bonds and as otherwise provided herein, and the Corporation will cause the same to be duly filed and recorded, as the case may be, in the appropriate State and county offices as required by the provisions of the Uniform Commercial Code or other similar law as adopted in the State, as from time to time amended. To continue the security interest evidenced by such security agreements or financing statements, the Bond Trustee shall, at the expense of the Corporation, file and record or cause to be filed and recorded such necessary continuation statements or supplements thereto and other instruments from time to time as may be required pursuant to the provisions of the said Uniform Commercial Code or other similar law to fully preserve and protect the security interest of the Bond Trustee in the Trust Estate and to perfect the security interest in the Series 2021 Note pledged hereunder, provided that a copy of the filed original financing statement is timely delivered to the Bond Trustee. Notwithstanding anything to the contrary contained herein, the Bond Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the Uniform Commercial Code. In addition, unless the Bond Trustee shall have been notified in writing by the Corporation that any such initial filing or description of collateral was or has become defective, the Bond Trustee shall be fully protected in (i) relying on such initial filing and descriptions in filing any financing or continuation statements or modifications thereto pursuant to this Section 604 and (ii) filing any continuation statements in the same filing offices as the initial filings were made. The City, to the extent permitted by law, at the expense and direction of the Corporation, shall execute and cause to be executed any and all further instruments as shall be reasonably required by the Bond Trustee for such protection and perfection of the interests of the Bond Trustee, the registered owners, and the Corporation or its agent, as the case may be, shall file and refile or cause to be filed and refiled such instruments which shall be necessary to preserve and perfect the lien of this Bond Indenture upon the Trust Estate until the principal of, premium, if any, and interest on the Series

2021 Bonds issued hereunder shall have been paid or provision for their payment shall be made as herein provided.

Section 6.5. Required Reporting to the City. The Bond Trustee shall keep, or cause to be kept, proper books of records and accounts in which complete and accurate entries shall be made of all funds and accounts established by or pursuant to this Bond Indenture, which shall at all reasonable times be subject to the inspection by the City or owners (or a designated representative thereof) of not less than ten percent (10%) in aggregate principal amount of the Series 2021 Bonds then outstanding.

Section 6.6. Bond Register. The Bond Trustee shall keep on file at its office the Bond Register. At reasonable times and under reasonable regulations established by the Bond Trustee, said Bond Register may be inspected and copied by the Corporation, or the authorized representative of any owner or owners of 10% or more in principal amount of the Series 2021 Bonds outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Bond Trustee.

Section 6.7. Rights Under the Loan Agreement and the Series 2021 Note; Bond Trustee as Holder of the Series 2021 Note. The City agrees that the Bond Trustee in its own name or in the name of the City may enforce all rights of the City (other than Unassigned Rights) and all obligations of the Corporation under and pursuant to the Loan Agreement and under the Series 2021 Note pledged hereunder for and on behalf of the Bondholders (other than Unassigned Rights), whether or not the City is in default hereunder.

The Bond Trustee shall be considered the holder of the Series 2021 Note.

Section 6.8. Designation of Additional Paying Agents. The City may (upon the written consent of the Corporation, and the Bond Trustee which consent will not be unreasonably withheld) cause the necessary arrangements to be made through the Bond Trustee and to be thereafter continued for the designation of alternate Paying Agents for the Series 2021 Bonds and for the making available of funds hereunder for the payment of such of the Series 2021 Bonds as shall be presented when due at the designated corporate trust office of the Bond Trustee, or its successor in trust hereunder, or at the designated office of said alternate Paying Agents.

Section 6.9. Arbitrage; Compliance with Tax Compliance Agreement. The City, the Corporation and the Bond Trustee, to the extent of its discretion under Section 407 hereof, covenant and agree that they will not take any action or fail to take any action with respect to the investment of the proceeds of any Series 2021 Bonds issued under this Bond Indenture or with respect to the payments derived from the Series 2021 Note pledged hereunder or from the Loan Agreement or any other moneys regardless of source or where held which may, notwithstanding compliance with the other provisions of this Bond Indenture, the Loan Agreement and the Tax Compliance Agreement, result in constituting the Series 2021 Bonds "*arbitrage bonds*" within the meaning of such term as used in Section 148 of the Code. The City further covenants and agrees that it will comply with and take all actions required by the Tax Compliance Agreement. Any compliance actions that involve the incurrence of any costs shall be undertaken by the City upon the written direction of the Corporation or the Bond Trustee and only at the expense of the Corporation.

Section 6.10. Prohibited Activities. Subject to the limitations on its liability as stated herein and to the extent permitted by law, the City covenants and agrees that it has not knowingly engaged and will not knowingly engage in any activities and that it has not knowingly taken and will not knowingly take any action which might result in any interest on the Series 2021 Bonds

becoming includable in the gross income of the owners thereof for purposes of Federal income taxation.

ARTICLE VII

Events of Default; Remedies

Section 7.1. Extension of Payment; Penalty. In case the time for the payment of principal of or the interest on any Series 2021 Bonds shall be extended, whether or not such extension be by or with the consent of the City, such principal or such interest so extended shall not be entitled in case of default hereunder to the benefit or security of this Bond Indenture except subject to the prior payment in full of the principal of all Series 2021 Bonds then outstanding and of all interest thereon, the time for the payment of which shall not have been extended.

Section 7.2. Events of Default. Each of the following events is hereby declared an "*event of default*," that is to say, if:

(a) payment of any installment of interest payable on any of the Series 2021 Bonds shall not be made by the City when the same shall become due and payable; or

(b) payment of the principal of or the premium, if any, payable on any of the Series 2021 Bonds shall not be made by the City when the same shall become due and payable, either at maturity, by proceedings for redemption, upon acceleration, through failure to make any payment to any fund hereunder or otherwise; or

(c) the City shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

(d) any event of default as defined in Section 10.1 of the Loan Agreement shall occur and such event of default shall be continuing from and after the date the City is entitled under the Loan Agreement to request that the Bond Trustee declare the Series 2021 Note pledged under this Bond Indenture to be immediately due and payable; or

(e) the City shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Series 2021 Bonds or in this Bond Indenture or any indenture supplemental hereto to be performed on the part of the City, and such default shall continue for the period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the City and the Corporation by the Bond Trustee; the Bond Trustee may give such notice in its discretion and shall give such notice at the written request of the owners of not less than 10% in aggregate principal amount of the Series 2021 Bonds then outstanding hereunder; provided, that, if in the judgment of the Bond Trustee such default cannot with due diligence and dispatch be wholly cured within 30 days but can be wholly cured, the failure of the City to remedy such default within such 30-day period shall not constitute a default hereunder if the City shall immediately upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch, but in any event within 90 days after written notice has been given; or

(f) the City, the Corporation or the Bond Trustee shall default in the performance of any covenant, condition, agreement or provision of the Tax Compliance Agreement, and such

default shall continue for the period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the party in default, the Corporation and the other party; provided that, if in the judgment of the Bond Trustee such default cannot with due diligence and dispatch be wholly cured within 30 days but can be wholly cured, the failure of the City, the Corporation or the Bond Trustee to remedy such default within such 30-day period shall not constitute a default hereunder if the Corporation shall immediately upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch, but in any event within 90 days after written notice has been given.

Section 7.3. Acceleration. Upon the happening of any event of default specified in paragraphs (c) through (g) of Section 702 herein and the continuance of the same for the period, if any, specified in said paragraphs, the Bond Trustee may, without any action on the part of the Bondholders, and upon the happening of any event of default specified in paragraph (a) or (b) of Section 702, or upon the happening and continuance of any other event of default and the written request of the owners of a Majority of Bondholders hereunder exclusive of Series 2021 Bonds then owned by the City or the Corporation, and upon being indemnified to its satisfaction, the Bond Trustee shall, by notice in writing delivered to the City, declare the entire principal amount of the Series 2021 Bonds then outstanding hereunder and the interest accrued thereon, immediately due and payable, and the entire principal and interest shall thereupon become and be immediately due and payable, subject, however, to the provisions of Section 711 hereof with respect to waivers of events of default.

Section 7.4. Remedies; Rights of Bondholders. Upon the occurrence of any event of default the Bond Trustee may pursue any available remedy, including a suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Series 2021 Bonds outstanding hereunder.

If an event of default shall have occurred, and if the Bond Trustee shall have been requested to do so by the Majority of Bondholders and the Bond Trustee shall have been indemnified as provided in Section 801 hereof, the Bond Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section as the Bond Trustee shall deem most expedient in the interests of the owners of Series 2021 Bonds; provided, however, that the Bond Trustee shall have the right to decline to comply with any such request if the Bond Trustee shall be advised by counsel (who may be its own counsel) that the action so requested may not lawfully be taken or the Bond Trustee in good faith shall determine that such action would be unjustly prejudicial to the owners of Series 2021 Bonds not parties to such request.

No remedy by the terms of this Bond Indenture conferred upon or reserved to the Bond Trustee (or the owners of Series 2021 Bonds) 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 the owners of Bonds hereunder) now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any default or event of default shall impair any such right or power or shall be construed to be a waiver of any such default or event of default, or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or event of default hereunder, whether by the Bond Trustee or by the owners of Series 2021 Bonds, shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereon.

Section 7.5. Direction of Proceedings by Bondholders. The owners of a majority in aggregate principal amount of Series 2021 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 method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Bond Indenture, including the enforcement of the rights of the City under the Loan Agreement (except for the enforcement of Unassigned Rights, if the City elects in writing to enforce directly) or the appointment of a receiver 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.

Section 7.6. Appointment of Receivers. Upon the occurrence of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bond Trustee or the owners of Series 2021 Bonds 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 rights and properties pledged hereunder and of the revenues, issues, payments and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 7.7. Application of Moneys. All moneys received by the Bond Trustee by any receiver or by any Bondholder pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the fees of, and the expenses, liabilities and advances incurred or made by, the Bond Trustee (including, but not limited to, the reasonable fees of its counsel) and the creation of a reasonable reserve for anticipated fees, costs and expenses, be deposited in the Revenue Fund and, together with all moneys in the funds maintained by the Bond Trustee under Article III and IV, shall be applied as follows:

(a) Unless the principal of all the Series 2021 Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST: To the payment of amounts, if any, payable to the United States Treasury pursuant to the Tax Compliance Agreement;

SECOND: To the payment to the Persons entitled thereto of all installments of interest then due on the Series 2021 Bonds, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto without any discrimination or privilege;

THIRD: To the payment to the Persons entitled thereto of the unpaid principal of any of the Series 2021 Bonds which shall have become due (other than Series 2021 Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Bond Indenture), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full Series 2021 Bonds due on any particular date, then to the payment ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or privilege; and

FOURTH: To the payment to the Persons entitled thereto of unpaid principal and interest due and owing on any Series 2021 Bonds, the payment of principal and interest of which has been extended in the manner described in Section 701.

(b) If the principal of all the Series 2021 Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied:

FIRST: To the payment of amounts, if any, payable to the United States Treasury pursuant to the Tax Compliance Agreement;

SECOND: To the payment of the principal and interest then due and unpaid upon the Series 2021 Bonds, without preference or priority of principal or interest over the other, or of any installment of interest over any other installment of interest, or of any Series 2021 Bond over any other Series 2021 Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or privilege; and

THIRD: To the payment of the principal and interest then due and unpaid upon Series 2021 Bonds with respect to which the payment of principal and interest has been extended as described in Section 701.

(c) If the principal of all the Series 2021 Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all the Series 2021 Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

Whenever moneys are to be applied by the Bond Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Bond Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming 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 unless it shall deem another date more suitable, or, with respect to payments of Defaulted Interest, shall be such date as is required by Section 202(c) hereof) 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 of the Special Record Date in accordance with Section 202(c). The Bond Trustee shall not be required to make payment to the owner of any Series 2021 Bond until such Series 2021 Bond shall be presented to the Bond Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all Series 2021 Bonds and interest thereon have been paid under the provisions of this Section 707 and all expenses and charges of the Bond Trustee and the City have been paid, including, but not limited to, the reasonable fees of their respective counsel, any balance remaining shall be paid to the Persons entitled to receive the same; if no other Person shall be entitled thereto, then the balance shall be paid to the Corporation.

Section 7.8. Remedies Vested in Bond Trustee. All rights of action, including the right to file proof of claims under this Bond Indenture or under any of the Series 2021 Bonds, may be enforced by the Bond Trustee without the possession of any of the Series 2021 Bonds or the production thereof in any trial or other proceedings 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 Series 2021 Bonds, and any recovery of judgment shall be for the equal benefit of the owners of the outstanding Series 2021 Bonds.

Section 7.9. Rights and Remedies of Bondholders. No owner of any Series 2021 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 hereof or for the appointment of a receiver or any other remedy hereunder, unless a default shall have become an event of default, and the Majority of Bondholders shall have made written request to the Bond Trustee and 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 unless also they have offered to the Bond Trustee indemnity as provided in Section 801, and unless the Bond Trustee shall thereafter fail or refuse to exercise the power hereinbefore 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 Series 2021 Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Bond Indenture by any 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 Series 2021 Bonds outstanding. Nothing in this Bond Indenture contained shall, however, affect or impair the right of any owner to enforce the payment of the principal of and interest on any Series 2021 Bond at and after the maturity thereof, or the obligation of the City to pay the principal of and interest on each of the Series 2021 Bonds issued hereunder to the respective owners thereof at the time and place, from the source and in the manner in said Series 2021 Bonds expressed.

Section 7.10. Termination of Proceedings. In case the Bond Trustee shall have proceeded to enforce any right under this Bond Indenture by the appointment of a receiver, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Bond Trustee, then and in every case the City and the Bond Trustee shall, subject to any determination in such proceeding, be restored to their former positions and rights hereunder with respect to the property pledged and assigned hereunder, and all rights, remedies and powers of the Bond Trustee shall continue as if no such proceedings had been taken.

Section 7.11. Waiver of Events of Default. Subject to Section 705 hereof, the Bond Trustee may in its discretion waive any event of default hereunder and its consequences and rescind any declaration of maturity of principal, and shall do so upon being indemnified to its satisfaction and upon written request of the owners of the Series 2021 Bonds of (1) at least a majority in aggregate principal amount of all such Series 2021 Bonds outstanding in respect of which default in the payment of principal and/or interest exists, or (2) at least a majority in aggregate principal amount of all such Series 2021 Bonds outstanding, in the case of any other event of default. The foregoing notwithstanding, unless the Majority of Bondholders otherwise directs, in no event shall there be waived (a) any event of default in the payment of the principal of any outstanding Series 2021 Bonds when due whether by mandatory redemption through the Bond Sinking Fund or at the dates of maturity specified therein or (b) any default in the payment, other than by reason of an acceleration of the Series 2021 Bonds, when due of the interest on any such Series 2021 Bonds, unless prior to such waiver or rescission all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Series 2021 Bonds in respect of which such default shall have occurred on overdue installments of interest or all arrears of payments of principal when due, as the case may be, and all fees and expenses of the Bond Trustee and any Paying Agent in connection with such default shall have been paid or provided for, including, but not limited to, the reasonable fees of their counsel. 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 such case the City, the Bond Trustee and the Bondholders shall, subject to any determination in such proceeding, be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Section 7.12. Corporation's Right of Possession and Use of Its Property. So long as the Corporation is in full compliance with the terms and provisions of the Loan Agreement, the Corporation shall be suffered and permitted to possess, use and enjoy its property and appurtenances thereto free of claims of the City and the Bond Trustee.

Section 7.13. Waiver of Redemption; Effect of Sale of the Corporation's Property. The City, to the extent permitted by law, shall not claim any rights under any stay, valuation, exemption or extension law, and hereby waives any right of redemption which it may have in respect of any sale or other disposition of the Corporation's property pursuant to the rights and remedies granted under this Article VII. Upon the institution of any foreclosure proceedings or upon such sale or other disposition of the Corporation's property, or any acceleration of the maturity of the Series 2021 Note, the principal of all Series 2021 Bonds then outstanding hereunder, if not previously due and payable shall without more become immediately due and payable.

Section 7.14. Notice of Default; Endorsement of Series 2021 Note. In the event of any default hereunder, the Bond Trustee will promptly give written notice thereof to the City and the Corporation setting forth the nature of such default. In the event of a default hereunder and in the event the City is requested by the Bond Trustee to endorse the Series 2021 Note as permitted under the Illinois Uniform Commercial Code, such endorsement may, in the discretion of the City, be without recourse.

Section 7.15. Lock-Box Provisions. Upon the occurrence and during the continuance of an event of default described in Section 702(a) or (b) hereof, the Bond Trustee shall give to the Corporation a notice (the "*Lock-Box Notice*") referring to this Section 715 of this Bond Indenture. Upon receipt of a Lock-Box Notice, (a) the Corporation will immediately commence depositing all Gross Revenues pursuant to the Deposit Account Control Agreement entered into pursuant to Section 10.7 of the Loan Agreement and (b) within seven days the Corporation will (i) engage a Management Consultant (which Consultant is not objected to by the Bond Trustee and a Majority of Bondholders) to review the operating budget of the Corporation as required by this Section 715 and (ii) submit to such Consultant and the Bond Trustee a proposed operating budget for the Consultant's approval or modification. The proposed operating budget shall include on a month-by-month basis all operating expenses to be paid by the Corporation. Upon review of the proposed budget, the Consultant will notify the Corporation, any requesting Bondholder and the Bond Trustee whether such budget is approved as submitted or of any modifications the Consultant will impose. A copy of the budget, as approved or modified (the "*Lock-Box Budget*"), will be sent to the Corporation, any single Bondholder holding a majority in interests of the Series 2021 Bonds outstanding, any requesting Bondholder and the Bond Trustee. In the event that the Corporation fails to submit a proposed operating budget to the Consultant and the Bond Trustee, the Consultant will modify the operating budget last submitted to the Consultant as it deems appropriate under the then existing circumstances and such modified operating budget will constitute the Lock-Box Budget. The Lock-Box Budget may be amended and modified by the Consultant at any time and from time to time as the Consultant in its discretion determines is necessary or appropriate under the then existing circumstances. A copy of any amendment or modification to the Lock-Box Budget will be sent by the Consultant to the Corporation, any single Bondholder holding a majority in interests of the Series 2021 Bonds outstanding, any

requesting Bondholder and the Bond Trustee. The Bond Trustee agrees that, upon receipt of a Lock-Box Notice, it will make disbursements (from amounts deposited with it by the Corporation as provided above) in each month to the Corporation to pay operating expenses only in accordance with the Lock-Box Budget.

If at any time following a Lock-Box Notice all amounts due to the Bond Trustee have been paid in full, the Bond Trustee will notify the Corporation in writing that the amounts due have been paid in full. Notwithstanding the foregoing, the lock-box provisions under this Section 715 shall remain in effect for six (6) months after the date all amounts due have been paid. Additionally, the Bond Trustee with the consent of the Majority of Bondholders may in its discretion at any time agree to suspend such lock-box provisions by so notifying the Corporation in writing. Thereafter, unless and until any subsequent Lock-Box Notice is received by the Corporation, Gross Revenues need not be deposited with the Bond Trustee.

Section 7.16. Debt Service Reserve Fund Disbursements. In the event of default under Section 702 due to insufficient monies in the Interest Fund and Bond Sinking Fund to make principal and interest payments on the Series 2021 Bonds, the Bond Trustee shall at least 30 days before the next principal or Interest Payment Date on the Bonds notify the Corporation and the Bondholders in writing of the disbursement amount from the Debt Service Reserve Fund which the Bond Trustee intends to make to ensure timely payment of principal and interest on the Bonds. If on or prior to five Business Days prior to a scheduled principal or Interest Payment Date, the Bond Trustee receives a request in writing from the Majority of Bondholders not to disburse funds from the Debt Service Reserve Fund (a "*DSRF Non-Disbursement Notice*"), the Bond Trustee shall not disburse moneys on deposit in the Debt Service Reserve Fund to make up any deficiencies in the Interest Fund and the Bond Sinking Fund.

Section 7.17. Default by City — Limited Liability. Notwithstanding any provision or obligation to the contrary hereinbefore set forth, no provision of this Bond Indenture shall be construed so as to give rise to a pecuniary liability of the City or to give rise to a charge upon the general credit or taxing power of the City, the liability of the City hereunder shall be limited to its interest in this Bond Indenture, the Loan Agreement and the Series 2021 Note and collateral and the lien of any judgment shall be restricted hereto. In the performance of the agreements of the City herein contained, any obligation it may incur for the payment of money shall not be a debt of the City, nor shall the City be liable on any obligation so incurred. The City does not assume any obligation or liability for the repayment of the Bonds or for the costs, fees, penalties, taxes, interest, omissions, charges, insurance or any other payments recited herein, and shall be obligated to pay the same only out of the amounts payable by the Corporation as described herein. The City shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Corporation if a default shall occur hereunder.

ARTICLE VIII

The Bond Trustee

Section 8.1. Acceptance of the Trusts. The Bond Trustee accepts and agrees to execute the trusts imposed upon it by this Bond Indenture, but only upon the terms and conditions set forth herein. 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. The Bond Trustee shall not be liable in connection with the performance of such duties, except with respect to its own negligence and willful misconduct. 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 as a prudent person would exercise or use in the circumstances in the conduct of such prudent person's own affairs. The Bond Trustee agrees to perform such trusts only upon and subject to the following expressed terms and conditions:

(a) The Bond Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees and shall not be responsible for the misconduct or negligence of the same appointed in accordance with the standard specified above, and shall be entitled to advice of counsel concerning all matters of trusts hereof and duties hereunder, and may in all cases pay such reasonable compensation (which shall be expenses reimbursable to the Bond Trustee pursuant to Section 7.2 of the Loan Agreement) to any attorney, agent, receiver or employee retained or employed by it in connection herewith. The Bond Trustee may act upon the opinion or advice of an attorney, surveyor, engineer, accountant or other expert or contractor selected by it in the exercise of reasonable care or, if selected or retained by the City, approved by the Bond Trustee in the exercise of such care. The Bond Trustee shall not be responsible for any loss or damage resulting from any action or nonaction based on its good faith reliance upon such opinion or advice.

(b) The Bond Trustee shall not be responsible for any recital herein, or in the Series 2021 Bonds (except with respect to the certificate of the Bond Trustee endorsed on the Series 2021 Bonds), or for the investment of moneys as herein permitted (except that no investment shall be made except in compliance with Section 410 hereof and the Tax Compliance Agreement), or for the recording or re-recording, filing or re-filing of this Bond Indenture, or any supplement or amendment thereto, or the filing of the initial financing statement, or for the validity of the execution by the City of this Bond Indenture, or of any supplemental indentures or instruments of further assurance, or for the sufficiency of the security for the Series 2021 Bonds issued hereunder or intended to be secured hereby, or for the value or title of the property herein conveyed or otherwise as to the maintenance of the security hereof. The Bond Trustee may (but shall be under no duty to) require of the City and the Corporation full information and advice as to the performance of the covenants, conditions and agreements in the Loan Agreement and shall make its best efforts, but without any obligation, to advise the City and the Corporation of any impending default known to the Bond Trustee. The Bond Trustee shall have no obligation to perform any of the duties of the City under the Loan Agreement.

(c) The Bond Trustee shall not be accountable for the use or application by the City or the Corporation of any of the Series 2021 Bonds or the proceeds thereof or for the use or application of any money paid over by the Bond Trustee in accordance with the provisions of this Bond Indenture or for the use and application of money received by any Paying Agent. The Bond Trustee may become the owner of Series 2021 Bonds secured hereby with the same rights it would have if not Bond Trustee.

(d) The Bond Trustee shall be protected in acting upon any notice, order, requisition, request, consent, certificate, order, opinion (including an opinion of Independent Counsel), affidavit, letter, telegram or other paper or document in good faith deemed by it 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 owner of any Series 2021 Bond, shall be conclusive and binding upon all future owners of the same Series 2021 Bond and upon Series 2021 Bonds issued in exchange therefor or in place thereof.

(e) As to the existence or non-existence 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 on behalf of the City by its Mayor, City Clerk, City Manager or Assistant City Manager or such other representative as the City shall direct, as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which the Bond Trustee has been notified as provided in subsection (g) of this Section, or of which by said subsection it is deemed to have notice, may 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 necessary or advisable, but shall in no case be bound to secure the same. The Bond Trustee may accept a certificate of the Mayor of the City, or such other representative as the City shall direct, under its seal to the effect that a resolution or ordinance in the form therein set forth has been adopted by the City as conclusive evidence that such resolution or ordinance has been duly adopted and is in full force and effect.

(f) 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 negligence or willful misconduct.

(g) The Bond Trustee shall take notice or be deemed to have notice of any default hereunder as well as of amounts due from the Corporation under the Loan Agreement and other submissions required to be made by the Corporation.

(h) The Bond Trustee shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or nonfulfillment of contracts during any period in which it may be in possession of or managing any property of the Corporation.

(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 fully to inspect any and all of the property pledged hereunder, including all books, papers and records of the City pertaining to the property pledged hereunder and the Series 2021 Bonds, and to take such memoranda from and in 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 contained, the Bond Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Series 2021 Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Bond Indenture, 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 by the Bond Trustee deemed reasonably necessary for the purpose of establishing the right of the City to the authentication of any Series 2021 Bonds, the withdrawal of any cash, the release of any property or the taking of any other action by the Bond Trustee.

(l) Before taking any action under this Bond Indenture relating to an event of default or in connection with its duties under this Bond Indenture other than making payments of principal and interest on the Series 2021 Bonds as they become due or causing an acceleration of the Series 2021 Bonds whenever required by the Bond Indenture, the Bond Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, including, but not limited to, any liability arising

directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances and except liability which is adjudicated to have resulted from its negligence or willful default in connection with any action so taken.

(m) All moneys received by the Bond Trustee or any Paying Agent shall, until used or applied or invested as provided in this Bond Indenture or in the Tax Compliance Agreement, 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, by this Bond Indenture or by the Tax Compliance Agreement. Neither the Bond Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder, except as provided in the Tax Compliance Agreement with respect to the continuous investment of funds, and except such as may be agreed upon.

(n) The Bond Trustee shall have no responsibility with respect to any information, statement or recital in any Limited Offering Memorandum, 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) Notwithstanding the effective date of this Bond Indenture or anything to the contrary in this Bond Indenture, the Bond Trustee shall have no liability or responsibility for any act or event relating to this Bond Indenture which occurs prior to the date the Bond Trustee formally executes this Bond Indenture and commences acting as Bond Trustee hereunder.

(p) The Bond Trustee agrees to accept and act upon instructions or directions pursuant to this Bond Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the Corporation shall provide to the Bond Trustee an incumbency certificate listing designated persons with the authority to provide such instruction and directions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Corporation elects to give the Bond Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Bond Trustee in its discretion elects to act upon such instructions, the Bond Trustee's understanding of such instructions shall be deemed controlling. The Bond Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bond Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Corporation agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Bond Trustee, including without limitation the risk of the Bond Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 8.2. Fees, Charges and Expenses of the Bond Trustee, the Bond Registrar and the City. The Bond Trustee, Bond Registrar and City shall be entitled to payment and reimbursement for reasonable fees for their respective services rendered hereunder and all advances, counsel fees and other expenses reasonably made or incurred by the Bond Trustee, Bond Registrar and City in connection with such services and in connection with entering into this Bond Indenture, including any such fees and expenses incurred in connection with action taken hereunder.

The City shall require the Corporation, pursuant to the Loan Agreement, to indemnify and hold harmless the Bond Trustee against any liabilities which the Bond Trustee may incur in the exercise and performance of its powers and duties hereunder and under any other agreement referred to herein which are not due to the Bond Trustee's negligence or willful misconduct, and for any reasonable fees and

expenses of the Bond Trustee to the extent funds are not available under this Bond Indenture for the payment thereof. The rights of the Bond Trustee under this Section 802 shall survive the payment in full of the Series 2021 Bonds, the discharge of this Bond Indenture and the resignation or removal of the Bond Trustee.

When the Bond Trustee incurs expenses or renders services after an event of default specified in Section 702 occurs, the reasonable expenses and the compensation for services (including the reasonable fees and expenses of its agents and counsel) are intended to constitute expenses of administration under applicable bankruptcy law.

Section 8.3. Notice to Bondholders if Default Occurs. If an event of default occurs, the Bond Trustee shall give written notice thereof by first class mail or an overnight delivery service, postage prepaid, to the City and the registered owners of all Series 2021 Bonds then outstanding as shown on the Bond Register.

Section 8.4. Intervention by Bond Trustee. In any judicial proceeding to which the City is a party and which in the opinion of the Bond Trustee and its counsel has a substantial bearing on the interests of owners of the Series 2021 Bonds, the Bond Trustee may intervene on behalf of Bondholders and, subject to the provisions of Section 801(l), shall do so if requested in writing by the Majority of Bondholders in aggregate principal amount of all Series 2021 Bonds then outstanding. The rights and obligations of the Bond Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Section 8.5. Successor Bond Trustee. 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, provided such corporation or association is otherwise eligible under Section 806, shall be and become successor Bond Trustee hereunder and vested with all of the title to the whole property or trust estate 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 8.6. Bond Trustee Required; Eligibility. There shall at all times be a Bond Trustee hereunder which shall be a bank or trust company organized and in good standing under the laws of the United States of America or any State or the District of Columbia, authorized to exercise corporate trust powers, subject to supervision or examination by federal or state authorities, and having, with its parent bank or trust company, a reported combined capital and surplus of not less than $50,000,000. 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 807. 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. If a successor Bond Trustee shall not have accepted its appointment under Section 809 hereof within 30 days of a notice of resignation or removal of the current Bond Trustee, the Bond Trustee may apply to a court of competent jurisdiction to appoint a successor Bond Trustee to act until such time, if any, as a successor shall have so accepted its appointment. All costs, fees and expenses related to such application to any court shall be paid by the Corporation.

Section 8.7. Resignation by the Bond Trustee. The Bond Trustee and any successor Bond Trustee may at any time resign from the trusts hereby created by executing any instrument

in writing resigning such trusts and specifying the date when such resignation shall take effect, and filing the same with the City and the Corporation not less than 45 days before the date specified in such instrument when such resignation shall take effect, and by giving notice to such resignation to each registered owner of Bonds then outstanding by first class mail, postage prepaid, not less than 20 days prior to such resignation date.

Section 8.8. Removal of the Bond Trustee. The Bond Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Bond Trustee and the City and signed by the Corporation with the consent of the Majority of Bondholders so long as no default has occurred and is continuing under this Bond Indenture or the Loan Agreement. If an "*Event of Default*" has occurred, the Majority of Bondholders shall have the right to replace the Bond Trustee. The foregoing notwithstanding, the Bond Trustee may not be removed by the Corporation unless written notice of the delivery of such instrument or instruments signed by the Corporation is mailed to the owners of all Series 2021 Bonds outstanding under this Bond Indenture, which notice indicates the Bond Trustee will be removed and replaced by the successor trustee named in such notice, such removal and replacement to become effective upon the consent of the Majority of Bondholders and upon the later of the acceptance of the appointment by the successor Bond Trustee, or the 60th day next succeeding the date of such notice, unless the owners of 10% or more in aggregate principal amount of such Series 2021 Bonds then outstanding under this Bond Indenture shall object in writing to such removal and replacement. Such notice shall be mailed by first class mail postage prepaid to the owners of such Series 2021 Bonds then outstanding at the address of such owners then shown on the Bond Register.

Section 8.9. Appointment of Successor Bond Trustee by the Bondholders; Temporary Bond Trustee. In the event that the Bond Trustee hereunder shall give notice of resignation or be removed, or be dissolved, or shall be in the 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 office or offices, or of a receiver appointed by a court, a successor may (to the extent that no "*Event of Default*" shall have occurred and be continuing under the Loan Agreement and no event has occurred that would become an event of default under the Loan Agreement with the giving of notice or the passage of time), be appointed by the Corporation with the consent of a Majority of Bondholders by an instrument or concurrent instruments in writing signed by such owners, or by their duly authorized attorneys in fact, a copy of which shall be delivered personally or sent by first class mail, postage prepaid, to the City, retiring Bond Trustee, successor Bond Trustee and Corporation. Pending such appointment by the Corporation with the consent of the Bondholders, the City may, with the consent of the Corporation (to the extent that no "*Event of Default*" shall have occurred and be continuing under the Loan Agreement), appoint a temporary successor Bond Trustee by an instrument in writing signed by an authorized officer of the City, a copy of which shall be delivered personally or sent by first class mail, postage prepaid, to the retiring Bond Trustee, successor Bond Trustee and Corporation.

If the Corporation, registered owners and the City fail to so appoint a successor Bond Trustee hereunder within twenty (20) days after the Bond Trustee has given notice of its resignation, has been removed, has been dissolved, has otherwise become incapable of acting hereunder or has been taken under control by a public officer or receiver, the Bond Trustee shall have the right to petition a court of competent jurisdiction to appoint a successor hereunder. Every such Bond Trustee appointed pursuant to the provisions of this Section 809 shall be a trust company or bank organized and in good standing under the laws of Illinois or any State or the District of Columbia and have a combined capital and surplus of not less than $50,000,000 as set forth in its most recent published annual report of condition.

Section 8.10. Judicial Appointment of Successor Trustee. In case at any time the Bond Trustee shall resign or receive notice of removal and no appointment of a successor Bond Trustee shall be made pursuant to the foregoing provisions of this Article VIII prior to the date specified in the notice of resignation as the date when such resignation is to take effect, the resigning Bond Trustee may forthwith apply to a court of competent jurisdiction for the appointment of a successor Bond Trustee. If no appointment of a successor Bond Trustee shall be made pursuant to the foregoing provisions of this Article VIII within six calendar months after a vacancy shall have occurred in the office of Bond Trustee, any owner of Series 2021 Bonds may apply to any court of competent jurisdiction to appoint a successor Bond Trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Bond Trustee.

Section 8.11. Concerning Any Successor Bond Trustees. Every successor Bond Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the City 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 City, or of its successor, execute and deliver an instrument transferring to such successor Bond Trustee 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 Bond Trustee hereunder to its successors. Should any instrument in writing from the City 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 City. 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 and/or recorded by the successor Bond Trustee in each recording office, if any, where this Bond Indenture shall have been filed and/or recorded.

Section 8.12. Bond Trustee Protected in Relying Upon Resolution, Etc. The resolutions, opinions, certificates and other instruments provided for in this Bond Indenture may be accepted by the Bond Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Bond Trustee for the release of property and the withdrawal of cash hereunder.

Section 8.13. Successor Bond Trustee as Trustee of Funds, Paying Agent and Bond Registrar. In the event of a change in the office of Bond Trustee, the predecessor Bond Trustee which has resigned or been removed shall cease to be trustee of the Revenue Fund, the Interest Fund, the Bond Sinking Fund, the Debt Service Reserve Fund, the Optional Redemption Fund, the Expense Fund, the Transfer Fund, the Repair and Replacement Fund, and any other funds provided hereunder and bond registrar and Paying Agent for principal of, premium, if any, and interest on the Series 2021 Bonds, and the successor Bond Trustee shall become such Bond Trustee, bond registrar and Paying Agent unless a separate Paying Agent or Agents are appointed by the City in connection with the appointment of any successor Bond Trustee.

Section 8.14. Representations, Warranties and Covenants of the Bond Trustee. All Federal, State and local governmental, public, and regulatory authority approvals, consents, notices, authorizations, registrations, licenses, exemptions, and filings that are required to have been obtained or made by the Bond Trustee with respect to the authorization, execution, delivery, and performance by, or the enforcement against or by, the Bond Trustee of the Bond Indenture have been obtained and are in full force and effect and all conditions of such approvals, consents,

notices, authorizations, registrations, licenses, exemptions, and filings have been fully complied with. The Bond Trustee has a combined capital and surplus of at least $50,000,000 or, alternatively, a liability policy having the type of coverage and in an amount acceptable to the City and the Corporation. The Bond Trustee has an operations group of at least four (4) experienced trust officers, with primary responsibility for municipal bond issues. The Bond Trustee administers at least 25 municipal bond indentures aggregating at least $25,000,000 under its administration.

ARTICLE IX

Supplemental Bond Indentures

Section 9.1. Supplemental Bond Indentures Not Requiring Consent of Bondholders. Subject to the limitations set forth in Section 902 hereof with respect to this Section 901, the City and the Bond Trustee may, without the consent of, or notice to, any of the Bondholders, enter into an indenture or indentures supplemental to this Bond Indenture, as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in this Bond Indenture;

(b) to grant to or confer upon the Bond Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders and the Bond Trustee, or either of them;

(c) to assign and pledge under or to subject to this Bond Indenture additional revenues, properties or collateral;

(d) to evidence the appointment of a separate trustee or the succession of a new bond trustee hereunder;

(e) 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 Series 2021 Bonds for sale under the securities laws of any state of the United States;

(f) to permit the issuance of coupon bonds of any series hereunder and to permit the exchange of bonds from registered form to coupon form and vice versa;

(g) to provide for the refunding or advance refunding of any Series 2021 Bonds including to establish and administer an escrow fund and to take related action in connection therewith;

(h) to modify, amend or supplement this Bond Indenture or any indenture supplement hereto in such manner as to permit certificated Series 2021 Bonds;

(i) to modify, amend or supplement this Bond Indenture or any indenture supplemental hereto in such manner as to permit continued compliance with the Tax Compliance Agreement; and

(j) to make any other change that, in the judgment of the Bond Trustee, does not materially adversely affect the rights of any Bondholders.

The City and the Bond Trustee may not enter into a bond indenture or indentures supplemental to this Bond Indenture pursuant to paragraph (f) of this Section 901 unless they shall have received an Opinion of Bond Counsel to the effect that the issuance of coupon Series 2021 Bonds will not adversely affect the validity or enforceability in accordance with their terms of such Series 2021 Bonds or adversely affect any exemption for purposes of federal income taxation to which the interest paid on any Series 2021 Bonds would otherwise be entitled.

Section 9.2. Supplemental Bond Indentures Requiring Consent of Bondholders. In addition to supplemental indentures covered by Section 901 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Series 2021 Bonds which are outstanding hereunder at the time of the execution of such supplemental indenture, shall have the right, from time to time, anything contained in this Bond Indenture to the contrary notwithstanding, to consent to and approve the execution by the City and the Bond Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding, in any particular manner, any of the terms or provisions contained in this Bond Indenture or in any supplemental indenture; provided, however, that nothing contained in this Section or in Section 901 hereof shall permit, or be construed as permitting a supplemental indenture to effect: (a) an extension of the stated maturity or reduction in the principal amount of, or reduction in the rate or extension of the time of paying of interest on, or reduction of any premium payable on the redemption of any Bonds without the consent of the owners of such Series 2021 Bonds; (b) a reduction in the amount or extension of the time of any payment required to be made to or from the Interest Fund or the Bond Sinking Fund; (c) the creation of any lien prior to or on a parity with the lien of this Bond Indenture, without the consent of the owners of all the Series 2021 Bonds at the time outstanding; (d) a reduction in the aforesaid aggregate principal amount of Series 2021 Bonds the owners of which are required to consent to any such supplemental indenture, without the consent of the owners of all the Series 2021 Bonds at the time outstanding which would be affected by the action to be taken; or (e) a modification of the rights, duties or immunities of the Bond Trustee or the City, without the written consent of the Bond Trustee or the City, as applicable.

If at any time the City shall request the Bond Trustee to enter into any such supplemental indenture for any of the purposes of this Section, the Bond Trustee shall, upon being satisfactorily indemnified with respect to fees and expenses, cause notice of the proposed execution of such supplemental indenture to be mailed to each owner of Series 2021 Bonds as shown on the Bond Register. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the designated corporate trust office of the Bond Trustee for inspection by all Bondholders. The Bond Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail such notice, and any such failure shall not affect the validity of such supplemental indenture when consented to and approved as provided in this Section. If the owners of the requisite principal amount of Series 2021 Bonds which are outstanding hereunder 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 Series 2021 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 City 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 9.3. Consent of the Corporation. Anything herein to the contrary notwithstanding, a supplemental indenture under this Article IX which adversely affects the rights of the Corporation under the Loan Agreement shall not become effective unless and until the Corporation 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 to which the Corporation has not already consented, together with a copy of the proposed supplemental indenture and a written consent form to be signed by the Corporation to be mailed by certified or registered mail to the Corporation at least 30 days prior to the proposed date of execution and delivery of any such supplemental indenture.

ARTICLE X

Amendments to the Loan Agreement

Section 10.1. Amendments, Etc. to Loan Agreement Not Requiring Consent. Subject to the terms and provisions of Section 1003 of this Bond Indenture, the City and the Corporation may, with the prior written consent of the Bond Trustee, amend or modify the Loan Agreement, or any provision thereof, or may consent to the amendment or modification thereof, in any manner not inconsistent with the terms and provisions of this Bond Indenture, for any one or more of the following purposes: (a) to cure any ambiguity or formal defect in the Loan Agreement; (b) to grant to or confer upon the City or Bond Trustee, for the benefit of the Bond Owners, any additional rights, remedies, powers or authorities that lawfully may be granted to or conferred upon the City or the Bond Trustee; (c) to amend or modify the Loan Agreement, or any part thereof, in any manner specifically required or permitted by the terms thereof, including, without limitation, as may be necessary to maintain the exclusion from gross income for purposes of federal income taxation of the interest on the Series 2021 Bonds; (d) to modify, amend or supplement the Loan Agreement, or any part thereof, or any supplement thereto, in such manner as the Bond Trustee and the Corporation deem necessary in order to comply with any statute, regulation, judicial decision or other law relating to secondary market disclosure requirements with respect to tax-exempt obligations of the type that includes the Series 2021 Bonds; (e) to provide that Series 2021 Bonds may be secured by additional security not otherwise provided for in the Bond Indenture or the Loan Agreement; (f) to provide for the appointment of a successor securities depository; (g) to provide for the availability of certificated Series 2021 Bonds; (h) to provide for changes in the components of the Bond Financed Property, to the extent permitted by this Bond Indenture and the Loan Agreement and (i) to make any other change which does not, in the opinion of the Bond Trustee, have a material adverse effect upon the interests of the Bondholders.

Section 10.2. Amendments, Etc. to Loan Agreement Requiring Consent of Bondholders. Except for the amendments, changes or modifications as provided in Section 1001 hereof, neither the City nor the Bond Trustee shall consent to any other amendment, change or modification of the Loan Agreement without the written approval or consent, given and procured as in this Section provided, of the owners of not less than a majority in aggregate principal amount of the Series 2021 Bonds which are outstanding hereunder at the time of execution of any such amendment, change or modification; provided that if such amendment, change or modification will, by its terms, not take effect so long as any Series 2021 Bonds remain outstanding, the consent of the owners of such Series 2021 Bonds shall not be required. If at any time the City and the Corporation shall request the consent of the Bond Trustee to any such proposed amendment, change or modification of the Loan Agreement, the Bond Trustee shall, upon being satisfactorily indemnified with respect to fees, expenses and liability, cause notice of

such proposed amendment, change or modification to be given in the same manner as provided by Section 902 hereof with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the designated office of the Bond Trustee for inspection by all Bondholders. The Bond Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to give such notice, and any such failure shall not affect the validity of such amendment, change or modification when consented to and approved as provided in this Section. If the owners of not less than a majority in aggregate principal amount of the Series 2021 Bonds outstanding hereunder at the time of the execution of any such amendment, change or modification shall have consented to and approved the execution thereof as herein provided, no owner of any Series 2021 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 City from executing the same or from taking any action pursuant to the provisions thereof.

Section 10.3. No Amendment May Alter Series 2021 Note. Under no circumstances shall any amendment to the Loan Agreement alter the Series 2021 Note pledged hereunder regarding the payments of principal, premium, if any, and interest thereon, without the consent of the owners of all the Series 2021 Bonds outstanding.

ARTICLE XI

Satisfaction of this Bond Indenture

Section 11.1. Provision for Payment. If the City shall pay or provide for the payment of the entire indebtedness on all Series 2021 Bonds (including, for the purposes of this Section 1101, Series 2021 Bonds held by the Corporation) outstanding 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 all Series 2021 Bonds outstanding, as and when the same become due and payable;

(b) by depositing with the Bond Trustee, in trust, at or before maturity, moneys in an amount sufficient to pay or redeem (when redeemable) all Series 2021 Bonds outstanding (including the payment of premium, if any, and interest payable on such Series 2021 Bonds to the maturity or redemption date thereof), provided that such moneys, if invested, shall be invested in noncallable Government Obligations in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Series 2021 Bonds outstanding at or before their respective maturity dates; it being understood that the investment income on such Government Obligations may be used for any other purpose under the Act;

(c) by delivering to the Bond Trustee, for cancellation by it, all Series 2021 Bonds outstanding; or

(d) by depositing with the Bond Trustee, in trust, noncallable Government Obligations in such amount as will, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, and any uninvested cash, be fully sufficient to

pay or redeem (when redeemable) and discharge the indebtedness on all Series 2021 Bonds outstanding at or before their respective maturity dates;

> and if the City shall pay or cause to be paid all other sums payable hereunder by the City, this Bond Indenture and the estate and rights granted hereunder shall cease, determine, and become null and void, and thereupon the Bond Trustee shall, upon Written Request of the City, and upon receipt by the Bond Trustee of an Officer's Certificate and an opinion of Independent Counsel addressed to the Bond Trustee, each stating that in the opinion of the signers all conditions precedent to the satisfaction and discharge of this Bond Indenture have been complied with, forthwith execute proper instruments acknowledging satisfaction of and discharging this Bond Indenture and the lien hereof.

The satisfaction and discharge of this Bond Indenture shall be without prejudice to the rights of the Bond Trustee to charge and be reimbursed by the City and the Corporation for any fees and expenditures which it may thereafter incur in connection herewith.

Any moneys, funds, securities, or other property remaining on deposit in the Revenue Fund, Interest Fund, Bond Sinking Fund, Debt Service Reserve Fund, Optional Redemption Fund, Transfer Fund, Repair and Replacement Fund, or in any other fund or investment under this Bond Indenture (other than said Government Obligations or other moneys deposited in trust as above provided) shall, upon the full satisfaction of this Bond Indenture, forthwith be transferred, paid over and distributed to the City and the Corporation, as their respective interests may appear.

The City or the Corporation may at any time surrender to the Bond Trustee for cancellation by it any Series 2021 Bonds previously authenticated and delivered, which the City or the Corporation may have acquired in any manner whatsoever, and such Series 2021 Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 11.2. Liability of City Not Discharged. Upon the deposit with the Bond Trustee, in trust, at or before maturity, of money or noncallable Government Obligations in the necessary amount to pay or redeem all outstanding Series 2021 Bonds (whether upon or prior to their maturity or the redemption date of such Series 2021 Bonds) and compliance with the other payment requirements of Section 1101, provided that if such Series 2021 Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article V herein provided, or provisions satisfactory to the Series 2021 Bond Trustee shall have been made for the giving of such notice, and subject to the provisions of Section 1104, this Bond Indenture may be discharged in accordance with the provisions hereof, but the liability of the City in respect of the Series 2021 Bonds shall continue, provided that the owners thereof shall thereafter be entitled to payment only out of the moneys or the Government Obligations deposited with the Bond Trustee as aforesaid.

Section 11.3. Provision for any Portion of the Series 2021 Bonds. If the City shall pay or provide for the payment of the entire indebtedness on any portion of the Series 2021 Bonds (including for purposes of this Section 1103 Series 2021 Bonds held by the Corporation), in one or more of the following ways:

(a) by paying or causing to be paid the principal of (including premium, if any) and interest on any such portion of the Series 2021 Bonds as and when the same shall become due and payable;

(b) by depositing with the Bond Trustee, in trust, at or before maturity, moneys in an amount sufficient to pay or redeem (when redeemable) such portion of the Series 2021 Bonds (including the payment of premium, if any, and interest payable on such portion of the Series 2021 Bonds to the maturity or redemption date thereof), provided that such moneys, if invested, shall be invested in noncallable Government Obligations in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on any such portion of the Series 2021 Bonds at or before their respective maturity dates; it being understood that the investment income on such Government Obligations may be used for any other purpose under the Act;

(c) by delivering to the Bond Trustee, for cancellation by it, any such portion of the Series 2021 Bonds; or

(d) by depositing with the Bond Trustee, in trust, noncallable Government Obligations in such amount as will, together with the income or increment to accrue thereon without consideration of any reinvestment thereof, and any uninvested cash, be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on any such portion of the Series 2021 Bonds at or before their respective maturity dates;

> and if the City shall also pay or cause to be paid all other sums payable hereunder by the City with respect to a portion of the Series 2021 Bonds, and, upon the request of the City or the Bond Trustee, if such portion of the Series 2021 Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article V of this Bond Indenture provided or provisions satisfactory to the Bond Trustee shall have been made for the giving of such notice, such Series 2021 Bonds shall cease to be entitled to any lien, benefit or security under this Bond Indenture. The liability of the City in respect of such Series 2021 Bonds shall continue but the owners thereof shall thereafter be entitled to payment (to the exclusion of all other Bondholders) only out of the moneys or Government Obligations deposited with the Bond Trustee as aforesaid.

Section 11.4. When Refunding Is Not Permitted. None of the Series 2021 Bonds outstanding hereunder may be refunded as aforesaid nor may this Bond Indenture be discharged if under any circumstances such refunding or discharge would result in the loss of any exemption for purposes of federal income taxation to which interest on the Series 2021 Bonds would otherwise be entitled. As a condition precedent to the refunding of any Series 2021 Bonds outstanding hereunder, the Bond Trustee shall receive (i) an Opinion of Bond Counsel to the effect that such refunding will not result in the loss of any exemption for purposes of federal income taxation to which the interest on such Series 2021 Bonds would otherwise be entitled, notwithstanding the satisfaction and discharge of this Bond Indenture and (ii) upon the request of the City or the Bond Trustee, a verification report of independent certified public accountants (or another Consultant acceptable to the Bond Trustee) with respect to the sufficiency of the moneys and Government Obligations deposited with the Bond Trustee, upon which the Bond Trustee may rely.

Section 11.5. Redemption After Satisfaction of Indenture. Notwithstanding anything to the contrary herein, upon the provision for payment of the Series 2021 Bonds or a portion thereof as specified in Section 1101(b) or (d) or Section 1103(b) or (d), the optional redemption provisions of Sections 501 of this Bond Indenture allowing such Series 2021 Bonds to be called prior to maturity upon proper notice (notwithstanding provision for the payment of

such Series 2021 Bonds having been made through a date after the first optional redemption date provided for in Section 501 hereof) shall remain available to the City, upon direction of the Corporation unless, in connection with making the deposits referred to in those sections, the City, at the direction of the Corporation, shall have irrevocably elected to waive any future right to call the Series 2021 Bonds or portions thereof for redemption prior to maturity. Notwithstanding anything to the contrary herein, upon provision for payment of the Series 2021 Bonds or any portion thereof prior to the maturity thereof as specified in Section 1101(b) or (d) of Section 1103(b) or (d), the City, at the direction of the Corporation, may elect to restructure any escrow deposit account and to pay such Series 2021 Bonds on the respective maturity dates therefor unless, in connection with making the deposits referred to in such sections, the City, at the direction of the Corporation shall have irrevocably elected to waive the right to provide for the payment of such Series 2021 Bonds on their respective maturity dates. No such redemption or restructuring shall occur, however, unless the Corporation shall deliver on behalf of the City to the Bond Trustee (a) United States Government Obligations and/or cash sufficient to discharge such Series 2021 Bonds (or portion thereof) on the redemption date or dates selected, (b) an opinion of an independent certified public accountant verifying that such United States Government Obligations, together with the expected earnings thereon, and/or cash will be sufficient to provide for the payment of such Series 2021 Bonds to the redemption or maturity dates, and (c) an Opinion of Bond Counsel (which opinion may be based upon a ruling or rulings of the Internal Revenue Service) to the effect that such earlier redemption or restructuring, will not result in the loss of any exemption for purposes of federal income taxation to which interest on the Series 2021 Bonds would otherwise be entitled. The Bond Trustee will give written notice of any such redemption or restructuring to the owners of the Series 2021 Bonds affected thereby.

ARTICLE XII

Manner of Evidencing Ownership of Series 2021 Bonds; Bonds Held by Corporation

Section 12.1. Proof of Ownership. Any request, direction, consent or other instrument provided by this Bond Indenture to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such request, direction or other instrument or of the writing appointing any such agent and of the ownership of Series 2021 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 and the City, with regard to any action taken by them, or either of them, under such request or other instrument, namely:

(a) the fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments in such jurisdiction, that the person signing such writing acknowledged before him the execution thereof, or by the affidavit of a witness of such execution; and

(b) the ownership of Series 2021 Bonds and the amounts and registration numbers of such Series 2021 Bonds and the date of owning the same shall be proved by the Bond Register.

Any action taken or suffered by the Bond Trustee pursuant to any provision of this Bond Indenture, upon the request or with the assent of any person who at the time is the owner of any Series 2021 Bond or Series 2021 Bonds, shall be conclusive and binding upon all future owners of the same Series 2021 Bond or Series 2021 Bonds.

ARTICLE XIII

Miscellaneous

Section 13.1. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Bond Indenture or the Series 2021 Bonds is intended or shall be construed to give to any person other than the parties hereto and the owners of the Series 2021 Bonds, any legal or equitable right, remedy or claim under or in respect to this Bond Indenture or any covenants, conditions and provisions herein contained; 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 Series 2021 Bonds as herein provided.

Section 13.2. Unclaimed Moneys. Any moneys deposited with the Bond Trustee by or on behalf of the City in accordance with the terms and covenants of this Bond Indenture in order to redeem or pay any Series 2021 Bond in accordance with the provisions of this Series 2021 Bond Indenture and remaining unclaimed by the owners of the Series 2021 Bond for four years after the final maturity of all Series 2021 Bonds issued hereunder or the redemption date of all the Series 2021 Bonds shall, if the City is not at the time to the knowledge of the Bond Trustee in default with respect to any of the terms and conditions of this Bond Indenture or in the Series 2021 Bonds contained and the Corporation is not in default with respect to any of the terms and conditions of the Loan Agreement, be repaid by the Bond Trustee to the Corporation; and thereafter the owners of the Series 2021 Bond shall be entitled to look only to the City for payment thereof provided that the City shall be obligated to make such payment only to the extent it obtains funds therefor from the Corporation pursuant to Section 6.9 of the Loan Agreement. The Bond Trustee, before being required to make any such repayment, shall, at the expense of the Corporation, mail to the registered owners of the Series 2021 Bonds, at the address that last appears on the Bond Register, a notice to the effect that said moneys have not been so applied and that after the date named in said notice any unclaimed balance of said moneys then remaining shall be paid to the Corporation. The Corporation hereby covenants and agrees to indemnify and save the Bond Trustee harmless from any and all loss, costs, liability and expense suffered or incurred by the Bond Trustee by reason of having returned any such moneys to the Corporation as herein provided.

Section 13.3. Severability. If any provision of this Bond Indenture shall be held or deemed to be or shall, in fact, be 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 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 circumstance, 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 13.4. Notices. Unless otherwise specifically provided herein, any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when the same are: (i) deposited in the United States mail and sent by first class mail, postage prepaid, or (ii) delivered, in each case to the parties at the addresses set forth below or at such other address as a party may designate by notice to the other parties:

To the City:	City of Evanston 2100 Ridge Avenue Evanston, Illinois 60201 Attention: City Manager Telephone: (847) 866-2936
with a copy to:	City of Evanston 2100 Ridge Avenue Evanston, Illinois 60201 Attention: Corporation Counsel Telephone: (847) 866-2937
To the Corporation:	Roycemore School 1200 Davis Street Evanston, Illinois 60201 Attention: Adrianne Finley Odell, Head of School Telephone: (847) 866-6055
To the Bond Trustee:	Wilmington Trust Corporate Trust Operations Attention: Alicia Amato 50 South Sixth Street, Suite 1290 Minneapolis, Minnesota Telephone: (612) 217-5642

Section 13.5. Bond Trustee as Paying Agent and Registrar. The Bond Trustee is hereby designated and agrees to act as principal Paying Agent and bond registrar for and in respect to the Series 2021 Bonds.

Section 13.6. 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 13.7. Governing Law. This Bond Indenture shall be governed by and construed in accordance with the laws of the State applicable to contracts performed wholly therein.

Section 13.8. Provisions for Payment of Expenses. The City shall not be obligated to execute any documents or take any other action under or pursuant to this Bond Indenture, the Loan Agreement, the Series 2021 Note or any other document in connection with the Series 2021 Bonds unless and until provision for the payment of expenses of the City, including legal counsel fees, shall have been made. Provisions for expenses shall be deemed to have been made upon arrangements reasonably satisfactory to the City for the provision of expenses being agreed upon by the City and the party requesting such execution.

Section 13.9. Immunity of Officials, Aldermen, Agents, Employees and Members of the City. No recourse shall be had for the payment of the principal of, premium, if any, and interest on any of the Series 2021 Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this Bond Indenture or the Loan Agreement or the *Purchase Agreement* against any past, present or future member, officer, alderman, agent, employee or official of the

City, or any incorporator, member, alderman, official, officer, employee, director or trustee of any successor municipality, as such, either directly or through the City or any successor municipality, 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 incorporator, member, alderman, official, officer, employee, director, agent or trustee as such is hereby expressly waived and released as a condition of and consideration for the execution of this Bond Indenture or the Loan Agreement and the issuance of the Series 2021 Bonds. No covenant, stipulation, promise, agreement or obligation contained in the Bonds, the Loan Agreement, this Bond Indenture or any other document executed in connection therewith shall be deemed to be the covenant, stipulation, promise, agreement or obligation of any present or future official, officer, alderman, agent or employee of the City in his or her individual capacity and neither any official of the City nor any officers executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

Section 13.10. Payments Due on Non-Business Days. If a payment date is not a business day at the place of payment, then payment may be made at that place on the next business day, and no interest shall accrue for the intervening period.

IN WITNESS WHEREOF, the CITY OF EVANSTON, COOK COUNTY, ILLINOIS has caused these presents to be signed in its name and on its behalf by its Mayor, and Wilmington Trust, National Association, as Bond Trustee, to evidence its acceptance of the trusts hereby created, has caused these presents to be signed in its name and on its behalf by one of its duly authorized officers, and its official seal to be hereunto affixed, and the same to be attested by one of its duly authorized officers, all as of the day and year first above written.

CITY OF EVANSTON, COOK COUNTY ILLINOIS

By: _____
Mayor

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Bond Trustee

By: _____
Authorized Officer

(SEAL)

ATTEST:

By: _____
Authorized Officer

EXHIBIT A

Form of Series 2021 Registered Bond

THE TRANSFERABILITY OF THIS BOND IS RESTRICTED AS DESCRIBED IN SECTION 208 OF THE HEREINAFTER DEFINED BOND INDENTURE

UNITED STATES OF AMERICA
STATE OF ILLINOIS
CITY OF EVANSTON, ILLINOIS
EDUCATIONAL FACILITY REVENUE BONDS, SERIES 2021
(ROYCEMORE SCHOOL)

No. R-___.....$_____

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____%	April 1, ____	April 22, 2022	_____

PRINCIPAL SUM: _____

REGISTERED OWNER: Cede & Co.

Certain words not defined herein shall have the meanings assigned to them in the hereinafter-described Bond Indenture.

The CITY OF EVANSTON, COOK COUNTY, ILLINOIS (the "*City*"), a municipality and home rule unit of the State of Illinois, for value received, hereby promises to pay in lawful money of the United States of America to the registered owner specified above or registered assigns, on the maturity date identified above, unless this Bond shall be redeemable and shall have previously been called for redemption and payment of the redemption price made or provided for, but solely from the payments on the Series 2021 Note (hereinafter referred to) and amounts payable under the Loan Agreement (hereinafter referred to), which payments are pledged and assigned for the payment hereof pursuant to the Bond Indenture hereinafter mentioned and not otherwise, upon surrender hereof, the principal sum set forth above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such principal amount, payable solely from said Series 2021 Note payments and amounts payable under the Loan Agreement, from the date of this Bond or from the most recent Interest Payment Date (as defined below) to which interest has been paid at the interest rate per annum set forth above on April 1 and October 1 of each year (an "*Interest Payment Date*") commencing October 1, 2021, until payment of such principal amount or provision therefor shall have been made upon redemption or at maturity. The principal of this Bond is payable upon presentment at the designated corporate trust office of Wilmington Trust, National Association, as bond trustee (the "*Bond Trustee*") in Chicago, Illinois (or such other office as the Bond Trustee shall designate in a notice to the owners of the Series 2021 Bonds), or of any alternate Paying Agent (as defined in the Bond Indenture), if any, named in such Bonds or to the registered owner of $500,000 or more in aggregate principal amount of Series 2021 Bonds who so elects by wire transfer of immediately available funds sent on the principal payment date in accordance with the provisions of the Bond Indenture.

THIS BOND AND THE OBLIGATION TO PAY PRINCIPAL OR PREMIUM, IF ANY, WITH RESPECT HERETO, AND INTEREST HEREON ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY, SECURED AS AFORESAID AND PAYABLE SOLELY OUT OF THE REVENUES AND INCOME DERIVED FROM THE LOAN AGREEMENT AND THE SERIES 2021 NOTE AND AS

OTHERWISE PROVIDED IN THE ORDINANCE, INDENTURE AND THE LOAN AGREEMENT. THIS BOND AND THE OBLIGATION TO PAY PRINCIPAL OR PREMIUM, IF ANY, WITH RESPECT HERETO, AND INTEREST HEREON SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR AN OBLIGATION OF THE CITY, THE STATE OF ILLINOIS (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE PURVIEW OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR PROVISION OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS, IF ANY, OF ANY OF THEM. NO OWNER OF THIS BOND SHALL HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER, IF ANY, OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO PAY ANY PRINCIPAL INSTALLMENT OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND.

Except as otherwise provided in the Bond Indenture with respect to Defaulted Interest (as defined therein), payment of interest hereon shall be made to the registered owner hereof as shown on the registration books of the City (the "*Bond Register*") at the close of business on the 15th of March and the 15th of September (whether or not a Business Day) next preceding an Interest Payment Date (the "*Record Date*") and shall be paid (i) by check or draft mailed on the Interest Payment Date to such registered owner at such person's address as it appears on the Bond Register or at such other address as may be furnished in writing by such registered owner to the Bond Trustee prior to the applicable Record Date or (ii) to the registered owner of $500,000 or more in aggregate principal amount of Series 2021 Bonds who so elects by wire transfer of immediately available funds sent on the Interest Payment Date in accordance with the provisions of the Bond Indenture.

This Bond is one of an authorized series of Bonds issued under the hereinafter described Bond Indenture in the aggregate principal amount of $8,275,000 (the "*Series 2021 Bonds*"). The Series 2021 Bonds are being issued for the purpose of loaning funds to Roycemore School (the "*Corporation*"), an Illinois not for profit corporation, which will be used together with certain other moneys, to (i) refinance the outstanding portion of the $10,000,000 original amount of a taxable note (the "*Taxable Note*"), currently outstanding in the aggregate amount of $7,900,000; (ii) fund a debt service reserve fund; and (iii) pay certain costs incurred in connection with the issuance of the Series 2021 Bonds (collectively, the "*Financing Purposes*"), all as permitted by the Ordinance.

The City will loan the proceeds of the Series 2021 Bonds to the Corporation pursuant to the Loan Agreement dated as of April 1, 2021 between the City and the Corporation (the "*Loan Agreement*"). The terms of the Loan Agreement will require payments by the Corporation which, together with other moneys available therefor, will be sufficient to provide for the payment of the principal of and interest on the Series 2021 Bonds. The Series 2021 Bonds are secured by the Promissory Note, Series 2021 (the "*Series 2021 Note*") in the principal amount of $8,275,000 to be issued pursuant to the Loan Agreement.

The Series 2021 Bonds are all issued under and equally and ratably secured by and entitled to the security of a Bond Trust Indenture dated as of April 1, 2021 (the "*Bond Indenture*"), duly executed and delivered by the City to the Bond Trustee, pursuant to which Bond Indenture the Series 2021 Note is pledged and assigned and all the right, title and interest of the City in and to the Loan Agreement (excluding Unassigned Rights, as defined in the Bond Indenture) are assigned by the City to the Bond Trustee as security for the Series 2021 Bonds. In addition, all or any portion of the Series 2021 Bonds may be advance refunded through a deposit in escrow for the benefit of such Bonds of cash and/or noncallable Government Obligations (as defined in the Bond Indenture). Reference is made to the Bond Indenture, to all indentures supplemental thereto, to the Loan Agreement, to all amendments thereto, for the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the City and the Bond Trustee, the rights of the owners of the Series 2021 Bonds, and to all provisions of which the owner by the acceptance of this Series 2021 Bond assents.

This Series 2021 Bond and the other Series 2021 Bonds, and the interest payable hereon and thereon, do not now and shall never constitute an indebtedness or an obligation of the City, the State or any political subdivision thereof, within the purview of any constitutional or statutory limitation or provision, or a charge against the general credit or taxing powers, if any, of any of them, but shall be secured as aforesaid, and shall be payable solely from the revenues and income derived from the Loan Agreement and the Series 2021 Note pledged under the Bond Indenture (except as stated aforesaid). No owner of the Series 2021 Bonds shall have the right to compel the exercise of the taxing power, if any, of the City, the State or any political subdivision thereof to pay any principal installment of, redemption premium, if any, or interest on the Series 2021 Bonds.

This Series 2021 Bond and the other Series 2021 Bonds, and the interest payable hereon and thereon, are special, limited obligations of the City and are payable solely from payments or prepayments to be made under the Loan Agreement and on the Series 2021 Note which are pledged and assigned for the payment of the Series 2021 Bonds in accordance with the Bond Indenture and from moneys and investments held by the Bond Trustee under the Bond Indenture and in certain circumstances from proceeds of insurance and condemnation awards or sales made under threat of condemnation.

This Series 2021 Bond is registered on the Bond Register and may be transferred by the registered owner hereof at the written request of such registered owner in person or by such person's attorney duly authorized in writing at the designated corporate trust office of the Bond Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Indenture and upon surrender and cancellation of this Series 2021 Bond. Upon such transfer a new registered Series 2021 Bond or Bonds without coupons of the same maturity, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefor. The City, the Bond Trustee and any paying agent may deem and treat the person in whose name this Series 2021 Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal and interest due hereon and for all other purposes and neither the City, the Bond Trustee nor any paying agent shall be affected by any notice to the contrary. The Bond Trustee shall not be required to register the transfer or exchange of any registered Series 2021 Bond during the period of 15 days next preceding any Interest Payment Date with respect to such Bond, nor to transfer or exchange any Bond after the mailing of notice calling such Series 2021 Bond for redemption has been made, nor during a period of 15 days next preceding the mailing of notice of redemption of any Series 2021 Bonds of the same maturity.

The Series 2021 Bonds are initially issuable only as registered Bonds without coupons in denominations of $100,000 and integral multiples of $5,000 in excess thereof ("*Authorized Denominations*"). Subject to the limitations and upon payment of the charges provided in the Bond Indenture, Series 2021 Bonds in authorized denominations may be exchanged for a like aggregate principal amount of registered Series 2021 Bonds of other authorized denominations of the same maturity.

The Series 2021 Bonds are also redeemable prior to maturity (i) in the event of damage to or destruction of, or the condemnation of, or sale consummated under threat of condemnation of, the School Facility or any part thereof, if the Net Proceeds of insurance, condemnation or sale received in connection therewith and applied to make prepayments on the Series 2021 Note exceeds $250,000; or (ii) in the event the Corporation shall exercise its option to prepay the Series 2021 Note in an amount sufficient to redeem all or a portion of the Series 2021 Bonds then outstanding. If called for redemption in the events referred to in (i) above, the Series 2021 Bonds shall be subject to redemption by the City at any time, in whole or in part, and if in part by maturities or portions thereof designated by the Corporation (and if less than all of a maturity is being redeemed, in such random manner as the Bond Trustee shall deem appropriate), without premium, as provided in the Bond Indenture. If called for redemption in the event referred to in (ii) above, Series 2021 Bonds shall be subject to redemption, in whole or in part, at the times and in the

manner and with the same premium set forth below as if such Series 2021 Bonds were being redeemed at the option of the City.

Outstanding Series 2021 Bonds are subject to redemption prior to maturity on or after April 1, 2029 at the option of the City upon direction of the Corporation out of amounts prepaid on the Series 2021 Note and deposited in the Optional Redemption Fund, in whole or in part at any time, and if in part by maturities or portions thereof designated by the Corporation (and if less than all of a single maturity is being redeemed, in such manner as the Bond Trustee shall deem appropriate), at a redemption price equal to 100% of the principal amount of the Series 2021 Bonds to be redeemed plus accrued interest thereon to the date of redemption, without premium.

In lieu of redeeming Series 2021 Bonds, the Bond Trustee may, at the request of the Corporation, use such funds otherwise available under the Bond Indenture for redemption of Series 2021 Bonds to purchase Series 2021 Bonds in the open market at a price not exceeding the redemption price then applicable. The Series 2021 Bonds are also subject to mandatory tender and purchase as described in the Bond Indenture.

No optional or extraordinary redemption of less than all of the Series 2021 Bonds at the time outstanding other than in accordance with the Bond Indenture, shall be made unless the total amount of funds available and to be used for such partial redemption is equal to or greater than $100,000 and is an Authorized Denomination. If less than all of a single maturity of Series 2021 Bonds is to be redeemed, such Bonds shall be randomly selected utilizing such method as may be designated by the Bond Trustee. In the case of any optional or extraordinary redemption or any purchase and cancellation of the Series 2021 Bonds, the City shall receive credit against its required Bond Sinking Fund deposits with respect to such Series 2021 Bonds of such serial maturity.

In the event any of the Series 2021 Bonds are called for redemption as aforesaid, notice thereof identifying the Series 2021 Bonds to be redeemed will be given by mailing a copy of the redemption notice by first class mail, postage prepaid, not more than 60 nor less than 30 days prior to the redemption date to the registered owner of each Series 2021 Bond to be redeemed at the address shown on the Bond Register; provided, however, that failure to give such notice by mailing, or any defect in such notice or mailing as to any Series 2021 Bond, shall not affect the validity of any proceedings for redemption as to any Series 2021 Bond as to which notice has been properly given. All Series 2021 Bonds so called for redemption will cease to bear interest on the specified redemption date, provided that notice of redemption has been given and funds for their redemption are on deposit with the Bond Trustee, and shall no longer be protected by the Bond Indenture and shall not be deemed to be outstanding under the provisions of the Bond Indenture.

The Series 2021 Bonds are also subject to advance defeasance of the Bond Indenture by depositing with the Bond Trustee noncallable Government Obligations (as defined in the Bond Indenture) in such amount, together with income or increment to accrue thereon, but without consideration of any reinvestment thereof, and any uninvested cash, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Series 2021 Bonds outstanding under the Bond Indenture at or before their respective maturity dates. The Series 2021 Bonds are also subject to advance defeasance of the Bond Indenture by depositing with the Bond Trustee moneys in an amount sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Series 2021 Bonds outstanding under the Bond Indenture at or before their respective maturity dates, provided that such moneys, if invested, shall be invested in noncallable Government Obligations in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Series 2021 Bonds outstanding at or before their respective maturity dates; it being understood that the investment income on such moneys may be used for any other purpose under the Act. Upon such payment or provision therefor, together with all other payments required under the Bond

Indenture, the Bond Indenture may be discharged by the Bond Trustee in accordance with the provisions thereof, but the City shall remain the obligor on all Series 2021 Bonds although the owners thereof and the owner hereof shall be entitled to payment solely out of such cash and/or funds received from such Government Obligations deposited with the Bond Trustee.

The City may also pay or provide for the payment of any portion of the Series 2021 Bonds by: (a) depositing with the Bond Trustee noncallable Government Obligations in an amount, together with the income or increment to accrue thereon, but without consideration of any reinvestment thereof, and any uninvested cash, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on any such portion of the Series 2021 Bonds at or before their respective maturity dates; or (b) depositing with the Bond Trustee moneys in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on any portion of the Series 2021 Bonds at or before their respective maturity dates, provided that such moneys, if invested, shall be invested in noncallable Government Obligations in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on any such portion of the Series 2021 Bonds at or before their respective maturity dates; it being understood that the investment income on such Government Obligations may be used for any other purchase under the Act. Upon such deposit, such Bonds of such series or any such portion thereof shall cease to be entitled to any lien, benefit or security under the Bond Indenture. The holders of the Series 2021 Bonds shall be entitled to payment (to the exclusion of all other Bondholders) solely out of funds received from such Government Obligations and/or cash deposited with the Bond Trustee. The foregoing notwithstanding, none of the Series 2021 Bonds may be refunded nor may the Bond Indenture be discharged if under any circumstances such refunding would result in the loss of any exemption for the purposes of federal income taxation to which interest on the Series 2021 Bonds would otherwise be entitled. The Bond Indenture requires that the Bond Trustee receive an opinion of nationally recognized municipal bond counsel (which bond counsel and opinion, including without limitation the scope, form, substance and other aspects thereof are acceptable to the Bond Trustee and which opinion may be based upon a ruling or rulings of the Internal Revenue Service), to the effect that such refunding would not result in the loss of any exemption for the purposes of federal income taxation to which interest on such Series 2021 Bonds would otherwise be entitled.

The owner of this Series 2021 Bond shall have no right to enforce the provisions of 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 proceedings 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 (including this Series 2021 Bond) 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 Bond Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Bond Indenture.

It is hereby certified that all conditions, acts, and things required to exist, happen and be performed under the Ordinance and under the Bond Indenture precedent to and in connection with the issuance of this Series 2021 Bond exist, have happened and have been performed, and that the issuance, authentication and delivery of this Series 2021 Bond have been duly authorized by the duly adopted Ordinance of the City.

No recourse shall be had for the payment of the principal of, premium, if any, and interest on any of these Series 2021 Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in the Bond Indenture or the Loan Agreement or the *Purchase Agreement* against any past, present or future member, officer, alderman, agent, employee or official of the City, or any incorporator, member, alderman, official, officer, employee, director or trustee of any successor municipality, as such,

either directly or through the City or any successor municipality, 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 incorporator, member, alderman, official, officer, employee, director, agent or trustee as such is hereby expressly waived and released as a condition of and consideration for the execution of the Bond Indenture or the Loan Agreement and the issuance of the Series 2021 Bonds. No covenant, stipulation, promise, agreement or obligation contained in the Bonds, the Loan Agreement, the Bond Indenture or any other document executed in connection therewith shall be deemed to be the covenant, stipulation, promise, agreement or obligation of any present or future official, officer, alderman, agent or employee of the City in his or her individual capacity and neither any official of the City nor any officers executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Series 2021 Bonds.

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 duly executed by the Bond Trustee.

IN WITNESS WHEREOF, as provided by the Ordinance, the CITY OF EVANSTON, COOK COUNTY, ILLINOIS has caused this Bond to be executed in its name and on its behalf by the facsimile signature of its Mayor and its City Clerk and its seal to be hereunto affixed, all as of the dated date specified above.

CITY OF EVANSTON, COOK COUNTY, ILLINOIS

By: _____
Mayor

(SEAL)

ATTEST:

By: _____
City Clerk

[FORM OF BOND TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

This Series 2021 Bond is one of the Series 2021 Bonds described in the within-mentioned Bond Trust Indenture.

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Bond Trustee

By: _____
Authorized Signatory

Date of Authentication: _____

[FORM OF ASSIGNMENT OF BOND]

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

TEN COM	–	as tenants in common	Unif Trans Min Act—		
TEN ENT	–	as tenants by the entireties		Custodian	
JT TEN	–	as joint tenants with right of survivorship and not as tenants in common	(Cust)		(Minor)
			under Uniform Transfers to Minor Act		
			(State)		

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

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

_____

_____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

_____

attorney, to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

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

EXHIBIT B

FORM OF INVESTOR LETTER

April __, 2021

Roycemore School
Evanston, Illinois

City of Evanston,
Cook County, Illinois

Stifel, Nicolaus & Company, Incorporated
Minneapolis, Minnesota

Wilmington Trust, National Association
Chicago, Illinois

Katten Muchin Rosenman LLP
Chicago, Illinois

Re: City of Evanston, Illinois
Educational Facility Revenue Bonds, Series 2021
(Roycemore School)

Ladies and Gentlemen:

The undersigned (the "*Purchaser*"), is purchasing $_____ of the $_____ aggregate principal amount of the Educational Facility Revenue Bonds, Series 2021 (Roycemore School) (such purchased portion being referred to herein as the "*Bonds*"). The Purchaser hereby acknowledges receipt of the Bonds in fully registered form and in the principal amount of $_____.

The Purchaser acknowledges that the Bonds are issued pursuant to the Bond Trust Indenture (as amended and supplemented from time to time, the "*Bond Indenture*") dated as of April 1, 2021 between the City of Evanston, Cook County, Illinois (the "*City*"), a municipal corporation and home rule unit of local government created and existing under the laws of the State of Illinois (the "*State*"); and Wilmington Trust, National Association, a national banking association, as bond trustee (the "*Bond Trustee*"). The proceeds of the Bonds are being loaned by the City to Roycemore School, an Illinois not for profit corporation (the "*Corporation*") pursuant to the Loan Agreement dated as of April 1, 2021 (the "*Loan Agreement*") between the Corporation and the City. Terms not otherwise defined herein shall have the meanings assigned thereto in the Bond Indenture.

In connection with the sale of the Bonds to the Purchaser, the Purchaser hereby makes the following representations upon which you may rely:

1. The Purchaser has authority to purchase the Bonds and to execute this letter in connection with the purchase of the Bonds.

2. The undersigned is a duly appointed, qualified and acting representative of the Purchaser and is authorized to provide, on behalf of the Purchaser, the certifications, representations and warranties contained herein by execution of this letter on behalf of the Purchaser.

3. The Purchaser is not now and has never been controlled by, or under common control with, the Corporation.

4. The Purchaser is (1) a "Qualified Institutional Buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the "Securities Act"); (2) an "Accredited Investor" as defined in Regulation D promulgated under the Securities Act; or (3) a broker-dealer registered under the Securities Exchange Act of 1934 or an investment adviser registered under the Investment Advisers Act of 1940, in each case whether purchasing for its own account or on behalf of a Qualified Institutional Buyer or Accredited Investor.

5. The Purchaser is purchasing the Bonds (a) for its own account for investment purposes and not with a view toward distribution or resale, or (b) on behalf of not more than one Qualified Institutional Buyer or Accredited Investor acquiring the Bonds for its own account for investment purposes and not with a view toward distribution or resale.

6. Notwithstanding that the Bonds are being purchased without a view toward distribution or resale, the Purchaser is not prohibited from reselling the Bonds in the future; provided, however, that the Purchaser acknowledges and agrees that the Bonds may only be resold or transferred to other purchasers who are either Qualified Institutional Buyers or Accredited Investors, and only in (i) compliance with the Bond Indenture, (ii) compliance with applicable securities laws including, without limitation, the requirements of Securities and Exchange Commission Rule 15c2-12 or an exception thereto and (iii) in such a manner that would not require registration under the Securities Act of 1933, as amended.

7. The Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment in the Bonds.

8. None of the City, the Corporation, the Bond Trustee, or Stifel, Nicolaus & Company, Incorporated ("*Stifel*") or any of their respective affiliates is acting as a fiduciary or financial or investment advisor to the Purchaser. The Purchaser has consulted with its own advisors to the extent it has deemed necessary to make an informed investment decision and has made its own investment decision, including decisions regarding the suitability of its investment in the Bonds, based on its own judgment and on any advice from such advisors as it has deemed necessary, and not upon any view expressed by the City, the Corporation, the Bond Trustee, Stifel, or any of their respective affiliates.

9. In purchasing the Bonds, the Purchaser is relying solely on statements and representations of the Corporation and on its own knowledge and investigation of the facts and circumstances relating to the purchase of the Bonds and hereby waives any claims that it may have against the City or any past, present or future member, officer, alderman, agent, employee or official of the City with respect to the financial quality of the Bonds arising out of any action such member, officer, alderman, agent, employee or official of the City has taken or should have taken in the authorization, issuance or sale of the Bonds or with respect to any statement or representation made by the City in connection with the sale of the Bonds.

10. The Purchaser has reviewed the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and has made its decision to invest (1) after its review of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, including the Appendices thereto, and (2) based upon its own independent review of credit and related matters applicable to the Corporation, the Bonds and the security therefor, and other information it has obtained and that it deems relevant to its investment in the Bonds.

11. The Purchaser has had the opportunity to ask questions of and receive answers from the Corporation concerning its purchase of the Bonds and all matters relating thereto or any additional information it deemed necessary in its decision to purchase the Bonds, and all requested information has been furnished to the Purchaser.

12. The Purchaser is able to bear the economic risk of an investment in the Bonds, including an entire loss of its investment. The Purchaser understands and acknowledges that the Bonds are not rated by any rating agency, that there is no established market for the Bonds and that none is expected to develop. Accordingly, the Purchaser acknowledges that it may need to bear the risks of its investment in the Bonds for an indefinite time.

13. In entering into this transaction the Purchaser has not relied upon any representations or opinions made by the City, its Corporation Counsel or its special counsel relating to the legal or financial consequences or other aspects of the transactions, nor has it looked to, nor expected, the City to undertake or require any credit investigation or due diligence reviews relating to the Corporation, its financial condition or business operations and the School Facility (including the refinancing, operation or management thereof), or any other matter pertaining to the merits or risks of the transaction, or the adequacy of any collateral pledged to secure repayment of the Bonds.

14. The Purchaser understands the following: The Bonds do not and shall never constitute an indebtedness or an obligation of the City, the State, or any political subdivision thereof within the meaning of any constitutional or statutory limitation or provision, or a charge against the general credit or taxing powers, if any, of the City, the State, or any other political subdivision thereof. The Bonds are special, limited obligations of the City, payable solely out of the revenues and receipts of the City derived pursuant to the Bond Indenture. No owner of the Bonds shall have the right to compel any exercise of the taxing power of the City, the State or any other political subdivision thereof to pay the Bonds or the interest or premium, if any, thereon.

15. The Purchaser (1) acknowledges that the Bonds have not been and will not be registered under the Securities Act or the securities or "blue sky" laws of any state in reliance upon exemptions from such registration requirements; (2) acknowledges that the Bond Indenture has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon an exemption set forth therein; and (3) agrees to comply with all applicable federal and state securities laws then in effect with respect to any sale or other disposition of the Bonds by the Purchaser and further acknowledges that any current exemption from registration of the Bonds does not affect or diminish such requirements.

16. All representations of the Purchaser contained herein shall survive the sale and delivery of the Bonds to the Purchaser as representations of fact existing as of the date of execution and delivery of this Investor Letter.

[NAME OF PURCHASER]

By: _____

Name: _____

Title: _____

APPENDIX D

FORM OF LOAN AGREEMENT

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LOAN AGREEMENT

Dated as of April 1, 2021

By and Between

ROYCEMORE SCHOOL

and

CITY OF EVANSTON, COOK COUNTY, ILLINOIS

The rights of the City of Evanston, Cook County, Illinois hereunder (except for Unassigned Rights) have been assigned to Wilmington Trust, National Association, as Bond Trustee under a Bond Trust Indenture dated as of April 1, 2021 between the City of Evanston, Cook County, Illinois and the Bond Trustee.

TABLE OF CONTENTS

(This Table of Contents is not a part of this
Loan Agreement and is only for convenience of reference)

Page

ARTICLE I DEFINITIONS 1

ARTICLE II REPRESENTATIONS 2

Section 2.1. Representations by the City 2
Section 2.2. Representations and Warranties by the Corporation 3

ARTICLE III INVESTMENT OF FUNDS 5

ARTICLE IV NO SECURITY INTEREST IN BOND FINANCED PROPERTY 5

ARTICLE V DISBURSEMENTS 6

Section 5.1. Disbursements from the Repair and Replacement Fund 6
Section 5.2. Investment of Revenue Fund, Expense Fund, Interest Fund, Debt Service Reserve Fund, Bond Sinking Fund, the Repair and Replacement Fund and Optional Redemption Fund 6

ARTICLE VI ISSUANCE OF SERIES 2021 BONDS OF THE CITY 7

Section 6.1. Proceeds of Series 2021 Bonds 7
Section 6.2. Payment of Series 2021 Bonds 7
Section 6.3. Right of Bond Trustee to Enforce Loan Agreement and Series 2021 Note 7

ARTICLE VII NOTE PAYMENTS; FUND DEPOSITS; PREPAYMENTS AND OTHER PAYMENTS 7

Section 7.1. Payment of Principal, Premium, if any, and Interest 7
Section 7.2. Payments in Respect of Series 2021 Note and Loan Agreement 7
Section 7.3. Credits on Series 2021 Note 8
Section 7.4. Prepayment Generally 9
Section 7.5. Optional Prepayment from Net Proceeds of Insurance, Condemnation or Sale 9
Section 7.6. Optional Prepayment of Series 2021 Note 9
Section 7.7. Notice of Prepayment 9
Section 7.8. Effect of Partial Prepayment; Amortization Schedules 10
Section 7.9. Additional Payments 10
Section 7.10. Assignment and Pledge of the City's Rights; Obligations of Corporation Unconditional 10
Section 7.11. The Corporation's Obligations Unconditional 11

ARTICLE VIII COVENANTS RELATING TO THE USE AND OPERATION OF THE BOND FINANCED PROPERTY 11

Section 8.1. Inspection of the Bond Finance Property 11
Section 8.2. Rates and Charges 11
Section 8.3. No Warranty by the City 11

Section 8.4. Compliance with Laws 12

ARTICLE IX PARTICULAR COVENANTS OF THE CORPORATION 12

Section 9.1. Maintenance of Corporate Existence and Status 12
Section 9.2. Consent to Assignment of Loan Agreement Rights, Mortgage, Assignments and the Series 2021 Note to Bond Trustee 13
Section 9.3. Maintenance; Recording 14
Section 9.4. [Reserved]. 14
Section 9.5. Indemnity 14
Section 9.6. Debt Service Coverage Ratio 16
Section 9.7. Days Cash on Hand 16
Section 9.8. Transfer of Assets 17
Section 9.9. Notice Regarding Bankruptcy Petitions, Event of Default or Potential Default 17
Section 9.10. Maintenance and Repair; Insurance 17
Section 9.11. Discharge of Orders, Etc. 17
Section 9.12. Additional Indebtedness 17
Section 9.13. Pledge of Gross Revenues 18
Section 9.14. Tax Compliance Agreement 18

ARTICLE X EVENTS OF DEFAULT AND REMEDIES THEREFOR 18

Section 10.1. Events of Default 18
Section 10.2. Application of Proceeds from Exercise of Remedies 20
Section 10.3. Remedies Cumulative; Delay or Omission Not a Waiver 21
Section 10.4. Waiver of Extension, Appraisement, Stay, Laws 21
Section 10.5. Remedies Subject to Provisions of Law 21
Section 10.6. Limited Liability of the City 22
Section 10.7. Deposit Account Control Agreement 22

ARTICLE XI SUPPLEMENTS AND AMENDMENTS TO THIS LOAN AGREEMENT 22

Section 11.1. Supplements and Amendments to this Loan Agreement 22

ARTICLE XII DEFEASANCE 23

Section 12.1. Defeasance 23

ARTICLE XIII MISCELLANEOUS PROVISIONS 23

Section 13.1. Payment of Expenses of Issuance of Series 2021 Bonds 23
Section 13.2. Loan Agreement for Benefit of Parties Hereto 23
Section 13.3. Severability 23
Section 13.4. Notices 24
Section 13.5. Successors and Assigns 24
Section 13.6. Counterparts 24
Section 13.7. Governing Law 24
Section 13.8. No Recourse to the City 24
Section 13.9. Term of this Loan Agreement 25
Section 13.10. Indenture Provisions 25

Signature Page 35

Exhibit A – Promissory Note
Exhibit B – Requisition Certificate – Repair and Replacement Fund

LOAN AGREEMENT

This is a LOAN AGREEMENT dated as of April 1, 2021 (this "*Loan Agreement*"), between Roycemore School, an Illinois not for profit corporation (the "*Corporation*"), and the City of Evanston, Cook County, Illinois (the "*City*"), a municipal corporation and home rule unit of local government organized and existing under the Constitution and the laws of the State of Illinois.

PRELIMINARY STATEMENT

Reference is hereby made to the Bond Trust Indenture (the "*Bond Indenture*") dated as of April 1, 2021, between the City and Wilmington Trust, National Association, a national banking association, as bond trustee (the "*Bond Trustee*"), relating to the Series 2021 Bonds (as defined below), for definitions of various terms used herein.

The Corporation desires to obtain moneys which will be used to provide the Corporation with a portion of the funds necessary to (i) refinance the outstanding portion of the $10,000,000 original amount of taxable note (the "*Taxable Note*"), currently outstanding in the aggregate amount of $7,900,000; (ii) fund a debt service reserve fund; and (iii) pay certain costs incurred in connection with the issuance of the Series 2021 Bonds (collectively, the "*Financing Purposes*").

The proceeds of the Series 2021 Bonds will be loaned by the City to the Corporation pursuant to this Loan Agreement. In order to provide security for the repayment of the Series 2021 Bonds, the Corporation is concurrently with the delivery hereof issuing to the City, (i) its Promissory Note, Series 2021 (the "*Series 2021 Note*") in the principal amount of $8,275,000, issued under and pursuant to this Loan Agreement, in the form attached hereto as *Exhibit A; and (ii) a Mortgage, Security Agreement and Assignment of Rents between the Corporation, as mortgagor, and the Bond Trustee as mortgagee (the "Mortgage")*.

Pursuant to its home rule powers and an ordinance adopted by the City Council of the City on the 12th day of April, 2021 (the "*Ordinance*"), the City is issuing its Educational Facility Revenue Bonds, Series 2021 (Roycemore School) in the aggregate principal amount of $8,275,000 (the "*Series 2021 Bonds*") on behalf of the Corporation, in order for the Corporation to finance the Financing Purposes. The Series 2021 Bonds are issued under and secured by the Bond Indenture. Pursuant to the Bond Indenture, the City will pledge and assign the Series 2021 Note and assign its rights under this Loan Agreement (excluding Unassigned Rights) as security for the Series 2021 Bonds. The Series 2021 Bonds will be payable only out of the payments to be made by the Corporation on the Series 2021 Note and other payments provided for in this Loan Agreement.

In consideration of the above premises, the respective representations and agreements contained herein, the loan of the proceeds of the Series 2021 Bonds by the City through the purchase and acceptance of the Series 2021 Note, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to secure the payment of the principal of, premium, if any, and interest payable on the Series 2021 Note and the performance of all the covenants of the Corporation contained herein, the parties hereto hereby further covenant and agree as follows:

ARTICLE XIV

Definitions

The terms used in this Loan Agreement, unless the context requires otherwise, shall have the same meanings as set forth in the Bond Indenture. All accounting terms not otherwise defined in the Bond Indenture, or herein shall have the meanings assigned to them in accordance with generally accepted accounting principles.

All references in this instrument to designated "*Articles*," "*Sections*" and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words "*herein*," "*hereof*" and "*hereunder*" and other words of similar import refer to this Loan Agreement as a whole and not to any particular Article, Section or other subdivision unless the context indicates otherwise.

ARTICLE XV

Representations

Section 15.1. Representations by the City**.** The City represents and warrants that:

(a) The City is a municipal corporation and home rule unit duly organized and validly existing under the Constitution and the laws of the State, is authorized pursuant to its home rule powers to enter into the transactions contemplated by this Loan Agreement and to carry out its obligations hereunder, and has been duly authorized by the Ordinance to execute and deliver this Loan Agreement, the Tax Compliance Agreement, the Bond Indenture, and the Series 2021 Bonds.

(b) To provide funds to loan to the Corporation for the Financing Purposes, the City has authorized its Series 2021 Bonds in the aggregate principal amount of $8,275,000, to be issued upon the terms set forth in the Bond Indenture, under the provisions of which the City's interest in this Loan Agreement and the payments of principal, interest and other revenues hereunder (other than Unassigned Rights), and under the Series 2021 Note is pledged and assigned to the Bond Trustee as security for the payment of the principal of, premium, if any, and interest on the Series 2021 Bonds. The City covenants that it has not and will not pledge or assign its interest in this Loan Agreement, or the revenues and receipts derived pursuant to this Loan Agreement, excepting the Unassigned Rights, other than to the Bond Trustee to secure the Series 2021 Bonds.

(c) Neither the City's execution of this Loan Agreement, the Tax Compliance Agreement, the Bond Indenture and the Series 2021 Bonds, its consummation of the transaction contemplated on its part hereby, nor the City's fulfillment or compliance with the terms and conditions hereof conflicts with or results in a breach of the terms, conditions and provisions of any material restriction, agreement or instrument to which the City is a party, or by which it or any of its property is bound, or constitutes a default under any of the foregoing.

(d) The City covenants that it will faithfully perform on its part at all times any and all covenants, undertakings, stipulations and provisions contained in this Loan Agreement, the Bond Indenture, and in any and every Series 2021 Bond executed and delivered hereunder and in all of its proceedings pertaining thereto; provided, however, that except for the matters set forth in any documents hereof relating to payment of the Series 2021 Bonds, the City shall not be obligated to take any action or execute any instrument pursuant to any provision hereof until it shall have been requested to do so by the Corporation, or shall have received the instrument to be executed and at the option of the City shall have received from the party requesting such action or execution assurance satisfactory to the City that the City shall be reimbursed for its reasonable expenses, including legal counsel fees, incurred or to be incurred in connection with taking such action or executing such instrument. The City covenants that it is duly authorized by its home rule powers and the Ordinance to issue the Series 2021 Bonds authorized hereby and to execute this Loan Agreement, to grant the security interest herein provided, to assign and pledge this

Loan Agreement (except as otherwise provided herein) and to assign and pledge the amounts hereby assigned and pledged in the manner and to the extent herein set forth, that all action on its part for the issuance of the Series 2021 Bonds and the execution and delivery of this Loan Agreement has been duly and effectively taken, and that the Series 2021 Bonds in the hands of the owners thereof are and will be valid and enforceable obligations of the City according to the terms thereof and hereof. Anything contained in this Loan Agreement to the contrary notwithstanding, it is hereby understood that none of the covenants of the City contained in this Loan Agreement are intended to create a general or pecuniary obligation of the City.

Section 15.2. Representations and Warranties by the Corporation**.** The Corporation makes the following representations and warranties as the basis for its covenants herein:

(a) The Corporation is a not for profit corporation duly incorporated under the laws of the State, is in good standing and duly authorized to conduct its business in the State, and the Corporation is duly authorized and has full power under the laws of the State and all other applicable laws and its Articles of Incorporation and By-Laws to create, issue, enter into, execute and deliver, as the case may be, the Series 2021 Note, the Limited Offering Memorandum, the Tax Compliance Agreement, the Purchase Agreement, the Mortgage, the Deposit Account Control Agreement and this Loan Agreement and all other documents executed and delivered in connection with the issuance of the Series 2021 Bonds (collectively, the "*Corporation Agreements*"), and all action on its part necessary for the valid execution and delivery of the Corporation Agreements has been duly and effectively taken.

(b) No portion of the Bond Financed Property includes any property used or to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship or any property which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination.

(c) The execution and delivery of the Corporation Agreements on the Corporation's part have been duly authorized by all necessary corporate action, and neither the Corporation's execution and delivery of the Corporation Agreements, the Corporation's consummation of the transactions contemplated on its part thereby, nor the Corporation's fulfillment of or compliance with the terms and conditions thereof, conflicts with or results in a material breach of the Articles of Incorporation or By-Laws of the Corporation or any material agreement or instrument to which the Corporation is now a party or by which it is bound (except for any such breaches for which the Corporation has obtained a waiver or a required consent), or constitutes a material default (or would constitute a material default with due notice or the passage of time or both) under any of the foregoing.

(d) No litigation, proceedings or investigations are pending or, to the knowledge of the Corporation, threatened against the Corporation seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of the Corporation Agreements or which would in any manner challenge or adversely affect the corporate existence or powers of the Corporation to enter into and carry out the transactions described in or contemplated by or the execution, delivery, validity or performance by the Corporation of the Corporation Agreements or its status as a Tax-Exempt Organization. In addition, except as described in the Limited Offering Memorandum**,** no litigation, proceedings or investigations are pending or, to the knowledge of the Corporation, threatened against the Corporation.

(e) The Corporation is a Tax-Exempt Organization; the Corporation has received a determination letter from the Internal Revenue Service to the foregoing effect which letter is still in full force and effect, and the Corporation has not declared and has not been determined to have

any "unrelated business taxable income" as defined in Section 512 of the Code, in an amount which could have a material adverse effect on the Corporation's status as a Tax-Exempt Organization, or which, if such income were subject to federal income taxation, would have a material adverse effect on the condition, financial or otherwise of the Corporation.

(f) The audited financial statements of operations and changes in net assets and cash flows of the Corporation for the fiscal year ended June 30, 2020 all included in the Limited Offering Memorandum, correctly and fairly present the financial condition of the Corporation as of said dates, and the results of the operations of the Corporation for each of such periods, respectively, and were prepared in accordance with generally accepted accounting principles consistently applied except as stated in the notes to the above mentioned financial statements, correctly and fairly present the results of the operations of the Corporation for each of such periods, all in accordance with generally accepted accounting principles consistently applied, and there has been no material adverse change in the condition, financial or otherwise, of the Corporation since the date of the above mentioned financial statements, except as disclosed in the Limited Offering Memorandum.

(g) The information used in the preparation of the financial statements referred to in paragraph (g) above, this Loan Agreement, the Tax Compliance Agreement, and any other written statement furnished by the Corporation to the City (including the descriptions and information contained in the Limited Offering Memorandum relating to (i) the Corporation and the Bond Financed Property, (ii) the operations and financial and other affairs of the Corporation, (iii) the application by the Corporation of the proceeds to be received by it from the loan of the proceeds of sale of the Series 2021 Bonds, and (iv) the participation by the Corporation in the transactions contemplated herein and in the Limited Offering Memorandum, do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein or herein not misleading. There is no fact which the Corporation has not disclosed to the City in writing which materially adversely affects or, so far as the Corporation can now reasonably foresee, will materially adversely affect the financial condition of the Corporation, the tax-exempt status of the Corporation, the ability of the Corporation to own and operate the Bond Financed Property or the Corporation's ability to make payments on the Series 2021 Note and under this Loan Agreement when and as the same become due and payable.

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

(i) Corporation reasonably expects that it will not take any deliberate action within the meaning of Treas. Reg. §1.141-2(d).

(j) No person who owns a controlling interest in or otherwise controls Corporation is or shall be (i) listed on the Specially Designated Nationals and Blocked Person List maintained by the Office of Foreign Assets Control ("*OFAC*"), Department of the Treasury, and/or any other similar lists maintained by OFAC pursuant to any authorizing statute, Executive Order or regulation, or (ii) a person designated under Sections 1(b), (c) or (d) of Executive Order No. 13224 (September 23, 2001), any related enabling legislation or any other similar Executive Orders. The Corporation is and will remain in compliance with all applicable provisions of the Bank Secrecy Act ("*BSA*") and laws, regulations and government guidance on BSA compliance and on the prevention and detection of money laundering violations.

(k) Compliance by the Corporation with the provisions of the Corporation Agreements will not involve, to the extent applicable, any prohibited transaction within the meaning of the Employee Retirement Income Security Act of 1974, as amended (herein sometimes referred to as "*ERISA*"), or Section 4975 of the Code. No "employee pension benefit plans", that are subject to Title IV of ERISA (herein sometimes referred to as "*Plans*"), maintained by the Corporation, nor any trust created thereunder, have incurred any "accumulated funding deficiency" as defined in Section 302 of ERISA, to the extent applicable and the present value of all benefits vested under all Plans, if any, did not exceed, as of the last annual valuation date, the value of the assets of the Plans allocable to such vested benefits.

(l) The Corporation has any and all necessary licenses and permits to acquire, occupy and operate its existing facilities and has obtained, will obtain or will cause to be obtained all necessary licenses and permits to acquire, occupy and operate the Bond Financed Property, as they become required.

(m) The representations and certifications contained in the Tax Compliance Agreement are true and correct, and are incorporated by reference herein.

ARTICLE XVI

Investment of Funds

The Corporation covenants and agrees that moneys on deposit in any Funds under the Bond Indenture (excluding the Rebate Fund) shall at all times be invested by the Bond Trustee in Qualified Investments and that the Corporation will take all actions necessary to assure that such moneys are continuously invested in accordance with the provisions of the Bond Indenture and the Tax Compliance Agreement. The Corporation further covenants and agrees that it will not take any action or fail to take any action, including without limitation any action with respect to the investment of the proceeds of any Series 2021 Bonds (regardless of the source or whether or not held under the Bond Indenture), with respect to any other moneys or securities deposited with the Bond Trustee pursuant to the Bond Indenture, with respect to the payments derived from the Series 2021 Note pledged under the Bond Indenture or the Loan Agreement, with respect to the purchase of other City obligations or with respect to any actions or payments required under the Tax Compliance Agreement which may result in constituting the Series 2021 Bonds "arbitrage bonds" within the meaning of such term as used in Section 148 of the Code. The Corporation covenants that neither it nor any related person, as defined in Sections 144(a)(3) and 147(a) of the Code, shall, pursuant to an arrangement, formal or informal, purchase obligations of the City in an amount related to the amount of the Series 2021 Note delivered in connection with the transaction contemplated hereby.

ARTICLE XVII

No Security Interest In Bond Financed Property

The City shall have no rights to or any interest in the Bond Financed Property, which shall be the sole and exclusive property of the Corporation. However, the Corporation agrees that, subject to reasonable security and safety regulations, the City and the Bond Trustee shall have the right at all

reasonable times to enter upon the site of the Bond Financed Property in order to determine that it conforms with the requirements of this Loan Agreement. The foregoing shall not preclude the City from enforcing any and all Unassigned Rights.

ARTICLE XVIII

Disbursements

Section 18.1. Disbursements from the Repair and Replacement Fund**.**

No payments shall be made with respect to expenses for repairs and maintenance relating to the School Facility unless there shall be delivered to the Bond Trustee an Repair and Replacement Requisition Certificate substantially in the form of *Exhibit B* attached hereto signed by an Authorized Corporation Representative. Each Repair and Replacement Requisition Certificate shall be accompanied by copies of invoices or other appropriate documentation satisfactory to the Bond Trustee, supporting the payments or reimbursements requested. The Bond Trustee shall give ten days' notice to the Majority of Bondholders and any other Bondholder requesting same, prior to disbursement of Repair and Replacement monies to the Corporation. The Bond Trustee shall rely fully on any such Repair and Replacement Requisition Certificate delivered pursuant to this subsection and shall not be required to make any investigation in connection therewith. The Corporation may by written request direct the Bond Trustee to apply funds in the Repair and Replacement Fund to the Interest Fund or the Bond Sinking Fund, as provided in Section 409 of the Bond Indenture; the Corporation agrees to provide written notice of the same to the Majority of Bondholders.

Section 18.2. Investment of Revenue Fund, Expense Fund, Interest Fund, Debt Service Reserve Fund, Bond Sinking Fund, the Repair and Replacement Fund and Optional Redemption Fund**.** Any moneys held in the Revenue Fund, Interest Fund, Debt Service Reserve Fund, Expense Fund, Bond Sinking Fund, Repair and Replacement Fund and Optional Redemption Fund shall, pending disbursement and upon written request of the Corporation or facsimile request of the Corporation later confirmed in writing, be invested only in Qualified Investments in accordance with the provisions of Section 410 of the Bond Indenture, all at such maturities, rates of interest and other specifications as the Corporation may indicate in its request to the Bond Trustee provided, however, that while an event of default has occurred and in continuing, the Majority of Bondholders shall have the right to direct such investments. The investments shall mature not later than the respective dates estimated by the Corporation when the moneys in such Funds shall be needed for the purposes provided in this Loan Agreement and the Bond Indenture, but should the cash balance in a Fund be insufficient for such purpose, the Bond Trustee is authorized to sell the necessary portion of such investments to meet that purpose. Recognizing that such investments shall be made at the written direction of the Corporation, the Corporation covenants that it will restrict the use of the proceeds of the Series 2021 Bonds (and any other funds or moneys which may be deemed to be proceeds of the Series 2021 Bonds pursuant to Section 148(a) of the Code), in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the Series 2021 Bonds are issued, so that the Series 2021 Bonds will not constitute "arbitrage bonds" under Section 148(a) of the Code.

ARTICLE XIX

Issuance of Series 2021 Bonds of the City

Section 19.1. Proceeds of Series 2021 Bonds**.** The Corporation agrees that the proceeds of the Series 2021 Bonds being loaned to the Corporation as evidenced by the Series 2021 Note shall be deposited with the Bond Trustee and applied as provided in the Bond Indenture and the Tax Compliance Agreement.

Section 19.2. Payment of Series 2021 Bonds**.** The Corporation agrees that the principal of, the redemption premiums, if any, and the interest on the Series 2021 Bonds shall be made payable in accordance with the provisions of the Bond Indenture and this Loan Agreement and that this Loan Agreement and payments to be made hereunder and hereon (excluding Unassigned Rights), as well as the Series 2021 Note and the Mortgage, shall be assigned and pledged to the Bond Trustee to secure the payment of the Series 2021 Bonds. The foregoing notwithstanding, the Corporation agrees that the moneys and securities, if any, on deposit in the Rebate Fund are not part of the "trust estate" and are not available to make payments of principal and interest on the Series 2021 Bonds.

Section 19.3. Right of Bond Trustee to Enforce Loan Agreement and Series 2021 Note**.** The Corporation agrees that the Series 2021 Note, this Loan Agreement and all of the rights, interests, powers, privileges and benefits accruing to or vested in the City under the Series 2021 Note and this Loan Agreement (except Unassigned Rights), may be protected and enforced in conformity with the Bond Indenture and may be thereby assigned by the City to the Bond Trustee as additional security for the Series 2021 Bonds and may be exercised, protected and enforced for or on behalf of the Bondholders in conformity with the provisions of this Loan Agreement and the Bond Indenture.

ARTICLE XX

Note Payments; Fund Deposits; Prepayments and Other Payments

Section 20.1. Payment of Principal, Premium, if any, and Interest**.** The Corporation will duly and punctually pay the principal of, premium, if any, and interest on the Series 2021 Note at the dates and the places and in the manner mentioned in the Series 2021 Note and this Loan Agreement, according to the true intent and meaning thereof and hereof. Notwithstanding any schedule of payments upon the Series 2021 Note, the Corporation agrees to make payments upon the Series 2021 Note and be liable therefor at such times and in such amounts (including principal, interest and premium, if any) so as to provide for payment of the principal of, premium, if any, and interest on the Series 2021 Bonds outstanding under the Bond Indenture when due whether upon a scheduled Interest Payment Date, at maturity or by mandatory or optional redemption, acceleration or otherwise upon the Series 2021 Bonds. The Corporation also agrees to make any payments as required under the Tax Compliance Agreement.

Section 20.2. Payments in Respect of Series 2021 Note and Loan Agreement**.** The Corporation covenants and agrees to make the following payments and prepayments upon the Series 2021 Note or Loan Agreement, as the case may be, directly to the Bond Trustee for deposit, into the appropriate fund established by the Bond Indenture, as follows, in the following order of priority:

First: On or before the fifteenth (15) day of each month commencing May 15, 2021 an amount which, together with an equal amount to be deposited on the last Business Day of each month preceding the next regularly scheduled semi-annual Interest Payment Date, is equal to not less than the interest to become due on the next succeeding regularly scheduled semi-annual Interest Payment Date of the Series 2021 Bonds; provided, however, that the Corporation may be entitled to certain credits on such payments as permitted under Section 7.3(a), (d) and (h) hereof.

Second: On or before the fifteenth (15) day of each month commencing May 15, 2021 and thereafter, an amount equal to not less than one twelfth (1/12) of the amount of principal becoming due on the Series 2021 Bonds on the next succeeding April 1 by maturity or mandatory bond sinking fund redemption; provided, however, that the Corporation may be entitled to certain credits on such payments as permitted under Section 7.3 hereof.

Third: If on any valuation date the amount on deposit in the Debt Service Reserve Fund is less than 100% of the Debt Service Reserve Fund Requirement as a result of a decline in the market value of investments on deposit in the Debt Service Reserve Fund, the Corporation agrees to pay an amount equal to the amounts of the deficiency in the Debt Service Reserve Fund in order to restore the amount on deposit in the Debt Service Reserve Fund to an amount equal to the Debt Service Reserve Fund Requirement within not more than 60 days following the date of any valuation shortfall as measured per the Bond Indenture.

Fourth: If at any time the amount on deposit in the Debt Service Reserve Fund is less than 100% of the Debt Service Reserve Fund Requirement as a result of the Debt Service Reserve Fund having been drawn upon, the Bond Trustee shall notify the Corporation of such transfer and the Corporation agrees to restore the amount on deposit in the Debt Service Reserve Fund to an amount equal to the Debt Service Reserve Fund Requirement by the deposit with the Bond Trustee of an amount equal to such deficiency in not more than six (6) substantially equal monthly installments beginning with the first day after the month in which such draw occurred.

Fifth: Commencing on October 15, 2022, the Corporation shall make monthly payments of $1,667 until the amount on deposit in the Repair and Replacement Fund is equal to $100,000. In the event of any withdrawal from the Repair and Replacement Fund, beginning in the month after such withdrawal, the Corporation shall make payments on the fifteenth day of each month at the aforementioned amounts until the amount on deposit in the Repair and Replacement Fund is replenished to $100,000.

Section 20.3. Credits on Series 2021 Note**.** Notwithstanding any provision contained in this Loan Agreement or in the Bond Indenture to the contrary, in addition to any credits on the Series 2021 Note resulting from the payment or prepayment thereof from other sources:

(a) any moneys deposited or credited by the Bond Trustee or the Corporation in the Interest Fund maintained under the Bond Indenture shall be credited against the obligation of the Corporation to pay interest on the Series 2021 Note as the same becomes due;

(b) any moneys deposited or credited by the Bond Trustee or the Corporation in the Bond Sinking Fund maintained under the Bond Indenture shall be credited against the obligation of the Corporation to pay the principal of the Series 2021 Note as the same becomes due and in the order of maturity to the same extent as payments are applied upon the Series 2021 Bonds through the Bond Sinking Fund; and

(c) the principal amount of Series 2021 Bonds of any maturity purchased by the Corporation and delivered to the Bond Trustee, or purchased by the Bond Trustee and cancelled,

shall be credited against the obligation of the Corporation to pay the principal of the Series 2021 Note in such order as the Corporation shall elect prior to such purchase or if no such election is made prior to such purchase in the inverse order thereof (including installment payments corresponding to mandatory sinking fund payments on such Bonds); provided, however, that deposit of a Series 2021 Bond of one maturity may not be credited against the Series 2021 Note which would be used, in the normal course, to retire a Series 2021 Bond of another maturity; and

(d) the amount of any moneys transferred by the Bond Trustee from the Debt Service Reserve Fund and deposited in the Interest Fund or the Bond Sinking Fund as herein provided shall be credited against the obligation of the Corporation to pay interest or principal on the Series 2021 Note pledged under the Bond Indenture as the same becomes due; and

(e) any moneys deposited or credited by the Bond Trustee or the Corporation in the Repair and Replacement Fund maintained under the Bond Indenture shall be credited against the obligation of the Corporation to make payments related to the said Fund under the Series 2021 Note as the same becomes due

Section 20.4. Prepayment Generally**.** The Corporation shall be permitted to prepay the Series 2021 Note to the extent and in the manner permitted by the Bond Indenture. If such prepayment is made in compliance with the terms of this Loan Agreement, the City agrees to accept prepayment of the Series 2021 Note to the extent required to provide for a permitted prepayment of the Series 2021 Bonds. No other prepayment of the Series 2021 Note shall be permitted.

Section 20.5. Optional Prepayment from Net Proceeds of Insurance, Condemnation or Sale**.** The Corporation shall have the right to have the Series 2021 Note prepaid from the net proceeds of insurance, condemnation or sale under threat of condemnation by giving the City direction to apply such net proceeds in a notice of election given pursuant to the Bond Indenture. In such event the City shall apply all or that portion of such net proceeds to be so applied promptly to the prepayment of the Series 2021 Note, without premium, plus accrued and unpaid interest thereon to the date of prepayment.

Section 20.6. Optional Prepayment of Series 2021 Note**.** In addition to any prepayment of the Series 2021 Note made pursuant to Section 7.5 hereof, the Corporation may, at its option and subject to the limitations of the Bond Indenture, prepay the Series 2021 Note in whole or in part in order to effect a redemption of Series 2021 Bonds pursuant to Section 501 of the Bond Indenture (but if in part, in Authorized Denominations). Such prepayments shall be made by paying to the Bond Trustee an amount sufficient to redeem (when redeemable) all or a part of the Series 2021 Bonds, as the case may be, at the redemption prices specified therefor in the Bond Indenture. Any prepayment pursuant to this Section 7.6 shall include accrued interest and premium, if any, required for redemption of such Bonds as shall be redeemed by such prepayment.

Section 20.7. Notice of Prepayment**.** The Corporation shall give the City and the Bond Trustee not less than 45 days prior written notice of any prepayment of the Series 2021 Note, which notice shall designate the date of prepayment and the amount thereof and direct the redemption of the Series 2021 Bonds in amounts corresponding to the prepayment. Such notice may be withdrawn by the Corporation prior to delivery of the City's Written Request to the Bond Trustee pursuant to Section 501 of the Bond Indenture. The Corporation shall not be required to give notice to the City of any prepayments of the Series 2021 Note to be made pursuant to Section 7.5 hereof.

Section 20.8. Effect of Partial Prepayment; Amortization Schedules**.** (a) Upon any partial prepayment of the Series 2021 Note, each installment of interest which shall thereafter be payable on such obligation shall be reduced, taking into account the interest rate or rates on the Series 2021 Bonds remaining outstanding after the redemption of the Series 2021 Bonds from the proceeds of such partial prepayment and after the purchase and delivery and cancellation of the Series 2021 Bonds described in Section 7.3(c) so that the interest remaining payable on the Series 2021 Note shall be sufficient to pay the interest on such outstanding Series 2021 Bonds when due.

(b) On the date of any partial prepayment of the Series 2021 Note, the Corporation shall deliver to the City and the Bond Trustee two copies of an amortization schedule with respect to the Series 2021 Note then outstanding setting forth the amount of the installments to be paid on the Series 2021 Note after the date of such partial prepayment and the unpaid principal balance of the Series 2021 Note after payment of each such installment.

Section 20.9. Additional Payments**.** The Corporation will pay a one time issuance fee to the City in the amount of ten thousand dollars ($10,000). The Corporation shall pay the legal fee of City's special counsel in connection with the issuance of the Series 2021 Bonds and City's financial advisor prior to or contemporaneously with the issuance of the Series 2021 Bonds.

The Corporation will also pay the following within 30 days after receipt of a bill therefor:

(a) The reasonable fees and expenses of the City in connection with and as provided in this Loan Agreement the Bond Indenture, and the Series 2021 Bonds, such fees and expenses to be paid directly to the City or as otherwise directed in writing by the City;

(b) (i) The fees and expenses of the Bond Trustee and all other fiduciaries and agents serving under the Bond Indenture (including any expenses in connection with any redemption of the Series 2021 Bonds), and (ii) all fees and expenses, including attorneys fees, of the Bond Trustee for any extraordinary services rendered by it under the Bond Indenture. All such fees and expenses are to be paid directly to the Bond Trustee or other fiduciary or agent for its own account as and when such fees and expenses become due and payable; and

(c) All other reasonable fees and expenses incurred in connection with the issuance of the Series 2021 Bonds.

The Corporation will also pay to the City, upon demand, amounts payable to the owners of the Series 2021 Bonds with respect to which funds have been returned to the Corporation pursuant to Section 1302 of the Bond Indenture. The provisions of this paragraph shall survive the termination of this Loan Agreement.

Section 20.10. Assignment and Pledge of the City's Rights; Obligations of Corporation Unconditional**.** As security for the payment of the Series 2021 Bonds, the City will assign and pledge to the Bond Trustee all right, title and interest of the City in and to this Loan Agreement and the Series 2021 Note, including the right to receive payments hereunder and thereunder (except its Unassigned Rights), and hereby directs the Corporation to make said payments directly to the Bond Trustee. The Corporation herewith assents to such assignment and pledge and will make payments directly to the Bond Trustee without defense or set-off by reason of any dispute between the Corporation and the City or Bond Trustee, and hereby agrees that its obligation to make payments hereunder and to perform its other agreements contained herein are absolute and unconditional. Until the principal of and interest on the Series 2021 Bonds shall have been fully paid or provision for the payment of the Series 2021 Bonds made in accordance with the Bond

Indenture, the Corporation (a) will not suspend or discontinue any payments provided for in this Loan Agreement, (b) will perform all its other duties and responsibilities called for by this Loan Agreement, and (c) will not terminate this Loan Agreement for any cause including any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Bond Financed Property, commercial frustration of purpose, any change in the laws of the United States or of the State or any political subdivision of either or any failure of the City to perform any of its agreements, whether express or implied, or any duty, liability or obligation arising from or connected with this Loan Agreement.

Section 20.11. The Corporation's Obligations Unconditional**.** The City and the Corporation agree that the Corporation shall bear all risk of damage or destruction in whole or in part to the Bond Financed Property or any part thereof including without limitation any loss, complete or partial, or interruption in the use, occupancy or operation of such Bond Financed Property, or any manner or thing which for any reason interferes with, prevents or renders burdensome, the use or occupancy of such Bond Financed Property or the compliance by the Corporation with any of the terms of this Loan Agreement. In furtherance of the foregoing, but without limiting any of the other provisions of this Loan Agreement, the Corporation agrees that its obligations to pay the principal, premium, if any, and interest on the Series 2021 Note, to pay the other sums herein provided for and to perform and observe its other agreements contained herein shall be absolute and unconditional and that the Corporation shall not be entitled to any abatement or diminution thereof nor to any termination of this Loan Agreement for any reason whatsoever.

ARTICLE XXI

Covenants Relating to the Use and Operation of the Bond Financed Property

Section 21.1. Inspection of the Bond Finance Property**.** The Corporation agrees that during the term of this Loan Agreement the City, the Bond Trustee, and their duly authorized agents shall have the right, but shall be under no duty or obligation to exercise this right, during regular business hours, with reasonable notice, to enter upon the premises and examine and inspect the Bond Financed Property, subject to such limitations, restrictions and requirements as the Corporation may reasonably prescribe.

Section 21.2. Rates and Charges**.** The Corporation covenants and agrees to operate its existing facilities primarily as revenue producing educational facilities or as facilities related thereto or for any other lawful purpose or activity, to charge such fees and rates for its facilities and services and to exercise such skill and diligence as to provide income from such educational facilities together with other available funds sufficient to pay promptly all expenses of operation, maintenance and repair of such educational facilities, all amounts owing on the Series 2021 Note and to pay all other payments required to be made by the Corporation hereunder to the extent permitted by law. The Corporation further covenants and agrees that it will, from time to time as often as necessary, to the extent permitted by law, revise its rates, fees and charges in such manner as may be necessary or proper to comply with the provisions of this Section.

Section 21.3. No Warranty by the City**.** THE CORPORATION RECOGNIZES THAT THE CITY HAS NOT MADE AN INSPECTION OF THE BOND FINANCED PROPERTY OR OF ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, AND THE CITY MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED OR OTHERWISE, WITH RESPECT TO THE SAME OR THE LOCATION, USE, DESCRIPTION,

DESIGN, MERCHANTABILITY, CONDITION, WORKMANSHIP, OR FITNESS, SUITABILITY OR USE FOR ANY PARTICULAR PURPOSE, CONDITION OR DURABILITY THEREOF. THE CORPORATION FURTHER RECOGNIZES THAT THE CITY HAS NO TITLE OR INTEREST TO ANY PART OF THE BOND FINANCED PROPERTY AND THAT THE CITY MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND AS TO THE CORPORATION'S TITLE THERETO OR OWNERSHIP THEREOF OR OTHERWISE, IT BEING AGREED THAT ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY THE CORPORATION. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE IN THE BOND FINANCED PROPERTY OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER PATENT OR LATENT, THE CITY SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO. THE PROVISIONS OF THIS SECTION 8.3 HAVE BEEN NEGOTIATED AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES OR REPRESENTATIONS BY THE CITY, EXPRESS OR IMPLIED, WITH RESPECT TO THE BOND FINANCED PROPERTY OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER ARISING PURSUANT TO THE UNIFORM COMMERCIAL CODE OF THE STATE OR ANOTHER LAW NOW OR HEREAFTER IN EFFECT OR OTHERWISE.

Section 21.4. Compliance with Laws**.** The Corporation shall, through the term of this Loan Agreement and at no expense to the City, promptly comply or cause compliance with all applicable laws, ordinances, orders, rules, regulations and requirements of duly constituted public authorities which may be applicable to the Bond Financed Property or to the repair and alteration thereof, or to the use or manner of use of the Bond Financed Property, including, but not limited to, the Americans with Disabilities Act, Illinois Accessibility Code, all Federal, State, City and local environmental, health and safety laws, rules, regulations and orders applicable to or pertaining to the Bond Financed Property, Federal Worker Adjustment and Retraining Notification Act and Illinois Prevailing Wage Act, to the extent applicable to the Corporation or the Bond Financed Property.

ARTICLE XXII

Particular Covenants of the Corporation

Section 22.1. Maintenance of Corporate Existence and Status**.** Unless the Corporation complies with the following provisions of this Section 9.1, the Corporation agrees that as long as any Bonds are outstanding it will maintain its existence, will not dissolve, liquidate or otherwise dispose of all or substantially all of its assets, and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it. Any dissolution, liquidation, disposition, consolidation or merger shall be subject to the following conditions unless otherwise waived by the Bond Trustee:

(a) the Corporation provides a certificate to the City and the Bond Trustee, in form and substance satisfactory to such parties, to the effect that no event of default exists hereunder or under the Bond Indenture and that no event of default will be caused by the dissolution, liquidation, disposition, consolidation or merger;

(b) the entity surviving the dissolution, liquidation, disposition, consolidation or merger if other than the Corporation assumes in writing and without condition or qualification the obligations of the Corporation under the Corporation Documents;

(c) the Corporation or the entity surviving the dissolution, liquidation, disposition, consolidation or merger, within ten (10) days after execution thereof, furnishes to the City and the Bond Trustee a true and complete copy of the instrument of dissolution, liquidation, disposition, consolidation or merger;

(d) neither the validity nor the enforceability of the Series 2021 Bonds or the Bond Indenture or any other agreements for which the Corporation is a party is adversely affected by the dissolution, liquidation, disposition, consolidation or merger;

(e) the dissolution, liquidation, disposition, consolidation or merger will not adversely affect any exemption from federal income taxation to which interest on the Series 2021 Bonds would otherwise be entitled;

(f) evidence that no rating on the Series 2021 Bonds, if the Series 2021 Bonds are then rated, is reduced or withdrawn as a result of the dissolution, liquidation, disposition, consolidation or merger;

(g) the Bond Financed Property continues to be as described herein;

(h) any successor to the Corporation shall be qualified to do business in the State and shall continue to be qualified to do business in the State throughout the term hereof;

(i) (1) neither the validity nor enforceability of the Corporation Documents will be adversely affected by the dissolution, liquidation, disposition, consolidation or merger and (2) the provisions of the Bond Indenture and the Corporation Agreements are complied with concerning the dissolution, liquidation, disposition, consolidation or merger; and

(j) the Bond Trustee has executed a certificate acknowledging receipt of all documents, information and materials required by this Section 9.1.

As of the effective date of the dissolution, liquidation, disposition, consolidation or merger, the Corporation (at its cost) shall furnish to the City and Bond Trustee (x) an opinion of Bond Counsel, in form and substance satisfactory to such parties, as to items (d) and (e) above, and (y) an opinion of Independent Counsel, in form and substance satisfactory to such parties, as to the legal, valid and binding nature of item (c) and (i) above.

The Corporation further agrees that it will not act or fail to act in any other manner which would adversely affect any exemption from federal income taxation of the interest earned by the owners of the Series 2021 Bonds to which such Bonds would otherwise be entitled.

Notwithstanding any other provision of this Loan Agreement, the Bond Trustee may, at the request of the Corporation, waive any of the conditions under this Section 9.1 at the Bond Trustee's sole discretion, but only with the consent of or notice to the Majority of Bondholders.

Section 22.2. Consent to Assignment of Loan Agreement Rights, Mortgage, Assignments and the Series 2021 Note to Bond Trustee**.** The Corporation agrees that this Loan Agreement, the Series 2021 Note, the Assignments, the Mortgage, and payments to be made thereunder and thereon (excluding Unassigned Rights), shall be assigned and pledged to secure the payment of the Series 2021 Bonds and all of the rights, interests, powers, privileges and benefits accruing to or vested in the City thereunder may be protected and enforced in conformity with the Bond Indenture and may be assigned by the City to the Bond Trustee as additional security for the Series 2021 Bonds, other than Unassigned Rights.

Section 22.3. Maintenance; Recording**.** (a) The Corporation will, at its own expense, take all necessary action to maintain and preserve the liens and security interest of the Loan Agreement so long as any principal, premium, if any, or interest on the Series 2021 Bonds remains unpaid.

(b) The Corporation will, forthwith after the execution and delivery of the Loan Agreement and thereafter from time to time, cause the Loan Agreement, including any amendments thereof and supplements thereto, and any financing statements in respect thereof to be filed, registered and recorded in such manner and in such places as may be required by law in order to publish notice of and fully to perfect and protect (i) the lien and security interest thereof upon and the title of the Corporation to the Bond Financed Property, and (ii) the lien and security interest therein granted to the Bond Trustee or owner of the Series 2021 Bonds to the rights, if any, of the City assigned under the Loan Agreement, and from time to time will perform or cause to be performed any other act as provided by law and will execute or cause to be executed any and all continuation statements and further instruments necessary for such publication, perfection and protection. Except to the extent it is exempt therefrom, the Corporation will pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all Federal or State fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Loan Agreement and such instruments of further assurance.

(c) The City shall have no responsibility for the preparation, filing or recording of any instrument, document or financing statement or for the maintenance of any security interest intended to be perfected thereby. The City will execute such instruments provided to it by the Corporation and at the Corporation's expense as may be reasonably necessary in connection with such filing or recording.

Section 22.4. [Reserved].

Section 22.5. Indemnity**.** (a) The Corporation will pay, and will protect, indemnify and save the City and Bond Trustee and their respective past, present and future members, officers, alderman, officials directors, employees, agents, successor, assigns and any other person, if any, who "controls" the City or Bond Trustee, as the case may be, as that term is defined in Section 15 of the Securities Act of 1933, as amended (the City, the Bond Trustee and the other listed persons, collectively referred to as, the "*Indemnified Persons*") harmless from and against any and all liabilities, losses, damages, taxes penalties, costs and expenses (including attorneys' fees and expenses of the City and Bond Trustee), causes of action, suits, proceedings, claims, demands, tax reviews, investigations and judgments of whatsoever kind and nature (including, but not limited to, those arising or resulting from any injury to or death of any person or damage to property) arising from or in any manner directly or indirectly growing out of or connected with the following:

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

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

(iii) a violation of any contract, agreement or restriction by the Corporation relating to its Bond Financed Property;

(iv) a violation of any law, ordinance, rules, regulation or court order affecting the Bond Financed Property or the ownership, occupancy or use thereof or the Series 2021 Bonds or use of the proceeds thereof;

(v) any statement or information concerning the Corporation, any of its officers, its operations or financial condition generally or the Bond Financed Property, contained in any Limited Offering Memorandum or supplement or amendment thereto furnished to the City or the purchaser of any Bonds, that is untrue or incorrect in any material respect, and any omission from such Limited Offering Memorandum or any statement or information which should be contained therein for the purpose for which the same is to be used or which is necessary to make the statements therein concerning the Corporation, any of its officers and the Bond Financed Property not misleading in any material respect, provided that such Limited Offering Memorandum or supplement or amendment has been approved by the Corporation and the Indemnified Persons did not have actual knowledge of the omission or misstatement; and

(vi) the acceptance or administration of the Bond Indenture, including without limitation the enforcement of any remedies under the Bond Indenture and related documents.

(b) In case any claim shall be made or any action shall be brought against one or more of the Indemnified Persons in respect of which indemnity can be sought against the Corporation pursuant to any of the preceding paragraphs, the Indemnified Party seeking indemnity shall promptly notify the Corporation, in writing, and the Corporation shall promptly assume the defense thereof, including the employment of counsel chosen by the Corporation and approved by the City or Bond Trustee, or both (provided, that such approval by the City or Bond Trustee shall not be unreasonably withheld), the payment of all expenses and the right to negotiate and consent to settlement. If any Indemnified Person is advised in a written opinion of counsel that there may be legal defenses available to such Indemnified Person which are adverse to or in conflict with those available to the Corporation or that the defense of such Indemnified Person should be handled by separate counsel, the Corporation shall not have the right to assume the defense of such Indemnified Person, but the Corporation shall be responsible for the reasonable fees and expenses of counsel retained by such Indemnified Person in assuming its own defense, and provided also that, if the Corporation shall have failed to assume the defense of such action or to retain counsel reasonably satisfactory to the City or Bond Trustee within a reasonable time after notice of the commencement of such action, the reasonable fees and expenses of counsel retained by the Indemnified Person shall be paid by the Corporation. Notwithstanding the foregoing, any one or more of the Indemnified Persons shall have the right to employ separate counsel with respect to any such claim or in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be paid by such Indemnified Person unless the employment of such counsel has been specifically authorized by the Corporation in writing or unless the provisions of the immediately preceding sentence are applicable. The Corporation shall not be liable for any settlement of any such action affected without the consent of the Corporation, but if settled with the consent of the Corporation or if there be a final judgment for the plaintiff in any such action with or without consent, the Corporation agrees to indemnify and hold harmless the Indemnified Person from and against any loss, liability or expense by reason of such settlement or judgment.

(c) The Corporation shall also indemnify the City, Bond Trustee and such Indemnified Persons for, and shall pay, all reasonable costs and expenses, including reasonable counsel fees, incurred in: (i) enforcing any obligation of the Corporation under this Loan Agreement or any related agreement, (ii) taking any action requested by the Corporation, (iii) taking any action required by this Loan Agreement or any related agreement, or (iv) taking any action considered necessary by the City

and which is authorized by this Loan Agreement or any related agreement. If the City is to take any action under this Loan Agreement or any other instrument executed in connection herewith for the benefit of the Corporation, it will do so if and only if (i) the City is a necessary party to any such action or proceeding, and (ii) the City has received specific written direction from the Corporation, as required hereunder or under any other instrument executed in connection herewith, as to the action to be taken by the City.

(d) The Corporation agrees to and does hereby indemnify and hold harmless the Indemnified Parties against any and all losses, claims, damages or liabilities (including all costs, expenses and counsel fees incurred in investigating or defending such claim) suffered by any of the Indemnified Parties and caused by, relating to, arising out of, resulting from, or in any way connected to, an examination, investigation or audit of the Series 2021 Bonds by the Internal Revenue Service ("*IRS*"). In the event of such examination, investigation or audit, the Indemnified Parties shall have the right to employ counsel at the Corporation's expense. In such event, the Corporation shall assume the primary role in responding to and negotiating with the IRS, but shall inform the Indemnified Parties of the status of the investigation. The Indemnified Parties shall cooperate with the Corporation in responding to any IRS inquiry. In the event the Corporation fails to respond adequately and promptly to the IRS, the City shall have the right to assume the primary role in responding to and negotiating with the IRS and, upon prior written notice to the Corporation, shall have the right to enter into a closing agreement, for which the Corporation shall be liable.

(e) All amounts payable to the City under this Section 9.5 shall be deemed to be fees and expenses payable to the City for the purposes of the provisions hereof and of the Bond Indenture dealing with assignment of the City's rights hereunder. The City and the members of the City Council, and its officers, agents, employees and their successors and assigns shall not be liable to the Corporation for any reason.

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

(g) The indemnifications set forth herein shall survive the termination of this Loan Agreement and/or the resignation or removal of the Bond Trustee.

Section 22.6. Debt Service Coverage Ratio. The Corporation agrees to maintain a Debt Service Coverage Ratio of not less than 1.20x as follows: the Debt Service Coverage Ratio shall be tested annually based upon the Corporation's audited financial statements. If the Debt Service Coverage Ratio falls below 1.20x but is above 1.00x, the Corporation will engage a Management Consultant the earlier of thirty (30) days after delivery of a financial statement or 150 days after the end of the Fiscal Year to make operational recommendations until the Debt Service Coverage Ratio equals 1.20x for two consecutive quarters. It will be an Event of Default if the Debt Service Coverage Ratio falls below 1.00x beginning in the Fiscal Year ending June 30, 2022.

Section 22.7. Days Cash on Hand. Annually as of each June 30 commencing June 30, 2022, the Corporation maintain Days Cash on Hand of not less than 60 days. If the requirement set forth in the immediately preceding sentence is not met for any period, the Corporation agrees to retain a Management Consultant to make operational recommendations until the Corporation achieves 60 Days Cash on Hand in the following fiscal year. So long as a Management Consultant shall be retained and the Corporation makes best efforts to follow such Management

Consultant's recommendations, the covenants set forth in this Section 9.7 shall be deemed to have been complied with even if the Days Cash on Hand is below the required level.

Section 22.8. Transfer of Assets**.** The Corporation covenants and agrees it will not sell, lease or otherwise dispose, directly or indirectly, in whole or in part, any portion of the Bond Financed Property unless the conditions set forth in Section 4.04 of the Tax Compliance Agreement are satisfied.

Section 22.9. Notice Regarding Bankruptcy Petitions, Event of Default or Potential Default**.** The Corporation agrees to notify the Bond Trustee and the City in writing prior to any filing by it of a petition in bankruptcy and to notify the Bond Trustee and the City immediately by telephone and in writing as soon as reasonably practicable when it obtains knowledge that a petition in bankruptcy has been filed against the Corporation or of the occurrence of an event of default or potential default under this Loan Agreement or of any other development, financial or otherwise, which is expected to materially adversely affect the ability of the Corporation to perform its obligations.

Section 22.10. Maintenance and Repair; Insurance**.** The Corporation will maintain the Bond Financed Property in a safe and sound operating condition, making from time to time, all needed material repairs thereto, and shall maintain reasonable amounts of insurance coverage with respect to the Bond Financed Property and shall pay all costs of such maintenance, repair and insurance.

Section 22.11. Discharge of Orders, Etc. The Corporation covenants to cause any order, writ or warrant of attachment, garnishment, execution, replevin or similar process filed against any part of the funds or accounts held by the Bond Trustee under the Bond Indenture to be discharged, vacated, bonded or stayed within 90 days after such filing, but, notwithstanding the foregoing, in any event not later than five days prior to any proposed execution or enforcement with respect to such filing or any transfer of moneys or investments pursuant to such filing.

Section 22.12. Additional Indebtedness. The Corporation will not issue, incur or guarantee any Indebtedness, except that the Corporation may incur:

(a) Long-Term Indebtedness to finance capital expenditures if before incurrence thereof there is delivered to the Bond Trustee a study by a nationally recognized feasibility consultant demonstrating (i) a historic Debt Service Coverage Ratio of the Corporation of 1.20:1.0 for the previous two fiscal years and (ii) a projected Debt Service Coverage Ratio of 1.30:1.0 for the next two fiscal years inclusive of such proposed Long-Term Indebtedness, provided however that if the additional Long-Term Indebtedness is for the construction of a replacement of the School Facility, the two years subject to the projected Debt Service Coverage Ratio would instead be the first two year following the placed in service date of such replacement School Facility;

(b) Indebtedness to refund existing Long-Term Indebtedness if (i) the requirements of Section 9.12(a) are met or (ii) the Corporation delivered an accountant's certificate certifying that the Maximum Annual Debt Service will not be increased by more than 15% following such refunding;

(c) Either Indebtedness (i) subordinated as to payment and security to the Series 2021 Note or (i) that is not a general obligation with no recourse, directly or indirectly, to the Corporation, in each case, only in the event there is delivered to the Bond Trustee a study by a

nationally recognized feasibility consultant demonstrating a projected Debt Service Coverage Ratio of 1.10:1.0 for the next two fiscal years, inclusive of such proposed Indebtedness.

(d) Indebtedness (having a final maturity or final payment date of not more than one year from the date of creation thereof), as long as such Indebtedness is made payable from such Revenues, if any, disbursed to the Corporation after the Bond Trustee has made all of the other required transfers from the Revenue Fund.

(e) Indebtedness consisting of purchase money obligations with respect to any item of equipment related to the School Facility may be incurred without limitation; provided such Indebtedness is secured only by such equipment.

Section 22.13. Pledge of Gross Revenues. The Corporation hereby pledges and grants a security interest in, unto the Bond Trustee, its successor or successors and its or their assigns forever, with power of sale, all Gross Revenues of the Corporation, but except and excluding all such items, whether now owned or hereafter acquired by the Corporation, which by their terms or by reason of applicable law would become void or voidable if granted, assigned, or pledged hereunder by the Corporation, or which cannot be granted, pledged, or assigned hereunder without the consent of other parties whose consent is not secured, or without subjecting the Bond Trustee to a liability not otherwise contemplated by the provisions hereof, or which otherwise may not be, or are not, hereby lawfully and effectively granted, pledged, and assigned by the Corporation.

Section 22.14. Tax Compliance Agreement. The Corporation agrees to comply with the provisions of the Tax Compliance Agreement and further agrees that it will take such actions as are necessary or appropriate to comply with the provisions of the Code and the regulations promulgated thereunder in order to preserve the exclusion from federal gross income of the owners thereof of the interest paid on the Series 2021 Bonds, and will not act or fail to act in any other manner which would adversely affect such exclusion.

ARTICLE XXIII

Events of Default and Remedies Therefor

Section 23.1. Events of Default**.** The occurrence and continuance of any of the following events shall constitute an "*event of default*" hereunder:

(a) failure of the Corporation to pay any installment of principal, interest or premium on the Series 2021 Note or any other payment required by Section 7.1 or 7.2 hereof when the same shall become due and payable, whether upon a scheduled Interest Payment Date, at maturity, upon any date fixed for prepayment or by acceleration or otherwise; or

(b) an event of default under the Mortgage; or

(c) except as otherwise provided in this Section 10.1, a failure by the Corporation to perform or comply with any of the covenants, conditions or provisions hereof or of the Tax Compliance Agreement and failure to remedy such default within 30 days after notice thereof from the Bond Trustee to the Corporation; provided, however, that if failure to comply or perform with such covenants, conditions or provisions cannot be remedied within 30 days, but can be remedied, no "*event of default*" shall be deemed to have occurred or to exist if the Bond Trustee in

its sole discretion, shall consent to the Corporation commencing corrective action and the Corporation diligently pursues such corrective action until it shall have complied with or performed such covenants, conditions or provisions within ninety (90) days after the notice given pursuant to this Section; or

(d) if any representation or warranty made by the Corporation herein or in any statement or certificate furnished to the City or the Bond Trustee or the purchaser of any Bonds in connection with the sale of Series 2021 Bonds or furnished by the Corporation pursuant hereto including, without limitation, statements in the Limited Offering Memorandum, proves untrue in any material respect as of the date of the issuance or making thereof and shall not be made good within 60 days after notice thereof to the Corporation by the City or the Bond Trustee; provided, however, that if such default cannot be remedied within 60 days, but can be remedied, no "*event of default*" shall be deemed to have occurred or to exist if the Bond Trustee in its sole discretion, shall consent to the Corporation commencing corrective action and the Corporation diligently pursuing such corrective action until such default has been cured; or

(e) default in the payment of the principal of or premium, if any, or interest on any Indebtedness other than the Series 2021 Note when the same becomes due and payable, and any applicable grace period shall have expired, or an event of default as defined in any mortgage, indenture or other instrument under or pursuant to which there was issued or incurred, or by which there is secured, any such Indebtedness; provided that such default shall not constitute an Event of Default if payment of such Indebtedness has not been accelerated under the terms of payment of such Indebtedness or if within 60 days, or within the time allowed for service of a responsive pleading in any proceeding to enforce payment of the Indebtedness, the Corporation in good faith commences proceedings to contest the obligation to pay or the existence or payment of such Indebtedness; and provided further that a default in payment thereunder shall not constitute an Event of Default unless the unpaid principal amount of such Indebtedness, together with the unpaid principal amount of all other Indebtedness so in default, exceeds $250,000; or

(f) if the Corporation admits insolvency or bankruptcy or its inability to pay its debts as they mature, or is generally not paying its debts as such debts become due, or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee, custodian or receiver for the Corporation or for the major part of its property; or

(g) if bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, proceedings under Title 11 of the United States Code, as amended, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors are instituted by or against the Corporation (other than bankruptcy proceedings instituted by the Corporation against third parties), and if instituted against the Corporation are allowed against the Corporation or are consented to or are not dismissed, stayed or otherwise nullified within 60 days after such institution; or

(h) if payment of any installment of interest, principal or premium on any Bond shall not be made when the same shall become due and payable under the provisions of the Bond Indenture; or

(i) failure of the Corporation to comply with or perform its obligations pursuant to Sections 9.1, 9.8, 9.10 or 9.14 hereof.

Whenever any event of default shall have occurred and be continuing hereunder:

I. *Acceleration of Maturity; Waiver of Event of Default and Rescission of Acceleration*. By written notice to the Corporation, the Bond Trustee may, at its discretion, declare the principal of the Series 2021 Note (if not then due and payable) to be due and payable immediately and such principal shall thereupon become immediately due and payable as if all of the sums of money payable thereunder were originally stipulated to be paid on such accelerated payment date, anything in the Series 2021 Note or in this Loan Agreement to the contrary notwithstanding. The Bond Trustee shall declare the principal of the Series 2021 Note due and payable immediately upon the occurrence of any of the events of default described in (a), (f), (g), or (h) above. This provision, however, is subject to the condition that if, at any time after the principal of any of the Series 2021 Note shall have been so declared and become due and payable, all arrears of interest, if any, upon the Series 2021 Note and the expenses of the City and the Bond Trustee shall be paid by the Corporation, and every other event of default in the observance or performance of any covenant, condition or agreement in the Series 2021 Note or in this Loan Agreement contained shall be made good, or be secured, to the satisfaction of the City and the Bond Trustee, or provision deemed by the City and the Bond Trustee to be adequate shall be made therefor, then and in every such case the Bond Trustee, with the consent of the Majority of Bondholders by written notice to the Corporation may waive the event of default by reason of which the principal of the Series 2021 Note shall have been so declared and become due and payable and may rescind and annul such declaration and its consequences; provided, however, that there shall not be waived any event of default in the payment of the principal payable on the Series 2021 Bonds when due whether by mandatory or optional redemption or at the date of maturity specified therein; and provided further that no such waiver, rescission or annulment shall extend to or affect any subsequent event of default or impair any right consequent thereon.

II. *Right to Bring Suit, Etc*. The Bond Trustee may in its discretion, proceed to protect and enforce its rights by pursuing any available remedy including a suit or suits in equity or at law, whether for damages or for the specific performance of any obligation, covenant or agreement contained in the Series 2021 Note in this Loan Agreement, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable remedy, as the Bond Trustee shall deem most effectual to collect the payments then due and thereafter to become due on the Series 2021 Note, to enforce performance and observance of any obligation, agreement or covenant of the Corporation hereunder, under the Series 2021 Note or to protect and enforce any of the City's rights or duties hereunder or thereunder. The City reserves the right, in its discretion, to protect and enforce the Unassigned Rights as it shall determine, and agrees to provide the Bond Trustee with notice of any actions so taken.

Section 23.2. Application of Proceeds from Exercise of Remedies**.** The proceeds or avails resulting from the exercise of any such remedies, together with any other sums which then may be held by the Bond Trustee under this Loan Agreement, whether under the provisions of this Article or otherwise, and which are available for such application shall be applied as follows:

FIRST: To the payment of the costs and expenses of the exercise of such remedies, including reasonable compensation to the City and the Bond Trustee, their agents, attorneys and counsel, and the expenses of any judicial proceedings wherein the same may be made, and of all outstanding fees, expenses, liabilities and advances made or incurred by any thereof as permitted by this Loan Agreement, together with interest at the Bond Trustee's announced prime rate per annum then in effect, on all such advances, and to the payment of all taxes, assessments or claims prior to the claim of this Loan Agreement, except any taxes, assessments, liens, or other charges, subject to which property may have been sold.

SECOND: To the payment of any amounts then payable under the Tax Compliance Agreement.

THIRD: To the payment of the whole amount then due, owing and unpaid upon the Series 2021 Note for principal, interest and premium, if any (in that order); in case such proceeds shall be insufficient to pay in full the whole amount so due, owing or unpaid upon the Series 2021 Note, then ratably according to the aggregate of such principal and the accrued and unpaid interest and premium, if any; such application to be made upon presentation of the Series 2021 Note and the notation thereon of the payment, if partially paid, or the surrender and cancellation thereof, if fully paid.

FOURTH: To the payment of the principal, interest and premium, if any, then due and unpaid upon the Series 2021 Bonds with respect to which payment of principal, interest and, premium, if any, have been extended as described in Section 701 of the Bond Indenture.

FIFTH: To the payment of any other sums required to be paid by the Corporation pursuant to any provisions of this Loan Agreement or the Series 2021 Note.

SIXTH: To the payment of the surplus, if any, to the Corporation, its successors or assigns, upon the written request of the Corporation or to whomsoever may be lawfully entitled to receive the same upon its written request, or as any court of competent jurisdiction may direct.

Section 23.3. Remedies Cumulative; Delay or Omission Not a Waiver**.** No remedy herein conferred upon or reserved to the City or the Bond Trustee is intended to be exclusive of any other available remedy or remedies but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement and the Bond Indenture, now or hereafter existing, at law or in equity or by statute. No delay or omission to exercise any right or power and accruing upon any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 23.4. Waiver of Extension, Appraisement, Stay, Laws**.** To the extent permitted by law, the Corporation will not during the continuance of any event of default hereunder insist upon or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Loan Agreement; nor claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisement of any of the Corporation's property prior to any sale or sales thereof which may be made pursuant to any provision herein contained, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted by the United States of America or by any state or territory, or otherwise, to redeem the property so sold or any part thereof; and the Corporation hereby expressly waives all benefits or advantage of any such law or laws and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to the City or the Bond Trustee, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted.

Section 23.5. 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 in the premises, 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.

Section 23.6. Limited Liability of the City**.** Notwithstanding any provision or obligation to the contrary set forth herein, no provision of this Loan Agreement shall be construed so as to give rise to a pecuniary liability of the City or to give rise to a charge upon the general credit of the City, the liability of the City hereunder shall be limited to its interest in this Loan Agreement, the Series 2021 Note and all other related documents and collateral and the lien of any judgment shall be restricted thereto. In the performance of the agreements of the City herein contained, any obligation it may incur for the payment of money shall not be a debt of the City, nor shall the City be liable on any obligation so incurred. The City does not assume general liability for the repayment of the Series 2021 Bonds or for the costs, fees, penalties, taxes, interest, commissions, charges, insurance or any other payments recited herein, and shall be obligated to pay the same only out of the amounts payable by the Corporation hereunder. The City shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Corporation if a default shall occur hereunder.

Section 23.7. Deposit Account Control Agreement**.** Upon the occurrence of an event of default described in Section 10.1(a) of this Loan Agreement, the Corporation agrees that it shall within two (2) Business Days of such occurrence enter into a Deposit Account Control Agreement among the Corporation, the Bond Trustee and Wintrust Bank (or such other banking counterparty), for the deposit and control of Gross Revenues as provided in Section 715 of the Bond Indenture.

ARTICLE XXIV

Supplements and Amendments to this Loan Agreement

Section 24.1. Supplements and Amendments to this Loan Agreement**.** Subject to the terms, conditions and provisions of Article X of the Bond Indenture, the Corporation and the City, with the consent of the Bond Trustee, may from time to time enter into such supplements and amendments to this Loan Agreement. An executed copy of any of the foregoing amendments, changes or modification shall be filed with the Bond Trustee. The Bond Trustee may grant such waivers of compliance by the Corporation with provisions of this Loan Agreement as to which the Bond Trustee may deem necessary or desirable to effectuate the purposes or intent hereof and which, in the opinion of the Bond Trustee, do not have a material adverse effect upon the interests of the Bondholders, provided that the Bond Trustee shall file with the City any and all such waivers granted by the Bond Trustee within three (3) business days thereof.

ARTICLE XXV

Defeasance

Section 25.1. Defeasance**.** If the Corporation shall pay and discharge or provide, in a manner satisfactory to the Bond Trustee, for the payment and discharge of the whole amount of the principal of, premium, if any, and interest on the Series 2021 Note and shall pay or cause to be paid all other sums payable hereunder and under the Bond Indenture, or shall make arrangements satisfactory to the Bond Trustee for such payment and discharge, then and in that case all property, rights and interest hereby conveyed or assigned or pledged shall revert to the Corporation, and the estate, right, title and interest of the Bond Trustee therein shall thereupon cease, terminate and become void; and this Loan Agreement and the covenants of the Corporation contained herein, shall be discharged and the Bond Trustee in such case on demand of the Corporation and at its cost and expense, shall execute and deliver to the Corporation a proper instrument or proper instruments acknowledging the satisfaction and termination of this Loan Agreement and shall convey, assign and transfer or cause to be conveyed, assigned or transferred, and shall deliver or cause to be delivered, to the Corporation, all property, including money, then held by the City or the Bond Trustee other than moneys deposited with the Bond Trustee for the payment of the principal of, premium, if any, or interest on the Series 2021 Note, together with such Series 2021 Note marked paid or cancelled.

The Corporation agrees to pay all costs of the City and the Bond Trustee, its advisors and counsel in connection with any advance refunding of the Series 2021 Bonds, including, without limitation the cost of having a bond rating reassigned to any Bonds which are to be advance refunded, if such rating is requested by the Corporation. The Corporation also agrees that prior to advance refunding the Series 2021 Bonds it will make available to any Rating Agency which is maintaining a rating on the Series 2021 Bonds to be refunded such information as any such Rating Agency may require to reassign a bond rating to any Bonds which are to be advance refunded.

ARTICLE XXVI

Miscellaneous Provisions

Section 26.1. Payment of Expenses of Issuance of Series 2021 Bonds**.** The Corporation agrees to be liable and pay for any commitment and other financing costs, recording expenses, the City's financial advisor's fees, trustee's acceptance fees, title insurance costs, legal fees, printing expenses and other fees and fair and customary expenses incurred or to be incurred by or on behalf of the City in connection with or as an incident to the issuance and sale of the Series 2021 Bonds.

Section 26.2. Loan Agreement for Benefit of Parties Hereto**.** Nothing in this Loan Agreement, express or implied, is intended or shall be construed to confer upon, or to give to, any person other than the parties hereto, the holder of the Series 2021 Note, any right, remedy or claim under or by reason of this Loan Agreement or any covenant, condition or stipulation hereof; and the covenants, stipulations and agreements in this Loan Agreement contained are and shall be for the sole and exclusive benefit of the parties hereto, their successors and assigns, and the holder of the Series 2021 Note.

Section 26.3. Severability**.** In case any one or more of the provisions contained in this Loan Agreement or in the Series 2021 Note shall be invalid, illegal or unenforceable in any

respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby.

Section 26.4. Notices**.** Unless otherwise specifically provided herein, any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when the same is: (i) deposited in the United States mail and sent by first class mail, postage prepaid, or (ii) delivered, in each case to the parties at the addresses set forth below or at such other address as a party may designate by notice to the other parties:

To the City: City of Evanston
2100 Ridge Avenue
Evanston, Illinois 60201
Attention: City Manager
Telephone: (847) 866-2936

with a copy to: City of Evanston
2100 Ridge Avenue
Evanston, Illinois 60201
Attention: Corporate Counsel
Telephone: (847) 866-2937

To the Corporation: Roycemore School
1200 Davis Street
Evanston, Illinois 60201
Attention: Head of School
Telephone: (847) 866-6055

Section 26.5. Successors and Assigns**.** Whenever in this Loan Agreement any of the parties hereto is named or referred to, the successors and assigns of such party shall be deemed to be included and all the covenants, promises and agreements in this Loan Agreement contained by or on behalf of the Corporation, or by or on behalf of the City, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 26.6. Counterparts**.** This Loan Agreement is being executed in any number of counterparts, each of which is an original and all of which are identical. Each counterpart of this Loan Agreement is to be deemed an original hereof and all counterparts collectively are to be deemed but one instrument.

Section 26.7. Governing Law**.** This Loan Agreement shall be governed exclusively by and construed in accordance with the internal laws of the State applicable to contracts to be wholly performed therein.

Section 26.8. No Recourse to the City**.** The obligations of the City with respect to the Series 2021 Bonds and under this Loan Agreement are special, limited obligations of the City, payable solely out of the revenues and income derived under this Loan Agreement and the Series 2021 Note and as otherwise provided under this Loan Agreement and the Bond Indenture. The obligations of the City hereunder shall not be deemed to constitute an indebtedness or an obligation of the City, the State or any political subdivision thereof within the purview of any constitutional limitation or statutory provision, or a charge against the credit or general taxing powers, if any, of any of them. Neither the City nor any member, alderman, official, director, officer, employee or agent of the City nor any person executing the Series 2021 Bonds shall be

liable personally for the Series 2021 Bonds or be subject to any personal liability or accountability by reason of the issuance of the Series 2021 Bonds. No recourse shall be had for the payment of the principal of, premium, if any, and interest on any of the Series 2021 Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in the Bond Indenture, this Loan Agreement or the Purchase Agreement, against any past, present or future member, alderman, official, officer, agent or employee of the City, or any incorporator, member of the City Council, officer, employee, director or trustee of any successor corporation, as such, either directly or through the City or any successor 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 incorporator, member, alderman, official, , officer, employee, director, agent or trustee as such is hereby expressly waived and released as a condition of and consideration for the execution of the Indenture and this Loan Agreement and the issuance of the Series 2021 Bonds.

Section 26.9. Term of this Loan Agreement**.** This Loan Agreement shall be in full force and effect from the date hereof, and shall continue in effect until the payment in full of all principal of, premium, if any, and interest on the Series 2021 Bonds, or provision for the payment thereof shall have been made pursuant to Article XI of the Bond Indenture; all fees, charges, indemnities and expenses of the City, Bond Trustee and Bond Registrar have been fully paid or provision made for such payment (the payment of which fees, charges, indemnities and expenses shall be evidenced by a written certification of the Corporation that it has fully paid or provided for all such fees, charges, indemnities and expenses and a written acknowledgement by the City that it has received such payment in full); and all other amounts due hereunder and under the obligations pledged under the Bond Indenture have been duly paid or provision made for such payment. All representations, certifications and covenants by the Corporation as to the indemnification of various parties and the payment of fees and expenses of the City as described in Section 9.5 hereof, and all matters affecting the tax-exempt status of the Series 2021 Bonds shall survive the termination of this Loan Agreement and the resignation or removal of the Bond Trustee.

Section 26.10. Indenture Provisions**.** The Bond Indenture provisions concerning the Series 2021 Bonds and other matters therein are an integral part of the terms and conditions of the loan made by the City to the Corporation pursuant to this Loan Agreement and the execution of this Loan Agreement shall constitute conclusive evidence of approval of the Bond Indenture by the Corporation to the extent it relates to the Corporation. Additionally, the Corporation agrees that, whenever the Bond Indenture by its terms imposes a duty or obligation upon the Corporation, such duty or obligation shall be binding upon the Corporation to the same extent as if the Corporation were an express party to the Bond Indenture, and the Corporation hereby agrees to carry out and perform all of its obligations under the Indenture as fully as if the Corporation were a party to the Bond Indenture.

[Signature Page Follows]

IN WITNESS WHEREOF, the Corporation and the City have caused this Loan Agreement to be executed in their respective corporate names, all as of the date first above written.

ROYCEMORE SCHOOL

By: _____
Adrianne Finley Odell
President and Head of School

CITY OF EVANSTON, COOK COUNTY, ILLINOIS

By: _____
Mayor

EXHIBIT A

PROMISSORY NOTE

$8,275,000 **April 22, 2021**

Roycemore School, an Illinois not for profit corporation (the "*Corporation*"), for value received, promises to pay to the order of the City of Evanston, Cook County, Illinois (the "*City*"), the principal sum of EIGHT MILLION TWO HUNDRED SEVENTY FIVE THOUSAND DOLLARS ($8,275,000) and to pay (i) interest on the unpaid balance of such principal sum from and after the date of this Note at the interest rate or interest rates borne by the Bonds (as defined below), and (ii) interest on overdue principal, and to the extent permitted by law, on overdue interest, at the interest rate provided under the terms of the Bonds.

This Note has been executed and delivered by the Corporation pursuant to a certain Loan Agreement (the "*Agreement*"), dated as of April 1, 2021, between the City and the Corporation. Terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement and the Trust Indenture (as defined below).

Under the Agreement, the City has loaned the Corporation the proceeds received from the sale of the $8,275,000 aggregate principal amount of City of Evanston Educational Facility Revenue Bonds, Series 2021 (Roycemore School), dated as of the date of their issuance (the "*Bonds*"), to be applied to as provided in the Agreement. The Corporation has agreed to repay such loan by making Loan Payments at the times and in the amounts set forth in this Note. The Bonds have been issued, concurrently with the execution and delivery of this Note, pursuant to, and are secured by, the Bond Trust Indenture (the "*Trust Indenture*"), dated as of April 1, 2021, between the City and Wilmington Trust, National Association, as trustee (the "*Bond Trustee*").

To provide funds to pay the principal of and interest on the Bonds as and when due, the Corporation hereby agrees to and shall make Loan Payments as follows:

(a) *Interest*: On or before the fifteenth (15) day of each month commencing May 15, 2021 an amount which, together with an equal amount to be deposited on the last Business Day of each month preceding the next regularly scheduled semi-annual Interest Payment Date, is equal to not less than the interest to become due on the next succeeding regularly scheduled semi-annual Interest Payment Date of the Series 2021 Bonds; provided, however, that the Corporation may be entitled to certain credits on such payments as permitted under Section 7.3 of the Loan Agreement.

(b) *Principal*: On or before the fifteenth (15) day of each month commencing May 15, 2021 and thereafter, an amount equal to not less than one twelfth (1/12) of the amount of principal becoming due on the Series 2021 Bonds on the next succeeding April 1 by maturity; provided, however, that the Corporation may be entitled to certain credits on such payments as permitted under Section 7.3 of the Loan Agreement (each such day being a "*Loan Payment Date*"). In addition, to provide funds to pay the principal of and interest on the Bonds as and when due at any other time, the Corporation hereby agree to and shall make Loan Payments on

any other date on which any principal of and interest on the Bonds shall be due and payable, whether at maturity, upon acceleration, call for redemption or otherwise.

(c) *Debt Service Reserve Fund*: If on any valuation date the amount on deposit in the Debt Service Reserve Fund is less than 100% of the Debt Service Reserve Fund Requirement as a result of a decline in the market value of investments on deposit in the Debt Service Reserve Fund, the Corporation agrees to pay an amount equal to the amounts of the deficiency in the Debt Service Reserve Fund in order to restore the amount on deposit in the Debt Service Reserve Fund to an amount equal to the Debt Service Reserve Fund Requirement within not more than 60 days following the date the Corporation receives notice of such deficiency. If at any time the amount on deposit in the Debt Service Reserve Fund is less than 100% of the Debt Service Reserve Fund Requirement as a result of the Debt Service Reserve Fund having been drawn upon, the Bond Trustee shall notify the City and the Corporation of such transfer and the Corporation agrees to restore the amount on deposit in the Debt Service Reserve Fund to an amount equal to the Debt Service Reserve Fund Requirement by the deposit with the Bond Trustee of an amount equal to such deficiency in not more than six (6) substantially equal monthly installments beginning with the first day of the month after the date such draw occurred.

(d) *Repair and Replacement Fund*: Commencing on October 15, 2022, the Corporation shall make monthly payments of $1,667 until the amount on deposit in the Repair and Replacement Fund is equal to $100,000. In the event of any withdrawal from the Repair and Replacement Fund, beginning on the month after such withdrawal, the Corporation shall make payments on the fifteenth day of each month at the aforementioned amounts until the amount on deposit in the Repair and Replacement Fund is replenished to $100,000.

If payment or provision for payment in accordance with the Trust Indenture is made in respect of the principal of and interest on the Bonds from moneys other than Loan Payments, this Note shall be deemed paid to the extent such payments or provision for payment of the principal of and interest on the Bonds has been made. Subject to the foregoing, all Loan Payments shall be in the full amount required hereunder.

All Loan Payments shall be payable in lawful money of the United States of America and shall be made to the Bond Trustee at its corporate trust office for the account of the City, deposited in the Bond Fund and used as provided in the Trust Indenture.

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

This Note is subject to optional prepayment, in whole or in part, upon the same terms and conditions, on the same dates and at the same prepayment prices, as the Bonds are subject to optional redemption. Any optional prepayment is also subject to satisfaction of any applicable notice, deposit or other requirements set forth in the Agreement or the Trust Indenture.

Whenever an Event of Default under Section 702 of the Trust Indenture shall have occurred and, as a result thereof, the principal of and any premium on all Bonds then outstanding, and interest accrued thereon shall have been declared to be immediately due and payable pursuant to Section 703 of the Trust Indenture, the unpaid principal amount of and any premium and accrued interest on this Note also shall be due and payable on the date on which the principal of and premium and interest on the Bonds shall have been declared due and payable; provided that the annulment of a declaration of acceleration with respect to the Bonds shall also constitute an annulment of any corresponding declaration with respect to this Note.

[Signature Page Follows]

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

ROYCEMORE SCHOOL

By:
Adrianne Finley Odell, President and Head of School

ENDORSEMENT

Pay, without recourse, to Wilmington Trust, National Association, as Bond Trustee under the Bond Trust Indenture dated as of April 1, 2021, from the undersigned.

CITY OF EVANSTON, COOK COUNTY, ILLINOIS

By:
Mayor

EXHIBIT B

CITY OF EVANSTON, ILLINOIS
EDUCATIONAL FACILITY REVENUE BONDS, SERIES 2021
(ROYCEMORE SCHOOL)

REQUISITION CERTIFICATE – REPAIR AND REPLACEMENT FUND

TO: Wilmington Trust, National Association, as Bond Trustee

FROM: Roycemore School (the "*Corporation*")

SUBJECT: Loan Agreement dated as of April 1, 2021 (the "*Agreement*")
Bond Trust Indenture dated as of April 1, 2021 (the "*Trust Indenture*")

DATE: _____

This represents Requisition Certificate No. _____ in the total amount of $_____ for payment of those costs related to the School Facility, as detailed in the Schedule attached. The Corporation hereby requests payment from the Repair and Replacement Fund.

The undersigned certifies that:

(1) such obligation is a permitted cost, is a proper charge against the Repair and Replacement Fund created under the Trust Indenture, and none of the items for which the payment is proposed to be made has formed the basis for any payment heretofore made from the Repair and Replacement Fund;

(2) each item for which the payment is proposed to be made is or was appropriate in connection with the financing of the repair and maintenance of the School Facility; or

(3) there has not been recorded or filed with or served upon the Corporation, notice of any lien, right to lien or attachment upon or claim affecting the right to receive payment of, any of the moneys payable to any of the persons or firms named in such requisition, which has not been released or will not be released simultaneously with the payment of such obligation;

(5) insofar as such obligation was incurred for labor, services, material, supplies or equipment, (a) such labor and services were actually performed in a satisfactory manner in connection with the repair and maintenance of the School Facility, and (b) such materials, supplies and equipment were actually used in connection with the repair and maintenance of the School Facility or were delivered to the School Facility (and remain at the School Facility) for that purpose; and

The Undersigned further certifies that:

(a) all sums previously disbursed by the Bond Trustee have been used solely for the purposes permitted by the Agreement and the specific disbursement which is the subject of the Corporation's requisition will be so used;

(b) there exists no event of default under the Agreement, or any circumstance which, with the passage of time or the giving of notice, would become an event of default under the Agreement; and

(c) the payment requested is for a legally permissible purpose in accordance with the Trust Indenture, the Ordinance and the Internal Revenue Code of 1986, as amended, and the regulations applicable thereto, and for no other purpose.

Terms capitalized herein have the meanings specified in the Bond Trust Indenture and Agreement, both dated as of April 1, 2021, related to the issuance of the Bonds.

ROYCEMORE SCHOOL

By:
Authorized Corporation Representative

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APPENDIX E

FORM OF MORTGAGE

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MORTGAGE, SECURITY AGREEMENT
AND ASSIGNMENT OF RENTS AND LEASES

by and between

ROYCEMORE SCHOOL,
an Illinois not for profit corporation,
as Mortgagor

and

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Bond Trustee**,**
as Mortgagee

Dated as of April 1, 2021

This instrument was prepared by and
upon recording return to:

Katten Muchin Rosenman LLP
525 West Monroe Street
Chicago, Illinois 60661
Attention: Chad Doobay, Esq.

MORTGAGE, SECURITY AGREEMENT
AND ASSIGNMENT OF RENTS AND LEASES

TABLE OF CONTENTS

(This Table of Contents is not a part of this Mortgage and is only for convenience of reference)

SECTION	HEADING	PAGE
ARTICLE I DEFINITIONS		3
ARTICLE II REPRESENTATIONS AND WARRANTIES		7
ARTICLE III GENERAL COVENANTS AND AGREEMENTS		9
Section 3.1	**General Covenants**	9
Section 3.2	**Further Assurances; After-Acquired Property.**	9
Section 3.3	**Payment of Principal, Premium, if any, and Interest**	10
Section 3.4	**Maintenance of Lien; Recording.**	10
Section 3.5	**Maintenance, Repair, Restoration, Liens**	10
Section 3.6	**Priority of Lien**	10
Section 3.7	**Taxes**	11
Section 3.8	**Right to Contest**	11
Section 3.9	**Insurance Coverage**	11
Section 3.10	**Insurance Policy and Certificate Requirements**	12
Section 3.11	**Damage or Destruction.**	13
Section 3.12	**Condemnation.**	14
Section 3.13	**Hazardous Materials.**	15
Section 3.14	**Stamp Tax**	16
Section 3.15	**Effect of Extensions of Time and Amendments**	16
Section 3.16	**Mortgagee's Performance of the Mortgagor's Obligation**	16
Section 3.17	**Inspection of Mortgaged Property and Records**	17
Section 3.18	**Restrictions on Transfer**	17
Section 3.19	**Mortgagor's Right of Possession**	17
Section 3.20	**Illinois Uniform Commercial Code**	18
Section 3.21	**Assignment of Leases, Rents, and Contracts**	19
ARTICLE IV DEFAULTS AND REMEDIES THEREFOR		20
Section 4.1	**Event of Default Defined**	20
Section 4.2	**Remedies**	21
Section 4.3	**Possession by the Mortgagee**	21
Section 4.4	**Foreclosure**	21
Section 4.5	**Receiver**	21
Section 4.6	**Application of Moneys**	22
Section 4.7	**Insurance Upon Foreclosure**	22
Section 4.8	**Rights Cumulative**	22
Section 4.9	**Successors and Assigns**	22

Section 4.10 **Waiver of Redemption, Reinstatement, Extension, Appraisement, Stay, Laws** 22
Section 4.11 **Compliance with Illinois Foreclosure Law.** 23

ARTICLE V MISCELLANEOUS PROVISIONS 23

Section 5.1 **Mortgage for Benefit of Parties Hereto** 23
Section 5.2 **Severability** 24
Section 5.3 **Notices** 24
Section 5.4 **Successors and Assigns** 24
Section 5.5 **Counterparts** 24
Section 5.6 **Governing Law** 24
Section 5.7 **Immunity of Officers, Employees and Members of the Mortgagee and the Mortgagor** 24
Section 5.8 **Subordination of Property Manager's Lien and Real Estate Broker's Lien** 25
Section 5.9 **Total Indebtedness Secured** 25
Section 5.10 **Priority over Subsequent Liens and Encumbrances** 25
Section 5.11 **Revolving Credit** 25
Section 5.12 **Remedies Against Other Collateral** 26

Exhibit A – Description of Land
Exhibit B – Permitted Encumbrances

This Mortgage, Security Agreement and Assignment of Rents and Leases, dated as of April 1, 2021 (the "*Mortgage*"), is made by Roycemore School, an Illinois not for profit corporation, as mortgagor (the "*Mortgagor*"), for the benefit of Wilmington Trust, National Association, as Bond Trustee, and its successors or assigns, as mortgagee (the "*Mortgagee*").

W I T N E S S E T H:

WHEREAS, (i) Mortgagor, as "*Borrower*," and the City of Evanston, Illinois (the "*City*") have entered into that certain Loan Agreement (the "*Loan Agreement*") dated as of the date hereof;

WHEREAS, pursuant to the terms of the Loan Agreement, the Mortgagor has executed and delivered to the City the Series 2021 Note;

WHEREAS, pursuant to that certain Bond Trust Indenture of even date herewith from the City to the Mortgagee, the City has assigned all of its rights in and to, among other things, the Loan Agreement and the Series 2021 Note to the mortgagee (other than the Unassigned Rights);

WHEREAS, the Mortgagor is the owner in fee simple of the real estate described in *Exhibit A* hereto (collectively, the "*Land*");

WHEREAS, the Mortgagor wishes to mortgage and assign to the Mortgagee its interest in the Land and other Mortgaged Property described herein as security for the prompt and complete performance, payment and satisfaction when due of all indebtedness, obligations, liabilities and amounts from time to time owing by the Mortgagor to the Mortgagee under or in connection with the Loan Agreement (collectively, the "*Secured Obligations*"), including, without limitation repayment of Bond Proceeds (as defined in the Loan Agreement) in the principal amount of EIGHT MILLION TWO HUNDRED SEVENTY FIVE THOUSAND and 00/100 DOLLARS ($8,275,000) relating to the Series 2021 Bonds (as defined in the Loan Agreement) which mature on April 1, 2051; and

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration the receipt whereof is hereby acknowledged, and in order to secure the payment and performance of the Secured Obligations, the Mortgagor has executed and delivered this Mortgage and by these presents does assign, bargain, grant, mortgage, warrant, convey, transfer, pledge, set over and confirm unto the Mortgagee and its successors and assigns forever, and grant a security interest thereunto in, all of the Mortgagor's right, title and interest in, to and under any and all of the following described property (herein called the "*Mortgaged Property*"), subject, however, to the Permitted Encumbrances:

GRANTING CLAUSES

DIVISION I

The Land described in *Exhibit A* hereto, together with the entire interest (whether now owned or hereafter acquired) in and to said Land and in and to all buildings, structures, improvements and appurtenances now standing, or at any time hereafter constructed or placed

upon the Land, including all building materials (both on and off-site), building equipment and fixtures of every kind and nature whatsoever on the Land or in any building, structure or improvement now standing or hereafter constructed or placed thereon, and the reversion or reversions, and remainder or remainders, in and to the Land, and together with the entire interest of the Mortgagor in and to all and singular the tenements, hereditaments, easements, rights of way, rights, privileges and appurtenances to the Land, belonging or in any way appertaining thereto, and all right, title and interest of the Mortgagor in, to and under any streets, ways or alleys adjoining the Land or any part thereof including all bridges thereover and tunnels thereunder, including without limitation all claims or demands whatsoever of the Mortgagor either in law or in equity, in possession or expectancy of, in and to the Land, it being the intention of the parties hereto that, so far as may be permitted by law, all property of the character hereinabove described, which is now owned or hereafter acquired by the Mortgagor and affixed to or attached to or placed on the Land shall be deemed to be, and shall be considered as, fixtures and appurtenances to said Land, together with all rents, income, issues and profits therefrom (collectively, the "*Mortgaged Land*");

DIVISION II

All of the machinery, equipment, furniture, spare parts, inventory, books, records, files, drawings, plans and specifications relating to improvements to the Mortgaged Property and other personal property, including all present and future attachments and accessories thereto and replacements thereof, all as defined in Article 9 of the Uniform Commercial Code, as amended, of Illinois owned by the Mortgagor, located on the Mortgaged Land and used or useful in connection with the Mortgaged Land (the "*Personal Property*");

DIVISION III

Any and all leases, subleases, licenses, concessions or grants of other possessory interests (written or oral) now or hereafter in force, covering or affecting the Mortgaged Property, or any part thereof or interest therein (collectively, the "*Leases*"), together with all rights, powers, privileges, options and other benefits of Mortgagor thereunder (but under no circumstances any liabilities, obligations or responsibilities thereunder), together with all of the rents, revenues, income, profits, deposits and other benefits payable under the Leases and/or otherwise arising from or out of the Mortgaged Property or out of the ownership, use, enjoyment or disposition of all or any portion of the Mortgaged Property or part thereof or interest therein (collectively, the "*Rents*");

DIVISION IV

All judgments, awards of damages, settlements and other compensation heretofore or hereafter made resulting from condemnation proceedings or the taking of the property described in Division I or any part thereof or any building or other improvement now or at any time hereafter located thereon or any easement or other appurtenance thereto under the power of eminent domain, or any similar power or right (including without limitation any award from the United States Government at any time after the allowance of the claim therefor, the ascertainment of the amount thereof and the issuance of the warrant for the payment thereof), whether permanent or temporary, or for any damage (whether caused by such taking or otherwise) to said property or any part thereof or the improvements thereon or any part thereof,

or to any rights appurtenant thereto, including without limitation severance and consequential damage, and any award for change of grade of streets (collectively, "*Condemnation Awards*");

DIVISION V

All of Mortgagor's right, title and interest, if any, in and to all rights of way, licenses, easements, agreements, hereditaments and appurtenances now in effect or hereinafter made relating to the Mortgaged Property and the development, construction, reconstruction, use, operation, management or leasing thereof;

DIVISION VI

To the extent assignable, all authorizations, licenses, certificates, variances, approvals and other permits relating to the Mortgaged Property, if and to the extent Mortgagor has an interest therein, or any part thereof (the "*Permits*");

DIVISION VII

Any and all other property of every kind and nature from time to time hereafter owned by the Mortgagor, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred as and for additional security hereunder by the Mortgagor or by anyone on its behalf to the Mortgagee; and

DIVISION VIII

All proceeds of the foregoing, including without limitation insurance proceeds with respect to anything referred to in Division I through VII hereof.

To Have and To Hold all and singular, the Mortgaged Property, whether now owned or hereafter acquired, unto the Mortgagee, its successors and assigns forever; provided, however, that this Mortgage is upon the express condition that if the Mortgagor shall pay or cause to be paid the Secured Indebtedness and shall keep, perform and observe all and singular the covenants and promises in connection with the Secured Obligations expressed to be kept, performed and observed by the Mortgagor, then this Mortgage and the rights hereby granted shall cease, determine and be void, otherwise to remain in full force and effect.

The Mortgagor and the Mortgagee hereby further covenant and agree as follows:

ARTICLE I

Definitions

In addition to the words and terms elsewhere defined in this Mortgage, the following words and terms as used in this Mortgage shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Affiliate" means a corporation, partnership, joint venture, association, business trust or similar entity (a) which controls, is controlled by or is under common control with, directly or indirectly, the Mortgagor; or (b) a majority of the members of the Directing Body of which are members of the Directing Body of the Mortgagor. For the purposes of this definition, control means with respect to: (a) a corporation having stock, the ownership, directly or indirectly, of more than 50% of the securities (as defined in Section 2(1) of the Securities Act of 1933, as amended) of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the directors of such corporation; (b) a not for profit corporation not having stock, having the power to elect or appoint, directly or indirectly, a majority of the members of the Directing Body of such corporation; or (c) any other entity, the power to direct the management of such entity through the ownership of at least a majority of its voting securities or the right to designate or elect at least a majority of the members of its Directing Body, by contract or otherwise. For the purposes of this definition, "Directing Body" means with respect to: (a) a corporation having stock, such corporation's board of directors and the owners, directly or indirectly, of more than 50% of the securities (as defined in Section 2(1) of the Securities Act of 1933, as amended) of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the corporation's directors (both of which groups shall be considered a Directing Body); (b) a not for profit corporation not having stock, such corporation's members if the members have complete discretion to elect the corporation's directors, or the corporation's directors if the corporation's members do not have such discretion; and (c) any other entity, its governing board or body. For the purposes of this definition, all references to directors and members shall be deemed to include all entities performing the function of directors or members however denominated.

"Capitalized Lease" means any lease of real or personal property which, in accordance with generally accepted accounting principles, is required to be capitalized on the balance sheet of the lessee.

"Collateral" has the meaning set forth in Section 3.20.

"Condemnation Awards" has the meaning set forth in Division III of the Granting Clauses.

"Credit Documents" means the Loan Agreement and each note agreement, promissory note, mortgage, security agreement, loan document or other agreement evidencing, securing or governing the terms of the Indebtedness or any other financial obligation in connection with the transactions entered into pursuant to the Loan Agreement.

"Event of Default" has the meaning set forth in Section 4.1.

"Facilities" means all land, leasehold interests and buildings and all fixtures and equipment (as defined in the Uniform Commercial Code or equivalent statute in effect in the state where such fixtures or equipment are located) of a Person.

"Governing Body" means, with respect to the Mortgagor or any Affiliate, the board of directors, the board of trustees or similar group in which the right to exercise the powers of corporate directors or trustees is vested.

"Guaranty" means all obligations of a Person guaranteeing, or in effect guaranteeing, any Indebtedness, dividend or other obligation of any Primary Obligor in any manner, whether directly or indirectly, including but not limited to obligations incurred through an agreement, contingent or otherwise, by such Person: (a) to purchase such Indebtedness or obligation or any Property constituting security therefor; (b) to advance or supply funds: (i) for the purchase or payment of such Indebtedness or obligation, or (ii) to maintain working capital or other balance sheet condition; (c) to purchase securities or other Property or services primarily for the purpose of assuring the owner of such Indebtedness or obligation of the ability of the Primary Obligor to make payment of the Indebtedness or obligation; or (d) otherwise to assure the owner of such Indebtedness or obligation against loss in respect thereof.

"Hazardous Materials" has the meaning set forth in Article II(c).

"Indebtedness" means, for any Person, (a) all Guaranties by such Person, (b) all liabilities recorded or required to be recorded as such on the audited financial statements of such Person in accordance with generally accepted accounting principles, and (c) all obligations for the payment of money incurred or assumed by such Person (i) due and payable in all events or (ii) if incurred or assumed primarily to assure the repayment of money borrowed or credit extended, due and payable upon the occurrence of a condition precedent or upon the performance of work, possession of Property as lessee, rendering of services by others or otherwise.

"Land" means the Mortgaged Land (as defined herein).

"Lien" means, with respect to this Mortgage, any mortgage, pledge or lease of, security interest in or lien, charge, restriction or encumbrance on any Mortgaged Property of the Person involved in favor of, or which secures any obligation to, any Person other than the Mortgagor.

"Mortgage" means this Mortgage, Security Agreement and Assignment of Rents and Leases, as supplemented and amended from time to time.

"Mortgage Act" has the meaning set forth in Article II(e).

"Mortgaged Land" has the meaning set forth in Division I of the Granting Clauses.

"Mortgaged Property" means the property described in Divisions I through VIII of the Granting Clauses.

"Mortgagee" means Wilmington Trust, National Association a national banking association, as Bond Trustee duly organized and validly existing under the laws of the United States.

"Net Proceeds" means, when used with respect to any insurance or condemnation award or sale consummated under threat of condemnation, the gross proceeds from the insurance or condemnation award or sale with respect to which that term is used less all expenses

(including reasonable attorney's fees, adjuster's fees and expenses of the Mortgagor or the Mortgagee) incurred in the collection of such gross proceeds.

"Officer's Certificate" means a certificate signed, in the case of a certificate delivered by the Mortgagor, by the President, any Vice President, Executive Director, Chief Financial Officer or any other officer or agent authorized to sign by resolution of the Governing Body of the Mortgagor or in the case of a certificate delivered by any other organization, by the President, any Vice President, the Executive Director, Director of Finance or any other officer or agent authorized to sign by resolution of the Governing Body of such corporation or, in the case of a certificate delivered by any other Person, the chief executive or chief financial officer of such other Person, in either case whose authority to execute such certificate shall be evidenced to the satisfaction of the Mortgagee.

"Permitted Encumbrances" means:

(a) such Liens, covenants, conditions and restrictions, if any, as are set forth in *Exhibit B* to this Mortgage;

(b) leases which relate to Mortgaged Property of a type that is customarily the subject of such leases, such as food service facilities for students, visitors or employees, other similar specialty services and similar departments;

(c) liens for taxes and special assessments which are not then delinquent, or if then delinquent are being contested in accordance with Section 3.8 hereof;

(d) utility, access and other easements and rights-of-way, restrictions, encumbrances and exceptions which do not materially interfere with or materially impair the operation of the Mortgaged Property affected thereby;

(e) zoning laws and similar restrictions which are not violated by the Mortgaged Property affected thereby;

(f) all right, title and interest of the state where the Mortgaged Property involved is located, municipalities and the public in and to tunnels, bridges and passageways over, under or upon a public way;

(g) liens on assets with an aggregate book value of not in excess of $50,0000.

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

"Personal Property" has the meaning set forth in Division II of the Granting Clauses.

"Primary Obligor" means the Person who is primarily obligated on an obligation which is guaranteed by another Person.

"Property" means any and all rights, titles and interests in and to any and all property, whether real or personal, tangible (including cash) or intangible, wherever situated and whether now owned or hereafter acquired.

"Secured Indebtedness" means the amounts payable under the Credit Documents, and any other amounts payable under this Mortgage.

"Secured Obligations" has the meaning set forth in the preamble hereto.

"State" means the State of Illinois.

"Taxes" has the meaning set forth in Section 3.7.

"Uniform Commercial Code" means the Illinois Uniform Commercial Code, 810 ILCS 5/1-101 *et seq.*

"Written Request" means a request in writing signed by the Head of School, Director of Finance and Operations or Treasurer of the Mortgagor or an Affiliate, or any other officers designated by the Mortgagor in writing, as the case may be.

The other capitalized terms used in this Mortgage but not defined herein shall have the same meanings as set forth in the Loan Agreement. All accounting terms not otherwise defined in the Loan Agreement or herein shall have the meanings assigned to them in accordance with generally accepted accounting principles.

All references in this instrument to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Mortgage as a whole and not to any particular Article, Section or other subdivision unless the context indicates otherwise.

ARTICLE II

Representations and Warranties

The Mortgagor makes the following representations and warranties as the basis for its covenants herein:

(a) It is a not for profit corporation duly incorporated under the laws of the State, is in good standing and duly authorized to conduct its business in the State, is duly authorized and has full power under the laws of the State and all other applicable provisions of law and its articles of incorporation and bylaws to create, issue, enter into, execute and deliver this Mortgage, and all action on its part necessary for the valid execution and delivery of this Mortgage has been duly and effectively taken.

(b) The execution and delivery of this Mortgage, the consummation of the transactions contemplated hereby, and the fulfillment of the terms and conditions hereof do not and will not conflict with or result in a breach of any of the terms or conditions of any corporate restriction or of

any agreement or instrument to which it is now a party, and do not and will not constitute a default under any of the foregoing, or result in the creation or imposition of any Lien, charge or encumbrance of any nature upon any of its Property except for Permitted Encumbrances. The Mortgagor has good and marketable fee simple title to the Mortgaged Land and is the lawful owner and is now lawfully seized and possessed of the Mortgaged Property (other than that not presently in existence), free and clear of all Liens whatsoever except Permitted Encumbrances. The Mortgagor has full power and lawful authority to mortgage and grant a security interest in the Mortgaged Property to the Mortgagee and will preserve, warrant and defend the same unto the Mortgagee against the claims of all persons and parties. This Mortgage constitutes (i) a valid first mortgage lien upon the Mortgaged Land, including the fixtures, subject only to Permitted Encumbrances, (ii) a security interest in the Personal Property, which security interest is (a) perfected to the extent the same may be perfected by filing under the Uniform Commercial Code and (b) prior to any other security interest in such Personal Property, subject only to Permitted Encumbrances, (iii) a valid senior position unconditional assignment of the Rents and Leases, and (iv) a legal, valid and binding obligation of the Mortgagor, enforceable in accordance with its terms. The easements, rights-of-way, liens, encumbrances, covenants, conditions, restrictions, exceptions, minor defects, irregularities of title and encroachments on adjoining real estate which are Permitted Encumbrances, if any, now existing with respect to the Land do not and will not materially adversely affect the value of the Facilities or the Mortgaged Property currently affected thereby, or materially impair or materially interfere with the operation and usefulness thereof for the purpose for which they were acquired or are held by the Mortgagor.

(c) To the best knowledge of Mortgagor, after due inquiry except with respect to de minimus amounts of Hazardous Materials (defined below) used, handled, stored and disposed of in the ordinary course of business and in accordance with applicable law, (i) neither the Mortgagor, nor any lessee nor any previous owner, tenant, occupant or user of the Mortgaged Land and Personal Property, has used, generated, released, discharged, stored or disposed of, or is using, generating, releasing, discharging, storing or disposing of, any Hazardous Materials (as defined below) on, under or in the Mortgaged Land and Personal Property, or has transported, or is transporting, any Hazardous Materials to or from the Mortgaged Land and Personal Property, and (ii) no Hazardous Materials are present on the Mortgaged Land and Personal Property. The Mortgagor shall not, except in accordance with applicable law, cause, suffer to exist or permit the presence, use, generation, release, discharge, storage or disposal of any Hazardous Materials on, under or in, or the transportation of any Hazardous Materials to or from, the Mortgaged Land and Personal Property. The term "Hazardous Materials" shall include any flammable materials, explosives, radioactive materials, hazardous materials, petroleum, asbestos, polychlorinated biphenyls, hazardous waste, hazardous or toxic substances or related materials described in the Clean Water Act, 33 U.S.C. §1251 *et seq.* (33 U.S.C. §1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. §1317), or described in the Resource Conservation and Recovery Act, 42 U.S.C. §6901 *et seq.* (42 U.S.C. §6903), the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 *et seq*. (42 U.S.C. §9601), the Toxic Substances Control Act, 15 U.S.C. §2601 *et seq.* (15 U.S.C. §2605), or under any other applicable federal, state or local environmental law, ordinance, rule or regulation.

(d) The Mortgaged Land and Personal Property and the intended use thereof comply with applicable laws, ordinances, governmental rules and regulations and the terms of any final judgment or order by any federal, State, regional or local governmental agency, including, without limitation, all applicable federal, State and local laws pertaining to air and water quality, hazardous waste, waste disposal, underground storage tanks, and other environmental matters, including, but not limited to, the Clean Air, Federal Water Pollution Control, Solid Waste Disposal, Resource Conservation and Recovery and Comprehensive Environmental Response, Compensation and Liability Acts, and the rules, regulations and ordinances of all applicable federal, State and local agencies and bureaus (collectively, the

"*Applicable Environmental Regulations*"). The Mortgagor covenants that the Mortgaged Land and Personal Property and its use shall at all times comply with all Applicable Environmental Regulations.

(e) (i) The proceeds secured by this Mortgage will be used for the purposes specified in 815 ILCS 205/4(1)(a) and that the Secured Indebtedness constitutes a business loan which comes within the purview of said 815 ILCS 205/4(1)(a); and (ii) the Mortgaged Property does not include agricultural real estate, as defined in Section 15-1201 of the Illinois Mortgage Foreclosure Law, 735 ILCS 5/15-1101 et seq. (as amended from time to time, the "*Mortgage Act*") or residential real estate, as defined in Section 15-1219 of the Mortgage Act.

(f) Mortgagor's representations and warranties in the Construction Documents, if any, are true and correct, and it has furnished the Lender a true and correct copy of all the Construction Documents as in effect on the date hereof.

Each and all of the representations and warranties contained herein shall survive the execution and delivery of the Credit Documents and the consummation of the loan called for therein, and shall continue in full force and effect until the Secured Obligations shall have been satisfied and paid in full.

ARTICLE III

General Covenants and Agreements

Section 3.1 General Covenants. Each and all of the representations, warranties, terms, provisions, restrictions, covenants and agreements set forth in the Credit Documents, and in each and every supplement thereto or amendment thereof which may at any time or from time to time be executed and delivered by the parties thereto or their successors and assigns, are incorporated herein by reference to the same extent as though each and all of said representations, warranties, terms, provisions, restrictions, covenants and agreements were fully set out herein and as though any amendment or supplement to the Credit Documents were fully set out in an amendment or supplement to this Mortgage; and the Mortgagor hereby covenants and agrees well and truly to abide by, perform and be governed and restricted by each and all of the matters provided for by the Credit Documents and so incorporated herein to the same extent and with the same force and effect as if each and all of said representations, warranties, terms, provisions, restrictions, covenants and agreements so incorporated hereby by reference were set out and repeated herein at length. Without limiting the foregoing, the Mortgagor covenants and agrees to pay all taxes, assessments and governmental charges or levies imposed upon this Mortgage, the Secured Indebtedness or any other indebtedness secured hereby and such amounts shall constitute so much additional indebtedness secured hereby.

Section 3.2 Further Assurances; After-Acquired Property.

(a) The Mortgagor will execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such agreements supplemental hereto and all such further acts, deeds, conveyances, mortgages, assignments, instruments, transfers and assurances as the Mortgagee reasonably may require for the better assuring, transferring, mortgaging, conveying, pledging, assigning and confirming unto the Mortgagee all and singular the Mortgaged Property as now or hereafter constituted.

(b) All right, title and interest of the Mortgagor in and to all improvements, betterments, renewals, substitutions and replacements of the Mortgaged Property or any part thereof hereafter constructed or acquired by the Mortgagor, immediately upon such construction or acquisition, and without any further mortgaging, conveyance or assignment, shall become and be part of the Mortgaged Property and shall be subject to the lien and security interest of this Mortgage as fully and completely and with the same effect as though now owned by the Mortgagor, but at any and all times the Mortgagor will execute and deliver to the Mortgagee all such further assurances, mortgages, conveyances or assignments therefor and other instruments with respect thereto as the Mortgagee may reasonably require for the purpose of expressly and specifically subjecting the same to the lien and security interest of this Mortgage.

Section 3.3 Payment of Principal, Premium, if any, and Interest. The Mortgagor will duly and punctually pay the reimbursement obligations, principal of, premium, if any, and interest with respect to the Secured Obligations according to the terms of the Credit Documents.

Section 3.4 Maintenance of Lien; Recording.

(a) The Mortgagor will, at its own expense, take all necessary action to maintain and preserve the lien and security interest of this Mortgage as a first priority lien and security interest in the Mortgaged Property, subject only to Permitted Encumbrances, so long as the Secured Obligations are outstanding.

(b) The Mortgagor will, forthwith after the execution and delivery of this Mortgage and thereafter from time to time, cause this Mortgage and the Credit Documents (including any amendments thereto and supplements thereof) and any financing statements in respect thereof to be filed, registered and recorded in such manner and in such places as may be required by law in order to publish notice of and fully to perfect and protect the lien and security interest hereof upon, and the title of the Mortgagor to, the Mortgaged Property, and from time to time will perform or cause to be performed any other act as provided by law and will execute or cause to be executed any and all continuation statements and further instruments that may be requested by the Mortgagee for such publication, perfection and protection. Except to the extent it is exempt therefrom, the Mortgagor will pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all federal and State fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Mortgage and such instruments of further assurance.

Section 3.5 Maintenance, Repair, Restoration, Liens. The Mortgagor shall (a) not create or permit to be created or remain and, at its cost and expense, promptly (and in any event within thirty (30) days of the creation of same) discharge or terminate all Liens on the Mortgaged Property or any part thereof which are not Permitted Encumbrances by payment, deposit, bond, final order of a court of competent jurisdiction or otherwise, and promptly exhibit to the Mortgagee satisfactory evidence of the discharge of such Lien; (b) comply with all requirements of law, municipal ordinances, and restrictions and covenants of record with respect to the Mortgaged Property or the use thereof; (c) suffer or permit no unlawful use of, or nuisance to exist upon, the Mortgaged Property; and (d) cause the Mortgaged Property to be managed in a competent and professional manner. Notwithstanding the provisions herein, Mortgagor shall have the right to contest certain liens pursuant to Section 3.8.

Section 3.6 Priority of Lien. It is further made an express condition and covenant hereof, that while this Mortgage is in effect, the lien of this Mortgage shall extend to any and all improvements and fixtures owned by the Mortgagor, now or hereafter on the Mortgaged

Property, prior to any other lien thereon that may be claimed by any Person, so that subsequently accruing claims for liens on the Mortgaged Property shall be junior to this Mortgage, except for Permitted Encumbrances.

Section 3.7 Taxes. The Mortgagor shall pay or cause to be paid, before the date due, all taxes, levies, assessments and charges on account of the ownership, use, occupancy or operation of the Mortgaged Property, including but not limited to all sales, use, occupation, real and personal property taxes, all permit and inspection fees, occupation and license fees and all water, gas, electric, light, power or other utility charges assessed or charged on or against the Mortgaged Property or on account of its use or occupancy thereof or the activities conducted thereon or therein (collectively, the "*Taxes*"), subject to Mortgagor's right to contest such payment pursuant to Section 3.8. If under applicable law any such tax, levy, charge, fee, rate, imposition or assessment may at the option of the taxpayer be paid in installments, the Mortgagor may exercise such option. The Mortgagor shall, upon written request, furnish to the Mortgagee duplicate receipts therefor.

Section 3.8 Right to Contest. The Mortgagor shall not be required to pay any Taxes so long as the Mortgagor shall contest, in good faith and at its cost and expense, in its own name and behalf, the amount or validity thereof, in an appropriate manner or by appropriate proceedings which shall operate during the pendency thereof to prevent the collection of or other realization upon the Taxes so contested, and the sale, forfeiture, or loss of its Property or any part thereof, provided, that no such contest shall subject Mortgagee to the risk of any liability and Mortgagee shall have the right to require security therefor in form and amount sufficient in Mortgagee's sole judgment to protect it from loss and/or liability. While any such matters are pending, the Mortgagor shall not be required to pay, remove or cause to be discharged the Taxes being contested, unless the Mortgagor agrees to settle such contest and payments under such settlement agreement are deemed to be due and payable. Each such contest shall be promptly prosecuted to final conclusion (subject to the right of the Mortgagor to settle such contest), and in any event the Mortgagor will save Mortgagee harmless from and against all losses, judgments, decrees and costs (including attorneys' fees and expenses in connection therewith) as a result of such contest and will, promptly after the final determination of such contest or settlement thereof, pay and discharge the amounts which shall be levied, assessed or imposed or determined to be payable therein, together with all penalties, fines, interests, costs and expenses thereon or incurred in connection therewith. The Mortgagor shall give the Mortgagee prompt written notice of any such contest.

Section 3.9 Insurance Coverage. The Mortgagor shall keep the Mortgaged Property adequately insured at all times and shall maintain with responsible insurers with respect to its buildings and improvements and operations insurance of such types, in such amounts and against such risks as are customarily maintained by persons in similar circumstances having buildings and improvements of a comparable type and size and offering comparable services as those of the Mortgagor, including (without limitation) the following insurance: (i) full fire and extended coverage insurance and boiler insurance on the building and improvements providing for not less than full recovery of the insurable replacement cost (less reasonable deductibles and exclusions) of any damaged property; (ii) during any period of construction, Builder's Risk coverage on a replacement cost basis on a Completed Value Form; (iii) public liability and property damage insurance, including (without limitation) business automobile liability insurance, in amounts estimated to fully indemnify (less reasonable deductibles and exclusions) the Mortgagor and the Mortgagee against the estimated loss or damage; and (iv) fidelity, comprehensive dishonesty, disappearance and destruction insurance. In addition, the Mortgagor shall obtain and maintain "use and occupancy" insurance or "business interruption" insurance covering the loss of revenues attributable to the buildings and improvements by reason of the total or partial suspension of

or interruption in the operation of the buildings and improvements caused by damage to or destruction of the buildings and improvements in an amount not less than the amount required to meet the Debt Service Requirements of all outstanding Indebtedness for a period of not less than one year.

(b) The Mortgagor shall furnish to the Mortgagee certificates of insurance for all policies of insurance carried with respect to the Mortgagor, the buildings and improvements and the operation, maintenance and administration of the buildings and improvements, not later than 30 days prior to the expiration of the then existing policy. If any change occurs in any such insurance coverage, the Mortgagor shall so notify the Mortgagee the time of such change.

(c) The Mortgagor shall employ at the expense of the Mortgagor from time to time, within 30 days of demand therefor upon the Mortgagor by the Mortgagee, an Insurance Consultant, acceptable to the Mortgagee, for the purpose of reviewing the insurance coverage of, and the insurance required for, the Mortgagor and making recommendations respecting the types, amounts and provisions of insurance that should be carried with respect to the Mortgagor and the buildings and improvements, the construction and acquisition any capital improvements and the operation, maintenance and administration of the buildings and improvements. A signed copy of any report of the Insurance Consultant shall be filed with the Mortgagee for such action as may be deemed appropriate. The Mortgagee may require the Mortgagor to increase or otherwise modify the kinds and amounts of insurance maintained by the Mortgagor to the extent that such increase or modification is based upon the recommendations of the Insurance Consultant and results in substantially the same coverage as is customarily maintained by persons in similar circumstances having buildings and improvements of a comparable size and offering comparable services as those of the Mortgagor.

(d) Policies of insurance with respect to the buildings and improvements and the operation of the buildings and improvements shall provide that the insurer shall give at least 30 days' prior notice in writing to the Mortgagee and the Mortgagee of cancellation, termination or modification.

(e) The Mortgagee shall have the sole right to receive the proceeds of any policies of insurance required to be maintained in accordance with this Mortgage other than any public liability and property damage insurance and workers' compensation or other employer's liability insurance.

(f) In connection with the construction, maintenance, use, operation and repair of the buildings and improvements, the Mortgagor shall comply with all reasonable requirements of any insurer writing any policy of insurance.

(g) If at any time the Mortgagor fails to procure or maintain any insurance required by this Section, the Mortgagee may procure and maintain such insurance at the expense of the Mortgagor, and the Mortgagor shall reimburse the Mortgagee for all amounts expended in connection therewith.

(h) The Mortgagee shall be entitled to rely upon any opinions, letters, certifications, recommendations and reports provided in accordance with this Section and shall have no responsibility or duty to conduct any independent inquiry or investigation as to the adequacy or enforceability of any insurance procured or maintained by the Mortgagor or as to whether the Mortgagor has in fact procured and maintained the insurance required under this Section. No acceptance or approval of any insurance policy by the Mortgagee shall relieve or release the Mortgagor from any liability, duty or obligation under the provisions of this Mortgage.

Section 3.10 Insurance Policy and Certificate Requirements. All insurance companies must have a Policy Rating of "A" and a Financial Rating of "VII" from AM Best's Rating Guide. Mortgagee must be named as an additional insured for all general liability

coverage. All property insurance policies shall contain a standard mortgage clause in favor of Mortgagee and shall provide for a thirty (30) day written notice to Mortgagee of any material change or cancellation.

Section 3.11 Damage or Destruction.

(a) The Mortgagor agrees to notify the Mortgagee immediately in the case of the destruction of the Mortgaged Property or any material portion thereof as a result of fire or other casualty, or any material damage to such Mortgaged Property or portion thereof as a result of fire or other casualty. The Mortgagor hereby irrevocably assigns to the Mortgagee, as its interests may appear, all right, title and interest in and to any Net Proceeds relating to any damage or destruction. Such Net Proceeds shall be initially paid to the Mortgagee for disbursement or use as hereinafter provided. If such Net Proceeds do not exceed $250,000, and provided no Event of Default or circumstance which, with the passage of time, the giving of notice, or both, would constitute an Event of Default, such Net Proceeds may be paid directly to the Mortgagor. The Mortgagor covenants that it will expend or contract to expend an amount not less than the amount of any such Net Proceeds within twelve (12) months after receipt thereof to (i) repair, replace or restore the damaged or destroyed Facilities, or (ii) prepay the Secured Indebtedness or repay the principal portion of any Indebtedness incurred to acquire or construct capital assets or refinance Indebtedness incurred for such purpose.

(b) In the event such Net Proceeds exceed $250,000, the Mortgagor shall within 6 months after the date on which the Net Proceeds are finally determined, elect by written notice to the Mortgagee one of the following three options:

(i) Option A – Repair and Restoration. The Mortgagor may elect to replace, repair, reconstruct or restore any of the Mortgagor's Facilities or repay Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds. In such event an amount equal to the Net Proceeds of any insurance relating thereto shall be deposited, when received, with the Mortgagee and the Mortgagor shall proceed forthwith to replace, repair, reconstruct or restore its Facilities and will apply the Net Proceeds of any insurance relating to such damage or destruction received from the Mortgagee to the payment or reimbursement of the costs of such replacement, repair, reconstruction or restoration or to the repayment of such Indebtedness. So long as the Mortgagor is not in default hereunder, any Net Proceeds of insurance relating to such damage or destruction received by the Mortgagee shall be released from time to time by the Mortgagee to the Mortgagor upon the receipt by the Mortgagee of:

(A) the Written Request of the Mortgagor specifying the expenditures made or to be made or the Indebtedness incurred in connection with such replacement, repair, reconstruction, restoration, improvement or acquisition and stating that such Net Proceeds, together with any other moneys legally available for such purposes, will be sufficient to complete such replacement, repair, reconstruction, restoration, improvement or acquisition; and

(B) if such expenditures were or are to be made or such Indebtedness was incurred for the construction or renovation of Facilities, the written approval of such Written Request (solely as to the sufficiency of the expenditures requested by the Mortgagor to complete such replacement, repair, reconstruction, restoration, improvement or acquisition) by an architect unaffiliated with the Mortgagor.

It is further understood and agreed that in the event the Mortgagor shall elect this Option A, the Mortgagor shall complete the replacement, repair, reconstruction or restoration of the Facilities, whether or not the Net Proceeds of insurance received for such purposes are sufficient to pay for the same.

(ii) Option B – Prepayment of Secured Obligations. Subject to the obligations of the Mortgagor under this Article III, the Mortgagor may elect to have all of the Net Proceeds payable as a result of such damage or destruction applied to the prepayment of the Secured Obligations. In such event the Mortgagor shall, in its notice of election to the Mortgagee, direct the Mortgagee to apply such Net Proceeds, when and as received, to the prepayment of the Secured Obligations.

(iii) Option C – Partial Restoration and Partial Prepayment of Secured Obligations. The Mortgagor may elect to have a portion of such Net Proceeds applied to the replacement, repair, reconstruction, restoration and improvement of the Mortgagor's Facilities or the acquisition of additional Facilities or the repayment of Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds with the remainder of such Net Proceeds to be applied to prepay the Secured Obligations, in which event such Net Proceeds to be used for replacement, repair, reconstruction, restoration, improvement and acquisition shall be applied as set forth in subparagraph (i) of this Section 3.11(b) and such Net Proceeds to be used for prepayment of the Obligations shall be applied as set forth in subparagraph (ii) of this Section 3.11(b). Notwithstanding the foregoing, if Mortgagor elects this Option C, Mortgagor shall restore the Facilities to the condition such Facilities were in at the time of such fire, casualty or other damage.

(c) The Mortgagor shall engage the services of a construction monitor at its sole cost and expense to review and approve all related contracts, plans and requisitions and to oversee the repairs and restoration of the Mortgagor's Facilities pursuant to Option A and Option C above.

(d) The Mortgagor shall provide the Mortgagee satisfactory evidence that it has sufficient funds to repair and restore the Facilities pursuant to Option A and Option C above.

Section 3.12 Condemnation.

(a) The Mortgagee shall cooperate fully with the Mortgagor in the handling and conduct of any prospective or pending condemnation proceedings with respect to their Facilities or any part thereof. The Mortgagor hereby irrevocably assigns to the Mortgagee, as its interests may appear, all right, title and interest of the Mortgagor in and to any Net Proceeds of any award, compensation or damages payable in connection with any such condemnation or taking, or payment received in a sale transaction consummated under threat of condemnation (any such award, compensation, damages or payment being hereinafter referred to as an "*award*"). The Mortgagor covenants that it will expend or contract to expend an amount not less than the amount of any such Net Proceeds within 12 months of the receipt thereof to (i) restore, replace or repair the condemned Facilities, or (ii) prepay the Secured Obligations or repay the principal portion of the Indebtedness incurred to so restore, replace or repair.

(b) The Mortgagor shall within 6 months after the date on which the Net Proceeds are finally determined, elect by written notice to the Mortgagee one of the following three options:

(i) Option A – Repair and Restoration. The Mortgagor may elect to use the Net Proceeds of the award for restoration or replacement of the Mortgagor's Facilities or the repayment of Indebtedness incurred for any such purpose pending the receipt of such Net

Proceeds. In such event, so long as the Mortgagor is not in default hereunder, the Mortgagor shall have the right to receive such Net Proceeds from the Mortgagee from time to time upon the receipt by the Mortgagee of:

(A) the Written Request of the Mortgagor specifying the expenditures made or to be made or the Indebtedness incurred in connection with such replacement, repair, reconstruction or restoration and stating that such Net Proceeds, together with any other moneys legally available for such purposes, will be sufficient to complete such replacement, repair, reconstruction, restoration, improvement or acquisition; and

(B) if such expenditures were or are to be made or such Indebtedness was incurred for the construction or renovation of Facilities, the written approval of such Written Request (solely as to the sufficiency of the expenditures requested by the Mortgagor to complete such replacement, repair, reconstruction, or restoration) by an architect unaffiliated with the Mortgagor.

(ii) Option B – Prepayment of Secured Obligations. Subject to the obligations of the Mortgagor under this Article III, the Mortgagor may elect to have all of the Net Proceeds of the award applied to the prepayment of the Secured Obligations. In such event the Mortgagor shall, in its notice of election to the Mortgagee, direct the Mortgagee to apply such Net Proceeds, when and as received, to the prepayment of the Secured Obligations.

(iii) Option C – Partial Restoration and Partial Prepayment of Secured Obligations. The Mortgagor may elect to have a portion of such Net Proceeds of the award applied to the replacement, repair and restoration of the Mortgagor's Facilities or the repayment of Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds with the remainder of such Net Proceeds to be applied to prepay the Secured Obligations, in which event such Net Proceeds to be used for replacement, repair and restoration shall be applied as set forth in subparagraph (i) of this Section 3.12(b) and such Net Proceeds to be used for prepayment of the Obligations shall be applied as set forth in subparagraph (ii) of this Section 3.12(b). Notwithstanding the foregoing, if Mortgagor elects this Option C, Mortgagor shall, to the extent possible, restore and repair the Facilities so that the Facilities remain usable for the purposes permitted by the terms of the Credit Documents.

(c) The Mortgagor shall engage the services of a construction monitor at its sole cost and expense to review and approve all related contracts, plans and requisitions and to oversee the repairs and restoration of the Mortgagor's Facilities pursuant to Option A and Option C above.

(d) The Mortgagor shall provide the Mortgagee satisfactory evidence that it has sufficient funds to repair and restore the Facilities pursuant to Option A and Option C above.

Section 3.13 Hazardous Materials.

(a) The Mortgagor hereby indemnifies the Mortgagee and its owners, officers, directors, affiliates, agents or employees ("*Mortgagee Indemnitees*"), and agrees to hold the Mortgagee and the Mortgagee Indemnitees harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any and every kind whatsoever paid, including without limitation reasonable attorneys fees and expenses incurred or suffered by, or asserted against, the Mortgagee or any Mortgagee Indemnitees for, with respect to, or as a direct or indirect result of, (i) the presence on or under

or the escape, seepage, leakage, spillage, discharge, emission, discharging, or release from, the Mortgaged Property of any Hazardous Materials (including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under the Comprehensive Environmental Response, Compensation and Liability Act, any so-called "Superfund" or "Superlien" law, or any other present or future Federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning, any Hazardous Materials or the protection of the environment), regardless of whether or not caused by, or within the control of, the Mortgagor, unless resulting solely from the gross negligence or willful misconduct of the Mortgagee or the Mortgagee Indemnitees; (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Waste; (iii) any lawsuit brought or threatened, settlement reached or government order relating to such Hazardous Waste; (iv) any violation of laws, orders, regulations, requirements, or demands of government authority relating to Hazardous Waste at, or discharged from, the Property; or (v) any breach or default by Mortgagor of any of its representations, warranties and agreements under this Section 3.13. Notwithstanding any provision herein to the contrary, the provisions of this Section 3.13(a) shall continue after the Mortgagor satisfies the Secured Obligations and shall survive the resignation or removal of the Mortgagee.

(b) The Mortgagor shall at all times and in all respects be in compliance with all applicable Environmental Laws. The Mortgagor's duty of compliance with applicable Environmental Laws includes, without limitation, the duty to undertake the following specific actions: (i) the Mortgagor will, at its own expense, procure, maintain in effect, and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required by all applicable Environmental Laws, including without limitation, permits required for the discharge of (appropriately treated) Hazardous Materials into the ambient air or any sanitary sewers serving the Land, (ii) except as discharged into the ambient air or a sanitary sewer in compliance with all applicable Environmental Laws, all Hazardous Materials to be treated and/or disposed of by the Mortgagor will be removed and transported solely by duly licensed transporters to a duly licensed treatment and/or disposal facility for final treatment and/or disposal (except when applicable Environmental Laws permit on site treatment, disposal in a sanitary landfill or handling by non-licensed personnel).

Section 3.14 Stamp Tax. If, by the laws of the United States of America, or of any state or municipality having jurisdiction over the Mortgagor or the Mortgaged Property, any tax is imposed or becomes due in respect of the Secured Indebtedness, the Mortgagor shall pay such tax in the manner required by such law.

Section 3.15 Effect of Extensions of Time and Amendments. If the payment of the Secured Indebtedness, or any part thereof, be extended or varied, or if any part of the security therefor be released, all Persons now or at any time hereafter liable therefor, or interested in the Mortgaged Property, shall be held to assent to such extension, variation, or release; and their liability, and the lien, and all provisions hereof, shall continue in full force and effect; the right of recourse against all such Persons being expressly reserved by the Mortgagee, notwithstanding any such extension, variation, or release. Any Person, firm, or corporation taking a junior mortgage or other lien upon the Mortgaged Property or any interest therein shall take the said lien subject to the rights of the Mortgagee to amend, modify, and supplement this Mortgage, the Secured Obligations and the Credit Documents and to extend the maturity of the indebtedness secured hereby, in each and every case without obtaining the consent of the holder of such junior lien and without the lien of this Mortgage losing its priority over the rights of any such junior lien.

Section 3.16 Mortgagee's Performance of the Mortgagor's Obligation. When any Event of Default has occurred and is continuing, the Mortgagee, either before or after acceleration of the indebtedness secured hereby or the foreclosure of the lien hereof and during any period of

redemption may, but shall not be required to, make any payment or perform any act herein required of the Mortgagor in any form and manner deemed expedient to the Mortgagee; and the Mortgagee may, but shall not be required to, make full or partial payments of principal or interest on any prior encumbrances and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Mortgaged Property or contest any tax or assessment, and may, but shall not be required to, complete construction, rehabilitation, furnishing, and equipping of the improvements upon the Land and rent, operate and manage the Mortgaged Property and such improvements and pay operating costs and expenses, including without limitation management fees, of every kind and nature in connection therewith, so that the Mortgaged Property and improvements shall be operational and usable for their intended purposes. All monies paid for any of the purposes herein authorized, and all expenses paid or incurred in connection therewith, including reasonable attorneys' fees and expenses and other monies advanced by the Mortgagee to protect the Mortgaged Property and the lien hereof, or to complete construction, furnishing and equipping or to rent, operate and manage the Mortgaged Property and such improvements or to pay any such operating costs and expenses thereof or to keep the Mortgaged Property and improvements operational and usable for their intended purpose, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice, and with interest thereon at the prime rate of the Mortgagee plus 5% per annum. Inaction of the Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of the Mortgagor. The Mortgagee, in making any payment hereby authorized (a) relating to Taxes, may do so according to any bill, statement, or estimate, without inquiry into the validity of any Taxes, sale, forfeiture, tax lien, or title or claim thereof; (b) for the purchase, discharge, compromise or settlement of any other prior lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted; or (c) in connection with the completion of construction, rehabilitation, furnishing or equipping of the improvements or the rental, operation or management of the Mortgaged Property or the payment of operating costs and expenses thereof, may do so in such amounts and to such Persons as the Mortgagee may deem appropriate.

Section 3.17 Inspection of Mortgaged Property and Records. The Mortgagee shall have the right to inspect the Mortgaged Property and all books, records and documents relating thereto at all reasonable business hours, with reasonable notice, and access thereto shall be permitted for that purpose. Mortgagor covenants and agrees that Mortgagee and its representatives shall at all reasonable times have the right to enter the Mortgaged Property for the purpose of inspecting the progress of work and materials thereon, and examining all detailed plans, drawings, specifications and any books or records relating to the Mortgaged Property.

Section 3.18 Restrictions on Transfer. It shall be an Event of Default hereunder if (i) the Mortgagor shall create, effect, consent to or suffer or permit any conveyance, sale, assignment, lease, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of the Mortgaged Land or any part thereof or interest therein, other than Permitted Encumbrances, or (ii) any action is brought to foreclose or enforce any Lien or other lien with respect to the Mortgaged Land, provided that the commencement of any such action shall not constitute an Event of Default hereunder so long as the Mortgagor shall contest such action in accordance with Section 3.8.

Section 3.19 Mortgagor's Right of Possession. So long as the Mortgagor is in full compliance with the terms and provisions of this Mortgage and the Credit Documents, the Mortgagor shall be suffered and permitted to possess, use and enjoy the properties and appurtenances constituting the Mortgaged Property.

Section 3.20 Illinois Uniform Commercial Code. This Mortgage constitutes a security agreement under the Uniform Commercial Code with respect to any part of the Mortgaged Property which may or might now or hereafter be or be deemed to be personal property, fixtures or property other than real estate (all for the purposes of this Section 3.20 called "*Collateral*"); all of the terms, provisions, conditions and agreements contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Mortgaged Property; and the following provisions of this Section 3.20 shall not limit the generality or applicability of any other provision of this Mortgage but shall be in addition thereto:

(a) The Mortgagor (being the "debtor" as that term is used in the Uniform Commercial Code) is and will be the true and lawful owner of the Collateral, subject to no liens, charges or encumbrances other than Permitted Encumbrances.

(b) The Collateral is to be used by the Mortgagor solely for corporate purposes of the Mortgagor, being installed upon the Mortgaged Property for the Mortgagor's own use or as the equipment and furnishings furnished by the Mortgagor, as landlord, to tenants of the Mortgaged Property.

(c) The Personal Property will be kept at the Land comprised within the Mortgaged Property, and will not be removed therefrom except with the consent of the Mortgagee (being the "secured party" as that term is used in the Uniform Commercial Code) which consent shall not be unreasonably withheld, and the Collateral may be affixed to such real estate but will not be affixed to any other real estate.

(d) No financing statement covering any of the Collateral or any proceeds thereof is on file in any public office (other than financing statements with respect to Permitted Encumbrances); and the Mortgagor will at its own cost and expense, upon demand, furnish to the Mortgagee such further information, execute and deliver to the Mortgagee such financing statements and other documents in form satisfactory to the Mortgagee, and do all such acts and things as the Mortgagee may at any time or from time to time reasonably request or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the Secured Indebtedness, subject to no liens, charges or encumbrances other than Permitted Encumbrances. The Mortgagor will at its own cost and expense pay the cost of filing or recording such financing statements or other documents and this instrument in all public offices wherever filing or recording is deemed by the Mortgagee to be necessary or desirable.

(e) Mortgagor authorizes Mortgagee and its agents to file one or more initial financing statements and/or amendments thereto in such jurisdictions as Mortgagee may desire covering the Collateral and all products and proceeds thereof, and Mortgagor ratifies, confirms, authenticates and authorizes any such financing statements and/or amendments heretofore filed. Mortgagor represents, warrants and covenants that its legal name and jurisdiction of organization set forth in the first paragraph of this Mortgage are true and correct in all respects, and that it shall not change its name, legal structure or jurisdiction of organization during the term of this Mortgage without the prior written consent of the Mortgagee.

(f) Upon any Event of Default hereunder and the continuance thereof, the Mortgagee at its option may declare the Secured Indebtedness immediately due and payable, all as more fully described in Article IV hereof, and thereupon the Mortgagee shall have the remedies of a secured party under the Uniform Commercial Code, including, without limitation, the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose may, with or without judicial process, enter without breach of the peace upon any place that the Collateral or any part thereof

may be situated and remove the same therefrom (provided that if Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Uniform Commercial Code); and the Mortgagee shall be entitled to hold, maintain, preserve, and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral. The Mortgagee, without removal, may render the Collateral unusable and dispose of the Collateral on the Mortgaged Property. The Mortgagee may require the Mortgagor to assemble the Collateral and make it available to the Mortgagee for its possession at a place to be designated by the Mortgagee. The Mortgagee will give the Mortgagor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is made. The requirements of reasonable notice shall be met if such notice is mailed, by first class mail, postage prepaid, to the address of the Mortgagor shown in this Mortgage or in the Mortgagee's records at least ten (10) days before the time of the sale or other disposition. The Mortgagee may buy at any public sale, and if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, the Mortgagee may buy at private sale. Any such sale may be held as part of and in conjunction with any foreclosure sale of the real estate comprised within the Mortgaged Property, the Collateral and real estate to be sold as one lot if the Mortgagee so elects. The net proceeds realized upon any such disposition, after deduction for the expenses or retaking, holding, preparing for sale, selling or the like and reasonable attorney's fees and legal expenses incurred by the Mortgagee, shall be applied against the Secured Indebtedness.

(g) The remedies of the Mortgagee hereunder are cumulative and the exercise of any one or more of the remedies provided for herein or under the Uniform Commercial Code shall not be construed as a waiver of any of the other remedies of the Mortgagee, including having the Collateral deemed part of the realty upon any foreclosure thereof so long as any part of the Secured Indebtedness remains unsatisfied.

(h) The terms and provisions contained in this Section 3.20 shall, unless the context otherwise requires, have the meanings and be construed as provided in the Uniform Commercial Code.

(i) This Mortgage is intended to be a financing statement within the purview of Section 9-402(6) of the Uniform Commercial Code with respect to the Collateral and the goods described at the beginning of this Mortgage, which goods are or are to become fixtures relating to the Mortgaged Property. The addresses of the Mortgagor (Debtor) and the Mortgagee (Secured Party) are set forth in Section 5.3 hereof. This Mortgage is to be filed for record with the recorder's office of the county where the Mortgaged Property is located.

Section 3.21 Assignment of Leases, Rents, and Contracts. The Mortgagor hereby bargains, sells, transfers, assigns, conveys, and delivers to the Mortgagee all of the Mortgagor's right, title, and interest in all of the Leases and Rents as further security for the payment of the Secured Indebtedness. This assignment is absolute and is effective immediately. Notwithstanding the foregoing, until a notice is sent to the Mortgagor in writing that an Event of Default or an event that with notice or passage of time or both might become an Event of Default has occurred under the terms and conditions of this Mortgage (a "*Notice*"), the Mortgagor shall have a license to receive, collect and enjoy the Rents accruing from the Mortgaged Property.

If any Event of Default or event that with notice or passage of time or both might become an Event of Default occurs hereunder, at its option, the Mortgagee may receive and collect all such Rents as they become due, from the Mortgaged Property and under any and all Leases of all or any part of the Mortgaged Property. The Mortgagee shall thereafter continue to receive and collect all such Rents, as long as such default(s) shall exist, and during the pendency of any foreclosure proceedings.

The Mortgagee is hereby vested with full power to use all measures, legal and equitable, it may deem necessary or proper to enforce this assignment and to collect the Rents assigned hereunder, including the right of the Mortgagee or its designee to enter upon the Mortgaged Property, or any part thereof, with or without process of law, take possession (to the extent permitted by law) of all or any part of the Mortgaged Property and all personal property, fixtures, documents, books, records, papers, and accounts of the Mortgagor relating thereto, and exclude the Mortgagor and its agents and servants wholly therefrom. The Mortgagor hereby grants full power and authority to the Mortgagee to exercise all rights, privileges, and powers herein granted at any and all times, without further notice to the Mortgagor, with full power to use and apply all of the Rents herein assigned to the payment of the costs of managing and operating the Mortgaged Property and of the Secured Indebtedness. The Mortgagee shall be under no obligation to exercise or prosecute any of the rights or claims assigned to it hereunder or to perform or carry out any of the obligations of the lessor under any of the Leases and does not assume any of the liabilities in connection with or arising or growing out of the covenants and agreements of the Mortgagor in the Leases. This assignment shall not operate to place responsibility for the control, care, management, or repair of the Mortgaged Property, or parts thereof, upon the Mortgagee, nor shall it operate to make the Mortgagee liable for the performance of any of the terms and conditions of any of the Leases, for any waste of the Mortgaged Property by any lessee under any of the Leases or any other person, for any dangerous or defective condition of the Mortgaged Property, or for any negligence in the management, upkeep, repair or control of the Mortgaged Property resulting in loss, injury, or death to any lessee, licensee, employee, or stranger.

The assignment under this Section is given as a primary pledge and assignment of the rights described herein and such assignment shall not be deemed secondary to the security interest and mortgage granted by the Mortgagor in the Mortgaged Property. The Mortgagee shall have the right to exercise any rights under this Section before, together with, or after exercising any other rights under this Mortgage. Nothing herein shall be deemed to obligate the Mortgagee to perform or discharge any obligation, duty, or liability of the Mortgagor under this assignment, and the Mortgagor shall and does hereby indemnify and hold the Mortgagee harmless from any and all cost (including without limitation reasonable attorneys' fees and legal expenses), liability, loss, or damage which the Mortgagee may or might incur by reason of this assignment; and any and all such cost, liability, loss, or damage incurred by the Mortgagee, including reasonable attorney's fees and expenses incurred by the Mortgagee in the defense of any claims or demands therefor (whether successful or not), shall be so much additional Secured Indebtedness, and the Mortgagor shall reimburse the Mortgagee therefor on demand, together with interest at the prime rate of the Mortgagee plus 5% per annum.

ARTICLE IV

Defaults and Remedies Therefor

Section 4.1 Event of Default Defined. The Mortgagor acknowledges and agrees that the term "Event of Default" wherever used in this Mortgage shall mean (i) an Event of Default as defined in any of the Credit Documents, (ii) the failure of Mortgagor to comply with the provisions of Sections 3.3, 3.5, 3.7, 3.9, 3.10, 3.17, or 3.22 (iii) except as otherwise provided

in clause (ii), the failure of the Mortgagor to comply with any covenant, agreement or warranty contained in this Mortgage within 30 days after the Mortgagee shall have given written notice thereof to the Mortgagor**,** provided that, if such default cannot with due diligence and dispatch be wholly cured within 30 days but can be wholly cured, then provided that Mortgagee commences to cure such default within such 30-day period and thereafter proceeds with due diligence and dispatch to complete such cure, the cure period shall be extended to a total of 90 days, or (iv) the abandonment of the Mortgaged Property or any portion thereof by the Mortgagor for seven consecutive days.

Section 4.2 Remedies. When any Event of Default has occurred and is continuing, the Mortgagee may, in addition to the remedies hereinafter described, exercise any one or more or all, and in any order, of the remedies set forth in the this Mortgage and the Credit Documents, including without limitation the remedies provided therein with respect to real property; it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute.

Section 4.3 Possession by the Mortgagee. When any Event of Default has occurred and is continuing, the Mortgagee shall, if applicable law permits, have the right to enter into and upon the Mortgaged Property and take possession thereof or to appoint an agent or trustee for the collection of the Rents of the Mortgaged Property.

Section 4.4 Foreclosure. When any Event of Default has occurred and is continuing, the Mortgagee shall have the right to foreclose the lien hereof for the Secured Indebtedness or any part thereof. In any suit to foreclose the lien hereof, there shall be allowed and included as additional Secured Indebtedness in the judgment of foreclosure, all costs and expenses that may be paid or incurred by or on behalf of the Mortgagee for reasonable attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs and costs (which may be estimated as to items to be expended after entry of the judgment) of procuring all such abstracts of title, title searches and examinations, title insurance policies, environmental studies and similar data and assurance with respect to title or property, as the Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at sales which may be had pursuant to such judgment, the true conditions of the title to or the value of the Mortgaged Property. All expenditures and expenses of the nature mentioned in this Section, and such other expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the lien of this Mortgage, including without limitation the reasonable fees and expenses of any attorney employed by the Mortgagee in any litigation or proceedings affecting this Mortgage, the Secured Obligations or the Mortgaged Property, including probate, bankruptcy and appellate proceedings, or in preparation of the commencement or defense of any proceedings or threatened suit or proceeding, shall be so much additional Secured Indebtedness and shall be immediately due and payable by the Mortgagor.

Section 4.5 Receiver. Upon, or at any time after, the acceleration of any the Secured Indebtedness or the filing of a complaint to foreclose this Mortgage, a court of competent jurisdiction may, upon the application of the Mortgagee, appoint a receiver (at the Mortgagor's expense) of the Mortgaged Property. Such appointment may be made either before or after sale, without regard to solvency or insolvency of the Mortgagor at the time of application for such receiver, and without regard to the then value of the Mortgaged Property or whether the same shall be then occupied as a homestead or not; and the Mortgagee hereunder or any employee or agent thereof may be appointed as such receiver. Such receiver shall have the power to collect the Rents of the Mortgaged Property during the pendency of such foreclosure suit and, in case of

a sale and deficiency, during the full statutory period of redemption, if any, whether there be a redemption or not, as well as during any further times when the Mortgagor, except for the intervention of such receiver, would be entitled to collection of such Rents and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Mortgaged Property during the whole of said period. The court may, from time to time, authorize the receiver to apply the net income from the Mortgaged Property in his hands in payment in whole or in part of: (a) the Secured Indebtedness or the indebtedness secured by a judgment foreclosing this Mortgage, or any tax, special assessment, or other lien that may be or become superior to the lien hereof or of such judgment, provided such application is made prior to the foreclosure sale; or (b) the deficiency in case of a sale and deficiency.

Section 4.6 Application of Moneys. The proceeds of any right given or action taken under the provisions of this Article by the Mortgagee shall be distributed and applied as provided in the Mortgage Act.

Section 4.7 Insurance Upon Foreclosure. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policy or policies, if not applied in rebuilding or restoring the buildings or improvements as herein provided, shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid as the court may direct. In the event of foreclosure sale, the Mortgagee is hereby authorized, without the consent of the Mortgagor, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as the Mortgagee may deem advisable to cause the interest of such purchaser to be protected by any of the said insurance policies without credit or allowance to the Mortgagor for prepaid premiums thereon.

Section 4.8 Rights Cumulative. Each right, power, and remedy herein conferred upon the Mortgagee is cumulative and in addition to every other right, power or remedy, express or implied, given now or hereafter existing, at law or in equity, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient to the Mortgagee and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy; and no delay or omission of the Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein.

Section 4.9 Successors and Assigns. This Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon the Mortgagor and its successors and permitted assigns (including, without limitation, each and every record owner from time to time of the Mortgaged Property or any other Person having an interest therein), and shall inure to the benefit of the Mortgagee and its successors and assigns.

Section 4.10 Waiver of Redemption, Reinstatement, Extension, Appraisement, Stay, Laws. To the extent permitted by law, the Mortgagor will not during the continuance of any Event of Default hereunder insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Mortgage; nor claim, take or insist upon any benefit or advantage of any law now or hereafter in force

providing for the valuation or appraisement of the Mortgaged Property, or any part thereof, prior to any sale or sales thereof which may be made pursuant to any provision herein contained, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor before or after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted by the United States of America or by the State to redeem the property so sold or any part thereof; and the Mortgagor hereby expressly waives all benefits or advantage of any such law or laws and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to the Mortgagee, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted. The Mortgagor for itself and all who may claim through or under the Mortgagor waives any and all right to have the property and estates comprising the Mortgaged Property marshaled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety. In the event of any sale made under or by virtue of this Mortgage, the whole of the Mortgaged Property may be sold in one parcel as an entirety or in separate parcels at the same or different times, all as the Mortgagee may determine. The Mortgagor waives the right of redemption and, to the extent permitted by law, the right of reinstatement, under the Mortgage Act

Section 4.11 Compliance with Illinois Foreclosure Law.

(a) In the event any provision of this Mortgage shall be inconsistent with any provision of the Mortgage Act, the provisions of the Mortgage Act shall take precedence over the provisions of this Mortgage, but shall not render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Mortgage Act.

(b) If any provision of this Mortgage shall grant to the Mortgagee any rights or remedies upon an Event of Default by the Mortgagor which are more limited than the rights that would otherwise be vested in the Mortgagee under the Mortgage Act in the absence of such provision, the Mortgagee shall be vested with the rights granted in the Mortgage Act to the full extent permitted by law.

(c) Without limiting the generality of the foregoing, all expenses incurred by the Mortgagee to the extent reimbursable under Sections 15-1510 and 15-1512 of the Mortgage Act, whether incurred before or after any decree or judgment of foreclosure, and whether or not enumerated in this Mortgage, shall be added to the Secured Indebtedness and included in the judgment of foreclosure.

ARTICLE V

Miscellaneous Provisions

Section 5.1 Mortgage for Benefit of Parties Hereto. Nothing in this Mortgage, express or implied, is intended or shall be construed to confer upon, or to give to, any Person other than the parties hereto, any right, remedy or claim under or by reason of this Mortgage or any covenant, condition or stipulation hereof; and the covenants, stipulations and agreements in this Mortgage contained are and shall be for the sole and exclusive benefit of the parties hereto and their successors and assigns.

Section 5.2 Severability. In case any one or more of the provisions contained in this Mortgage or the Secured Obligations shall be invalid, illegal or unenforceable in any respect the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby.

Section 5.3 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when personally delivered or mailed by registered or certified mail, postage prepaid, return receipt requested, with proper address as indicated below. The Mortgagor and the Mortgagee may, by written notice given by each to the other, designate any address or addresses to which notices, certificates or other communications to them shall be sent when required as contemplated by this Mortgage. Until otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

To the Mortgagor:

Roycemore School
1200 Davis Street
Evanston, IL 60201
Attention: Head of School
Telephone: (847) 866-6055

To the Mortgagee:

Wilmington Trust Corporate Trust Operations
Attention: Alicia Amato
50 South Sixth Street, Suite 1290
Minneapolis, Minnesota
Telephone: (612) 217-5642

Section 5.4 Successors and Assigns. Whenever in this Mortgage any of the parties hereto is named or referred to, the successors and assigns of such party shall be deemed to be included and all the covenants, promises and agreements in this Mortgage contained by or on behalf of the Mortgagor, or by or on behalf of the Mortgagee, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 5.5 Counterparts. This Mortgage is being executed in any number of counterparts, each of which is an original and all of which are identical. Each counterpart of this Mortgage is to be deemed an original hereof and all counterparts collectively are to be deemed but one instrument.

Section 5.6 Governing Law. It is the intention of the parties hereto that this Mortgage and the rights and obligations of the parties hereunder and the Secured Obligations and the rights and obligations of the parties in connection therewith, shall be governed by and construed and enforced in accordance with, the laws of the State of Illinois.

Section 5.7 Immunity of Officers, Employees and Members of the Mortgagee and the Mortgagor. No recourse shall be had for the payment of the principal of or premium or

interest on the Secured Indebtedness for any claim based thereon or upon any representation, obligation, covenant or agreement in this Mortgage contained against any past, present or future officer, director, member, employee or agent of the Mortgagee, the Mortgagor or, respectively, of any successor public or private corporation thereto, as such, either directly or through the Mortgagee, the Mortgagor 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 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 Mortgage and the entering into of the Secured Obligations.

Section 5.8 Subordination of Property Manager's Lien and Real Estate Broker's Lien. Any property management agreement for the Mortgaged Property entered into hereafter by Mortgagor with a property manager that is an Affiliate shall contain a "no lien" provision whereby the property manager waives and releases any and all mechanics' lien rights that the property manager may have pursuant to the Illinois Mechanics Lien Act, 770 ILCS 60/1 et seq. Such property management agreement, or a short form thereof, shall, at the Mortgagee's request, be recorded with the Recorder of Deeds of the county where the Mortgaged Property is located. In addition, Mortgagor shall cause each property manager, whether or not an Affiliate of Mortgagor, to enter into a subordination of management agreement with the Mortgagee, in recordable form, whereby the property manager subordinates present and future lien rights and those of any party claiming by, through or under the property manager, to the lien of this Mortgage. Any agreement entered into hereafter by Mortgagor with any "broker" (as defined in the Real Estate License Act of 2000, 225 ILCS 454/1 et seq.) that is an Affiliate for the purpose of selling, leasing or otherwise conveying an interest in the Mortgaged Property shall contain a "no lien" provision whereby such broker waives and releases any and all lien rights that such broker or anyone claiming by, through or under such broker may have pursuant to the Commercial Real Estate Broker Lien Act, 770 ILCS 15/1 et seq. In addition, the Mortgagor shall cause each broker, whether or not an Affiliate of Mortgagor, to enter into a subordination agreement with the Mortgagee, in recordable form, whereby such broker, on its own behalf and on behalf of any party claiming by, through or under such broker, subordinates present and future lien rights to the lien of this Mortgage.

Section 5.9 Total Indebtedness Secured. The total amount of the indebtedness that may be secured hereby may increase or decrease from time to time, but the secured indebtedness at any one time shall not exceed Two Hundred Percent (200%) of the principal amount of the Secured Obligations, exclusive of interest, costs, expense and protective advances made by Lender to preserve the lien of this Mortgage.

Section 5.10 Priority over Subsequent Liens and Encumbrances. This Mortgage shall be valid and have priority to the extent of the Secured Indebtedness over all subsequent liens and encumbrances, including statutory liens, excepting solely taxes and assessments levied on the Mortgaged Property given priority by law.

Section 5.11 Revolving Credit. This Mortgage is given to secure a revolving credit loan and shall secure not only presently existing indebtedness under the Credit Documents, but also future advances, whether such advances are obligatory or to be made at the option of the Lender, or otherwise, as are made within twenty (20) years from the date hereof to the same

extent as if such future advances were made on the date of the execution of this Mortgage, although there may be no advance made at the time of execution of this Mortgage and although there may be no Secured Indebtedness outstanding at the time any advance is made. The lien of this Mortgage shall be valid as to all Secured Indebtedness including future advances, from the time of its filing for record in the recorder's or registrar's office of the county in which the real estate is located. This Mortgage secures, among other Secured Indebtedness, a "revolving credit" arrangement within the meaning of 815 ILCS 205/4.1 and 205 ILCS 5/5d. The total amount of Indebtedness may increase or decrease from time to time, as provided in the Credit Documents, and any disbursements which the Lender may make under this Mortgage and the other Credit Documents or any other document with respect to the Mortgaged Property (e.g., for payment of taxes, insurance premiums or other advances to protect the Lender's liens and security interests, as permitted hereby) shall be additional Indebtedness secured hereby. Notwithstanding anything to the contrary contained in this Section 5.11, nothing herein shall give the Mortgagor the right to re-borrow any amounts repaid under the Credit Documents.

Section 5.12 Remedies Against Other Collateral. The Mortgagor hereby acknowledges that certain Credit Documents other than this Mortgage create liens on collateral located in counties or states other than the counties and state in which the Premises are located. The Mortgagor further acknowledges that this Mortgage and the other Credit Documents are cross-defaulted and the Indebtedness secured hereby is also secured by the other Credit Documents. The Mortgagor agrees that the Lender may proceed, at the same or at different times, to foreclose any or all liens against such collateral (or sell such collateral under power of sale) by any proceedings appropriate in the county and state where such collateral lies, and that no event of enforcement taking place in any county or state pursuant to any of the Credit Documents shall preclude or bar enforcement in any other county or state. Any foreclosure or other appropriate remedy brought in any county or state in which collateral is located may be brought and prosecuted as to any part of such collateral without regard to the fact that foreclosure proceedings or other appropriate remedies have or have not been instituted elsewhere on any other part of the collateral for the Secured Indebtedness.

[Signature Page Follows]

IN WITNESS WHEREOF, the Mortgagor has caused this Mortgage to be executed in its corporate name by its duly authorized officer, all as of the date first above written.

ROYCEMORE SCHOOL, as Mortgagor

By: _____
Adrianne Finley Odell
President and Head of School

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this ___ day of April, 2021, by _____, the _____ of Roycemore School, an Illinois not for profit corporation.

By: _____
Notary Public

My commission expires:

EXHIBIT A

Description of Land

LOTS 1 THROUGH 6 INCLUSIVE IN BLOCK 60 IN THE CITY OF EVANSTON, IN SECTION 18, TOWNSHIP 41 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN; EXCEPT THAT PART OF THE SOUTH 200.00 FEET OF LOTS 1, 2, AND 3 TAKEN AS A TRACT, LYING EAST OF THE WEST 108.00 FEET OF SAID LOTS, IN COOK COUNTY ILLINOIS.

Commonly known as: 1200 Davis Street, Evanston, Illinois

Permanent Index Number: 11-18-307-012-0000

EXHIBIT B

Permitted Encumbrances

1. TAXES FOR THE YEAR(S) 2020 AND 2021
2021 TAXES ARE NOT YET DUE OR PAYABLE.

PERM TAX#	PCL	YEAR	2nd INST	STAT
11-18-307-012-0000	1 OF 1	2019	NOT BILLED	

* * * * * * * * * * * *

PERM TAX# 11-18-307-012-0000 PCL 1 OF 1 VOLUME 57

2. Encroachment of the chain link fence located mainly on the land onto the property south and adjoining by approximately 0.90 to 1.12, as shown on plat of survey made by Gremley and Biedermann, number 2010-14650-001, dated December 14, 2010 and last revised July 8, 2011 as number 2011-15337.

3. Rights of the Chicago Telephone Company under a grant recorded August 7, 1910 as document no. 4612100 to place, renew and maintain an underground cable with poles across the land. Amendment to easement recorded June 17, 2009 as document number 0916829035. (Affects Lots 1 and 2).

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APPENDIX F

FORM OF BOND COUNSEL OPINION

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April 22, 2021
City of Evanston
Evanston, Illinois

Stifel, Nicolaus & Company, Incorporated
Minneapolis, Minnesota

Wilmington Trust, National Association
Minneapolis, Minnesota

Re: $8,275,000 aggregate principal amount of City of Evanston, Illinois Educational Facility Revenue Bonds, Series 2021 (Roycemore School)

Ladies and Gentlemen:

We have examined a record of proceedings with respect to the issuance by the City of Evanston, Cook County, Illinois (the "*City*") of its Educational Facility Revenue Bonds, Series 2021 (Roycemore School) (the "*Bonds*"), in the aggregate principal amount of $8,275,000. The proceeds to be received by the City from the sale of the Bonds will be loaned to Roycemore School, an Illinois not for profit corporation (the "*Corporation*"), pursuant to a Loan Agreement dated as of April 1, 2021 (the "*Loan Agreement*"), between the City and the Corporation.

Such proceeds will be used to: (i) refinance the outstanding balance of a taxable loan incurred by the Corporation to refinance the City's Educational Facility Revenue Bonds, Series 2011 (Roycemore School Project); (ii) fund a debt service reserve fund; and (iii) pay certain costs incurred in connection with the issuance of the Bonds (collectively, the "*Financing Purposes*").

The Bonds are being issued pursuant to the Bond Trust Indenture dated as of April 1, 2021 (the "*Bond Indenture*"), between the City and Wilmington Trust, National Association, as bond trustee (the "*Bond Trustee*") and an ordinance adopted by the City Council of the City on April 12, 2021 (the "*Bond Ordinance*") in the exercise of the City's powers as a home rule unit of government under the provisions of Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois (the "*State*").

The Bonds are subject to redemption prior to maturity at the times, in the manner and upon the terms set forth in the Bond Indenture and in the Bonds.

We have examined the Bond Ordinance, executed counterparts of the Bond Indenture, the Loan Agreement, and the form of the Bonds; the applicable laws of the State; the transcript of proceedings relating to the issuance and sale of the Bonds and the opinions, certifications and statements of facts and expectations contained in such transcript; and such other documents and materials as we deem relevant to the opinion expressed herein.

Based on the foregoing, and in reliance upon certain documents and showings hereinafter referred to, we are of the opinion that:

1. The City is a municipality and home rule unit of government of the State, with lawful authority to enter into the Bond Indenture and the Loan Agreement, to issue the Bonds and lend the proceeds thereof to the Corporation for the purposes specified in the Bond Ordinance.

2. The Bond Indenture has been duly authorized, executed and delivered by the City and, assuming the due authorization, execution and delivery of such instrument by, and the binding effect thereof on, the other parties thereto, the Bond Indenture constitutes a legal, valid and binding obligation of the City, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally and by the availability of equitable remedies.

3. The Loan Agreement has been duly authorized, executed and delivered by the City and, assuming the due authorization, execution and delivery of such instrument by, and the binding effect thereof on, the other parties thereto, the Loan Agreement constitutes a legal, valid and binding obligation of the City, enforceable in accordance with its terms, subject to the qualification that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally and by the availability of equitable remedies.

4. The Bonds have been duly authorized, issued and delivered by the City and are valid and legally binding upon the City according to the import thereof and as provided by the Bond Indenture, except to the extent that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally and by the availability of equitable remedies.

5. The Bonds and the interest thereon are special limited obligations of the City payable solely from moneys, securities and other revenues pledged therefor under the Bond Indenture. All right, title and interest in and to such moneys, securities and other revenues have been pledged and assigned under the Bond Indenture as security for the Bonds. The Bonds and the interest thereon do not constitute an indebtedness or obligation of the City, the State or any political subdivision thereof or a loan of credit of any of them within the meaning of any State constitutional or statutory provision, nor a charge against the general credit or taxing powers, if any, of the State, the City or any other political subdivision thereof. No owner of any Bond shall have the right to compel any exercise of the taxing power of the City, the State or any political subdivision thereof to pay the Bonds or the interest thereon.

6. The Internal Revenue Code of 1986, as amended (the "*Code*"), contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exclusion from gross income for Federal income tax purposes of interest on the Bonds. These requirements relate to, among other things, the use and investment of the proceeds of the Bonds, the periodic payment of certain amounts to the United States of America, and the use and tax ownership of any property financed or refinanced with the proceeds of the Bonds. The Corporation has covenanted in the Loan Agreement and the Tax Compliance Agreement dated as of this date (the "*Tax Agreement*"), between the City and the Corporation to comply with these requirements.

Under existing law, interest on the Bonds is not includable in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the requirements of the Code described in the preceding paragraph, we are of the opinion that interest on the Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. We are further of the opinion that the Bonds are "qualified 501(c)(3) bonds" within the meaning of Section 145(a) of the Code. Accordingly, interest on the Bonds is not an item of tax preference for purposes of computing the alternative minimum tax imposed by the Code.

7. Under existing law, the Bonds and the income therefrom are not exempt from State of Illinois income taxes.

In rendering the opinions contained in the preceding paragraphs, we have relied upon representations and covenants contained in the Tax Agreement with respect to certain facts that are solely within the Corporation's knowledge relating to, among other things, the nature and uses of the property refinanced with the proceeds of the Bonds; the opinion of Katten Muchin Rosenman LLP, with respect to the status of the Corporation as a 501(c)(3) organization under the Code; and the opinion of Applegate & Thorne-Thomsen, P.C. as the Corporation's counsel (the "*Corporation's Counsel*") with respect to certain matters pertaining to the Corporation.

We express no opinion herein with respect to the authorization, execution and delivery by, or the enforceability against, the Corporation of the Loan Agreement. The opinion of Corporation's Counsel with respect to such matters has been delivered to you.

Respectfully yours,

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APPENDIX G

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement, dated as of April 1, 2021 (the "Continuing Disclosure Agreement"), is executed and delivered by Roycemore School (the "Borrower"), an Illinois not for profit corporation, in connection with the issuance by the City of Evanston, Illinois (the "Issuer"), of its $8,275,000 Educational Facility Revenue Bonds (Roycemore School), Series 2021A (the "Bonds"). The Bonds are being issued pursuant to a Bond Trust Indenture, dated as of April 1, 2021 (the "Bond Indenture") between the Issuer and Wilmington Trust, National Association, as trustee (the "Trustee"). The proceeds of the sale of the Bonds will be loaned to the Borrower pursuant to the terms of a Loan Agreement, dated as of April 1, 2021 (the "Loan Agreement"). Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Bond Indenture and the Loan Agreement.

Section 1. General

The Bonds are exempt from the continuing disclosure provisions of Securities and Exchange Commission ("SEC") Rule 15c2-12 (17 C.F.R. § 240.15c2-12) (the "Rule") based on the exemption provided in section (d)(1) of the Rule. Accordingly, the Borrower is not entering into this Continuing Disclosure Agreement to comply with the Rule, and this Continuing Disclosure Agreement is not an undertaking within the meaning of section (b)(5)(i) of the Rule. Failure by the Borrower to provide all or any portion of information required hereby shall not constitute a failure under the Rule and shall not give rise to a requirement to provide any notice to the Municipal Securities Rulemaking Board (the "MSRB").

This Continuing Disclosure Agreement is being executed and delivered by the Borrower for the benefit of the registered owners of the Bonds and to assist the Underwriter in marketing the Bonds (for such purpose beneficial owners of the Bonds shall also be considered registered owners of the Bonds). All filings made hereunder shall be disseminated by transmission to the MSRB through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org or any successor system that the MSRB may prescribe. Such filings will be in the format and will be accompanied by the identifying information prescribed by the MSRB.

Section 2. Defined Terms

"Annual Report" means the reports required to be provided pursuant to Section 3 hereof.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Limited Offering Memorandum" means the Limited Offering Memorandum dated April 14, 2021 pertaining to the Bonds.

Section 3. Annual Reports

Each year, the Borrower shall provide in the manner provided pursuant to this Continuing Disclosure Agreement, within 120 days after the end of the immediately preceding fiscal year, commencing with the fiscal year ending June 30, 2021, an Annual Report for the immediately preceding fiscal year which shall include all annual information pertinent to such fiscal year as provided below:

(i) **Audited Financials**: Each Annual Report shall include a copy of the Borrower's annual audited financial statements for the immediately preceding fiscal year, together with a copy of any accompanying management letter and a copy of the accompanying audit report; provided, however, that such annual audited financial statements may be submitted separately from the balance of the Annual Report and that, if such audited financial statements are not available within 120 days of the end of the immediately preceding fiscal year, then the Borrower shall provide

unaudited financial statements by that date and shall subsequently provide the pertinent audited financial statements as soon as they become available. Such financial statements shall be prepared in accordance with generally accepted accounting principles.

(ii) **Updated Appendix A Tables**: Each Annual Report shall include updated financial information and operating data with respect to the Borrower of the type and in the format (with such adjustments as may be noted below) included in the following tables included Appendix A to the Limited Offering Memorandum:

- Table A-2: Faculty and Professional Staff
- Table A-3: Teacher Retention Rates
- Table A-4: Applications, Acceptances and Retention
- Table A-5: Historical and Projected Enrollment by Grade, provided that only historical information is required to be included
- Table A-8: Upper School Graduation Rate
- Table A-9: Percentage of Upper School Graduates Admitted to a 4-Year College
- Table A-10: Tuition

(iii) **Annual Compliance Certificate**: Each Annual Report shall include a certificate of the President or other authorized officer of the Borrower containing a computation of, and showing compliance with, the covenants in Section 9.6 (Debt Service Coverage Ratio) and Section 9.7 (Days Cash on Hand) of the Loan Agreement.

Each Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by specific reference other information provided pursuant to this Continuing Disclosure Agreement.

Section 4. Quarterly Reports

The Borrower shall provide, as soon as possible, but in any event within forty-five (45) days after the end of the Borrower's first three fiscal quarters commencing with the fiscal year ending June 30, 2021 (reporting commencing with the quarter ending September 30, 2021), the following:

(i) **Quarterly Unaudited Financial Statements**: unaudited financial statements of the Borrower as of the end of such fiscal quarter, in a format consistent with the Corporation's audited financial statements, and consisting of at least:

- a balance sheet (or conceptually equivalent report) as of the close of such fiscal quarter; and
- a statement of unrestricted activities (or conceptually equivalent reports) routinely prepared and for the period from the beginning of such fiscal year to the close of the fiscal quarter.

(ii) **Enrollment by Grade**: Each quarterly filing shall include the Borrower's enrollment, in the format in Table A-5 referenced above, as of the end of the applicable fiscal quarter.

Each Interim Report may be submitted as a single document or as separate documents comprising a package, and may include by specific reference other information provided pursuant to this Agreement.

Section 5. Event Notices

The Borrower agrees to provide or cause to be provided, in a timely manner (but not in excess of ten business days after the occurrence of the event), notice of the occurrence of any of the following events with respect to the Bonds ("Reportable Events"):

(a) principal and interest payment delinquencies;

(b) nonpayment related defaults, if material;

(c) unscheduled draws on debt service reserves reflecting financial difficulties;

(d) unscheduled draws on credit enhancements reflecting financial difficulties;

(e) substitution of credit or liquidity providers, or their failure to perform;

(f) adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;

(g) modifications to rights of the Registered Owners, if material;

(h) Bond calls, if material (other than mandatory sinking fund redemptions), and tender offers;

(i) defeasances;

(j) release, substitution, or sale of property securing repayment of the Bonds, if material;

(k) rating changes;

(l) bankruptcy, insolvency, receivership or similar event of the Borrower;

(m) the consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(n) appointment of a successor or additional trustee or the change of the name of a trustee, if material;

(o) incurrence of a Financial Obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Borrower, any of which affect security holders, if material; and

(p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Borrower, any of which reflect financial difficulties.

For these purposes, any event described in the immediately preceding paragraph (l) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Borrower in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Borrower in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower.

When an Event occurs, the Borrower shall, in a timely manner not in excess of ten (10) business days after the occurrence of the Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Events described in subsections (h) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds.

Unless otherwise required by law, the Borrower shall submit the information in the format prescribed by the MSRB, as described in Section 1 of this Continuing Disclosure Agreement. Each Event notice shall be so captioned and shall prominently state the date, title and (to the extent less than all of the Bonds are affected by the related Event) CUSIP numbers of the Bonds.

The Borrower may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, but the Borrower does not undertake any commitment to provide such notice of any event except those events listed above.

Section 6. Dissemination Agent

The Borrower may engage a dissemination agent to assist it in disseminating information hereunder whose only role is to receive such information and disseminate it according to the terms hereof. If a dissemination agent is engaged, the Borrower shall send all annual financial information, operating data, quarterly reports and event notices required by this Continuing Disclosure Agreement to the dissemination agent. Unless otherwise agreed to, the dissemination agent shall, as soon as practicable but not later than three (3) days of receipt of such information forward the same to (i) the MSRB, as described herein and (ii) any Registered or Beneficial Owner of the Bonds who requests such information in writing to the dissemination agent or the Borrower. The dissemination agent shall have no duty to review the materials described in this paragraph prior to disseminating such materials nor will it be responsible for the substance or form of such information.

The Borrower hereby engages Wilmington Trust, National Association as the initial dissemination agent, and by its acceptance Wilmington Trust, National Association accepts such engagement. The Borrower may discharge the dissemination agent or any successor dissemination agent.

Section 7. Termination of Obligations

The obligation of the Borrower to provide financial and operating information of the Borrower and notices of material events, as set forth herein, shall terminate if and when the Borrower no longer remains an obligated person with respect to the Bonds, which shall occur upon either payment of the Bonds in full or the legal defeasance of the Bonds in accordance with the Bond Indenture, provided that the Borrower has no further obligations with respect to the Bonds.

Section 8. Enforceability and Remedies

This Continuing Disclosure Agreement is intended to be for the sole benefit of the Bond Trustee, the Underwriter and the registered owners of the Bonds (for such purpose beneficial owners of the Bonds shall also be considered registered owners of the Bonds) and shall create no rights in any other person or entity.

This Continuing Disclosure Agreement shall be enforceable by or on behalf of any registered owner of the Bonds. This Continuing Disclosure Agreement is also enforceable on behalf of the registered owners of the Bonds by the Bond Trustee, and the Bond Trustee may, and upon the written direction of the registered owners of not less than 25% of the aggregate outstanding principal amount of the Bonds shall, proceed to protect and enforce the rights of the registered owners of the Bonds pursuant to this Continuing Disclosure Agreement; provided that in all cases the Bond Trustee shall be entitled to the indemnification and other provisions of the Bond Indenture with regard to any actions.

Any failure by the Borrower to comply with the provisions of this Continuing Disclosure Agreement shall not be an Event of Default under the Loan Agreement or the Bond Indenture. The registered owners' and the Bond Trustee's rights to enforce the provisions of this Continuing Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel the Borrower to perform under this Continuing Disclosure Agreement, and their directors, officers and employees shall incur no liability under this Continuing Disclosure Agreement by reason of any act or failure to act hereunder. Without limiting the generality of the foregoing, neither the commencement nor the successful completion of an action to compel performance under this section shall entitle the Bond Trustee or any other person to attorneys' fees, financial damages of any sort or any other relief other than an order or injunction compelling performance.

Section 9. Amendment

Notwithstanding any other provision of this Continuing Disclosure Agreement, the Borrower may amend this Continuing Disclosure Agreement, and any provision of this Continuing Disclosure Agreement may be waived, without the consent of the registered owners but with the consent of the Bond Trustee, under the following conditions:

(a) The amendment or waiver may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Borrower, or type of business conducted; and

(b) The amendment or waiver does not materially impair the interest of registered owners of the Bonds, as determined either by parties unaffiliated with the Borrower (which shall include nationally recognized bond counsel, or any other party determined by such counsel to be unaffiliated), or by approving vote of registered owners of the Bonds.

The Borrower shall provide notice of each amendment or waiver for dissemination in the manner specified herein. The initial annual financial or operating information provided by the Borrower after the amendment or waiver shall explain, in narrative form, the reasons for the amendment or waiver and the effect of the change in the type of operating data or financial information being provided.

IN WITNESS WHEREOF, we have set our hands as of the date set forth above.

ROYCEMORE SCHOOL

By: _____

Name:
Title:

ACCEPTANCE:

The undersigned hereby accepts its engagement as initial dissemination hereunder.

WILMINGTON TRUST, NATIONAL ASSOCIATION

By: _____

Name:
Title:

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APPENDIX H

FORM OF INVESTOR LETTER

April __, 2021

Roycemore School
Evanston, Illinois

City of Evanston,
Cook County, Illinois

Stifel, Nicolaus & Company, Incorporated
Minneapolis, Minnesota

Wilmington Trust, National Association
Chicago, Illinois

Katten Muchin Rosenman LLP
Chicago, Illinois

Re: City of Evanston, Illinois
Educational Facility Revenue Bonds, Series 2021
(Roycemore School)

Ladies and Gentlemen:

The undersigned (the "*Purchaser*"), is purchasing $_____ of the $_____ aggregate principal amount of the Educational Facility Revenue Bonds, Series 2021 (Roycemore School) (such purchased portion being referred to herein as the "Bonds"). The Purchaser hereby acknowledges receipt of the Bonds in fully registered form and in the principal amount of $_____.

The Purchaser acknowledges that the Bonds are issued pursuant to the Bond Trust Indenture (as amended and supplemented from time to time, the "*Bond Indenture*") dated as of April 1, 2021 between the City of Evanston, Cook County, Illinois (the "*City*"), a municipal corporation and home rule unit of local government created and existing under the laws of the State of Illinois (the "*State*"); and Wilmington Trust, National Association, a national banking association, as bond trustee (the "*Bond Trustee*"). The proceeds of the Bonds are being loaned by the City to Roycemore School, an Illinois not for profit corporation (the "Corporation") pursuant to the Loan Agreement dated as of April 1, 2021 (the "*Loan Agreement*") between the Corporation and the City. Terms not otherwise defined herein shall have the meanings assigned thereto in the Bond Indenture.

In connection with the sale of the Bonds to the Purchaser, the Purchaser hereby makes the following representations upon which you may rely:

17. The Purchaser has authority to purchase the Bonds and to execute this letter in connection with the purchase of the Bonds.

18. The undersigned is a duly appointed, qualified and acting representative of the Purchaser and is authorized to provide, on behalf of the Purchaser, the certifications, representations and warranties contained herein by execution of this letter on behalf of the Purchaser.

19. The Purchaser is not now and has never been controlled by, or under common control with, the Corporation.

20. The Purchaser is (1) a "Qualified Institutional Buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the "Securities Act"); (2) an "Accredited Investor" as defined in Regulation D promulgated under the Securities Act; or (3) a broker-dealer registered under the Securities Exchange Act of 1934 or an investment adviser registered under the Investment Advisers Act of 1940, in each case whether purchasing for its own account or on behalf of a Qualified Institutional Buyer or Accredited Investor.

21. The Purchaser is purchasing the Bonds (a) for its own account for investment purposes and not with a view toward distribution or resale, or (b) on behalf of not more than one Qualified Institutional Buyer or Accredited Investor acquiring the Bonds for its own account for investment purposes and not with a view toward distribution or resale.

22. Notwithstanding that the Bonds are being purchased without a view toward distribution or resale, the Purchaser is not prohibited from reselling the Bonds in the future; provided, however, that the Purchaser acknowledges and agrees that the Bonds may only be resold or transferred to other purchasers who are either Qualified Institutional Buyers or Accredited Investors, and only in (i) compliance with the Bond Indenture, (ii) compliance with applicable securities laws, and (iii) in such a manner that would not require registration under the Securities Act of 1933, as amended.

23. The Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment in the Bonds.

24. None of the City, the Corporation, the Bond Trustee, or Stifel, Nicolaus & Company, Incorporated ("Stifel") or any of their respective affiliates is acting as a fiduciary or financial or investment advisor to the Purchaser. The Purchaser has consulted with its own advisors to the extent it has deemed necessary to make an informed investment decision and has made its own investment decision, including decisions regarding the suitability of its investment in the Bonds, based on its own judgment and on any advice from such advisors as it has deemed necessary, and not upon any view expressed by the City, the Corporation, the Bond Trustee, Stifel, or any of their respective affiliates.

25. In purchasing the Bonds, the Purchaser is relying solely on statements and representations of the Corporation and on its own knowledge and investigation of the facts and circumstances relating to the purchase of the Bonds and hereby waives any claims that it may have against the City or any past, present or future member, officer, alderman, agent, employee or official of the City with respect to the financial quality of the Bonds arising out of any action such member, officer, alderman, agent, employee or official of the City has taken or should have taken in the authorization, issuance or sale of the Bonds or with respect to any statement or representation made by the City in connection with the sale of the Bonds.

26. The Purchaser has reviewed the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and has made its decision to invest (1) after its review of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, including the Appendices thereto, and (2) based upon its own independent review of credit and related matters applicable to the Corporation, the Bonds and the security therefor, and other information it has obtained and that it deems relevant to its investment in the Bonds.

27. The Purchaser has had the opportunity to ask questions of and receive answers from the Corporation concerning its purchase of the Bonds and all matters relating thereto or any additional information it deemed necessary in its decision to purchase the Bonds, and all requested information has been furnished to the Purchaser.

28. The Purchaser is able to bear the economic risk of an investment in the Bonds, including an entire loss of its investment. The Purchaser understands and acknowledges that the Bonds are not rated by any rating agency, that there is no established market for the Bonds and that none is expected to develop. Accordingly, the Purchaser acknowledges that it may need to bear the risks of its investment in the Bonds for an indefinite time.

29. In entering into this transaction the Purchaser has not relied upon any representations or opinions made by the City, its Corporation Counsel or its special counsel relating to the legal or financial consequences or other aspects of the transactions, nor has it looked to, nor expected, the City to undertake or require any credit investigation or due diligence reviews relating to the Corporation, its financial condition or business operations and the School Facility (including the refinancing, operation or management thereof), or any other matter pertaining to the merits or risks of the transaction, or the adequacy of any collateral pledged to secure repayment of the Bonds.

30. The Purchaser understands the following: The Bonds do not and shall never constitute an indebtedness or an obligation of the City, the State, or any political subdivision thereof within the meaning of any constitutional or statutory limitation or provision, or a charge against the general credit or taxing powers, if any, of the City, the State, or any other political subdivision thereof. The Bonds are special, limited obligations of the City, payable solely out of the revenues and receipts of the City derived pursuant to the Bond Indenture. No owner of the Bonds shall have the right to compel any exercise of the taxing power of the City, the State or any other political subdivision thereof to pay the Bonds or the interest or premium, if any, thereon.

31. The Purchaser (1) acknowledges that the Bonds have not been and will not be registered under the Securities Act or the securities or "blue sky" laws of any state in reliance upon exemptions from such registration requirements; (2) acknowledges that the Bond Indenture has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon an exemption set forth therein; and (3) agrees to comply with all applicable federal and state securities laws then in effect with respect to any sale or other disposition of the Bonds by the Purchaser and further acknowledges that any current exemption from registration of the Bonds does not affect or diminish such requirements.

32. All representations of the Purchaser contained herein shall survive the sale and delivery of the Bonds to the Purchaser as representations of fact existing as of the date of execution and delivery of this Investor Letter.

[NAME OF PURCHASER]

By: _____

Name: _____

Title: _____

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APPENDIX I

FINANCIAL FORECAST AND PROJECTION

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NOVOGRADAC & COMPANY LLP®

Roycemore School

Compiled Financial Forecast and Accountants' Compilation Report

For the years ended June 30, 2022 through June 30, 2026

NOVOGRADAC & COMPANY LLP®

CERTIFIED PUBLIC ACCOUNTANTS

To the Management of:
Roycemore School

Management of Roycemore School is responsible for the accompanying forecast, which comprises the forecasted statements of activities for Roycemore School for the years ended June 30, 2022 through June 30, 2026, and the related summaries of significant assumptions and accounting policies in accordance with guidelines for the presentation of a forecast established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the forecast nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this forecast.

The forecast is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), except for the supplemental schedule of forecasted flow of funds which is prepared on the cash basis of accounting, which is a basis of accounting other than GAAP.

The forecasted results may not be achieved, as there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and these differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management of Roycemore School has elected to omit substantially all the disclosures required by guidelines for the presentation of a forecast established by the AICPA other than those related to the significant assumptions. If the omitted disclosures were included in the forecast, they might influence the user's conclusions about the client's forecasted statements of activities. Accordingly, the forecast is not designed for those who are not informed about such matters.

The accompanying supplementary information included in the supplemental schedules is presented for purposes of additional analysis and is not a required part of the forecast. Such information is the responsibility of the management of Roycemore School. The supplementary information was not subject to our compilation engagement. We do not express an opinion, a conclusion, nor provide any assurance on such information.

The accompanying forecast, supplementary information, and this report are intended solely for the information and use of Roycemore School, City of Evanston, Stifel, Nicolaus & Company, Incorporated, Wilmington Trust, National Association and their respective tax counsel and are not intended to be, and should not be used by anyone other than these specified parties.

Novogradac & Company LLP

Dover, Ohio
April 1, 2021

ROYCEMORE SCHOOL
FORECASTED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2022 THROUGH JUNE 30, 2026

	2022	2023	2024	2025	2026
Support and Revenues					
Tuition & Fees	$ 5,856,638	$ 6,367,195	$ 6,762,486	$ 7,437,413	$ 7,633,204
Less: Financial Aid	(1,481,140)	(1,481,140)	(1,481,140)	(1,481,140)	(1,481,140)
Less: Discounts	(70,881)	(70,881)	(70,881)	(70,881)	(70,881)
Less: Tuition Remission	(247,979)	(247,979)	(247,979)	(247,979)	(247,979)
International Fees	317,920	327,450	343,823	343,823	361,014
Annual Fundraising + Anticipated Major Gifts	650,000	682,500	698,200	733,110	740,000
Summer / Misc Revenue / App Fee	308,925	308,925	318,193	327,739	337,571
Total Support and Revenues	5,333,483	5,886,070	6,322,702	7,042,085	7,271,789
Expenses					
Operating Expenses					
Employee Compensation and Benefits	(3,453,770)	(3,699,732)	(3,955,808)	(4,220,148)	(4,486,484)
Physical Plant and Property	(435,526)	(429,039)	(449,208)	(470,792)	(491,589)
Academic Program and Administration	(550,500)	(570,435)	(599,220)	(617,370)	(635,063)
Total Operating Expenses	(4,439,796)	(4,699,206)	(5,004,236)	(5,308,310)	(5,613,136)
Surplus (Deficit) Before Debt Service	893,687	1,186,864	1,318,467	1,733,775	1,658,653
Other Income (Expenses)					
Interest Expense - Bond	(366,238)	(383,050)	(376,705)	(369,890)	(362,840)
Amortization Expense - Bond Issuance Costs	(5,750)	(5,750)	(5,750)	(5,750)	(5,750)
Amortization Expense - Underwriter's Discount	(6,896)	(6,896)	(6,896)	(6,896)	(6,896)
Depreciation Expense	(345,395)	(345,395)	(345,395)	(345,395)	(345,395)
Bad Debt Expense	(11,366)	(11,366)	(11,366)	(11,366)	(11,366)
Trustee & Issuer Administration Fees	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
Total Other Income (Expenses)	(738,145)	(754,957)	(748,612)	(741,797)	(734,747)
Changes in Net Assets	$ 155,542	$ 431,907	$ 569,855	$ 991,978	$ 923,906
Net Assets, Beginning of Year	$ 2,391,413	$ 3,022,230	$ 3,454,138	$ 4,023,992	$ 5,015,970
Equity Contributions	475,275	-	-	-	-
Changes in Net Assets	155,542	431,907	569,855	991,978	923,906
Net Assets, End of Year	$ 3,022,230	$ 3,454,138	$ 4,023,992	$ 5,015,970	$ 5,939,877

ROYCEMORE SCHOOL

SUPPLEMENTAL SCHEDULE OF FORECASTED FLOW OF FUNDS

FOR THE YEARS ENDED JUNE 30, 2022 THROUGH JUNE 30, 2026

	2022	2023	2024	2025	2026
Total Support and Revenues	$ 5,333,483	$ 5,886,070	$ 6,322,702	$ 7,042,085	$ 7,271,789
Distributions of Available Cash Flow					
1. Payment of ongoing Trustee and Issuer administration fees	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
2. Payment of School operating expenses	(4,439,796)	(4,699,206)	(5,004,236)	(5,308,310)	(5,613,136)
3. Scheduled interest on the Bonds due	(366,238)	(383,050)	(376,705)	(369,890)	(362,840)
4. Scheduled principal on the Bonds due	(125,000)	(135,000)	(145,000)	(150,000)	(155,000)
5. Amounts necessary to make up any shortfalls in Debt Service Reserve Fund due to valuation of investments	-	-	-	-	-
6. Amounts necessary to make up any withdrawals in Debt Service Reserve Fund to make up principal or interest payments on the Bonds	-	-	-	-	-
7. Deposit to the Repair & Replacement Fund, as required.	-	(16,670)	(20,004)	(20,004)	(20,004)
Total Cash Distributed	(4,933,534)	(5,236,426)	(5,548,445)	(5,850,704)	(6,153,480)
Residual Cash Available	$ 399,949	$ 649,644	$ 774,258	$ 1,191,381	$ 1,118,309

ROYCEMORE SCHOOL
DISCLAIMERS

The future operating and financial information contained in the following financial forecast is for illnstrative pnrposes only and based upon certain hypothetical assnmptions and events over which the Company has only partial or no control. Furthermore, a number of simplifying assumptions have been made in preparing the forecast. The selection of assumptions requires the exercise of judgment and is subject to uncertainty due to the effects that economic, legislative or other changes may have on future events. The assumptious relied on by mauagemeut are those the Company believes are most siguificant to the forecast; however, not all assumptious used in prepariug the forecast have been set forth and a number of simplifying assumptions have been made. Variations in such assumptions could significantly affect the forecast. To the extent that assumed events do not materialize, actual results may vary substantially from the forecasted results.

The spread of a novel strain of coronavirus (COVID-19) beginning in the first quarter of 2020 has caused significaut volatility in U.S. markets. There is significant uncertainty around the breadth and duration of busiuess disruptions related to COVID-19, as well as its impact on the U.S. ecouomy. The extent of the impact of COVID-19 ou the operational and fiuaucial performauce of the entities presented in this forecast will depend on certain developments, including the duration and spread of the outbreak, and the impact on the local economy iu which the eutities operate. Readers should exercise all due care iu ascertainiug whether the assumptions represented herein are reasonable in light of the above.

ROYCEMORE SCHOOL
FINANCIAL FORECAST
SCHEDULE OF INPUTS AND ASSUMPTIONS

PROJECT INFORMATION		TIMELINE INFORMATION	
Project Name	Roycemore School	Forecast Start Date	April 22, 2021
Project Location	Evanston, Illinois	Forecast End Date	June 30, 2026

OVERVIEW

Roycemore School, an Illinois not for profit corporation, owns and operates an independent, accredited, coeducational college-preparatory day school in Evanston, Illinois for students in junior kindergarten through grade 12. The campus is located at 1200 Davis Street, Evanston, Illinois 60201 on approximately 2.4 acres of land. The school facility is a 66,000 square foot building consisting of three levels that can accommodate 350 students. In addition, a new gymnasium has been constructed on the campus. Roycemore School's mission is to inspire and nurture excellence and prepare each student for success in higher education and in a dynamic and complex world. Their vision is to sustain its legacy of outstanding college preparatory education within its nurturing community.

HISTORICAL AND PROJECTED ENROLLMENT

Academic Year	Students	Academic Year	Students
2016 - 2017	242	2021 - 2022	240
2017 - 2018	214	2022 - 2023	252
2018 - 2019	215	2023 - 2024	258
2019 - 2020	215	2024 - 2025	273
2020 - 2021	231		

HISTORICAL TUITION INFORMATION

	Academic Year				
Academic Level	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021
Three Day Pre-K (Half Day)	$0	$0	$0	$0	$5,504
Three Day Pre-K (Full Day)	$0	$0	$0	$0	$10,492
Pre-K and Junior K (Half Day)	$0	$0	$0	$0	$10,492
Pre-K and Junior K (Full Day)	$0	$0	$0	$0	$17,486
Kindergarten	$16,100	$15,250	$16,013	$16,813	$17,486
Lower School (Grades 1 - 4)	$17,050	$18,550	$19,329	$20,296	$21,108
Middle School (Grades 5 - 8)	$21,850	$22,550	$22,776	$23,914	$24,871
Upper School (Grades 9 - 12)	$25,300	$25,850	$26,367	$27,685	$28,792

DEBT ASSUMPTIONS	Educational Facility Revenue Bonds, Series 2021
Total Financing	$8,275,000
Interest Rate	4.700%
Amortization Period (Years)	30
Number of Interest Payments Per Year	2
Annual Payment	Varies
Closing Date	4/22/2021
First Interest Payment Date	10/1/2021
First Principal Payment Date	4/1/2022
Interest Calculation	180/360

DEBT COVENANTS	
DSCR Requirement	1.20x
DSCR Signaling Event of Default	1.00x
DSCR Requirement Commencement	June 30, 2022
Days Cash on Hand	60 Days
Days Cash on Hand Requirement Commencement	June 30, 2022

The body of tax law is in a continuous state of change. Accordingly, there could be developments, statutory or otherwise, that could alter the Financial Forecast. Because transactions are susceptible to varying interpretations under income tax law, rulings, and regulations, the Internal Revenue Service may not concur with the determinations of the factual issues and interpretations of existing law, rulings and regulations that served as the basis for the assumptions used by Management in preparing the Financial Forecast. Such differences might alter the Financial Forecast.

The Financial Forecast may contain immaterial mathematical rounding discrepancies.

NO ASSURANCE CAN BE GIVEN THAT ANY OF THE ASSUMPTIONS IN THE FINANCIAL FORECAST ARE ACCURATE OR THAT THEY WILL PROVE TO BE APPLICABLE TO AN INVESTOR. IT IS THE RESPONSIBILITY OF THE INVESTOR AND THE INVESTOR'S ADVISORS TO REVIEW THE FINANCIAL FORECAST IN LIGHT OF THE ASSUMPTIONS AND TO ASCERTAIN THEIR REASONABLENESS. THE FINANCIAL FORECAST SHOULD BE READ IN CONJUNCTION WITH THE OPERATING AGREEMENT.

The Financial Forecast has been prepared in accordance with accounting principles generally accepted in the United State of America (GAAP), except for the supplemental schedule of forecasted flow of funds which has been prepared on the cash method of accounting, which is a basis of accounting other than GAAP.

The year end for tax and financial reporting presentation within the Financial Forecast is June 30th.

This financial forecast presents, to the best of management's knowledge and belief, Roycemore School's expected forecasted statements of activities for the forecast period. Accordingly, the forecast reflects its judgement as of April 22, 2021 the date of this forecast, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

ROYCEMORE SCHOOL
SUPPLEMENTAL SCHEDULE OF FORECASTED SURPLUS / DEFICIT
FOR THE YEARS ENDED JUNE 30, 2022 THROUGH JUNE 30, 2026

OPERATING INFORMATION

Fiscal Year	2022	2023	2024	2025	2026
Support and Revenues					
Tuition & Fees	$ 5,856,638	$ 6,367,195	$ 6,762,486	$ 7,437,413	$ 7,633,204
Financial Aid	(1,481,140)	(1,481,140)	(1,481,140)	(1,481,140)	(1,481,140)
Discounts	(70,881)	(70,881)	(70,881)	(70,881)	(70,881)
Tuition Remission	(247,979)	(247,979)	(247,979)	(247,979)	(247,979)
International Fees	317,920	327,450	343,823	343,823	361,014
Annual Fundraising + Anticipated Major Gifts	650,000	682,500	698,200	733,110	740,000
Summer / Misc Revenue / App Fee	308,925	308,925	318,193	327,739	337,571
Total Support and Revenues	5,333,483	5,866,070	6,322,702	7,042,085	7,271,789
Expenses					
Employee Compensation and Benefits					
Employee Compensation	(3,009,735)	(3,230,027)	(3,456,928)	(3,690,636)	(3,931,355)
Summer Camp	(45,835)	(46,000)	(47,380)	(49,749)	(52,236)
Health/Dental - Blue Cross Blue Shield	(252,200)	(271,705)	(292,500)	(312,813)	(333,633)
Life / AD&D / STD / LTD Insurance	(41,000)	(42,000)	(44,000)	(46,200)	(48,510)
Retirement - TIAA-CREF	(105,000)	(110,000)	(115,000)	(120,750)	(120,750)
Total Employee Compensation and Benefits	(3,453,770)	(3,659,732)	(3,955,808)	(4,220,148)	(4,486,484)
Physical Plant and Property					
Building Operations	(200,000)	(200,000)	(210,000)	(220,500)	(231,525)
COVID Safety	(10,000)	-	-	-	-
Insurance	(63,000)	(63,000)	(66,150)	(69,458)	(72,931)
Internet	(8,126)	(8,126)	(8,126)	(8,532)	(8,532)
Phone Service	(17,538)	(17,538)	(17,538)	(17,538)	(17,538)
Pest Control (EcoLab)	(3,368)	(3,600)	(3,780)	(3,969)	(4,167)
Waste Removal	(5,904)	(6,100)	(6,405)	(6,725)	(6,725)
Utilities - Water	(3,810)	(4,175)	(4,384)	(4,604)	(4,834)
Utilities - Gas (Nicor)	(28,000)	(26,500)	(27,825)	(29,216)	(30,677)
Utilities - Electric (Com Ec)	(69,000)	(72,000)	(75,600)	(79,380)	(83,349)
Buiding Repair / Supply	(6,780)	(8,000)	(8,400)	(8,820)	(9,261)
Provision for Plant Replacement, Renewal and Special Maintenance	(20,000)	(20,000)	(21,000)	(22,050)	(22,050)
Total Physical Plant and Property	(435,526)	(429,039)	(449,208)	(470,792)	(491,589)
Academic Program and Administration					
Marketing	(100,000)	(105,000)	(110,250)	(115,763)	(121,551)
General Administration	(220,000)	(225,000)	(236,250)	(236,250)	(240,975)
Athletics	(45,000)	(47,250)	(49,613)	(52,094)	(54,699)
Art	(4,200)	(4,410)	(4,631)	(4,863)	(5,106)
Music	(2,200)	(2,310)	(2,426)	(2,547)	(2,674)
Lower School	(15,000)	(15,750)	(16,538)	(17,365)	(17,539)
Middle School	(20,000)	(21,000)	(22,050)	(23,153)	(23,385)
Upper School	(25,000)	(26,250)	(27,825)	(29,216)	(29,508)
Substitutes	(13,000)	(13,000)	(13,650)	(14,333)	(14,476)
Summer	(7,800)	(8,000)	(8,400)	(8,820)	(9,261)
Professional Development	(15,000)	(15,000)	(15,750)	(16,538)	(16,538)
IT	(62,000)	(65,100)	(68,355)	(71,773)	(73,926)
Copier and Printers (Genesis)	(11,300)	(11,865)	(12,458)	(13,079)	(13,733)
Textbooks / Ed. Software	(10,000)	(10,500)	(11,025)	(11,576)	(11,692)
Total Academic Program and Administration	(550,500)	(570,435)	(599,220)	(617,370)	(635,063)
Total Expenses	(4,439,796)	(4,659,206)	(5,004,236)	(5,308,310)	(5,613,136)
Surplus (Deficit) Before Debt Service	893,687	1,186,864	1,318,467	1,733,775	1,658,653
Debt Service	(491,238)	(518,050)	(521,705)	(519,890)	(517,840)
Surplus (Deficit)	**$ 402,449**	**$ 668,814**	**$ 796,762**	**$ 1,213,885**	**$ 1,140,813**

ROYCEMORE SCHOOL

SUPPLEMENTAL SCHEDULE OF FORECASTED STATEMENTS OF FINANCIAL POSITION

FOR THE YEARS ENDED JUNE 30, 2022 THROUGH JUNE 30, 2026

Assets	2022	2023	2024	2025	2026
Current assets:					
Cash and cash equivalents	$ 1,544,997	$ 2,401,814	$ 3,345,408	$ 4,813,080	$ 6,022,332
Cash - restricted	102,279	102,279	102,279	102,279	102,279
Debt service reserve fund	522,800	522,800	522,800	522,800	522,800
Repair & replacement fund	-	16,670	36,674	56,678	76,682
Accounts receivable, net of allowance for doubtful accounts	40,291	44,466	47,764	53,199	54,934
Total current assets	2,210,367	3,088,029	4,054,925	5,548,036	6,779,027
Property and equipment:					
Building improvements	8,941,645	8,941,645	8,941,645	8,941,645	8,941,645
Building	5,040,000	5,040,000	5,040,000	5,040,000	5,040,000
Land	560,000	560,000	560,000	560,000	560,000
Furniture and equipment	416,883	416,883	416,883	416,883	416,883
Less: accumulated depreciation	(3,705,430)	(4,050,825)	(4,396,220)	(4,741,615)	(5,087,010)
Total property and equipment	11,253,098	10,907,703	10,562,308	10,216,913	9,871,518
Other assets:					
Beneficial interest in assets held by others	22,864	22,864	22,864	22,864	22,864
Total assets	$ 13,486,329	$ 14,018,596	$ 14,640,097	$ 15,787,813	$ 16,673,409
Liabilities and net assets					
Liabilities:					
Accounts payable	$ 30,009	$ 31,762	$ 33,824	$ 35,879	$ 37,939
Accrued expenses	561,457	594,262	632,836	671,289	709,837
Deferred revenue	2,060,155	2,273,601	2,442,258	2,720,133	2,808,860
Taxable note principal reserve	54,500	54,500	54,500	54,500	54,500
Educational Facility Revenue Bonds, Series 2021, net of bond issuance costs and underwriter's discount	7,757,979	7,610,333	7,452,688	7,290,042	7,122,396
Total liabilities	10,464,099	10,564,458	10,616,105	10,771,842	10,733,532
Net assets:					
Total net assets	3,022,230	3,454,138	4,023,992	5,015,970	5,939,877
Total liabilities and net assets	$ 13,486,329	$ 14,018,596	$ 14,640,097	$ 15,787,813	$ 16,673,409

ROYCEMORE SCHOOL

SUPPLEMENTAL SCHEDULE OF FORECASTED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2022 THROUGH JUNE 30, 2026

	2022	2023	2024	2025	2026
Cash provided by operating activities:					
Change in net assets	$ 155,542	$ 431,907	$ 569,855	$ 991,978	$ 923,906
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Depreciation	345,395	345,395	345,395	345,395	345,395
Amortization	(12,646)	(12,646)	(12,646)	(12,646)	(12,646)
Changes in:					
Accounts receivable, net	(13,984)	(4,174)	(3,299)	(5,435)	(1,735)
Accounts payable	3,007	1,753	2,062	2,055	2,060
Accured expenses	45,942	32,805	38,574	38,453	38,548
Deferred revenue	291,589	213,447	168,657	277,875	88,727
Net cash provided by operating activities	814,844	1,008,487	1,108,598	1,637,676	1,384,256
Cash applied to financing activities:					
Equity contributions	213,875	-	-	-	-
Equity contributions (debt service reserve fund)	261,400	-	-	-	-
Taxable note principal reserve	54,500	-	-	-	-
Proceeds from bond	8,275,000	-	-	-	-
Payments on notes payable	(7,900,000)	-	-	-	-
Payment of bond issuance costs	(172,500)	-	-	-	-
Payment of underwriter's discount costs	(206,875)	-	-	-	-
Funding of debt service reserve fund	(522,800)	-	-	-	-
Funding of repair & replacement fund	-	(16,670)	(20,004)	(20,004)	(20,004)
Payments on bond	(125,000)	(135,000)	(145,000)	(150,000)	(155,000)
Net cash applied to financing activities	(122,400)	(151,670)	(165,004)	(170,004)	(175,004)
Net increase in cash, cash equivalents and restricted cash	692,444	856,817	943,594	1,467,672	1,209,252
Cash, cash equivalents and restricted cash, beginning of year	954,832	1,647,276	2,504,093	3,447,687	4,915,359
Cash, cash equivalents and restricted cash, end of year	$ 1,647,276	$ 2,504,093	$ 3,447,687	$ 4,915,359	$ 6,124,611
Other cash flow information					
Interest paid	366,238	383,050	376,705	369,890	362,840
Summary of cash accounts:					
Cash and cash equivalents	1,544,997	2,401,814	3,345,408	4,813,080	6,022,332
Cash - restriced	102,279	102,279	102,279	102,279	102,279
Total	$ 1,647,276	$ 2,504,093	$ 3,447,687	$ 4,915,359	$ 6,124,611

ROYCEMORE SCHOOL

SUPPLEMENTAL SCHEDULE OF FORECASTED FINANCIAL RATIOS

FOR THE YEARS ENDED JUNE 30, 2022 THROUGH JUNE 30, 2026

Debt Service Coverage Ratio	2022	2023	2024	2025	2026
Educational Facility Revenue Bonds, Series 2021					
Cash Available for Debt Service	$ 891,187	$ 1,184,364	$ 1,315,967	$ 1,731,275	$ 1,656,153
Maximum Annual Debt Service	493,738	537,220	544,209	542,394	540,344
DSCR - Educational Facility Revenue Bonds, Series 2021	**1.80**	**2.20**	**2.42**	**3.19**	**3.06**
Days Cash on Hand					
Total Cash	1,544,997	2,401,814	3,345,408	4,813,080	6,022,332
Daily Operating Expenses	12,171	12,881	13,717	14,550	15,385
Days Cash on Hand	**127**	**186**	**244**	**331**	**391**

ROYCEMORE SCHOOL

SUPPLEMENTAL SCHEDULE OF FORECASTED CHANGES IN RESERVE BALANCES

FOR THE YEARS ENDED JUNE 30, 2022 THROUGH JUNE 30, 2026

Debt Service Reserve Fund	2022	2023	2024	2025	2026
Beginning Balance	$ 522,800	$ 522,800	$ 522,800	$ 522,800	$ 522,800
Deposits	-	-	-	-	-
Withdrawals	-	-	-	-	-
Ending Balance	$ 522,800	$ 522,800	$ 522,800	$ 522,800	$ 522,800

Repair and Replacement Fund	2022	2023	2024	2025	2026
Beginning Balance	$ -	$ -	$ 16,670	$ 36,674	$ 56,678
Deposits	-	16,670	20,004	20,004	20,004
Withdrawals	-	-	-	-	-
Ending Balance	$ -	$ 16,670	$ 36,674	$ 56,678	$ 76,682

ROYCEMORE SCHOOL
SUPPLEMENTAL SCHEDULE OF FORECASTED BONDS PAYABLE AMORTIZATION SCHEDULE
FOR THE PERIOD BEGINNING APRIL 22, 2021 AND ENDING JUNE 30, 2026

Year	Principal Payment	Interest Payment	Total Debt Service	Issuer Fee	Debt Service Reserve Fund	Repair & Replacement Fund	Net Debt Service	Annual Net Debt Service	Outstanding Principal Balance
4/22/2021	$ -	$ -	$ -	$ 2,500	$ 522,800	$ -	$ 525,300	$ 525,300	$ 8,275,000
October-21	-	171,775	171,775	-	-	-	171,775	-	8,275,000
April-22	125,000	194,463	319,463	2,500	-	-	321,963	493,738	8,150,000
October-22	-	191,525	191,525	-	-	6,668	198,193	-	8,150,000
April-23	135,000	191,525	326,525	2,500	-	10,002	339,027	537,220	8,015,000
October-23	-	188,353	188,353	-	-	10,002	198,355	-	8,015,000
April-24	145,000	188,353	333,353	2,500	-	10,002	345,855	544,209	7,870,000
October-24	-	184,945	184,945	-	-	10,002	194,947	-	7,870,000
April-25	150,000	184,945	334,945	2,500	-	10,002	347,447	542,394	7,720,000
October-25	-	181,420	181,420	-	-	10,002	191,422	-	7,720,000
April-26	155,000	181,420	336,420	2,500	-	10,002	348,922	540,344	7,565,000
	$ 710,000	$ 1,858,723	$ 2,568,723	$ 15,000	$ 522,800	$ 76,682	$ 3,183,205	$ 3,183,205	

ROYCEMORE SCHOOL

SUPPLEMENTAL SCHEDULE OF FORECASTED SURPLUS / DEFICIT (ASSUMING A 5% REDUCTION IN TUITION)

FOR THE YEARS ENDED JUNE 30, 2022 THROUGH JUNE 30 2026

OPERATING INFORMATION

Fiscal Year	2022	2023	2024	2025	2026
Support and Revenues					
Tuition & Fees	$ 5,568,791	$ 6,054,511	$ 6,330,169	$ 6,952,041	$ 7,169,634
Financial Aid	(1,481,140)	(1,481,140)	(1,481,140)	(1,481,140)	(1,481,140)
Discounts	(70,881)	(70,881)	(70,881)	(70,881)	(70,881)
Tuition Remission	(247,979)	(247,979)	(247,979)	(247,979)	(247,979)
International Fees	317,920	327,450	343,823	343,823	361,014
Annual Fundraising + Anticipated Major Gifts	650,000	682,500	698,200	733,110	740,000
Summer / Misc Revenue / App Fee	308,925	308,925	318,193	327,739	337,571
Total Support and Revenues	5,045,636	5,573,386	5,890,385	6,556,713	6,808,219
Expenses					
Employee Compensation and Benefits					
Employee Compensation	(2,949,735)	(3,230,027)	(3,456,928)	(3,690,636)	(3,931,355)
Summer Camp	(45,835)	(46,000)	(47,380)	(49,749)	(52,236)
Health/Dental - Blue Cross Blue Shield	(245,700)	(271,705)	(292,500)	(312,813)	(333,633)
Life / AD&D / STD / LTD Insurance	(41,000)	(42,000)	(44,000)	(46,200)	(48,510)
Retirement - TIAA-CREF	(105,000)	(110,000)	(115,000)	(120,750)	(120,750)
Total Employee Compensation and Benefits	(3,387,270)	(3,699,732)	(3,955,808)	(4,220,148)	(4,486,484)
Physical Plant and Property					
Building Operations	(200,000)	(200,000)	(210,000)	(220,500)	(231,525)
COVID Safety	(10,000)	-	-	-	-
Insurance	(63,000)	(63,000)	(66,150)	(69,458)	(72,931)
Internet	(8,126)	(8,126)	(8,126)	(8,532)	(8,532)
Phone Service	(17,538)	(17,538)	(17,538)	(17,538)	(17,538)
Pest Control (EcoLab)	(3,368)	(3,600)	(3,780)	(3,969)	(4,167)
Waste Removal	(5,904)	(6,100)	(6,405)	(6,725)	(6,725)
Utilities - Water	(3,810)	(4,175)	(4,384)	(4,604)	(4,834)
Utilities - Gas (Nicor)	(28,000)	(26,500)	(27,825)	(29,216)	(30,677)
Utilities - Electric (Com Ec)	(69,000)	(72,000)	(75,600)	(79,380)	(83,349)
Buiding Repair / Supply	(6,780)	(8,000)	(8,400)	(8,820)	(9,261)
Provision for Plant Replacement, Renewal and Special Maintenance	(20,000)	(20,000)	(21,000)	(22,050)	(22,050)
Total Physical Plant and Property	(435,526)	(429,039)	(449,208)	(470,792)	(491,589)
Academic Program and Administration					
Marketing	(100,000)	(105,000)	(110,250)	(115,763)	(121,551)
General Administration	(220,000)	(225,000)	(236,250)	(236,250)	(240,975)
Athletics	(45,000)	(47,250)	(49,613)	(52,094)	(54,699)
Art	(4,200)	(4,410)	(4,631)	(4,863)	(5,106)
Music	(2,200)	(2,310)	(2,426)	(2,547)	(2,674)
Lower School	(15,000)	(15,750)	(16,538)	(17,365)	(17,539)
Middle School	(20,000)	(21,000)	(22,050)	(23,153)	(23,385)
Upper School	(25,000)	(26,250)	(27,825)	(29,216)	(29,508)
Substitutes	(13,000)	(13,000)	(13,650)	(14,333)	(14,476)
Summer	(7,800)	(8,000)	(8,400)	(8,820)	(9,261)
Professional Development	(15,000)	(15,000)	(15,750)	(16,538)	(16,538)
IT	(62,000)	(65,100)	(68,355)	(71,773)	(73,926)
Copier and Printers (Genesis)	(11,300)	(11,865)	(12,458)	(13,079)	(13,733)
Textbooks / Ed. Software	(10,000)	(10,500)	(11,025)	(11,576)	(11,692)
Total Academic Program and Administration	(550,500)	(570,435)	(599,220)	(617,370)	(635,063)
Total Expenses	(4,373,296)	(4,699,206)	(5,004,236)	(5,308,310)	(5,613,136)
Surplus (Deficit) Before Debt Service	672,340	874,180	886,150	1,248,403	1,195,083
Debt Service	(491,238)	(518,050)	(521,705)	(519,890)	(517,840)
Surplus (Deficit)	**$ 181,102**	**$ 356,130**	**$ 364,445**	**$ 728,513**	**$ 677,243**

ROYCEMORE SCHOOL

SUPPLEMENTAL SCHEDULE OF FORECASTED STATEMENTS OF ACTIVITIES (ASSUMING A 5% REDUCTION IN TUITION)

FOR THE YEARS ENDED JUNE 30, 2022 THROUGH JUNE 30, 2026

	2022	2023	2024	2025	2026
Support and Revenues					
Tuition & Fees	$ 5,568,791	$ 6,054,511	$ 6,330,169	$ 6,952,041	$ 7,169,634
Less: Financial Aid	(1,481,140)	(1,481,140)	(1,481,140)	(1,481,140)	(1,481,140)
Less: Discounts	(70,881)	(70,881)	(70,881)	(70,881)	(70,881)
Less: Tuition Remission	(247,979)	(247,979)	(247,979)	(247,979)	(247,979)
International Fees	317,920	327,450	343,823	343,823	361,014
Annual Fundraising + Anticipated Major Gifts	650,000	682,500	698,200	733,110	740,000
Summer / Misc Revenue / App Fee	308,925	308,925	318,193	327,739	337,571
Total Support and Revenues	5,045,636	5,573,386	5,890,385	6,556,713	6,808,219
Expenses					
Operating Expenses					
Employee Compensation and Benefits	(3,387,270)	(3,699,732)	(3,955,808)	(4,220,148)	(4,486,484)
Physical Plant and Property	(435,526)	(429,039)	(449,208)	(470,792)	(491,589)
Academic Program and Administration	(550,500)	(570,435)	(599,220)	(617,370)	(635,063)
Total Operating Expenses	(4,373,296)	(4,699,206)	(5,004,236)	(5,308,310)	(5,613,136)
Surplus (Deficit) Before Debt Service	672,340	874,180	886,150	1,248,403	1,195,083
Other Income (Expenses)					
Interest Expense - Bond	(366,238)	(383,050)	(376,705)	(369,890)	(362,840)
Amortization Expense - Bond Issuance Costs	(5,750)	(5,750)	(5,750)	(5,750)	(5,750)
Amortization Expense - Underwriter's Discount	(6,896)	(6,896)	(6,896)	(6,896)	(6,896)
Depreciation Expense	(345,395)	(345,395)	(345,395)	(345,395)	(345,395)
Bad Debt Expense	(11,366)	(11,366)	(11,366)	(11,366)	(11,366)
Trustee & Issuer Administration Fees	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
Total Other Income (Expenses)	(738,145)	(754,957)	(748,612)	(741,797)	(734,747)
Changes in Net Assets	$ (65,805)	$ 119,223	$ 137,538	$ 506,606	$ 460,336

ROYCEMORE SCHOOL

SUPPLEMENTAL SCHEDULE OF FORECASTED STATEMENTS OF ACTIVITIES (ASSUMING A 10% REDUCTION IN TUITION)

FOR THE YEARS ENDED JUNE 30, 2022 THROUGH JUNE 30, 2026

	2022	2023	2024	2025	2026
Support and Revenues					
Tuition & Fees	$ 5,280,943	$ 5,741,893	$ 6,097,128	$ 6,707,436	$ 6,882,024
Less: Financial Aid	(1,481,140)	(1,481,140)	(1,481,140)	(1,481,140)	(1,481,140)
Less: Discounts	(70,881)	(70,881)	(70,881)	(70,881)	(70,881)
Less: Tuition Remission	(247,979)	(247,979)	(247,979)	(247,979)	(247,979)
International Fees	317,920	327,450	343,823	343,823	361,014
Annual Fundraising + Anticipated Major Gifts	650,000	682,500	698,200	733,110	740,000
Summer / Misc Revenue / App Fee	308,925	308,925	318,193	327,739	337,571
Total Support and Revenues	4,757,788	5,260,768	5,657,344	6,312,108	6,520,609
Expenses					
Operating Expenses					
Employee Compensation and Benefits	(3,268,837)	(3,600,367)	(3,955,808)	(4,220,148)	(4,486,484)
Physical Plant and Property	(410,526)	(429,039)	(449,208)	(470,792)	(491,589)
Academic Program and Administration	(486,000)	(570,435)	(599,220)	(617,370)	(635,063)
Total Operating Expenses	(4,165,363)	(4,599,841)	(5,004,236)	(5,308,310)	(5,613,136)
Surplus (Deficit) Before Debt Service	592,425	660,927	653,109	1,003,798	907,473
Other Income (Expenses)					
Interest Expense - Bond	(366,238)	(383,050)	(376,705)	(369,890)	(362,840)
Amortization Expense - Bond Issuance Costs	(5,750)	(5,750)	(5,750)	(5,750)	(5,750)
Amortization Expense - Underwriter's Discount	(6,896)	(6,896)	(6,896)	(6,896)	(6,896)
Depreciation Expense	(345,395)	(345,395)	(345,395)	(345,395)	(345,395)
Bad Debt Expense	(11,366)	(11,366)	(11,366)	(11,366)	(11,366)
Trustee & Issuer Administration Fees	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
Total Other Income (Expenses)	(738,145)	(754,957)	(748,612)	(741,797)	(734,747)
Changes in Net Assets	$ (145,720)	$ (94,030)	$ (95,503)	$ 262,001	$ 172,726

ROYCEMORE SCHOOL

SUPPLEMENTAL SCHEDULE OF FORECASTED SURPLUS / DEFICIT (ASSUMING A 5% REDUCTION IN ENROLLMENT)

FOR THE YEARS ENDED JUNE 30, 2022 THROUGH JUNE 30 2026

OPERATING INFORMATION

Fiscal Year	2022	2023	2024	2025	2026
Support and Revenues					
Tuition & Fees	$ 5,567,913	$ 6,095,695	$ 6,528,998	$ 7,078,706	$ 7,269,103
Financial Aid	(1,481,140)	(1,481,140)	(1,481,140)	(1,481,140)	(1,481,140)
Discounts	(70,881)	(70,881)	(70,881)	(70,881)	(70,881)
Tuition Remission	(247,979)	(247,979)	(247,979)	(247,979)	(247,979)
International Fees	317,920	327,450	343,823	343,823	361,014
Annual Fundraising + Anticipated Major Gifts	650,000	682,500	698,200	733,110	740,000
Summer / Misc Revenue / App Fee	308,925	308,925	318,193	327,739	337,571
Total Support and Revenues	5,044,758	5,614,570	6,089,214	6,683,378	6,907,688
Expenses					
Employee Compensation and Benefits					
Employee Compensation	(2,949,735)	(3,230,027)	(3,456,928)	(3,690,636)	(3,931,355)
Summer Camp	(45,835)	(46,000)	(47,380)	(49,749)	(52,236)
Health/Dental - Blue Cross Blue Shield	(245,700)	(271,705)	(292,500)	(312,813)	(333,633)
Life / AD&D / STD / LTD Insurance	(41,000)	(42,000)	(44,000)	(46,200)	(48,510)
Retirement - TIAA-CREF	(105,000)	(110,000)	(115,000)	(120,750)	(120,750)
Total Employee Compensation and Benefits	(3,387,270)	(3,699,732)	(3,955,808)	(4,220,148)	(4,486,484)
Physical Plant and Property					
Building Operations	(200,000)	(200,000)	(210,000)	(220,500)	(231,525)
COVID Safety	(10,000)	-	-	-	-
Insurance	(63,000)	(63,000)	(66,150)	(69,458)	(72,931)
Internet	(8,126)	(8,126)	(8,126)	(8,532)	(8,532)
Phone Service	(17,538)	(17,538)	(17,538)	(17,538)	(17,538)
Pest Control (EcoLab)	(3,368)	(3,600)	(3,780)	(3,969)	(4,167)
Waste Removal	(5,904)	(6,100)	(6,405)	(6,725)	(6,725)
Utilities - Water	(3,810)	(4,175)	(4,384)	(4,604)	(4,834)
Utilities - Gas (Nicor)	(28,000)	(26,500)	(27,825)	(29,216)	(30,677)
Utilities - Electric (Com Ec)	(69,000)	(72,000)	(75,600)	(79,380)	(83,349)
Buiding Repair / Supply	(6,780)	(8,000)	(8,400)	(8,820)	(9,261)
Provision for Plant Replacement, Renewal and Special Maintenance	(20,000)	(20,000)	(21,000)	(22,050)	(22,050)
Total Physical Plant and Property	(435,526)	(429,039)	(449,208)	(470,792)	(491,589)
Academic Program and Administration					
Marketing	(100,000)	(105,000)	(110,250)	(115,763)	(121,551)
General Administration	(220,000)	(225,000)	(236,250)	(236,250)	(240,975)
Athletics	(45,000)	(47,250)	(49,613)	(52,094)	(54,699)
Art	(4,200)	(4,410)	(4,631)	(4,863)	(5,106)
Music	(2,200)	(2,310)	(2,426)	(2,547)	(2,674)
Lower School	(14,000)	(15,750)	(16,538)	(17,365)	(17,539)
Middle School	(18,000)	(21,000)	(22,050)	(23,153)	(23,385)
Upper School	(23,000)	(26,250)	(27,825)	(29,216)	(29,508)
Substitutes	(13,000)	(13,000)	(13,650)	(14,333)	(14,476)
Summer	(7,800)	(8,000)	(8,400)	(8,820)	(9,261)
Professional Development	(15,000)	(15,000)	(15,750)	(16,538)	(16,538)
IT	(59,500)	(65,100)	(68,355)	(71,773)	(73,926)
Copier and Printers (Genesis)	(11,300)	(11,865)	(12,458)	(13,079)	(13,733)
Textbooks / Ed. Software	(10,000)	(10,500)	(11,025)	(11,576)	(11,692)
Total Academic Program and Administration	(543,000)	(570,435)	(599,220)	(617,370)	(635,063)
Total Expenses	(4,365,796)	(4,699,206)	(5,004,236)	(5,308,310)	(5,613,136)
Surplus (Deficit) Before Debt Service	678,962	915,364	1,084,979	1,375,068	1,294,552
Debt Service	(491,238)	(518,050)	(521,705)	(519,890)	(517,840)
Surplus (Deficit)	**$ 187,724**	**$ 397,314**	**$ 563,274**	**$ 855,178**	**$ 776,712**

ROYCEMORE SCHOOL
SUPPLEMENTAL SCHEDULE OF FORECASTED STATEMENTS OF ACTIVITIES (ASSUMING A 5% REDUCTION IN ENROLLMENT)
FOR THE YEARS ENDED JUNE 30, 2022 THROUGH JUNE 30, 2026

	2022	2023	2024	2025	2026
Support and Revenues					
Tuition & Fees	$ 5,567,913	$ 6,095,695	$ 6,528,998	$ 7,078,706	$ 7,269,103
Less: Financial Aid	(1,481,140)	(1,481,140)	(1,481,140)	(1,481,140)	(1,481,140)
Less: Discounts	(70,881)	(70,881)	(70,881)	(70,881)	(70,881)
Less: Tuition Remission	(247,979)	(247,979)	(247,979)	(247,979)	(247,979)
International Fees	317,920	327,450	343,823	343,823	361,014
Annual Fundraising + Anticipated Major Gifts	650,000	682,500	698,200	733,110	740,000
Summer / Misc Revenue / App Fee	308,925	308,925	318,193	327,739	337,571
Total Support and Revenues	5,044,758	5,614,570	6,089,214	6,683,378	6,907,688
Expenses					
Operating Expenses					
Employee Compensation and Benefits	(3,387,270)	(3,699,732)	(3,955,808)	(4,220,148)	(4,486,484)
Physical Plant and Property	(435,526)	(429,039)	(449,208)	(470,792)	(491,589)
Academic Program and Administration	(543,000)	(570,435)	(599,220)	(617,370)	(635,063)
Total Operating Expenses	(4,365,796)	(4,699,206)	(5,004,236)	(5,308,310)	(5,613,136)
Surplus (Deficit) Before Debt Service	678,962	915,364	1,084,979	1,375,068	1,294,552
Other Income (Expenses)					
Interest Expense - Bond	(366,238)	(383,050)	(376,705)	(369,890)	(362,840)
Amortization Expense - Bond Issuance Costs	(5,750)	(5,750)	(5,750)	(5,750)	(5,750)
Amortization Expense - Underwriter's Discount	(6,896)	(6,896)	(6,896)	(6,896)	(6,896)
Depreciation Expense	(345,395)	(345,395)	(345,395)	(345,395)	(345,395)
Bad Debt Expense	(11,366)	(11,366)	(11,366)	(11,366)	(11,366)
Trustee & Issuer Administration Fees	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
Total Other Income (Expenses)	(738,145)	(754,957)	(748,612)	(741,797)	(734,747)
Changes in Net Assets	$ (59,183)	$ 160,407	$ 336,367	$ 633,271	$ 559,805

ROYCEMORE SCHOOL

SUPPLEMENTAL SCHEDULE OF FORECASTED SURPLUS / DEFICIT (ASSUMING A 10% REDUCTION IN ENROLLMENT)

FOR THE YEARS ENDED JUNE 30, 2022 THROUGH JUNE 30 2026

OPERATING INFORMATION

Fiscal Year	2022	2023	2024	2025	2026
Support and Revenues					
Tuition & Fees	$ 5,274,725	$ 5,770,993	$ 6,108,454	$ 6,702,631	$ 6,873,136
Financial Aid	(1,481,140)	(1,481,140)	(1,481,140)	(1,481,140)	(1,481,140)
Discounts	(70,881)	(70,881)	(70,881)	(70,881)	(70,881)
Tuition Remission	(247,979)	(247,979)	(247,979)	(247,979)	(247,979)
International Fees	317,920	327,450	343,823	343,823	361,014
Annual Fundraising + Anticipated Major Gifts	650,000	682,500	698,200	733,110	740,000
Summer / Misc Revenue / App Fee	308,925	308,925	318,193	327,739	337,571
Total Support and Revenues	4,751,570	5,289,868	5,668,670	6,307,303	6,511,721
Expenses					
Employee Compensation and Benefits					
Employee Compensation	(2,860,837)	(2,946,662)	(3,165,061)	(3,690,636)	(3,931,355)
Summer Camp	(42,000)	(46,000)	(47,380)	(49,749)	(52,236)
Health/Dental - Blue Cross Blue Shield	(225,000)	(235,000)	(257,000)	(312,813)	(327,000)
Life / AD&D / STD / LTD Insurance	(41,000)	(42,000)	(44,000)	(46,200)	(48,510)
Retirement - TIAA-CREF	(100,000)	(105,000)	(115,000)	(120,750)	(120,750)
Total Employee Compensation and Benefits	(3,268,837)	(3,374,662)	(3,628,441)	(4,220,148)	(4,479,851)
Physical Plant and Property					
Building Operations	(190,000)	(200,000)	(210,000)	(220,500)	(231,525)
COVID Safety	(10,000)	-	-	-	-
Insurance	(63,000)	(63,000)	(66,150)	(69,458)	(72,931)
Internet	(8,126)	(8,126)	(8,126)	(8,532)	(8,532)
Phone Service	(17,538)	(17,538)	(17,538)	(17,538)	(17,538)
Pest Control (EcoLab)	(3,368)	(3,600)	(3,780)	(3,969)	(4,167)
Waste Removal	(5,904)	(6,100)	(6,405)	(6,725)	(6,725)
Utilities - Water	(3,810)	(4,175)	(4,384)	(4,604)	(4,834)
Utilities - Gas (Nicor)	(28,000)	(26,500)	(27,825)	(29,216)	(30,677)
Utilities - Electric (Com Ec)	(69,000)	(72,000)	(75,600)	(79,380)	(83,349)
Buiding Repair / Supply	(6,780)	(8,000)	(8,400)	(8,820)	(9,261)
Provision for Plant Replacement, Renewal and Special Maintenance	-	(20,000)	(21,000)	(22,050)	(22,050)
Total Physical Plant and Property	(405,526)	(429,039)	(449,208)	(470,792)	(491,589)
Academic Program and Administration					
Marketing	(97,000)	(105,000)	(110,250)	(115,763)	(121,551)
General Administration	(190,000)	(225,000)	(230,000)	(236,250)	(240,975)
Athletics	(45,000)	(47,250)	(49,613)	(52,094)	(54,699)
Art	(4,200)	(4,410)	(4,631)	(4,863)	(5,106)
Music	(2,200)	(2,310)	(2,426)	(2,547)	(2,674)
Lower School	(10,000)	(15,750)	(16,538)	(17,365)	(17,539)
Middle School	(15,000)	(21,000)	(22,050)	(23,153)	(23,385)
Upper School	(20,000)	(26,250)	(27,825)	(29,216)	(29,508)
Substitutes	(13,000)	(13,000)	(13,650)	(14,333)	(14,476)
Summer	(7,800)	(8,000)	(8,400)	(8,820)	(9,261)
Professional Development	(10,000)	(15,000)	(15,750)	(16,538)	(16,538)
IT	(55,000)	(65,100)	(68,355)	(71,773)	(73,926)
Copier and Printers (Genesis)	(10,000)	(11,865)	(12,458)	(13,079)	(13,733)
Textbooks / Ed. Software	(8,000)	(10,500)	(11,025)	(11,576)	(11,692)
Total Academic Program and Administration	(487,200)	(570,435)	(592,970)	(617,370)	(635,063)
Total Expenses	(4,161,563)	(4,374,136)	(4,670,619)	(5,308,310)	(5,606,503)
Surplus (Deficit) Before Debt Service	590,007	915,732	998,052	998,993	905,218
Debt Service	(491,238)	(518,050)	(521,705)	(519,890)	(517,840)
Surplus (Deficit)	**$ 98,769**	**$ 397,682**	**$ 476,347**	**$ 479,103**	**$ 387,378**

ROYCEMORE SCHOOL
SUPPLEMENTAL SCHEDULE OF FORECASTED STATEMENTS OF ACTIVITIES (ASSUMING A 10% REDUCTION IN ENROLLMENT)
FOR THE YEARS ENDED JUNE 30, 2022 THROUGH JUNE 30, 2026

	2022	2023	2024	2025	2026
Support and Revenues					
Tuition & Fees	$ 5,274,725	$ 5,770,993	$ 6,108,454	$ 6,702,631	$ 6,873,136
Less: Financial Aid	(1,481,140)	(1,481,140)	(1,481,140)	(1,481,140)	(1,481,140)
Less: Discounts	(70,881)	(70,881)	(70,881)	(70,881)	(70,881)
Less: Tuition Remission	(247,979)	(247,979)	(247,979)	(247,979)	(247,979)
International Fees	317,920	327,450	343,823	343,823	361,014
Annual Fundraising + Anticipated Major Gifts	650,000	682,500	698,200	733,110	740,000
Summer / Misc Revenue / App Fee	308,925	308,925	318,193	327,739	337,571
Total Support and Revenues	4,751,570	5,289,868	5,668,670	6,307,303	6,511,721
Expenses					
Operating Expenses					
Employee Compensation and Benefits	(3,268,837)	(3,374,662)	(3,628,441)	(4,220,148)	(4,479,851)
Physical Plant and Property	(405,526)	(429,039)	(449,208)	(470,792)	(491,589)
Academic Program and Administration	(487,200)	(570,435)	(592,970)	(617,370)	(635,063)
Total Operating Expenses	(4,161,563)	(4,374,136)	(4,670,619)	(5,308,310)	(5,606,503)
Surplus (Deficit) Before Debt Service	590,007	915,732	998,052	998,993	905,218
Other Income (Expenses)					
Interest Expense - Bond	(366,238)	(383,050)	(376,705)	(369,890)	(362,840)
Amortization Expense - Bond Issuance Costs	(5,750)	(5,750)	(5,750)	(5,750)	(5,750)
Amortization Expense - Underwriter's Discount	(6,896)	(6,896)	(6,896)	(6,896)	(6,896)
Depreciation Expense	(345,395)	(345,395)	(345,395)	(345,395)	(345,395)
Bad Debt Expense	(11,366)	(11,366)	(11,366)	(11,366)	(11,366)
Trustee & Issuer Administration Fees	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
Total Other Income (Expenses)	(738,145)	(754,957)	(748,612)	(741,797)	(734,747)
Changes in Net Assets	$ (148,138)	$ 160,775	$ 249,440	$ 257,196	$ 170,471

ROYCEMORE SCHOOL
SUPPLEMENTAL SCHEDULE OF FORECASTED SURPLUS / DEFICIT
FOR THE YEAR ENDED JUNE 30, 2021

OPERATING INFORMATION

Fiscal Year		2021
Support and Revenues		
Tuition & Fees	$	5,937,755
Financial Aid		(1,481,140)
Discounts		(70,881)
Tuition Remission		(247,979)
International Fees		65,000
Annual Fundraising + Anticipated Major Gifts		600,000
Auxilliary Revenue		25,000
Summer / Misc Revenue / App Fee		120,510
Total Support and Revenues		4,948,265
Expenses		
Employee Compensation and Benefits		
Employee Compensation		(2,785,400)
Summer Camp		(44,500)
Health/Dental - Blue Cross Blue Shield		(235,000)
Life / AD&D / STD / LTD Insurance		(28,468)
Retirement - TIAA-CREF		(100,000)
Total Employee Compensation and Benefits		(3,193,368)
Physical Plant and Property		
Building Operations		(175,409)
COVID Safety		(17,950)
Insurance		(69,459)
Internet		(4,500)
Phone Service		(12,887)
Pest Control (EcoLab)		(3,368)
Waste Removal		(5,873)
Utilities - Water		(3,810)
Utilities - Gas (Nicor)		(25,000)
Utilities - Electric (Com Ed)		(69,000)
Buiding Repair / Supply		(6,780)
Food Service		(150,000)
Total Physical Plant and Property		(544,036)
Academic Program and Administration		
Marketing		(95,000)
General Administration		(215,000)
Athletics		(14,800)
Art		(4,200)
Music		(2,200)
Lower School		(15,000)
Middle School		(20,000)
Upper School		(25,000)
Substitutes		(24,000)
Summer		(7,800)
Professional Development		(3,800)
IT		(60,921)
Copier and Printers (Genesis)		(11,300)
Textbooks / Ed. Software		(3,400)
Total Academic Program and Administration		(502,421)
Total Expenses		(4,239,825)
Surplus (Deficit) Before Debt Service		708,440
Debt Service		-
Surplus (Deficit)	**$**	**708,440**

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APPENDIX J

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning the Depository Trust Company ("DTC"), New York, New York, and DTC's book-entry-only system has been obtained from DTC. The Issuer, the Borrower, the Trustee take no responsibility for the accuracy thereof.

DTC will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2021 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of

significant events with respect to the Series 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Series 2021 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2021 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Series 2021 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2021 Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

THE INFORMATION IN THIS SECTION CONCERNING DTC AND THE DTC BOOK-ENTRY SYSTEM HAS BEEN PROVIDED BY DTC. THE ISSUER, THE BORROWER, THE TRUSTEE, BELIEVES SUCH INFORMATION TO BE RELIABLE, BUT TAKE NO RESPONSIBILITY FOR THE ACCURACY THEREOF. NO REPRESENTATION IS MADE BY ANY SUCH PARTY AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

CITY OF EVANSTON, ILLINOIS • EDUCATIONAL FACILITY REVENUE BONDS, SERIES 2021 (ROYCEMORE SCHOOL)

ROYCEMORE

1915

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fiber.

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MISCELLANEOUS

The references herein to the Series 2021 Bonds, the Series 2021 Note, the Indenture, the Loan Agreement, the Mortgage and the Continuing Disclosure Agreement are summaries of certain provisions thereof. Such summaries do not purport to be complete, and for full and complete statements of the provisions thereof reference is made to the Series 2021 Bonds, the Series 2021 Note, the Indenture, the Loan Agreement, the Mortgage and the Continuing Disclosure Agreement. If not otherwise attached hereto, copies of such documents are on file at the offices of the Underwriter and following the delivery of the Series 2021 Bonds will be on file at the offices of the Trustee. All estimates and other statements in this Limited Offering Memorandum involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

The attached Appendices are integral parts of this Limited Offering Memorandum and must be read together with all of the foregoing statements.

The Borrower has reviewed the information contained herein which relates to it, its property and operations, and has approved all such information for use within this Limited Offering Memorandum. The execution and delivery of this Limited Offering Memorandum has been duly authorized by the Borrower. The distribution of this Limited Offering Memorandum has been duly approved.

ROYCEMORE SCHOOL

By: Adrianne Finley Odell

Adrianne Finley Odell, Head of School

$8,275,000
City of Evanston, Illinois
Educational Facility Revenue Bonds, Series 2021
(Roycemore School)

BOND PURCHASE AGREEMENT

April 14, 2021

City of Evanston
Cook County, Illinois

Roycemore School
Chicago, Illinois

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter") hereby offers to purchase, upon the terms and conditions hereinafter specified, the City of Evanston, Illinois Educational Facility Revenue Bonds (Roycemore School), Series 2021, in the aggregate principal amount of $8,275,000 (the "Bonds"), to be issued by the City of Evanston, Cook County, Illinois (the "Issuer"). The Issuer is a municipality and a home rule unit of government duly organized and validly existing under the Constitution and the laws of the State of Illinois. Upon acceptance of this offer by all of you, this Bond Purchase Agreement (this "Agreement") will be binding upon all of us. This offer will expire at 7:00 p.m. Central time, on April 14, 2021.

Section 1. General. The Bonds will be dated as of their date of issue, and will be issued and secured pursuant to a Bond Trust Indenture, dated as of April 1, 2021 (the "Indenture"), by and between the Issuer and Wilmington Trust, National Association, as trustee (the "Trustee"). Proceeds of the Bonds will be loaned by the Issuer to Roycemore School (the "Borrower"), a not-for-profit corporation duly organized and existing under the laws of the State of Illinois, pursuant to a Loan Agreement dated as of April 1, 2021 (the "Loan Agreement"), by and between the Issuer and the Borrower. The Bonds are being issued to obtain moneys which will be used to provide the Borrower with a portion of the funds necessary to: (i) refinance the outstanding portion of the $10,000,000 original amount of a taxable note (the "Taxable Note"), currently outstanding in the aggregate amount of $7,900,000; (ii) fund a debt service reserve fund; and (iii) pay certain costs incurred in connection with the issuance of the Bonds. The Taxable Note was used by the Borrower to refinance the Issuer's Educational Facility Revenue Bonds, Series 2011 (Roycemore School Project) (the "Prior Bonds"), which the Issuer had issued for the benefit of the Borrower and loaned to the Borrower to pay the costs of: (i) the acquisition of approximately 2.4 acres of land with an existing three level building thereon (the "Building") located at 1200 Davis Street, Evanston, Illinois 60201 (the "Campus"); (ii) the renovation, remodeling, improvement, and equipping of the now 66,000 square foot Building (together with the Campus, the "School Facility"); and (iii) the construction and equipping of a gymnasium on the School Facility (collectively, the "Prior Project"). The Prior Project is owned and operated by the Borrower.

The Borrower's payment obligations under the Loan Agreement will be evidenced by the Borrower's Series 2021 Promissory Note, executed by the Borrower in the aggregate principal amount of

$8,275,000, and made payable to the order of the Issuer and assigned to the Trustee (the "Promissory Note").

The Borrower will deliver a Mortgage, Security Agreement and Assignment of Rents and Leases dated as of April 1, 2021 (the "Mortgage"), by the Borrower, as mortgagor, in favor of the Trustee, as mortgagee, creating a lien on the School Facility in favor of the Trustee.

The Bonds are payable solely from (a) payments or prepayments on the Promissory Note, (b) payments or prepayments made under the Loan Agreement (other than Unassigned Rights), (c) moneys and investments held by the Trustee under, and to the extent provided in, the Indenture and (d) in certain circumstances, proceeds from insurance, condemnation awards and proceeds from sales made under threat of condemnation, which the Promissory Note and payments are hereby specifically assigned and pledged to the payment of the Bonds in the manner and to the extent herein specified, and nothing in the Bonds or in the Indenture shall be considered as assigning or pledging any funds or assets of the Issuer (except the moneys, the Promissory Note and the Loan Agreement pledged under the Indenture)

The Preliminary Limited Offering Memorandum, dated April 2, 2021 (the "Preliminary Limited Offering Memorandum"), in connection with the offering of the Bonds has been prepared, providing information, on a preliminary basis, in connection with the limited public offering and sale of the Bonds. If the terms hereof are accepted by the Issuer and the Borrower, as soon as practicable there shall be prepared a Limited Offering Memorandum substantially in the same form as the Preliminary Limited Offering Memorandum, to be distributed in connection with such limited public offering. The Limited Offering Memorandum, together with the Preliminary Limited Offering Memorandum, and any and all amendments and supplements thereto which may be approved by the Borrower, the Issuer and the Underwriter from time to time therewith, are referred to herein collectively as the "Limited Offering Memorandum." The Limited Offering Memorandum, in its initial form and excluding any subsequent amendment or supplement, shall state the offering prices or yields at which the Underwriter shall initially offer the Bonds, but the Underwriter, in their discretion and without prior notice to the Borrower or the Issuer, shall have the right to vary such offering prices or yields and to allow concessions or discounts from the offering price in sales to other securities dealers.

Each of the Issuer and the Borrower acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction among the Issuer, the Borrower and the Underwriter, (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as an advisor (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act)), an agent or a fiduciary of the Issuer or the Borrower, (iii) the Underwriter has not assumed (a) a fiduciary responsibility in favor of the Issuer or the Borrower with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter has advised or is currently advising the Issuer or the Borrower on other matters) or (b) any other obligation to the Issuer or the Borrower except the obligations expressly set forth in this Agreement, (iv) the Issuer and the Borrower have consulted with their own legal and other professional advisors to the extent they deemed appropriate in connection with the offering of the Bonds and (v) the Underwriter has financial and other interests that differ from those of the Issuer and the Borrower.

Capitalized terms used but not defined herein shall have the meanings provided in the Indenture and the Loan Agreement unless the context clearly requires otherwise.

Section 2. **Bond Terms**. The Bonds shall have such terms as are provided in the Indenture. The Bonds shall have the principal amounts, maturity dates, interest rates and prices, and optional redemption terms as set forth in Exhibit A hereto.

It is intended that the proceeds of the Bonds will be expended so that the interest on the Bonds will be excludable from the gross income of the holders thereof for federal income tax purposes and that the Bonds may be underwritten by the Underwriter without registration of any security under the Securities Act of 1933, as amended (the "Securities Act") or qualification of the Indenture under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"). In order that interest on the Bonds is excludable from the gross income of the holders thereof for federal income tax purposes, the Issuer and the Borrower will, on the date of issuance of the Bonds, execute and deliver a Tax Compliance Agreement, dated the date of issuance of the Bonds (the "Tax Agreement").

The Bonds are being issued in book-entry form, and the parties acknowledge that, where appropriate, references herein to Bonds shall mean book-entry interests therein.

Section 3. Establishment of Issue Price.

(a) *Public Offering*. The Underwriter agrees to make a bona fide public offering of all of the Bonds at prices not to exceed the public offering prices set forth on the inside front cover page of the Limited Offering Memorandum and may, subject to the provisions of Section 3(b) hereof, subsequently change such offering prices or yields without any requirement of prior notice. Subject to the provisions of Section 3(b) hereof, after the initial public offering, the Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower (or yields higher) than the public offering prices or yields stated on the inside front cover page of the Limited Offering Memorandum. The Underwriter shall, at or before closing, execute and deliver to Katten Muchin Rosenman, LLP, Chicago, Illinois ("Bond Counsel"), an "issue price" or similar certificate for the Bonds, together with the supporting pricing wires or equivalent communications, prepared by Bond Counsel and in substantially the form attached hereto as Exhibit E and in accordance with Section 3(b) hereof (the "Issue Price Certificate").

(b) *Establishment of Issue Price of the Bonds.* Any provision of this Agreement to the contrary notwithstanding, the following provisions related to the establishment of the issue price of the Series Bonds apply:

(1) Definitions. For purposes of this Paragraph, the following definitions apply:

(i) "Participating Underwriter" means (A) any person that agrees pursuant to a written contract with the Issuer (or with the Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public (as defined below) and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(ii) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than a Participating Underwriter or a Related Party (as defined below) to the Underwriter.

(iii) "Related Party" means any two or more persons who are subject, directly or indirectly, to (A) more than fifty percent (50%) common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than fifty percent (50%) common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than fifty percent (50%) common ownership of the value of

the outstanding stock of the corporation or the capital interest or profits interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(iv) "Sale Date" means the date of execution of this Agreement by all parties.

(2) Issue Price Certificate. The Underwriter agrees to assist the Issuer in establishing the issue price of the Bonds and to execute and deliver to the Issuer at Closing (as defined herein) the Issue Price Certificate, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel, to accurately reflect, as applicable, the initial offering price or prices or the sales price or prices to the Public of the Bonds (the "Initial Offering Price").

(3) Substantial Amount Test. Other than those maturities of the Bonds designated in the attached Exhibit A (the "Held Maturities"), the Issuer will treat the first price at which at least ten percent (10%) (a "Substantial Amount") in principal amount of each maturity of the Bonds is sold to the Public as of the Sale Date (the "Substantial Amount Test") as the issue price of that maturity (or each separate CUSIP number within that maturity). At or promptly after the execution of this Agreement, the Underwriter shall report to the Issuer the price or prices at which the Participating Underwriters have offered and sold to the Public each maturity of the Bonds. If at that time the Substantial Amount Test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Issuer the prices at which the Bonds have been sold by the Participating Underwriters to the Public. That reporting obligation will continue, whether or not the Closing Date has occurred, until the Substantial Amount Test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the Public.

(4) Hold-The-Price Restriction. The Underwriter agrees, on behalf of the Participating Underwriters, that each Participating Underwriter will neither offer nor sell any of the Held Maturities to any person at a price that is higher than the applicable Initial Offering Price for such maturity during the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth (5th) business day after the Sale Date, or (ii) the date on which the Participating Underwriters have sold a Substantial Amount of each such Held Maturity to the Public at a price that is no higher than the Initial Offering Price of such Held Maturity (the "Hold-the-Price Restriction").

The Underwriter shall promptly advise the Issuer when the Participating Underwriters have sold a Substantial Amount of each such Held Maturity to the Public at a price that is no higher than the applicable Initial Offering Price of such Held Maturity, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

The Issuer acknowledges that, in making the representation set forth in this subparagraph, the Underwriter will rely on (A) the agreement of each Participating Underwriter to comply with the Hold-the-Price Restriction, as set forth in an agreement among underwriters and the related pricing wires, (B) in the event a selling group has been created in connection with the initial sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Price Restriction, as set forth in a selling group agreement and the related pricing wires, and (C) in the event that a Participating Underwriter is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the Public, the agreement of each such underwriter, dealer or broker-dealer that is a party to such agreement to comply with the Hold-the-Price Restriction, as set forth in the third-party

distribution agreement and the related pricing wires. The Issuer further acknowledges that each Participating Underwriter will be solely liable for its failure to comply with its agreement regarding the Hold-the-Price Restriction and that no Participating Underwriter will be liable for the failure of any other Participating Underwriter to comply with its corresponding agreement regarding the Hold-the-Price Restriction as applicable to the Bonds.

(5) Agreements Among Underwriters. The Underwriter confirms that (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement to which the Underwriter is a party relating to the initial sale of the Bonds to the Public, together with related pricing wires, contains or will contain language obligating each dealer who is a member of any selling group, and each broker-dealer that is a party to any such third-party distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it until it is notified by the Underwriter that either the Substantial Amount Test has been satisfied as to the Bonds of that maturity or all Bonds if that maturity have been sold to the Public, (B) comply with the Hold-the-Price Restriction, if applicable, in each case if and for so long as directed by the Underwriter and as set forth in the relating pricing wires, and (C) acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter will assume that each order submitted by the or broker-dealer is a sale to the Public; and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the Public, together with related pricing wires, contains or will contain language obligating each Participating Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each underwriter or broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter or the applicable Participating Underwriter that either the Substantial Amount Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public, and (B) comply with the Hold-the-Price Restriction, if applicable, in each case if and for so long as directed by the Underwriter or the applicable Participating Underwriter and as set forth in the relating pricing wires.

(6) Sale to Related Party not a Sale to the Public. The Underwriter acknowledges that sales of any Bonds to any person that is a Related Party to the Underwriter do not constitute sales to the Public for purposes of this Section 3. If a Related Party to the Underwriter purchases during the initial offering period all of a Held Maturity, the Underwriter will take steps to confirm in writing that such Related Party will either (i) hold such Bonds for its own account, without present intention to sell, reoffer, or otherwise dispose of such Bonds for at least five (5) business days from the Sale Date, or (ii) comply with the Hold-the-Price Restriction.

Section 4. Representations and Warranties of the Borrower.

The Borrower makes the following representations and warranties to the Issuer and the Underwriter and acknowledges that such representations may be relied upon by the Underwriter, the Issuer, counsel for the same and Bond Counsel:

(a) The Borrower is a not-for-profit corporation duly incorporated and validly existing and in good standing under the laws of the State of Illinois and has all necessary material licenses and permits required to date to carry on its business and to operate the School Facility. The Borrower has not received any notice of an alleged violation and, to the best of its knowledge, the Borrower is not in violation of any zoning, land use or other similar law or regulation applicable to any of the School Facility or any other property of the Borrower which would materially adversely affect the operations or financial condition of the Borrower. The Borrower has the full right, power and authority to approve, or

enter into and deliver the Limited Offering Memorandum, Loan Agreement, Tax Agreement, Promissory Note, Continuing Disclosure Agreement, Mortgage, Deposit Account Control Agreement and this Agreement (collectively, the "Borrower Documents") and to perform other acts and things as provided for in each of the foregoing.

(b) The execution and delivery by the Borrower of the Borrower Documents and the other documents contemplated herein and therein and the compliance with the provisions of any and all of the foregoing documents and the application of the proceeds of the Bonds, together with certain other moneys, for the purposes described in the Limited Offering Memorandum, do not and will not conflict with or result in the breach of any of the terms, conditions or provisions of, or constitute a default under, the Articles of Incorporation, as amended, or the by-laws, as amended, of the Borrower or any other material agreement, indenture, mortgage, lease or instrument by which the Borrower or any of its respective property is bound or any existing law or court or administrative regulation, decree or order which is applicable to the Borrower or its property.

(c) To the best of its knowledge, no default, event of default or event which, with notice or lapse of time, or both, would constitute a default or an event of default under the Borrower Documents or any other material agreement or material instrument to which the Borrower is a party or by which it is or may be bound or to which any of its respective property is or may be subject has occurred and is continuing.

(d) The Borrower has duly authorized all necessary action required to be taken by it for (i) the issuance and sale of the Bonds by the Issuer upon the terms and conditions set forth herein, in the Limited Offering Memorandum and in the Indenture, (ii) the approval of the Bonds and the Indenture, (iii) the approval and execution of the Limited Offering Memorandum and (iv) the execution, delivery and performance of the Borrower Documents and any and all such other agreements and documents as may be required to be executed, delivered and performed by the Borrower in order to carry out, effectuate and consummate the transactions contemplated on the Borrower's part by the Borrower Documents and by the Limited Offering Memorandum.

(e) All approvals, consents, authorizations, certifications and other orders of any government authority, board, agency or commission having jurisdiction, and all filings with such entities, which would constitute a condition precedent to or would adversely affect the performance by the Borrower of its obligations under the Borrower Documents have been or will be (when needed) obtained.

(f) The Limited Offering Memorandum does not as of the date hereof, and will not as of the date of the Closing, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading; *provided, however*, that the Borrower makes no representation or warranty as to the statements and information contained in the Limited Offering Memorandum under the captions "THE ISSUER," "LITIGATION - The Issuer", "TAX EXEMPTION," "NOT RATED" and 'UNDERWRITING" except to the extent that information under such captions was based upon information supplied by, or solely within the knowledge of, the Borrower. The Borrower hereby consents to the use of the Limited Offering Memorandum in connection with the solicitation of purchases of the Bonds by the Underwriter and confirms that it has consented to the use of the Preliminary Limited Offering Memorandum for such purpose prior to the availability of the Limited Offering Memorandum.

(g) The Borrower represents and warrants that, except for those matters discussed generally in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the caption "BONDHOLDERS' RISKS" it knows of no event or circumstance which presently appears likely

to occur which would cause it not to have the economic ability to meet all the obligations imposed on it under the Borrower Documents.

(h) The Borrower will not take or omit to take any action which will in any way cause or result in the proceeds of the sale of the Bonds being applied in a manner other than as provided in the Indenture, Loan Agreement, Tax Agreement or as described in the Limited Offering Memorandum.

(i) Except as may be described in the Limited Offering Memorandum, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any public board or body pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower, or to the knowledge of the Borrower any meritorious basis therefor, wherein an unfavorable decision, ruling or finding would have a material adverse affect on the financial condition of the Borrower, the operation by the Borrower of its facilities and the transactions contemplated by the Borrower Documents and the Limited Offering Memorandum or the tax-exempt status of the Borrower or would have an adverse affect on the validity or enforceability of the Borrower Documents or any other agreement or instrument by which the Borrower is or may be bound or would in any way contest the corporate existence or powers of the Borrower.

(j) This Agreement is, and upon their execution and delivery of the other Borrower Documents will be, the legal, valid and binding obligations of the Borrower enforceable in accordance with their respective terms (subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally from time to time in effect and to applicable legal principles and procedural requirements if equitable and other specific remedies are sought and subject to the qualification that enforcement of the indemnification provisions of this Agreement may be limited by federal or State securities laws as the same may have been interpreted by judicial decisions).

(k) The Borrower has been determined to be and is exempt from federal income taxation under Section 501(a) of the Code, by virtue of being an organization described in Section 501(c)(3) of the Code, and it is not a "private foundation" as defined in Section 509(a) of the Code. The Borrower has not impaired its status as an organization exempt from federal income taxes under the Code and will not, either from and including the date hereof to and including the date of the Closing and, thereafter, while any of the Bonds remain outstanding, impair its status as an exempt person as that term is used in Section 103 of the Code. There are no facts or circumstances presently existing which could cause such determination to be withdrawn or revoked.

(l) Any certificate signed by an authorized officer of Borrower and which has been delivered to the Issuer or Underwriter shall be deemed a representation and warranty by the Borrower to the Issuer and Underwriter as to the statements made therein.

(m) The Borrower agrees to cooperate reasonably with the Underwriter and their counsel in any endeavor to qualify the Bonds for offering and sale under the securities or "blue sky" laws of such jurisdictions of the United States as the Underwriter may request, provided that the Borrower shall not be required to qualify to do business in any jurisdiction where it is not now so qualified, or to take any action which would subject it to general service of process in any jurisdiction where it is not now so subject. The Borrower ratifies and consents to the use of drafts of the Preliminary Limited Offering Memorandum, the Preliminary Limited Offering Memorandum and drafts of the Limited Offering Memorandum prior to the availability of the Limited Offering Memorandum by the Underwriter in obtaining such qualification. The Borrower shall pay all reasonable expenses and costs (including legal fees) incurred in connection with such qualification.

(n) With respect to any employee retirement plan (a "Plan") in which the Borrower or any person or entity under common control with, or treated as a single employer, with the Borrower, within the meaning of Section 414(b), (c), (m), or (o) of the Code (each, an "ERISA Affiliate") participates and with regard to compliance by the Borrower and each ERISA Affiliate with the Employee Retirement Income Security Act of 1974, as amended ("ERISA") (i) neither any Plan nor the trusts created thereunder, nor any trustee or administrator thereof, has engaged in a "prohibited transaction," as such term is defined in ERISA or Section 4975 of the Code, which could subject the Plan, any such trust, or any trustee or administrator thereof, or any party dealing with the Plan or any such trust to the tax or penalty on prohibited transactions imposed by ERISA or Section 4975 of the Code; (ii) the performance of the transactions contemplated by the Limited Offering Memorandum will not involve any prohibited transaction (other than an exempt prohibited transaction); (iii) neither any Plan nor any such trusts have been terminated, nor have there been any "reportable events," as such term is defined in Section 4043 of ERISA, since the effective date of ERISA except for the reportable events heretofore disclosed to the Underwriter in writing which had no material adverse effect on the financial conditions or results of operation of the Borrower; (iv) the Borrower and each ERISA Affiliate have timely made all contributions to each Plan that may have been required to be made under Section 302 of ERISA or of Section 412 of the Code, there has been no application for or waiver of the minimum funding standards imposed by Section 412 of the Code with respect to any Plan, and no Plan has a funding shortfall as of the most recent plan year; and (v) there are no existing or pending (or to the knowledge of Borrower or each ERISA Affiliate, threatened) claims (other than routine claims for benefits in the normal course), sanctions, actions, lawsuits, or other proceedings or investigations involving any Plan. In addition, the Borrower and each ERISA Affiliate (i) have fulfilled in all material respects their obligations under the minimum funding standards of ERISA and the Code with respect to each Plan; (ii) are in compliance in all material respects with the presently applicable provisions of ERISA, the Code and governing documents of each Plan; and (iii) have not incurred any material and past due liability to the Pension Benefit Guaranty Corporation. Each Plan that is intended to qualify under Section 401(a) of the Code has received a current favorable determination letter from the IRS (or an application for such letter is currently being processed by the IRS), each Plan has been timely amended to reflect change in the qualification requirements under Section 401(a) of the Code, and to the knowledge of Borrower and each ERISA Affiliate, nothing has occurred that would prevent, or cause the loss of, such qualification. Neither the Borrower nor any ERISA Affiliate has ever had an obligation (contingent or otherwise) to contribute to, been required to make or accrue a contribution to, or ever made or accrued a contribution to, a "multiemployer plan" as defined in Section 4001(a)(3) or 3(37) of ERISA or Section 414 of the Code.

(o) Subsequent to June 30, 2020, there have been no material adverse changes in the assets, liabilities or condition of the Borrower, financial or otherwise, and neither the operations nor the properties of the Borrower have been adversely affected in any substantial way as the result of any fire, explosion, accident, strike, riot, flood, windstorm, earthquake, embargo, war or act of God.

(p) The Borrower has complied with all previous continuing disclosure undertakings executed by it pursuant to Rule 15c2-12.

(q) The representations and warranties of the Borrower contained in the Borrower Documents are true and correct as of the date hereof and will be true and correct on the Closing Date.

(r) The Borrower has good and marketable fee simple interest in the School Facility, free from all encumbrances except Permitted Encumbrances, and such interest shall remain in the Borrower so long as the Bonds remain Outstanding, except as otherwise provided herein.

(s) The financial projections included in Appendix B to the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum present a reasonable projection of the matters

included in such financial projections and are based on reasonable assumptions, and the other forward-looking statements in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum are based on reasonable assumptions.

(t) The Borrower shall, within seven days after the date of execution hereof, provide sufficient copies of the Limited Offering Memorandum for the Underwriter to provide such copies to potential customers on request and to comply with the rules of the Municipal Securities Rulemaking Board.

(u) The Borrower is not in default in the payment of principal of or premium, if any, or interest on any obligation issued by it.

(v) The Borrower has received, and there are currently in full force and effect, or will receive on or before the date required therefor, all permits, licenses, franchises, accreditations and certifications necessary, including but not limited to (i) the conduct of its business as such business is being conducted currently, as described in the Limited Offering Memorandum and (ii) the operation of the School Facility. The Borrower knows of no reason that such permits, licenses, franchises, accreditations and certifications, to the extent not received, will not be issued or issued in a timely manner. Except as otherwise disclosed in the Limited Offering Memorandum, no permit, license, franchise, accreditation or certification not presently obtained or which will not be obtained by the Closing Date is required for the transactions contemplated hereby (other than such approvals and permits required in connection with the School Facility which can be obtained or are required only following the Closing Date).

Section 5. Representations and Agreements of the Issuer. The Issuer represents to and agrees with (that past, present and future members, officers, alderman, officials, directors, employees, agents, successor, assigns and any other person, if any, who "controls" the City or Bond Trustee, as the case may be, as that term is defined in Section 15 of the Securities Act of 1933, as amended) the Underwriter and the Borrower that:

(a) The Issuer is a municipal corporation and home rule unit of government under the Constitution and the laws of the State, is authorized to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder and has been duly authorized to execute and deliver this Agreement and the Bonds;

(b) The Issuer has full legal right, power and authority pursuant to its home rule powers (i) to adopt the Ordinance, (ii) to execute the Indenture, the Loan Agreement, this Agreement and all other agreements, certificates, contracts or instruments to be executed by the Issuer in connection with the issuance of the Bonds (the Indenture, Loan Agreement, this Agreement and the Tax Agreement are collectively referred to herein as the "Issuer Documents"), (iii) to issue, sell and deliver the Bonds to the Underwriter as provided herein and (iv) to carry out, consummate and give effect to all other transactions contemplated by each of the aforesaid documents to be carried out and consummated by the Issuer.

(c) The Issuer, as of the Closing Date, will have duly authorized (i) the issuance and sale of the Bonds upon the terms set forth herein and in the Indenture, (ii) the execution, delivery and due performance of the Issuer Documents, and (iii) the taking of any and all such action by the Issuer as may be required to carry out, give effect to and consummate the transactions contemplated by such documents.

(d) There is no litigation pending against the Issuer or, to its knowledge, threatened against the Issuer, with respect to which service or notice to the Issuer has been given, to restrain or enjoin the issuance and delivery of the Bonds, or contesting or questioning the validity of the Bonds or the proceedings and authority under which the Bonds have been authorized and are to be issued or delivered,

or the pledge or application of any money or security provided for the payment of the Bonds. There is no litigation pending against the Issuer or, to its knowledge, threatened against the Issuer which questions the right of the Issuer to enter into the Issuer Documents or to issue the Bonds.

(e) The adoption of the Ordinance and the execution and delivery of the Issuer Documents and all other agreements and instruments relating thereto, and the compliance with the provisions hereof and thereof, will not violate any existing law or regulation or conflict with, result in a breach of any of the terms of or constitute a default under the Issuer's previous bond resolutions, any judgment, decree, order, statute, rule or regulation applicable to the Issuer or any indenture, mortgage, deed of trust, lease or other instrument to which the Issuer is a party or by which the Issuer is bound.

(f) Any closing certificate signed by an officer of the Issuer and delivered to the Underwriter shall be deemed to be a representation by the Issuer to the Underwriter as to the truth of the statements therein contained,, *provided, however*, that as to information furnished by the Borrower pursuant to this Bond Purchase Agreement or otherwise, the Issuer is relying solely on such information in making the Issuer's representations and agreements, and as to all matters of law, the Issuer is relying on the advice of Bond Counsel; and *provided further*, that no past, present and future members, officers, alderman, officials, directors, employees, agents, successor or assigns of the Issuer shall be individually liable for the breach of any representation or agreement contained herein.

(g) As of the date of this Agreement the information contained in the Preliminary Limited Offering Memorandum under the captions "THE ISSUER" and "LITIGATION – The Issuer" does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading. On the Closing Date, the Issuer will certify that the information contained in the Limited Offering Memorandum under the captions "THE ISSUER" and "LITIGATION – The Issuer" does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading. If before the "end of the underwriting period" (as defined in Rule 15c2-12), but in no event more than 90 days following the Closing Date, an event occurs, of which the Issuer has knowledge, which might or would cause the information relating to the Issuer contained in the Limited Offering Memorandum under the captions "THE ISSUER" and "LITIGATION – The Issuer," as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the Issuer will notify the Underwriter and the Borrower, and if in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Limited Offering Memorandum, the Issuer will cooperate with the Borrower and the Underwriter to amend or supplement the Limited Offering Memorandum in a form and in a manner approved by the Underwriter, provided all expenses thereby incurred will be paid by the Borrower.

Section 6. **Representations and Warranties of the Underwriter**. The Underwriter makes the following representations and warranties to the Issuer and the Borrower and acknowledge that such representations may be relied upon by the Issuer, the Borrower, counsel for the same, counsel for the Underwriter and Bond Counsel:

(a) The Bonds will be offered in accordance with all applicable State and federal laws.

(b) The Underwriter has full power and authority to execute and deliver this Agreement and to carry out the terms hereof and, when executed and delivered by the Underwriter, this Agreement will have been duly and validly authorized, executed and delivered by the Underwriter, and, assuming due

authorization, execution and delivery by the other parties hereto, will be a valid and binding obligation of the Underwriter and will be in full force and effect, except as limited by bankruptcy, insolvency, liquidation, moratorium, readjustment of debt, reorganization or similar laws relating to the enforcement of creditors' rights generally.

(c) The Bonds are being offered by the Underwriter only to those persons or entities whom the Underwriter reasonably believes to be (1) "qualified institutional buyers" as defined in Rule 144A promulgated under the Securities Act or (2) an "accredited investor" as defined in Rule 501(a) of the Securities Act.

Section 7. Purchase, Sale and Delivery of the Bonds. (a) On the basis of the representations and warranties contained herein and in the other agreements referred to herein and subject to the terms and conditions set forth herein, at the Closing Date (as hereinafter defined), the Issuer will sell to the Underwriter and the Underwriter will purchase from the Issuer all, but not less than all, of the Bonds at an aggregate purchase price of $8,104,851.28 (representing the par amount of $8,275,000, less original issue discount of $4,743.60, less the underwriting discount of $165,405.12). In addition, the School will pay to the Underwriter additional underwriting compensation in the amount of $41,469.88. Inasmuch as this purchase and sale represents a negotiated transaction, the Borrower and the Issuer understand, and hereby confirm, that the Underwriter is not acting as a fiduciary of the Borrower or the Issuer, but rather is acting solely in its capacity as Underwriter for its own account.

(b) Payment of the purchase price for the Bonds shall be made by wire or check in immediately available funds payable to the order of the Trustee for the account of the Issuer on April 22, 2021, or at such later time or date as may be agreed upon by the Issuer, the Borrower and the Underwriter, against delivery of the Bonds to the Underwriter or the persons designated by the Underwriter. The date and time of such delivery and payment of the Bonds is herein called the "Closing" or the "Closing Date." The delivery of the Bonds shall be made in either temporary or in definitive form (provided neither the printing of a wrong CUSIP number on any Bond nor the failure to print a CUSIP number thereon shall constitute cause to refuse delivery of any Bond) and registered in the name(s) of such owner(s) as the Underwriter shall designate to the Trustee. The Bonds shall be delivered to the Trustee as custodian under The Depository Trust Company's FAST System.

Section 8. Issuer's Covenants. The Issuer shall:

(a) so long as any Bonds are outstanding, refrain from knowingly taking any action or knowingly omitting to take any action, or knowingly permitting any action or omission to be taken with regard to which the Issuer may exercise control, which could result in the loss of the tax-exempt status of interest on the Bonds; and

(b) observe all covenants of the Issuer in the Issuer Documents and will not issue or sell any bonds or obligations other than the Bonds referred to in the Indenture, the principal of, premium, if any, and interest on which are payable in whole or in part from the payments derived under the Loan Agreement or are to be secured by a first lien on, or pledge of, the payments under the Loan Agreement.

Section 9. The Borrower's Covenants. The Borrower shall:

(a) apply the proceeds of the Bonds as provided in and subject to all of the terms and provisions of the Indenture, the Loan Agreement, the Mortgage and the Tax Agreement and will observe all covenants of it in such instruments;

(b) take such action as may be reasonably requested to facilitate the timely consummation of the transactions contemplated by this Agreement, provided that it shall not be required to become qualified to do business or subject to service of process in any state other than Illinois;

(c) notify the Underwriter of any material adverse change in the business, properties or financial condition of it occurring before the Closing Date;

(d) not take any action or permit any action to be taken on its behalf, or cause or permit any circumstance within its control to arise or continue, if such action would adversely affect the excludability from gross income for federal income tax purposes of the interest on the Bonds;

(e) throughout the term of the Loan Agreement, use its best efforts to operate its facilities in a manner which shall permit it to meet all of its obligations under the Borrower Documents; and

(f) for a period of 30 days commencing on the Closing Date, advise the Underwriter promptly in connection with the offer and sale of the Bonds of the occurrence of any event of which it has knowledge, or the institution of any proceedings to which it is a party or of which it has knowledge by any governmental agency or otherwise, materially affecting the Bonds.

Section 10. **Conditions of Underwriter' Obligation**. The obligation of the Underwriter to cause the purchase of and payment for the Bonds as herein provided is subject to the following conditions:

(a) The representations and warranties of the Borrower and the Issuer shall be true and correct as of the date hereof and as of the Closing Date.

(b) At the Closing Date, the Borrower and the Issuer shall have performed all of their obligations hereunder to be performed prior thereto.

(c) The Issuer and the Borrower shall have furnished or caused to be furnished to the Underwriter on the Closing Date certificates reasonably satisfactory to the Underwriter and their counsel as to the accuracy of all representations and warranties contained herein as of the date hereof and as of the Closing Date and as to the performance by the Issuer and the Borrower of all of their obligations hereunder to be performed at or prior to the Closing Date.

(d) The Bonds, the Issuer Documents, the Borrower Documents and all agreements and instruments contemplated thereby, shall be in form and substance reasonably satisfactory to the Underwriter, shall have been duly authorized, executed and delivered by the respective parties thereto, shall be in full force and effect on the Closing Date, and a copy of each of which shall have been delivered to the Underwriter.

(e) All proceedings and related matters in connection with the authorization, issue, sale and delivery of the Bonds shall have been reasonably satisfactory to Bond Counsel, counsel for the Underwriter, and, if applicable, such counsel shall have been furnished with such documents and information as they may have reasonably requested to enable them to deliver the opinions herein described.

(f) The offer and sale of the Bonds and all underlying securities shall be exempt from registration under the Securities Act.

(g) All conditions to the issuance of the Bonds specified in the Loan Agreement or the Indenture shall be satisfied.

(h) At the Closing Date, there shall be delivered to the Underwriter (and other parties as noted below):

(i) An opinion of Bond Counsel with respect to the validity of the Bonds, in substantially the form attached to the Limited Offering Memorandum as Appendix E, and a supplemental opinion of Bond Counsel in substantially the form attached hereto as Exhibit B;

(j) An opinion of counsel to the Borrower, in substantially the form attached hereto as Exhibit C;

(k) An opinion of counsel to the Underwriter, in form and substance acceptable to the Underwriter;

(l) An opinion of special counsel to the Issuer in substantially the form attached hereto as Exhibit D;

(m) Articles of Incorporation of the Borrower certified by the Secretary of State, a Good Standing Certificate of the Borrower from the Secretary of State dated less than 30 days prior to the Closing Date and a copy of the Borrower's determination letter from the Internal Revenue Service;

(n) A certified copy of the resolutions adopted by the Borrower authorizing the execution and delivery of the Borrower Documents, authorizing the approval of the Indenture and the authorization, sale and issuance of the Bonds by the Issuer, and approving the Limited Offering Memorandum;

(o) A certified copy of the Ordinance;

(p) A copy of all certificates or documents specified in the Loan Agreement or the Indenture as conditions precedent to the issuance and sale of the Bonds;

(q) Evidence reasonably satisfactory to the Underwriter to the effect that the insurance coverage of the Borrower complies with all applicable requirements in the Loan Agreement;

(r) Receipt or other evidence that the Mortgage has been filed for record, or has been irrevocably directed to be filed for record, with the office of the Cook County Recorder of Deeds;

(s) Receipt or other evidence that financing statements have been filed for record, or have been irrevocably directed to be filed for record, with the office of the Cook County Recorder of Deeds and Secretary of State of Illinois with respect to the assignments made and the security interests granted in or pursuant to the Indenture and the Mortgage;

(t) Receipt by the Trustee of a marked-down commitment to issue a title insurance policy, in form and substance acceptable to the Underwriter, insuring the Borrower's interest in and a commitment to issue an extended form lender's title insurance policy insuring the Trustee's interest in and lien against

the real estate described in the Mortgage, in an amount not less than the original aggregate principal amount of the Bonds;

(u) Closing certificates of the Borrower and the Issuer with respect to incumbency, corporate approval and disclosure matters, and such other matters as are requested by Bond Counsel, the Underwriter or its counsel, and confirming the representations and warranties of the Borrower set forth in Section 3(q);

(v) An executed copy of the Tax Agreement and IRS Form 8038 executed by the Issuer;

(w) The Underwriter and the Issuer shall have received executed investor letters, from each of the initial purchaser(s) of the Bonds from the Underwriter;

(x) Such certificates and opinions as to the information appearing in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum as may be reasonably required by the Underwriter or their counsel; and

(y) The Underwriter and the Issuer shall have received such additional legal opinions, certificates, proceedings, instruments, and other documents as the Underwriter, Underwriter' counsel, the Issuer, Issuer's special counsel or Bond Counsel may reasonably request.

(z) Subsequent to the date hereof and prior to the Closing Date, no existing conflict involving the armed forces of the United States shall have escalated, nor any other national emergency relating to the effective operation of government or the financial community shall have occurred, which in the Underwriter's reasonable opinion, materially adversely affects the marketability of the Bonds

If any condition to the Underwriter' obligation hereunder that is to be satisfied prior to the Closing Date is not so satisfied, this Agreement shall be terminated unless the Underwriter agrees to an extension of the time in which such condition is to be satisfied. The Underwriter may waive in writing compliance by the Borrower or the Issuer of any one or more of the foregoing conditions or extend the time for their performance.

Section 11. Conditions of Issuer's Obligation. The obligation of the Issuer to sell the Bonds to or at the direction of the Underwriter is subject to the following conditions:

(a) The representations and warranties of the Borrower and the Underwriter shall be true and correct as of the date hereof and the Closing Date.

(b) At the Closing Date, the Borrower shall have performed all of its obligations hereunder to be performed prior thereto.

(c) The Borrower shall have furnished or caused to be furnished to the Issuer on the Closing Date certificates satisfactory to the Issuer, special counsel to the Issuer, counsel to the Underwriter and Bond Counsel as to the accuracy of all representations and warranties contained herein as of the date hereof and as of the Closing Date and as to the performance by the Borrower of all of its obligations hereunder to be performed at or prior to the Closing Date.

(d) The Issuer Documents and all agreements and instruments contemplated thereby, shall be in form and substance satisfactory to the Issuer and shall have been duly authorized, executed and delivered by the respective parties thereto and shall be in full force and effect on the Closing Date.

(e) All proceedings and related matters in connection with the authorization, issuance, sale and delivery of the Bonds shall have been satisfactory to the Issuer, its special counsel and Bond Counsel and the Issuer, its special counsel and Bond Counsel shall have been furnished with such papers and information as they may have reasonably requested to enable them to pass upon the matters referred to herein.

If any condition to the Issuer's obligation hereunder that is to be satisfied prior to the Closing Date is not so satisfied, this Agreement shall be terminated unless the Issuer agrees to an extension of the time in which such condition is to be satisfied. The Issuer may waive in writing compliance by the Borrower or the Underwriter of any one or more of the foregoing conditions or extend the time for their performance.

Section 12. Representations, Warranties and Agreements to Survive Delivery. The representations, warranties, indemnities (including the indemnities provided in Section 14 hereof), agreements and other statements of the Borrower, the Issuer and the Underwriter set forth in or made pursuant to this Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Borrower, the Issuer or the Underwriter or controlling person and shall survive delivery of and payment for the Bonds.

Section 13. Payment of Costs and Expenses. Except as otherwise paid from proceeds of the Bonds, the costs related to the issuance of the Bonds are to be paid by the Borrower and include the costs of preparing and reproducing or printing this Agreement, the Issuer Documents, the Borrower Documents, the Ordinance, the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, the expenses incurred in connection with the qualification of the Bonds under state securities laws, administrative fees, Underwriter' fees, the reasonable fees and disbursements of Bond Counsel and the respective counsel for the Issuer, the Trustee, the Underwriter and the Borrower, any excise tax on documents and any intangible personal property tax, to the extent applicable, if at all, and other expenses for which payment or reimbursement is permitted under the provisions of the Loan Agreement, including without limitation the Trustee's acceptance fee, costs of title insurance, recording costs and fees for obtaining CUSIP numbers on the Bonds.

If the Bonds are not delivered to the Underwriter (other than because of a default by the Underwriter) as herein provided, all such expenses shall be paid by the Borrower. Neither the Issuer nor the Underwriter shall be obligated to pay any expenses incurred in connection with the transactions contemplated by this Agreement.

Section 14. Termination of Agreement. This Agreement may be terminated at any time prior to the Closing Date by the Underwriter by written notice to the Borrower upon the occurrence of any of the following (any such termination shall be without liability on the Underwriter' part):

(a) (i) legislation shall have been enacted by the Congress, or recommended to the Congress for passage by the President of the United States of America or the U.S. Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, or favorably reported for passage to either House of the Congress by any Committee of such House to which such legislation has been referred for consideration, or (ii) a decision shall have been rendered by a court established under Article III of the Constitution of the United States, or the United States Tax Court, or (iii) an order, ruling, regulation or communication (including a press release) shall have been issued by the Department of the

Treasury of the United States or the Internal Revenue Service, in each case referred to in clauses (i), (ii) and (iii), with the purpose or effect, and reasonable likelihood, directly or indirectly, of imposing federal income taxation upon interest to be received by any holders of the Bonds or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions contemplated herein;

(b) legislation shall have been enacted or any action taken by the Securities and Exchange Commission which, in the reasonable opinion of the Underwriter or their counsel, has the effect of requiring the offering or sale of the Bonds or obligations of the general character of the Bonds, including any or all underlying arrangements and any related security, to be registered under the Securities Act or the Indenture to be qualified as an indenture under the Trust Indenture Act, or any event shall have occurred which, in the reasonable judgment of the Underwriter or their counsel, makes untrue or incorrect in any material respect any statement or information contained in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum or which, in their reasonable judgment, should be reflected therein in order to make the statements contained therein not misleading in any material respect;

(c) (i) in the Underwriter' reasonable judgment, the market price of the Bonds is adversely affected because: (A) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by an governmental authority or by any national securities exchange; (B) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or similar obligations, the establishment of minimum prices, or any material restriction not now in force, or increase materially those restrictions now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; (C) a general banking moratorium shall have been established by federal or States of New York or Illinois authorities; or (D) a war involving the United States of America shall have been declared, or any other national or international calamity shall have occurred (including but not limited to, an act of terrorism), or any conflict involving the armed forces of the United States of America shall have escalated to such a magnitude as to materially affect the Underwriter' ability to market the Bonds; (ii) any litigation shall be instituted, pending or overtly threatened to restrain or enjoin the issuance or sale of the Bonds or in any way contesting or affecting any authority or security for or the validity of the Bonds, or the existence or powers of the Issuer; (iii) [legislation shall have been introduced in or enacted by the Legislature of the State of Illinois with the purpose or effect, directly or indirectly, of imposing State income taxation upon interest to be received by any holders of the Bonds, (iv)]any amendment to the federal or state Constitution or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the Borrower, its property, income securities (or interest thereon), (v) any fact or event shall exist or have existed that, in the Underwriter' judgment, requires or has required an amendment of or supplement to the Limited Offering Memorandum, (vi) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to any obligations of the Borrower, (vii) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission, (viii) any action has been taken by any agency of the United States government with the purpose or effect, directly or indirectly, of imposing federal income taxation upon interest to be received by any holders of the Bonds or which would, in the Underwriter' reasonable judgment, adversely affect the security for the Bonds;

(d) there shall have occurred any change which, in the reasonable judgment of the Underwriter, makes unreasonable or unreliable any of the assumptions upon which (i) the calculation of yield on the Bonds for purposes of Section 103 of the Code, (ii) the payment of debt service on the Bonds or (iii) the basis for the exemption of interest on the Bonds from federal income taxation, is predicated;

(e) trading in securities on the New York Stock Exchange or the American Stock Exchange having been suspended or limited or minimum prices shall have been established on either such Exchange; or

(f) any material (in the sole opinion of the Underwriter) change to the Charter Schools Law or funding for Illinois charter schools has been enacted or proposed by the legislative or executive branches of Illinois state government.

Section 15. Indemnification.

(a) The Borrower agrees to indemnify and hold harmless the Issuer, past, present and future members, officers, alderman, officials, directors, employees, agents, successor, assigns and any other person, if any, who "controls" the Issuer, as that term is defined in Section 15 of the Securities Act of 1933, as amended (collectively, the "Issuer Indemnified Parties"), against any and all losses, claims, damages, liabilities or expenses, including reasonable attorneys' fees and expenses, whatsoever arising from or in any manner directly or indirectly growing out of or connected with any of the matters set forth in Section 9.5 of the Loan Agreement.

(b) The Borrower agrees (i) to indemnify and hold harmless the Issuer Indemnified Parties (as such term is defined in the preceding paragraph), the Underwriter, and each person, if any, who controls the Issuer Indemnified Party, the Underwriter, within the meaning of Section 15 of the Securities Act, and each and all and any of them (collectively, the "Indemnified Parties"), from and against any and all losses, claims, damages, liabilities or actions to the extent that such losses, claims, damages, liabilities or actions were caused by or based upon or relate in any way to (I) the Borrower's failure to fulfill its obligations hereunder, (II) the sale of the Bonds, the issuance thereof, or the Issuer Documents or the Borrower Documents, or (III) any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum or the omission or alleged omission to state therein a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, except, with respect to the Issuer, for any liability arising as a result of a material misstatement or omission with respect to the information contained under the captions "THE ISSUER" and "LITIGATION – The Issuer," and except, with respect to the Underwriter, for any liability arising (A) as a result of a material misstatement or omission with respect to the information contained under the caption "UNDERWRITING," (B) with respect to the maturities, stated interest rates and prices of the Bonds listed on the inside cover page of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum, or (C) with respect to the provisions of Section 15(d) below; and (ii) (except as otherwise provided in paragraph (c) below) to reimburse the Issuer Indemnified Party, the Underwriter, any member, director, officer, agent, official, or employee of or counsel to the Issuer Indemnified Party, the Underwriter, and each such controlling person, if any, for any legal or other expenses reasonably incurred by them in defending any such action, including but not limited to any reasonable attorneys' fees. This indemnification provision shall not be construed as a limitation on any other liability which the Borrower may otherwise have to any Indemnified Party, provided that in no event shall the Borrower be obligated for double indemnification.

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

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

(d) The Underwriter agree, at their expense, to indemnify, defend and hold harmless the Issuer Indemnified Parties and the Borrower, each director, official, trustee, member, officer or employee of the Borrower and each person, if any, who has the power, directly or indirectly, to direct or cause the direction of the Borrower (collectively, the "Borrower Indemnified Parties") from and against any and all losses, claims, damages, demands, liabilities, costs or expenses (for purposes of this paragraph (d), collectively, "Claims"), including reasonable attorneys' fees and expenses, if such Claims are a result of, arise out of or would not exist but for (A) untrue statements or omissions, or alleged untrue statements or omissions, made in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum (or any amendment or supplement thereto) under the heading "UNDERWRITING" or in reliance upon and in conformity with written information furnished to the Borrower or the Issuer, as the case may be, by the Underwriter expressly for use in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum (or any amendment or supplement thereto); or (B) any material misstatements or omissions made by any agent, employee or officer of an Underwriter or anyone authorized by the Underwriter to sell the Bonds made in connection with any offer to sell a Bond if such misstatements or omissions arise from providing any information concerning the Bonds to purchasers or potential purchasers of a Bond other than a complete Limited Offering Memorandum. The foregoing indemnification obligations of the Underwriter shall in no way be deemed to limit or affect the rights of the Issuer, at law and equity, to enforce its rights under the terms of this Agreement.

(e) In case any claim shall be made or any action shall be brought against one or more of the Issuer Indemnified Parties or the Borrower Indemnified Parties (collectively, the "Indemnified Person") in respect of which indemnity can be sought against the Underwriter pursuant to the preceding paragraph (d), the Indemnified Person seeking indemnity shall promptly notify the Underwriter in writing, and the Underwriter shall promptly assume the defense thereof, including the employment of counsel chosen by the Underwriter and approved by the Borrower or Issuer, or both (provided, that such approval by the Borrower or Issuer shall not be unreasonably withheld), the payment of all expenses and the right to negotiate and consent to settlement. If any Indemnified Person is advised in a written opinion of counsel that there may be legal defenses available to such Indemnified Person which are adverse to or in conflict with those available to the Underwriter, or that the defense of such Indemnified Person should be handled by separate counsel, the Underwriter shall not have the right to assume the defense of such Indemnified Person, but shall be responsible for the fees and expenses of counsel retained by such Indemnified Person in assuming its own defense, and provided also that, if the Underwriter shall have failed to assume the defense of such action or to retain counsel reasonably satisfactory to the Issuer or Borrower within a reasonable time after notice of the commencement of such action, the reasonable fees and expenses of

counsel retained by the Indemnified Person shall be paid by the Underwriter. Notwithstanding the foregoing, any one or more of the Indemnified Persons shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless the employment of such counsel has been specifically authorized, in writing, by the Underwriter or unless the provisions of the immediately preceding sentence are applicable. The Underwriter shall not be liable for any settlement of any such action affected without its written consent, but if settled with the written consent of the Underwriter or if there be a final judgment for the plaintiff in any such action with or without consent, the Underwriter agree to indemnify and hold harmless the Indemnified Person from and against any loss, liability or expense by reason of such settlement or judgment.

(f) In order to provide for just and equitable contribution in circumstances in which the indemnity agreement provided for in this Section is for any reason held to be unavailable to the Underwriter, Issuer or Borrower other than in accordance with its terms, the Underwriter and Borrower, jointly and severally, shall contribute to the aggregate losses, liabilities, claims, damages and expenses of the nature contemplated by said indemnity agreement incurred by the Underwriter, Issuer, and Borrower in such proportions that the Underwriter are responsible for that portion represented by the percentage that the underwriting discount bears to the limited public offering price appearing on the cover page of the Limited Offering Memorandum and the Borrower is responsible for the balance; provided, however, that no person guilty of fraudulent misrepresentation shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section, each person, if any, who controls the Underwriter shall have the same rights to contribution as such Underwriter.

(g) The covenants and agreements of the Borrower and Underwriter herein contained shall survive the delivery of the Bonds.

Section 16. **Notices**. Any notice or other communication required or permitted to be given hereunder shall be in writing and, except as otherwise provided, shall be deemed to have been given on the date the same is personally delivered or deposited in the United States mail, registered or certified, return receipt requested, postage prepaid, or deposited with an air courier service with proof of delivery, addressed to the party to which the notice or other communication is to be given:

To the Issuer:	City of Evanston 2100 Ridge Avenue Evanston, Illinois 60201 Attention: City Manager Telephone: (847) 866-2936
with a copy to:	City of Evanston 2100 Ridge Avenue Evanston, Illinois 60201 Attention: Corporate Counsel Telephone: (847) 866-2937
To the Borrower:	Roycemore School 1200 Davis Street Evanston, Illinois 60201 Attention: Head of School Telephone: (847) 866-6055 Email: afinleyodell@roycemoreschool.org
To the Underwriter:	Stifel, Nicolaus & Company, Incorporated 60 S. 6th Street, Suite 3000

Minneapolis, Minnesota 55402
Attention: Tyler Hoch
Telephone: (612) 455-5592
Email: hocht@stifel.com

Section 17. **Severability**. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be inoperative, invalid or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions because it conflicts with any provisions of the Constitution, any statute, rule of public policy, or for any other reason, such circumstance shall not have the effect of rendering the provision in question inoperable or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

Section 18. **Parties in Interest**. This Agreement shall be binding upon and shall inure to the benefit of the Issuer, the Borrower and the Underwriter, and, to the extent expressed, any person controlling the Borrower, the Issuer or the Underwriter and their respective executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement, as provided herein. The term "successors and assigns" shall not include any purchaser of a Bond, as such purchaser, from the Underwriter.

Section 19. **Time of the Essence**. Time shall be of the essence of this Agreement.

Section 20. **Counterparts**. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original but all of which together shall constitute a single agreement.

Section 21. **Headings**. Headings in this Agreement have been provided for convenience of reference only and shall not affect the interpretation of this Agreement.

Section 22. **Amendments**. This Agreement may be amended only by a written instrument signed by the parties hereto.

Section 23. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

Section 24. **Effectiveness**. This Agreement shall become effective upon acceptance by the parties hereto.

Section 25. **Selection of Underwriter, Trustee and Bond Counsel**. The Borrower represents, warrants and confirms that (i) the Borrower selected the Underwriter to serve as Underwriter in connection with the offering and sale of the Bonds, (ii) to its knowledge, the Issuer did not participate in the selection process and did not decide who would be selected as a result of such selection process, and (iii) to the extent that this Agreement relates to or contemplates the delivery of services, such services are being provided at the request of, to and for the benefit of the Borrower. The Borrower further represents, warrants and confirms that (x) the Borrower selected Wilmington Trust, National Association to serve as Trustee and Katten Muchin Rosenman LLP to serve Bond Counsel following such selection process as it considered appropriate for its purposes, (y) to the Borrower's knowledge, the Issuer did not participate in the selection process and did not decide or influence who would be selected as a result of such selection process and (z) the Borrower has agreed with the Trustee to pay the Trustee's fees and expenses in respect of its services as trustee under the Indenture and has agreed with Bond Counsel to pay Bond Counsel's fees and expenses in respect of its services as Bond Counsel.

If the foregoing is in accordance with your understanding of the Agreement, kindly sign and return to us the enclosed duplicate copies hereof, whereupon it will become a binding agreement among the Issuer, the Borrower and the Underwriter in accordance with its terms.

Very truly yours,

STIFEL, NICOLAUS & COMPANY, INCORPORATED

By: _____
Name: Tyler Hoch
Its: Managing Director

Accepted as of the date first above written.

CITY OF EVANSTON, COOK COUNTY, ILLINOIS

By: _____

Name: Stephen H. Hagerty

Its: Mayor

Doc ID: cef081ceb57f493790667ffe97d989828c8edef0

Accepted this 14th day of April, 2021.

ROYCEMORE SCHOOL

By: Adrianne Finley Odell
Name: Adrianne Finley Odell
Its: Head of School

Exhibit A

$8,275,000
CITY OF EVANSTON, ILLINOIS
EDUCATIONAL FACILITY REVENUE BONDS
(ROYCEMORE SCHOOL),
SERIES 2021

Maturity Date	Principal Amount	Interest Rate	Price
April 1, 2032	$1,915,000	4.000%	100.000%
April 1, 2041	$2,360,000	4.375%	99.799%
April 1, 2051	$4,000,000	4.625%	100.000%

Mandatory Sinking Fund Redemption. The Bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Bond Fund on the redemption dates and in the principal amounts as follows:

Redemption Date (April 1)	**Amount**
2022	$135,000
2023	150,000
2024	155,000
2025	160,000
2026	165,000
2027	175,000
2028	180,000
2029	185,000
2030	195,000
2031	205,000
2032†	210,000

†Final Maturity

Redemption Date (April 1)	**Amount**
2033	$220,000
2034	230,000
2035	240,000
2036	250,000
2037	260,000
2038	270,000
2039	285,000
2040	295,000
2041†	310,000

†Final Maturity

Redemption Date (April 1)	Amount
2042	$325,000
2043	340,000
2044	355,000
2045	370,000
2046	385,000
2047	405,000
2048	425,000
2049	445,000
2050	465,000
2051†	485,000

†Final Maturity

Optional Redemption. The Bonds are subject to redemption prior to maturity on or after April 1, 2029, at the option of the Issuer upon direction of the Borrower out of amounts prepaid on the Promissory Note and deposited in the Optional Redemption Fund, in whole or in part at any time, and if in part by maturities or portions thereof designated by the Borrower (and if less than all of a single maturity is being redeemed, in such manner as the Trustee shall deem appropriate), at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued interest thereon to the date of redemption, without premium.

Extraordinary Optional Redemption. The Bonds shall be subject to extraordinary optional redemption by the Issuer prior to their scheduled maturities, in whole or in part and if in part by maturities or portions thereof designated by the Borrower (and if less than all of a maturity is being redeemed, in such manner as the Trustee shall deem appropriate), at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date without premium in the event of damage to or destruction of, or the condemnation of, or sale consummated under threat of condemnation of, the School Facility or any part thereof, if the Net Proceeds of insurance, condemnation or sale received in connection therewith and applied to make prepayments on the Series 2021 Note exceed $250,000.

[Remainder of page intentionally left blank]

Exhibit B

Form of Supplemental Opinion of Bond Counsel

City of Evanston
Evanston, Illinois

Wilmington Trust, National Association
Minneapolis, Minnesota

Stifel, Nicolaus & Company, Incorporated
Minneapolis, Minnesota

Re: $_____ aggregate principal amount of City of Evanston, Illinois Educational Facility Revenue Bonds, Series 2021 (Roycemore School)

Ladies and Gentlemen:

Concurrently herewith, we have delivered our unqualified approving opinion (the "*Approving Opinion*"), as bond counsel, relating to $_____ aggregate principal amount of Educational Facility Revenue Bonds, Series 2021 (Roycemore School) of the City of Evanston, Cook County, Illinois (the "*City*"), initially dated April ___, 2021 (the "*Bonds*"), and examined a record of proceedings relating thereto. Capitalized words used in this opinion shall have the same meanings as are given such capitalized words in the Approving Opinion.

Based upon our review of the documents and transactions referred to in the Approving Opinion, we are of the opinion that:

1. The Tax Agreement has been duly authorized, executed and delivered by the City, and assuming due authorization, execution and delivery of such agreement by the other parties thereto, is a valid agreement, binding on the City and enforceable against the City in accordance with its terms, except that (a) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights, and (b) enforceability is also subject to general principles of equity regardless of whether enforceability is considered in a proceeding in equity or at law.

2. The Bonds are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and the Bond Indenture is exempt from qualification pursuant to Section 304(a)(4) of the Trust Indenture Act of 1939, as amended; and it is not necessary in connection with the sale of the Bonds to the public to register the Bonds under the Securities Act of 1933, as amended, or to qualify the Indenture under the Trust Indenture Act of 1939, as amended.

3. We have reviewed those portions of the Preliminary Limited Offering Memorandum dated April ___, 2021 (the "*Preliminary Limited Offering Memorandum*") and the Limited Offering Memorandum dated April ___, 2021 (the "*Limited Offering Memorandum*"), each with respect to the Bonds, and with regards to each, appearing under the captions, "THE SERIES 2021 BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS" (only insofar as it relates to the provisions of the Bonds, the Bond Indenture and the Loan Agreement), and prepared the information and summaries contained under the

caption "TAX EXEMPTION," and the information contained in APPENDICES C, D, E and F, and are of the opinion that, with regard to the Preliminary Limited Offering Memorandum, as of its date, and with regard to the Limited Offering Memorandum, as of its date and as of the date hereof, the statements made under such captions (other than the statements relating to The Depository Trust Company and the Book-Entry Only System, as to which we express no opinion) fairly and accurately summarize the matters purported to be summarized therein. No further opinion is expressed with respect to the accuracy, completeness or sufficiency of the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum.

4. The Bond Purchase Agreement dated April ___, 2021 (the "*Purchase Agreement*"), among the Corporation, the City and Stifel, Nicolaus & Company, Incorporated, as underwriter (the "*Underwriter*"), has been duly authorized, executed and delivered by the City and, assuming the due authorization, execution and delivery by the other parties thereto and compliance with Rule G-37 of the Municipal Securities Rulemaking Board, constitutes the legal, valid and binding obligation of the City, enforceable in accordance with its terms, subject to the qualification that (a) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights, and (b) enforceability is subject to general principles of equity regardless of whether enforceability is considered in a proceeding in equity or at law.

This letter is issued to and for the sole benefit of the above addressees and is issued for the sole purpose of the transaction specifically referred to herein. No persons other than the above addressees may rely on this letter without our express prior written consent. This letter may not be used by you for any other purpose whatsoever and may not be quoted by you without our express written consent, except that a copy of this opinion may be included in the transcript relating to the Bonds. We assume no obligation to review or supplement this opinion subsequent to its date, whether by reason of change in current laws, by legislative or regulatory action, by judicial decision or for any other reason.

Respectfully yours,

Exhibit C

Form of Borrower's Counsel Opinion

April ___, 2021

Wilmington Trust, National Association, as Bond Trustee
50 South Sixth Street, Suite 1290
Minneapolis, Minnesota

City of Evanston
2100 Ridge Ave.
Evanston, IL 60201

Stifel Nicolaus & Company, Incorporated
_____
_____

Katten Muchin Rosenman LLP
525 W. Monroe Street
Chicago, IL 60661-3693

Ladies and Gentlemen:

We have acted as special counsel to Roycemore School, an Illinois not-for-profit corporation (the "**Borrower**") in connection with the sale by the City of Evanston, Illinois (the "**City**") of its $_____ aggregate principal amount of Educational Facility Revenue Bonds, Series 2021 (Roycemore School) (the "**Bonds**"), issued pursuant to a Bond Trust Indenture dated as of April 1, 2021, between the City and Wilmington Trust, National Association, as Bond Trustee (the "**Trustee**"), on behalf of the Borrower. The proceeds to be received by the City from the sale of the Bonds will be lent by the City to the Borrower (the "**Loan**") pursuant to a Loan Agreement dated as of April 1, 2021 (the "**Loan Agreement**") between the City and the Borrower. This opinion letter is being delivered at the request of the Borrower. Capitalized terms used in this opinion letter which are defined in the Loan Agreement and not otherwise defined in this opinion letter shall have the meanings given to them in the Loan Agreement. The term "person" when used herein shall mean any individual or entity. All references herein to the UCC shall be to the Uniform Commercial Code as adopted and in effect in Illinois.

We have examined such documents and matters of law which we have deemed necessary as the basis for the opinions expressed below. The documents examined include the following (the documents described in (i) through (ix) below are collectively called the "**Loan Documents**"):

(i) An executed copy of the Loan Agreement;

(ii) An executed copy of a Promissory Note dated April ___, 2021 (the "**Note**") made by the Borrower in the amount of the Loan payable to the order of the City and endorsed by the City to the Trustee;

(iii) An executed copy of a Mortgage, Security Agreement and Assignment of Rents and Leases dated as of April 1, 2021 (the "**Mortgage**") executed by the Borrower in favor of the Trustee encumbering the Real Estate referred to in the Mortgage (the "**Real Estate**") and other property;

(iv) a Bond Purchase Agreement dated April ___, 2021 (the "Purchase Agreement"), among the Borrower, the City and Stifel, Nicolaus & Company, Incorporated, as underwriter (the "**Underwriter**");

(v) A Preliminary Limited Offering Memorandum dated April ___, 2021 with respect to the Bonds (the "**Preliminary Limited Offering Memorandum**");

(vi) A final Limited Offering Memorandum dated April ___, 2021 with respect to the Bonds (the "**Limited Offering Memorandum**");

(vii) An executed copy of a Tax Compliance Agreement dated _____, 2021, between the City and the Borrower;

(viii) An executed copy of a Continuing Disclosure Agreement dated _____, 2021 between the Borrower and the Trustee;

(ix) The following undated Financing Statements (the "**Financing Statements**") naming the Borrower as debtor and the Trustee as secured party, copies of which are attached hereto:

(a) UCC Financing Statement, Form UCC1 to be filed with the Secretary of State of Illinois (the "**Central Financing Statement**");

(b) UCC Financing Statement, Form UCC1 to be filed with the Cook County Clerk, Illinois (the "**Fixture Financing Statement**");

(x) A copy of the articles of incorporation of the Borrower and all amendments thereto, certified by the Secretary of State of Illinois on _____, 2021, and by its Secretary;

(xi) Copies of the bylaws of the Borrower and all amendments thereto, certified by its Secretary (the bylaws together with the articles of incorporation referred to as the "**Borrower Organizational Documents**");

(xii) Copies of the resolutions of the Board of Trustees of the Borrower adopted on March 15, 2021, approving the issuance of the Bonds and authorizing the execution and delivery of the Loan Documents to be executed by the Borrower, all as certified by its Secretary;

(xiii) A certificate of the Secretary of the Borrower as to the incumbency and specimen signatures of the officers of the Borrower executing the Loan Documents; and

(xiv) A certificate of the Secretary of State of Illinois dated _____, 2021 as to the good standing of the Borrower.

In making our examination, we have assumed the genuineness of all signatures (other than the signatures of the officers of the Borrower executing the respective Loan Documents to which each is a party), the authenticity of all documents submitted to us as originals, the conformity with the originals of all documents submitted to us as copies and the legal capacity of all natural persons. As to matters of fact material to our opinions in this letter, we have relied on the certificates of officers of the

Borrower, public officials and other appropriate persons and on the representations made in the Loan Documents. We have not independently investigated or verified any of the foregoing.

In rendering the opinions in this letter we have assumed, without independent investigation or verification, that each party to each of the Loan Documents, other than the Borrower, (a) is validly existing and in good standing under the laws of its jurisdiction of organization, (b) has full power and authority to execute the Loan Documents to which it is a party and to enter into the transactions contemplated therein, (c) has taken all necessary action to authorize execution of the Loan Documents to which it is a party on its behalf by the persons executing same, (d) has properly executed and delivered each of the Loan Documents to which it is a party, and (e) has duly obtained all consents or approvals of any nature from and made all filings with any governmental authorities necessary for such party to execute, deliver or perform its obligations under the Loan Documents to which it is a party. In addition, in rendering such opinions we have assumed, without independent investigation or verification, that the execution and delivery of, and performance of their respective agreements under, the Loan Documents by each party thereto, other than the Borrower, do not violate any law, rule, regulation, agreement or instrument binding upon such party, that each of the Loan Documents is the legal, valid and binding obligation of, and enforceable against, each party thereto, other than the Borrower, and, except to the extent covered by our opinions in paragraphs 4 and 5 below, that the execution and delivery by the Borrower, and performance by it of its agreements under, the Loan Documents do not violate any law, rule, regulation, agreement or instrument binding upon the Borrower or require any consent or approval from or filing with any governmental authority.

In rendering our opinions herein we have also assumed, without independent investigation or verification, that (a) there is no oral or written agreement, understanding, course of dealing or usage of trade that amends any term of any Loan Document, or any waiver of any such term; (b) there has been no mutual mistake of fact or fraud, duress, undue influence or similar inequitable conduct; (c) the Borrower has title to the Real Estate; (d) the Loan has been disbursed to or in accordance with the direction of the Borrower; (e) the Real Estate is not "agricultural real estate" or "residential real estate," as such terms are used in the Illinois Mortgage Foreclosure Law, 735 ILCS 5/15-1101, et seq. (the "Illinois Mortgage Foreclosure Law") or "residential real estate," as such term is used in the Illinois Interest Act, 815 ILCS 205/0.01, et seq.

In rendering our opinions herein with respect to fixtures and other personal property collateral described in the Mortgage in which a security interest can and has been granted pursuant to the UCC (the "**Personal Property**") we have also assumed, without independent investigation or verification, that (a) the Financing Statements correctly state the mailing address of the Borrower and the name and mailing address of the secured party; (b) value has been given within the meaning of UCC 9-203(b)(1); (c) the Borrower has rights in the Personal Property or the power to transfer rights in the Personal Property to the Trustee within the meaning of UCC 9-203(b)(2); (d) none of the Personal Property consists or will consist of "farm products", as defined in UCC 9-102(a)(34), "as-extracted collateral", as defined in UCC 9-102(a)(6), "consumer goods", as defined in UCC 9-102(23), or standing timber, and the transaction contemplated by the Loan Agreement or the Mortgage is not a "consumer transaction", as defined in UCC 9-102(a)(26); (e) the Personal Property will not become fixtures related to any real property other than the Real Estate; (f) the Borrower is not a "transmitting utility", as defined in UCC 9-102(a)(80).

For the purpose of this opinion letter, our "knowledge" (or any similar concept) with respect to any matter means (1) the actual knowledge regarding such matter of the particular Applegate & Thorne-Thomsen attorneys who are presently employees or partners of Applegate & Thorne-Thomsen and who have represented the Borrower, in connection with the transactions contemplated by the Loan Documents, (2) we have not undertaken any independent investigation with respect to any such matter,

and (3) no inference that we have actual knowledge concerning any such matter should be drawn from the mere fact of our representation of the Borrower, or our expression of any opinion in this letter.

The opinions contained in this letter are only expressions of professional judgment regarding the legal matters addressed and are not guarantees that a court would reach any particular result.

Based on the foregoing and subject to the qualifications set forth below, we are of the opinion that:

1. The Borrower is a not-for-profit corporation validly existing and in good standing in the State of Illinois.

2. The Borrower has the corporate power and authority to execute and deliver each of the Loan Documents to which it is a signatory or party, the Borrower has the corporate power and authority to perform its obligations under each of the Loan Documents to which it is a signatory or party, and the execution, delivery and performance thereof by the Borrower have been duly authorized by all necessary corporate action on its part.

3. Such of the Loan Documents as purport to have been executed and delivered by the Borrower have been duly executed and delivered by the Borrower. The Loan Documents constitute the legal, valid and binding obligations of the Borrower enforceable against it in accordance with their respective terms.

4. The execution and delivery by the Borrower of each of the Loan Documents to which it is a party do not, and the performance by the Borrower of its obligations under the Loan Documents will not (i) violate the articles of incorporation or bylaws of the Borrower, (ii) violate any law, rule or regulation applicable to the Borrower, (iii) violate any judgment, injunction, order or decree against the Borrower which is listed on the Officer's Certificate of the Borrower attached to this opinion letter, (iv) breach or result in a default under any indenture, mortgage, instrument or agreement which is listed on the Officer's Certificate of the Borrower attached to this opinion letter, or, to our knowledge, result in the creation, under any of the documents referred to in clause (i), (iii) or (iv) of this paragraph or any of the matters referred to in clause (ii) of this paragraph, of any lien, charge or encumbrance on any property or assets of the Borrower except as contemplated by the Loan Documents.

5. Neither the execution and delivery by the Borrower of any of the Loan Documents nor the performance by the Borrower of its obligations under the Loan Documents requires any consent or approval of any nature from or filing with any governmental authority of the State of Illinois or the United States of America, except for filings that may be needed to perfect the security interests in Personal Property created pursuant to the Mortgage.

6. The Mortgage is in proper form for recording with the Office of Cook County Clerk(the "**Recorder**") and upon such recording the Mortgage will create, as security for the payment and performance of the Borrower's obligations secured thereby, a valid lien of record on that portion of the property covered thereby which constitutes real property.

7. The provisions of the Mortgage are effective to create a valid security interest in all of Borrower's rights in that portion of the Property (defined in the Mortgage) in which a security interest may be created pursuant to Article 9 of the UCC. Upon the recording of the Mortgage with the Recorder, the security interest of the Trustee in the rights of Borrower in that portion of the Property constituting fixtures described in the Mortgage will be perfected to the extent that a security interest can be perfected by the filing of a financing statement in the State of Illinois pursuant to Article 9 of the UCC.

8. The filing of the Central Financing Statement with the Secretary of State of Illinois and the filing of the Fixture Financing Statement with the Recorder of Cook County, Illinois are the only filings necessary to perfect the security interests created by the Mortgage in the Borrower's interest in the Personal Property described in the Financing Statements in which a security interest can be perfected by the filing of a financing statement in the State of Illinois pursuant to Article 9 of the UCC.

9. We are not passing upon and do not assume responsibility for, and have not been engaged or undertaken to verify independently, the accuracy, completeness or fairness of any statements contained in the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum. However, certain lawyers in this firm have reviewed certain documents and have participated in certain conferences in which the contents of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum and related matters were discussed. Based solely upon such review and participation, during the course of our work on this matter, nothing has come to our attention that causes us to believe that the Preliminary Limited Offering Memorandum, or the Limited Offering Memorandum, as of their respective dates, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, or that the Preliminary Limited Offering Memorandum as of its date and the Limited Offering Memorandum, as of the date hereof, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, except that no view is hereby expressed with respect to: (a) any economic, financial, operational, technical or statistical information contained in the Limited Offering Memorandum; (b) any forecasts, projections, estimates, assumptions or expressions of opinion contained in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum; (c) any financial statements contained in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum; (d) any information incorporated or included by reference in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum; or (e) any information contained under the captions THE SERIES 2021 BONDS, THE ISSUER, LEGAL MATTERS, NOT RATED, AND AUDITED FINANCIAL STATEMENTS, or in Appendices B, C, D, F, G, H, I or J to the Preliminary Limited Offering Memorandum and Limited Offering Memorandum.

10. Under the laws of the State of Illinois, the Loan, including the interest reserved in the Note and all fees and charges paid or payable by or on behalf of the Borrower received or receivable by the Trustee, is not usurious or violative of any law or regulation of the State of Illinois governing the payment or receipt of interest.

11. Based solely upon a review of our litigation docket and an officer's certificate, to our knowledge there is no action, suit, proceeding or investigation in law or in equity before or by any court, public board or body, pending or overtly threatened in writing against or affecting the Borrower that would (a) contest the due organization, corporate existence or corporate powers of the Borrower, (b) contest or affect the validity or execution of the Loan Documents, (c) limit, enjoin or prevent (i) the Borrower from functioning or (ii) the Borrower from making payments under the Loan Agreement or the Note, (d) restrain, enjoin or restrict the execution, delivery or enforceability of the Loan Documents in accordance with their terms or the application of the proceeds of the sale of the Bonds as provided in the Loan Agreement, (e) have a material adverse impact on the financial condition of the Borrower, or (f) contest or challenge the tax-exempt status of the Borrower.

The opinions set forth above are subject to the following qualifications:

A. For purposes of our opinion in paragraph 1 above as to the existence and good standing of the Borrower we have relied solely upon the documents described in items (x) and (xiv) above.

B. The opinion expressed in paragraph 3 above with respect to the legality, validity, binding nature and enforceability of the Loan Documents is subject to (i) applicable laws relating to bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other similar laws affecting creditors' rights generally, whether now or hereafter in effect, (ii) general principles of equity, including, without limitation, concepts of materiality, laches, reasonableness, good faith and fair dealing and the principles regarding when injunctive or other equitable remedies will be available (regardless of whether considered in a proceeding at law or in equity), and (iii) the qualification that certain provisions of the Loan Documents are or may be unenforceable in whole or in part, but, subject to the other limitations as to enforceability expressed in this opinion and any limitations contained in the Loan Documents, the inclusion of such provisions does not prevent the practical realization of the benefits intended to be afforded by the Borrower's principal obligations under the Loan Documents, except for the economic consequences, if any, resulting from any delay imposed by applicable laws, rules and regulations, court decisions or procedures or constitutional requirements. Our opinion with respect to the enforcement of assignment of rent provisions of the Mortgage is limited to the enforcement of such assignment of rents upon acceleration of the debt following a material default for purposes of collecting rents accruing after the appointment of a receiver by a court of competent jurisdiction in an action to foreclose the Mortgage. Without limiting the foregoing, we bring to your attention that Section 1602(b) of the Illinois Mortgage Foreclosure Law grants a mortgagor the right, which in certain circumstances is exercisable not more than once in any five-year period, to cure the default of a loan secured by real estate within certain time periods specified in such statute. It is unclear under Illinois law whether waiver of this right of reinstatement is enforceable.

C. In rendering the opinions set forth above, we have made no examination of, and we express no opinion with respect to, any accounting matters. Our opinion in paragraph 4 above covers only violations, breaches or defaults which can be definitively determined as of the date of this opinion letter and does not cover violations, breaches or defaults the occurrence of which is dependent upon future events or circumstances.

D. We express no opinion as to the validity, legality, binding effect or enforceability of any covenant or agreement (i) providing for release of liability for or the indemnification against any losses, claims, damages, expenses or liabilities incurred by any person as a result of any violation of any securities law by such person, as a result of the gross negligence or willful misconduct of such person, or as a result of the negligence of such person if a court would find that the intent to indemnify such person for such person's negligence was not clearly expressed or that such indemnification violates a public policy of the State of Illinois, (ii) requiring that any amendment, modification or waiver of any Loan Document shall not be effective unless in writing, (iii) providing for the consent to jurisdiction of any court, the waiver of objection of venue of any court, the waiver of or consent to service of process in any manner other than provided in the laws of the State of Illinois, the waiver of jury trial or the waiver of counterclaim or cross-claim, (iv) providing that delays will not operate as waivers, (v) which attempts to modify or waive any requirements of reasonableness or notice arising under the laws of any jurisdiction to the extent applicable to the transactions contemplated by the Loan Documents, (vi) which requires the payment of interest on overdue but unpaid interest or fixed late payment charges, (vii) which purports to be an agreement to use "best efforts", (viii) relating to severability as applied to any portion of a Loan Document deemed by a court to be material, (ix) waiving the benefits of any statutory provision or common law right where such waiver violates limitations imposed by statute or is against public policy, (x) providing for a choice of any governing law other than the laws of the State of Illinois, (xi) providing for a prepayment premium in the event (1) of an acceleration of the Loan after a default; (2) under the circumstances in which the Lender seeks to enforce the obligation to pay the prepayment premium, a court finds enforcement thereof would constitute a penalty or unreasonable liquidated damages or would

result in a forfeiture; or (3) such premium is in connection with the application of insurance or condemnation proceeds.

E. We express no opinion as to matters of title or assignability or as to matters of priority or perfection of liens or security interests (except as set forth in paragraph 6) or as to the adequacy of the description of the Real Estate, the Personal Property or other collateral. We understand that, with respect to the real and personal property security interests intended to be created by the Loan Documents and the priority of the liens thereof, the Trustee will rely on a title insurance policy and such Uniform Commercial Code and other searches as the Trustee deems adequate.

F. The lien of the Mortgage will cease to exist (i) if a due date is stated upon its face or is ascertainable from the written terms thereof, twenty years after the time the last payment on the Mortgage is scheduled to become due upon its face and according to its written terms; or (ii) if no due date is stated upon its face or is ascertainable from the written terms thereof, thirty years from the date thereof; and, if it is intended that the lien of the Mortgage extend thereafter, the Mortgage should be extended in accordance with Illinois law prior to the expiration of such twentieth or thirtieth year, as the case may be.

G. Our opinions are limited to only those laws, rules and regulations that we have, in the exercise of customary professional diligence, but without any special investigation, recognized as generally applicable to the transactions contemplated by the Loan Documents or to business organizations of the same type as the Borrower. We have not reviewed and do not opine as to: (i) compliance by the Real Estate with applicable zoning, health, safety, building, environmental, land use or subdivision laws, ordinances, codes, rules or regulations, or other laws, ordinances, codes, rules or regulations relating to the construction, occupancy or use of property (except as specifically set forth herein), (ii) ERISA laws, rules and regulations, or (iii) federal or state taxation, banking, securities or "blue sky" laws, rules or regulations. In addition, we express no opinion as to any law, rule or regulation (x) the violation of which would not have a material adverse effect on the Trustee or the Borrower or the Borrower's ability to perform its respective obligations under the Loan Documents, (y) the violation of which can be cured without significant expense to you, or (z) to which the Borrower may be subject as a result of the Trustee's legal or regulatory status.

H. The foregoing opinions are limited to the laws of the State of Illinois, and the federal laws of the United States of America, and we express no opinions with respect to the laws of any other jurisdiction.

I. Perfection of a security interest in proceeds of any Personal Property may be limited as provided in UCC 9-315; the continued perfection of security interests created by the Mortgage and perfected by the filing of the Financing Statements will depend upon the filing of periodic continuation statements relating to such Financing Statements in accordance with the UCC and may depend upon (i) the continuance of the Borrower as a registered organization (as defined in UCC 9-102(a)(70)) organized under Illinois law, and (ii) the continuation of the Borrower's present name as shown by the current certificate of Borrower certified by the Secretary of State of Illinois; and certain persons will take free of a security interest to the extent provided in Subpart 3 of Article 9 of the UCC.

J. A security interest in Collateral acquired after the date of the Mortgage may not attach to such Collateral under Section 552 of the Bankruptcy Code.

The opinions expressed in this opinion letter are as of the date of this opinion letter only and as to the laws covered hereby only as they are in effect on that date, and we assume no obligation to update or supplement such opinion to reflect any facts or circumstances that may come to our attention

after that date or any changes in law that may occur or become effective after that date. The opinions herein are limited to the matters expressly set forth in this opinion letter, and no opinion is given or may be inferred beyond the matters expressly set forth in this opinion letter.

This opinion letter is furnished by us as special counsel for the Borrower, is solely for your benefit and for the benefit of your successors and assigns in connection with the transactions stated herein, and is not to be given to or relied on by any other person or for any other purpose without our prior written consent.

Very truly yours,

Exhibit D

Form of Opinion of Special Counsel to Issuer

April 22, 2021

Mayor and City Council
Evanston, Illinois

Wilmington Trust, National Association
Minneapolis, Minnesota

Stifel, Nicolaus & Company, Incorporated
Minneapolis, Minnesota

Re: $8,275,000 City of Evanston, Illinois
Educational Facility Revenue Bonds, Series 2021 (Roycemore School)

Ladies and Gentlemen:

We have acted as special counsel to the City of Evanston, Cook County, Illinois (the "*City*") in connection with the issuance of the above-referenced bonds in the aggregate principal amount of $8,275,000 (the "*Bonds*"). The City is issuing the Bonds pursuant to Ordinance 26-O-21, adopted by the City Council of the City (the "*City Council*") on April 12, 2021 (the "*Bond Ordinance*"), and under and pursuant to a Bond Trust Indenture dated as of April 1, 2021 (the "*Bond Indenture*"), between the City and Wilmington Trust, National Association, as bond trustee (the "*Bond Trustee*"). The City will lend the proceeds of the Bonds to Roycemore School (the "*Borrower*"), pursuant to a Loan Agreement dated as of April 1, 2021 (the "*Loan Agreement*"), between the City and the Borrower. The Bonds are special, limited obligations of the City, payable solely out of the revenues and income derived under the Bond Indenture and Loan Agreement.

In connection with the issuance of the Bonds, we have examined the documents referred to herein and various certificates and records and such other matters as we have deemed necessary or appropriate in order to render this opinion, including the following:

1. The Constitution of the State of Illinois and the laws that we consider necessary for the purposes of this opinion, including, without limitation, the Illinois Municipal Code, as supplemented and amended, and the home rule powers of the City under Section 6 of Article VII of the Illinois Constitution of 1970; and, in the event of conflict between the provisions of said code and home rule powers, the home rule powers shall be deemed to supersede the provisions of said code (collectively, "*Applicable Law*").

2. The proceedings of the City Council (collectively, the "*Proceedings*"), authorizing, among other things, the following:

(a) The adoption of the Bond Ordinance.

(b) The execution and delivery of City Documents (as hereinafter defined).

3. Executed counterpart of the Bond Indenture.

4. Executed counterpart of the Loan Agreement.

5. The form of the Bonds.

6. Executed counterpart of the the Bond Purchase Agreement dated April 14, 2021 (the "*Purchase Agreement*"), among the Borrower, the City and Stifel, Nicolaus & Company, Incorporated, as underwriter.

7. Executed counterpart of the Tax Compliance Agreement dated the date hereof (the "*Tax Agreement*"), between the Borrower and the City.

In addition, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such other records of the City, certificates of officers and representatives of the City, and other documents, and have made such investigation of law, as we have deemed necessary or advisable for the purpose of rendering the opinions herein below expressed. We have assumed that the representations and warranties as to factual matters made by the City are true and correct. We have also assumed the genuineness and authenticity of all documents submitted to us as originals; the conformity to originals of all documents submitted to us as copies; the authorization and due execution and delivery of the Bond Indenture and Loan Agreement, the Purchase Agreement and the Tax Agreement (collectively, the "*City Documents*"), by any party other than the City, when authorization and due execution and delivery are a prerequisite to the effectiveness thereof; and that all City Documents are the valid and binding obligations of the other parties thereto.

Revenues from payments by the Borrower under the Bond Indenture and Loan Agreement and from certain other sources provided for and described in the Bond Indenture and Loan Agreement are the only sources available for payment of principal of, premium, if any, or interest on, the Bonds. The Bonds are not an indebtedness or obligation of the City, the State of Illinois or any political subdivision thereof or a loan of credit of any of them within the meaning of any constitutional limitation or statutory provision, or a charge against the general credit or taxing powers, if any, of the City, the State of Illinois or any other political subdivision thereof.

Subject to the foregoing, we are of the opinion that as of the date hereof:

1. The City is a municipality and a home rule unit of government, duly organized and validly existing under the laws of the State of Illinois.

2. The City has authorized the issuance, sale and delivery of the Bonds, and the execution, delivery and due performance of the City Documents, and the taking of all

actions as may be required on the part of the City to carry out, give effect to and consummate the transactions contemplated by the same. Neither the execution, delivery by the City of the City Documents, the consummation by the City of the transactions contemplated thereby nor the compliance by the City with the provisions thereof do or will conflict with or result in the breach of, or constitute a default under, any provision of the Applicable Law.

3. The Bond Ordinance has been adopted by the City Council and is in full force and effect.

4. To the best of our knowledge, no approval, consent or authorization of or by any governmental or public agency, authority or person not already obtained is required of the City in connection with the issuance and sale of the Bonds or the execution and delivery of, or the performance of the City's obligations under, the City Documents, other than any consents, approvals, orders and authorizations required to be obtained by the Borrower and other than approvals and consents in connection or compliance with the Trust Indenture Act of 1939, as amended, state securities or "blue sky laws," the securities laws of the United States of America, or the United States Internal Revenue Code of 1986, as amended, as to all of which we express no opinion hereunder.

5. To the best of our knowledge, based solely on certifications of the City, and without independent investigation, there is no legal action or other proceeding or any investigation or inquiry (before or by any court, public board or body) pending or threatened against or affecting the City or any of its officials in their respective capacities, as such, that may be reasonably expected to have a material and adverse effect upon the sale by the City of the Bonds as contemplated by the Bond Ordinance, the validity of the Bonds, the Bond Ordinance or the City Documents or the performance by the City of its obligations under the City Documents.

6. The Agreement has been duly authorized, executed and delivered by the City, and assuming the due authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the City, enforceable against the City in accordance with its terms, except to the extent that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws and equitable principles of general application affecting the rights and remedies of creditors and secured parties.

The foregoing opinions and matters are further subject to the following qualifications:

(i) The opinions expressed herein concern only the law of the State of Illinois and applicable federal laws, and we express no opinion concerning any other laws.

(ii) We express no opinion or belief with respect to the tax-exempt status of the Bonds or of the interest thereon.

(iii) We express no opinion as to the effect of the compliance or noncompliance by any party other than the City with any state or federal laws or regulations applicable because of the legal or regulatory status of such party, or because of the nature of the business of such party or because of such party's participation in the transactions contemplated in the Bond Ordinance.

(iv) We express no opinion with regard to the applicability or effect of the Internal Revenue Code of 1986, as amended, and the applicable final, temporary or proposed regulations or revenue rulings issued by the Treasury Department of the Internal Revenue Service of the United States to the Bonds and the City Documents. In addition, we express no opinion as to the state or federal tax treatment to be accorded the sale and purchase of the Bonds or the interest, principal or other payments or deposits made under the Bond Indenture and Loan Agreement or on the Bonds.

(v) Any opinion or statement herein which is expressed to be "to our knowledge" or "known to us" means that the lawyers in this firm who have given substantive attention to the matters concerning the City during the course of our limited representation of the City, including the lawyer executing this opinion, have no current awareness of any facts or information contrary to such opinion or statement, and no independent investigation to uncover any such facts or information has been undertaken on behalf of such lawyers.

(vi) The opinions expressed herein are based upon an interpretation of, and are limited to, existing laws, ordinances and regulations, which laws are subject to change at any time by legislation, administrative action or judicial decision. We render this opinion to the parties named above and it may not be relied upon in any manner by any other person or entity without our prior written consent. This opinion is limited to the matters stated herein and no opinion may be implied or inferred beyond the matters expressly stated. This opinion is given as of its date and we assume no obligation to advise you of changes that may later be brought to our attention.

This letter is furnished by us as special counsel to the City. No attorney-client relationship has existed or exists between our firm and the other addressees hereof in connection with the Bonds or by virtue of this letter. This letter is solely for the benefit of the addressees hereof and is not to be relied upon for any other purpose or by any person other than the addressees of this letter. This letter is not intended to, and may not, be relied upon by any party to whom it is not specifically addressed.

Very truly yours,

EXHIBIT E

FORM OF ISSUE PRICE CERTIFICATE

$_____
City of Evanston, Illinois
Educational Facility Revenue Bonds, Series 2021
(Roycemore School)

The undersigned, as the duly authorized representative of Stifel, Nicolaus & Company, Incorporated (the "Purchaser"), with respect to the City of Evanston, Illinois Education Facility Revenue Bonds, Series 2021 (Roycemore School), issued by the City of Evanston, Cook County, Illinois (the "Issuer") in the aggregate principal amount of $8,275,0000 (the "Bonds"), hereby certifies, based on its records and information, as follows:

(a) The Purchaser, the Issuer and Roycemore School have executed a bond purchase agreement (the "Bond Purchase Agreement") in connection with the Bonds on April 14, 2021 (the "Sale Date"). The Purchaser has not modified the Bond Purchase Agreement since its execution on the Sale Date.

(b) The first price at which at least ten percent ("Substantial Amount") of the principal amount of each maturity of the Bonds having the same credit and payment terms (a "Maturity") was sold to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter (the "Public") is set forth in the final Limited Offering Memorandum relating to the Bonds.

A copy of the pricing wire or equivalent communication for the Bonds is attached to this Issue Price Certificate as Schedule A.

For purposes of this Issue Price Certificate, the term "Underwriter" means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public) to participate in the initial sale of the Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Katten Muchin Rosenman LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Notwithstanding anything set forth herein, the Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this [_____], 2021

Stifel, Nicolaus & Company, Incorporated

By:_____

Name:_____

SCHEDULE A

PRICING WIRE OR EQUIVALENT COMMUNICATION

(*Attached*)

Blanket Issuer Letter of Representations

[To be Completed by Issuer]

City of Evanston, Cook County, Illinois
[Name of Issuer]

12/16/97
[Date]

Attention: Underwriting Department — Eligibility
The Depository Trust Company
55 Water Street, 50th Floor
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

CITY OF EVANSTON,
COOK COUNTY, ILLINOIS
(Issuer)

By: Robert A Shonk
(Authorized Officer's Signature)

Robert A. Shonk, Finance Director and City Comptroller
(Typewrite Name & Title)

2100 Ridge Avenue
(Street Address)

Evanston, Illinois 60201
(City) (State) (Zip)

847-328-2100
(Phone Number)

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By:

SCHEDULE A

SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $200 million, one certificate will be issued with respect to each $200 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

[6. Redemption notices shall be sent to Cede & Co. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. will consent or vote with respect to Securities. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal and interest payments on the Securities will be made to DTC. DTC's practice is to credit Direct Participants' accounts on payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer or the Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with a demand for purchase or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records.]

10. DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to the Issuer or the Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

11. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

THE TRANSFERABILITY OF THIS BOND IS RESTRICTED AS DESCRIBED IN SECTION 208 OF THE HEREINAFTER DEFINED BOND INDENTURE

UNITED STATES OF AMERICA
STATE OF ILLINOIS
CITY OF EVANSTON, ILLINOIS
EDUCATIONAL FACILITY REVENUE BONDS, SERIES 2021
(ROYCEMORE SCHOOL)

No. R-1 $1,915,000

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
4.000%	April 1, 2032	April 22, 2021	299231AD2

PRINCIPAL SUM: ONE MILLION NINE HUNDRED FIFTEEN THOUSAND DOLLARS

REGISTERED OWNER: Cede & Co.

SPECIMEN

Certain words not defined herein shall have the meanings assigned to them in the hereinafter-described Bond Indenture.

The CITY OF EVANSTON, COOK COUNTY, ILLINOIS (the "*City*"), a municipality and home rule unit of the State of Illinois, for value received, hereby promises to pay in lawful money of the United States of America to the registered owner specified above or registered assigns, on the maturity date identified above, unless this Bond shall be redeemable and shall have previously been called for redemption and payment of the redemption price made or provided for, but solely from the payments on the Series 2021 Note (hereinafter referred to) and amounts payable under the Loan Agreement (hereinafter referred to), which payments are pledged and assigned for the payment hereof pursuant to the Bond Indenture hereinafter mentioned and not otherwise, upon surrender hereof, the principal sum set forth above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such principal amount, payable solely from said Series 2021 Note payments and amounts payable under the Loan Agreement, from the date of this Bond or from the most recent Interest Payment Date (as defined below) to which interest has been paid at the interest rate per annum set forth above on April 1 and October 1 of each year (an "*Interest Payment Date*") commencing October 1, 2021, until payment of such principal amount or provision therefor shall have been made upon redemption or at maturity. The principal of this Bond is payable upon presentment at the designated corporate trust office of Wilmington Trust, National Association, as bond trustee (the "*Bond Trustee*") in Chicago, Illinois (or such other office as the Bond Trustee shall designate in a notice to the owners of the Series 2021 Bonds), or of any alternate Paying Agent (as defined in the Bond Indenture), if any, named in such Bonds or to the registered owner of $500,000 or more in aggregate principal amount of Series 2021 Bonds who so elects by wire transfer of immediately available funds sent on the principal payment date in accordance with the provisions of the Bond Indenture.

THIS BOND AND THE OBLIGATION TO PAY PRINCIPAL OR PREMIUM, IF ANY, WITH RESPECT HERETO, AND INTEREST HEREON ARE SPECIAL, LIMITED

OBLIGATIONS OF THE CITY, SECURED AS AFORESAID AND PAYABLE SOLELY OUT OF THE REVENUES AND INCOME DERIVED FROM THE LOAN AGREEMENT AND THE SERIES 2021 NOTE AND AS OTHERWISE PROVIDED IN THE ORDINANCE, INDENTURE AND THE LOAN AGREEMENT. THIS BOND AND THE OBLIGATION TO PAY PRINCIPAL OR PREMIUM, IF ANY, WITH RESPECT HERETO, AND INTEREST HEREON SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR AN OBLIGATION OF THE CITY, THE STATE OF ILLINOIS (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE PURVIEW OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR PROVISION OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS, IF ANY, OF ANY OF THEM. NO OWNER OF THIS BOND SHALL HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER, IF ANY, OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO PAY ANY PRINCIPAL INSTALLMENT OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND.

Except as otherwise provided in the Bond Indenture with respect to Defaulted Interest (as defined therein), payment of interest hereon shall be made to the registered owner hereof as shown on the registration books of the City (the "*Bond Register*") at the close of business on the 15th of March and the 15th of September (whether or not a Business Day) next preceding an Interest Payment Date (the "*Record Date*") and shall be paid (i) by check or draft mailed on the Interest Payment Date to such registered owner at such person's address as it appears on the Bond Register or at such other address as may be furnished in writing by such registered owner to the Bond Trustee prior to the applicable Record Date or (ii) to the registered owner of $500,000 or more in aggregate principal amount of Series 2021 Bonds who so elects by wire transfer of immediately available funds sent on the Interest Payment Date in accordance with the provisions of the Bond Indenture.

This Bond is one of an authorized series of Bonds issued under the hereinafter described Bond Indenture in the aggregate principal amount of $8,275,000 (the "*Series 2021 Bonds*"). The Series 2021 Bonds are being issued for the purpose of loaning funds to Roycemore School (the "*Corporation*"), an Illinois not for profit corporation, which will be used together with certain other moneys, to (i) refinance the outstanding portion of the $10,000,000 original amount of a taxable note (the "*Taxable Note*"), currently outstanding in the aggregate amount of $7,900,000; (ii) fund a debt service reserve fund; and (iii) pay certain costs incurred in connection with the issuance of the Series 2021 Bonds (collectively, the "*Financing Purposes*"), all as permitted by the Ordinance.

The City will loan the proceeds of the Series 2021 Bonds to the Corporation pursuant to the Loan Agreement dated as of April 1, 2021 between the City and the Corporation (the "*Loan Agreement*"). The terms of the Loan Agreement will require payments by the Corporation which, together with other moneys available therefor, will be sufficient to provide for the payment of the principal of and interest on the Series 2021 Bonds. The Series 2021 Bonds are secured by the Promissory Note, Series 2021 (the "*Series 2021 Note*") in the principal amount of $8,275,000 to be issued pursuant to the Loan Agreement.

The Series 2021 Bonds are all issued under and equally and ratably secured by and entitled to the security of a Bond Trust Indenture dated as of April 1, 2021 (the "*Bond Indenture*"),

SPECIMEN

duly executed and delivered by the City to the Bond Trustee, pursuant to which Bond Indenture the Series 2021 Note is pledged and assigned and all the right, title and interest of the City in and to the Loan Agreement (excluding Unassigned Rights, as defined in the Bond Indenture) are assigned by the City to the Bond Trustee as security for the Series 2021 Bonds. In addition, all or any portion of the Series 2021 Bonds may be advance refunded through a deposit in escrow for the benefit of such Bonds of cash and/or noncallable Government Obligations (as defined in the Bond Indenture). Reference is made to the Bond Indenture, to all indentures supplemental thereto, to the Loan Agreement, to all amendments thereto, for the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the City and the Bond Trustee, the rights of the owners of the Series 2021 Bonds, and to all provisions of which the owner by the acceptance of this Series 2021 Bond assents.

This Series 2021 Bond and the other Series 2021 Bonds, and the interest payable hereon and thereon, do not now and shall never constitute an indebtedness or an obligation of the City, the State or any political subdivision thereof, within the purview of any constitutional or statutory limitation or provision, or a charge against the general credit or taxing powers, if any, of any of them, but shall be secured as aforesaid, and shall be payable solely from the revenues and income derived from the Loan Agreement and the Series 2021 Note pledged under the Bond Indenture (except as stated aforesaid). No owner of the Series 2021 Bonds shall have the right to compel the exercise of the taxing power, if any, of the City, the State or any political subdivision thereof to pay any principal installment of, redemption premium, if any, or interest on the Series 2021 Bonds.

This Series 2021 Bond and the other Series 2021 Bonds, and the interest payable hereon and thereon, are special, limited obligations of the City and are payable solely from payments or prepayments to be made under the Loan Agreement and on the Series 2021 Note which are pledged and assigned for the payment of the Series 2021 Bonds in accordance with the Bond Indenture and from moneys and investments held by the Bond Trustee under the Bond Indenture and in certain circumstances from proceeds of insurance and condemnation awards or sales made under threat of condemnation.

This Series 2021 Bond is registered on the Bond Register and may be transferred by the registered owner hereof at the written request of such registered owner in person or by such person's attorney duly authorized in writing at the designated corporate trust office of the Bond Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Indenture and upon surrender and cancellation of this Series 2021 Bond. Upon such transfer a new registered Series 2021 Bond or Bonds without coupons of the same maturity, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefor. The City, the Bond Trustee and any paying agent may deem and treat the person in whose name this Series 2021 Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal and interest due hereon and for all other purposes and neither the City, the Bond Trustee nor any paying agent shall be affected by any notice to the contrary. The Bond Trustee shall not be required to register the transfer or exchange of any registered Series 2021 Bond during the period of 15 days next preceding any Interest Payment Date with respect to such Bond, nor to transfer or exchange any Bond after the mailing of notice calling such Series 2021 Bond for redemption has been made,

SPECIMEN

nor during a period of 15 days next preceding the mailing of notice of redemption of any Series 2021 Bonds of the same maturity.

The Series 2021 Bonds are initially issuable only as registered Bonds without coupons in denominations of $100,000 and integral multiples of $5,000 in excess thereof ("*Authorized Denominations*"). Subject to the limitations and upon payment of the charges provided in the Bond Indenture, Series 2021 Bonds in authorized denominations may be exchanged for a like aggregate principal amount of registered Series 2021 Bonds of other authorized denominations of the same maturity.

The Series 2021 Bonds are also redeemable prior to maturity (i) in the event of damage to or destruction of, or the condemnation of, or sale consummated under threat of condemnation of, the School Facility or any part thereof, if the Net Proceeds of insurance, condemnation or sale received in connection therewith and applied to make prepayments on the Series 2021 Note exceeds $250,000; or (ii) in the event the Corporation shall exercise its option to prepay the Series 2021 Note in an amount sufficient to redeem all or a portion of the Series 2021 Bonds then outstanding. If called for redemption in the event referred to in (i) above, the Series 2021 Bonds shall be subject to redemption by the City at any time, in whole or in part, and if in part by maturities or portions thereof designated by the Corporation (and if less than all of a maturity is being redeemed, in such random manner as the Bond Trustee shall deem appropriate), without premium, as provided in the Bond Indenture. If called for redemption in the event referred to in (ii) above, Series 2021 Bonds shall be subject to redemption, in whole or in part, at the times and in the manner and with the same premium set forth below as if such Series 2021 Bonds were being redeemed at the option of the City.

Outstanding Series 2021 Bonds are subject to redemption prior to maturity on or after April 1, 2029 at the option of the City upon direction of the Corporation out of amounts prepaid on the Series 2021 Note and deposited in the Optional Redemption Fund, in whole or in part at any time, and if in part by maturities or portions thereof designated by the Corporation (and if less than all of a single maturity is being redeemed, in such manner as the Bond Trustee shall deem appropriate), at a redemption price equal to 100% of the principal amount of the Series 2021 Bonds to be redeemed plus accrued interest thereon to the date of redemption, without premium.

In lieu of redeeming Series 2021 Bonds, the Bond Trustee may, at the request of the Corporation, use such funds otherwise available under the Bond Indenture for redemption of Series 2021 Bonds to purchase Series 2021 Bonds in the open market at a price not exceeding the redemption price then applicable. The Series 2021 Bonds are also subject to mandatory tender and purchase as described in the Bond Indenture.

No optional or extraordinary redemption of less than all of the Series 2021 Bonds at the time outstanding other than in accordance with the Bond Indenture, shall be made unless the total amount of funds available and to be used for such partial redemption is equal to or greater than $100,000 and is an Authorized Denomination. If less than all of a single maturity of Series 2021 Bonds is to be redeemed, such Bonds shall be randomly selected utilizing such method as may be designated by the Bond Trustee. In the case of any optional or extraordinary redemption or any purchase and cancellation of the Series 2021 Bonds, the City shall receive credit against its

SPECIMEN

required Bond Sinking Fund deposits with respect to such Series 2021 Bonds of such serial maturity.

In the event any of the Series 2021 Bonds are called for redemption as aforesaid, notice thereof identifying the Series 2021 Bonds to be redeemed will be given by mailing a copy of the redemption notice by first class mail, postage prepaid, not more than 60 nor less than 30 days prior to the redemption date to the registered owner of each Series 2021 Bond to be redeemed at the address shown on the Bond Register; provided, however, that failure to give such notice by mailing, or any defect in such notice or mailing as to any Series 2021 Bond, shall not affect the validity of any proceedings for redemption as to any Series 2021 Bond as to which notice has been properly given. All Series 2021 Bonds so called for redemption will cease to bear interest on the specified redemption date, provided that notice of redemption has been given and funds for their redemption are on deposit with the Bond Trustee, and shall no longer be protected by the Bond Indenture and shall not be deemed to be outstanding under the provisions of the Bond Indenture.

The Series 2021 Bonds are also subject to advance defeasance of the Bond Indenture by depositing with the Bond Trustee noncallable Government Obligations (as defined in the Bond Indenture) in such amount, together with income or increment to accrue thereon, but without consideration of any reinvestment thereof, and any uninvested cash, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Series 2021 Bonds outstanding under the Bond Indenture at or before their respective maturity dates. The Series 2021 Bonds are also subject to advance defeasance of the Bond Indenture by depositing with the Bond Trustee moneys in an amount sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Series 2021 Bonds outstanding under the Bond Indenture at or before their respective maturity dates, provided that such moneys, if invested, shall be invested in noncallable Government Obligations in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Series 2021 Bonds outstanding at or before their respective maturity dates; it being understood that the investment income on such moneys may be used for any other purpose under the Act. Upon such payment or provision therefor, together with all other payments required under the Bond Indenture, the Bond Indenture may be discharged by the Bond Trustee in accordance with the provisions thereof, but the City shall remain the obligor on all Series 2021 Bonds although the owners thereof and the owner hereof shall be entitled to payment solely out of such cash and/or funds received from such Government Obligations deposited with the Bond Trustee.

SPECIMEN

The City may also pay or provide for the payment of any portion of the Series 2021 Bonds by: (a) depositing with the Bond Trustee noncallable Government Obligations in an amount, together with the income or increment to accrue thereon, but without consideration of any reinvestment thereof, and any uninvested cash, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on any such portion of the Series 2021 Bonds at or before their respective maturity dates; or (b) depositing with the Bond Trustee moneys in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on any portion of the Series 2021 Bonds at or before their respective maturity dates, provided that such moneys, if invested, shall be invested in noncallable Government Obligations in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on any such portion of the Series 2021 Bonds at or before their respective maturity

dates; it being understood that the investment income on such Government Obligations may be used for any other purchase under the Act. Upon such deposit, such Bonds of such series or any such portion thereof shall cease to be entitled to any lien, benefit or security under the Bond Indenture. The holders of the Series 2021 Bonds shall be entitled to payment (to the exclusion of all other Bondholders) solely out of funds received from such Government Obligations and/or cash deposited with the Bond Trustee. The foregoing notwithstanding, none of the Series 2021 Bonds may be refunded nor may the Bond Indenture be discharged if under any circumstances such refunding would result in the loss of any exemption for the purposes of federal income taxation to which interest on the Series 2021 Bonds would otherwise be entitled. The Bond Indenture requires that the Bond Trustee receive an opinion of nationally recognized municipal bond counsel (which bond counsel and opinion, including without limitation the scope, form, substance and other aspects thereof are acceptable to the Bond Trustee and which opinion may be based upon a ruling or rulings of the Internal Revenue Service), to the effect that such refunding would not result in the loss of any exemption for the purposes of federal income taxation to which interest on such Series 2021 Bonds would otherwise be entitled.

The owner of this Series 2021 Bond shall have no right to enforce the provisions of 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 proceedings 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 (including this Series 2021 Bond) 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 Bond Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Bond Indenture.

It is hereby certified that all conditions, acts, and things required to exist, happen and be performed under the Ordinance and under the Bond Indenture precedent to and in connection with the issuance of this Series 2021 Bond exist, have happened and have been performed, and that the issuance, authentication and delivery of this Series 2021 Bond have been duly authorized by the duly adopted Ordinance of the City.

No recourse shall be had for the payment of the principal of, premium, if any, and interest on any of these Series 2021 Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in the Bond Indenture or the Loan Agreement or the *Purchase Agreement* against any past, present or future member, officer, alderman, agent, employee or official of the City, or any incorporator, member, alderman, official, officer, employee, director or trustee of any successor municipality, as such, either directly or through the City or any successor municipality, 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 incorporator, member, alderman, official, officer, employee, director, agent or trustee as such is hereby expressly waived and released as a condition of and consideration for the execution of the Bond Indenture or the Loan Agreement and the issuance of the Series 2021 Bonds. No covenant, stipulation, promise, agreement or obligation contained in the Bonds, the Loan Agreement, the Bond Indenture or any other document executed in connection therewith shall be deemed to be the covenant, stipulation, promise, agreement or obligation of any present or future official, officer, alderman, agent or

SPECIMEN

employee of the City in his or her individual capacity and neither any official of the City nor any officers executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Series 2021 Bonds.

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 duly executed by the Bond Trustee.

SPECIMEN

IN WITNESS WHEREOF, as provided by the Ordinance, the CITY OF EVANSTON, COOK COUNTY, ILLINOIS has caused this Bond to be executed in its name and on its behalf by the facsimile signature of its Mayor and its City Clerk and its seal to be hereunto affixed, all as of the dated date specified above.

CITY OF EVANSTON, COOK COUNTY, ILLINOIS

By: _____
Mayor

(SEAL)

ATTEST:

By: _____
City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION

This Series 2021 Bond is one of the Series 2021 Bonds described in the within-mentioned Bond Trust Indenture.

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Bond Trustee

By: William Cardozo
Authorized Signatory

Date of Authentication: 1/20/21

SPECIMEN

ASSIGNMENT OF BOND

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

TEN COM – as tenants in common
TEN ENT – as tenants by the entireties
JT TEN – as joint tenants with right of survivorship and not as tenants in common

Unif Trans Min Act—
_____ Custodian _____
(Cust) (Minor)

under Uniform Transfers to Minor Act

_____
(State)

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

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

_____

_____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

_____

attorney, to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

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

SPECIMEN

THE TRANSFERABILITY OF THIS BOND IS RESTRICTED AS DESCRIBED IN SECTION 208 OF THE HEREINAFTER DEFINED BOND INDENTURE

UNITED STATES OF AMERICA
STATE OF ILLINOIS
CITY OF EVANSTON, ILLINOIS
EDUCATIONAL FACILITY REVENUE BONDS, SERIES 2021
(ROYCEMORE SCHOOL)

No. R-2 $2,360,000

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
4.375%	April 1, 2041	April 22, 2021	299231AE0

PRINCIPAL SUM: TWO MILLION THREE HUNDRED SIXTY THOUSAND DOLLARS

REGISTERED OWNER: Cede & Co.

Certain words not defined herein shall have the meanings assigned to them in the hereinafter-described Bond Indenture.

The CITY OF EVANSTON, COOK COUNTY, ILLINOIS (the "*City*"), a municipality and home rule unit of the State of Illinois, for value received, hereby promises to pay in lawful money of the United States of America to the registered owner specified above or registered assigns, on the maturity date identified above, unless this Bond shall be redeemable and shall have previously been called for redemption and payment of the redemption price made or provided for, but solely from the payments on the Series 2021 Note (hereinafter referred to) and amounts payable under the Loan Agreement (hereinafter referred to), which payments are pledged and assigned for the payment hereof pursuant to the Bond Indenture hereinafter mentioned and not otherwise, upon surrender hereof, the principal sum set forth above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such principal amount, payable solely from said Series 2021 Note payments and amounts payable under the Loan Agreement, from the date of this Bond or from the most recent Interest Payment Date (as defined below) to which interest has been paid at the interest rate per annum set forth above on April 1 and October 1 of each year (an "*Interest Payment Date*") commencing October 1, 2021, until payment of such principal amount or provision therefor shall have been made upon redemption or at maturity. The principal of this Bond is payable upon presentment at the designated corporate trust office of Wilmington Trust, National Association, as bond trustee (the "*Bond Trustee*") in Chicago, Illinois (or such other office as the Bond Trustee shall designate in a notice to the owners of the Series 2021 Bonds), or of any alternate Paying Agent (as defined in the Bond Indenture), if any, named in such Bonds or to the registered owner of $500,000 or more in aggregate principal amount of Series 2021 Bonds who so elects by wire transfer of immediately available funds sent on the principal payment date in accordance with the provisions of the Bond Indenture.

THIS BOND AND THE OBLIGATION TO PAY PRINCIPAL OR PREMIUM, IF ANY, WITH RESPECT HERETO, AND INTEREST HEREON ARE SPECIAL, LIMITED

SPECIMEN

OBLIGATIONS OF THE CITY, SECURED AS AFORESAID AND PAYABLE SOLELY OUT OF THE REVENUES AND INCOME DERIVED FROM THE LOAN AGREEMENT AND THE SERIES 2021 NOTE AND AS OTHERWISE PROVIDED IN THE ORDINANCE, INDENTURE AND THE LOAN AGREEMENT. THIS BOND AND THE OBLIGATION TO PAY PRINCIPAL OR PREMIUM, IF ANY, WITH RESPECT HERETO, AND INTEREST HEREON SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR AN OBLIGATION OF THE CITY, THE STATE OF ILLINOIS (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE PURVIEW OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR PROVISION OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS, IF ANY, OF ANY OF THEM. NO OWNER OF THIS BOND SHALL HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER, IF ANY, OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO PAY ANY PRINCIPAL INSTALLMENT OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND.

Except as otherwise provided in the Bond Indenture with respect to Defaulted Interest (as defined therein), payment of interest hereon shall be made to the registered owner hereof as shown on the registration books of the City (the "*Bond Register*") at the close of business on the 15th of March and the 15th of September (whether or not a Business Day) next preceding an Interest Payment Date (the "*Record Date*") and shall be paid (i) by check or draft mailed on the Interest Payment Date to such registered owner at such person's address as it appears on the Bond Register or at such other address as may be furnished in writing by such registered owner to the Bond Trustee prior to the applicable Record Date or (ii) to the registered owner of $500,000 or more in aggregate principal amount of Series 2021 Bonds who so elects by wire transfer of immediately available funds sent on the Interest Payment Date in accordance with the provisions of the Bond Indenture.

This Bond is one of an authorized series of Bonds issued under the hereinafter described Bond Indenture in the aggregate principal amount of $8,275,000 (the "*Series 2021 Bonds*"). The Series 2021 Bonds are being issued for the purpose of loaning funds to Roycemore School (the "*Corporation*"), an Illinois not for profit corporation, which will be used together with certain other moneys, to (i) refinance the outstanding portion of the $10,000,000 original amount of a taxable note (the "*Taxable Note*"), currently outstanding in the aggregate amount of $7,900,000; (ii) fund a debt service reserve fund; and (iii) pay certain costs incurred in connection with the issuance of the Series 2021 Bonds (collectively, the "*Financing Purposes*"), all as permitted by the Ordinance.

The City will loan the proceeds of the Series 2021 Bonds to the Corporation pursuant to the Loan Agreement dated as of April 1, 2021 between the City and the Corporation (the "*Loan Agreement*"). The terms of the Loan Agreement will require payments by the Corporation which, together with other moneys available therefor, will be sufficient to provide for the payment of the principal of and interest on the Series 2021 Bonds. The Series 2021 Bonds are secured by the Promissory Note, Series 2021 (the "*Series 2021 Note*") in the principal amount of $8,275,000 to be issued pursuant to the Loan Agreement.

The Series 2021 Bonds are all issued under and equally and ratably secured by and entitled to the security of a Bond Trust Indenture dated as of April 1, 2021 (the "*Bond Indenture*"),

SPECIMEN

duly executed and delivered by the City to the Bond Trustee, pursuant to which Bond Indenture the Series 2021 Note is pledged and assigned and all the right, title and interest of the City in and to the Loan Agreement (excluding Unassigned Rights, as defined in the Bond Indenture) are assigned by the City to the Bond Trustee as security for the Series 2021 Bonds. In addition, all or any portion of the Series 2021 Bonds may be advance refunded through a deposit in escrow for the benefit of such Bonds of cash and/or noncallable Government Obligations (as defined in the Bond Indenture). Reference is made to the Bond Indenture, to all indentures supplemental thereto, to the Loan Agreement, to all amendments thereto, for the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the City and the Bond Trustee, the rights of the owners of the Series 2021 Bonds, and to all provisions of which the owner by the acceptance of this Series 2021 Bond assents.

This Series 2021 Bond and the other Series 2021 Bonds, and the interest payable hereon and thereon, do not now and shall never constitute an indebtedness or an obligation of the City, the State or any political subdivision thereof, within the purview of any constitutional or statutory limitation or provision, or a charge against the general credit or taxing powers, if any, of any of them, but shall be secured as aforesaid, and shall be payable solely from the revenues and income derived from the Loan Agreement and the Series 2021 Note pledged under the Bond Indenture (except as stated aforesaid). No owner of the Series 2021 Bonds shall have the right to compel the exercise of the taxing power, if any, of the City, the State or any political subdivision thereof to pay any principal installment of, redemption premium, if any, or interest on the Series 2021 Bonds.

This Series 2021 Bond and the other Series 2021 Bonds, and the interest payable hereon and thereon, are special, limited obligations of the City and are payable solely from payments or prepayments to be made under the Loan Agreement and on the Series 2021 Note which are pledged and assigned for the payment of the Series 2021 Bonds in accordance with the Bond Indenture and from moneys and investments held by the Bond Trustee under the Bond Indenture and in certain circumstances from proceeds of insurance and condemnation awards or sales made under threat of condemnation.

This Series 2021 Bond is registered on the Bond Register and may be transferred by the registered owner hereof at the written request of such registered owner in person or by such person's attorney duly authorized in writing at the designated corporate trust office of the Bond Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Indenture and upon surrender and cancellation of this Series 2021 Bond. Upon such transfer a new registered Series 2021 Bond or Bonds without coupons of the same maturity, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefor. The City, the Bond Trustee and any paying agent may deem and treat the person in whose name this Series 2021 Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal and interest due hereon and for all other purposes and neither the City, the Bond Trustee nor any paying agent shall be affected by any notice to the contrary. The Bond Trustee shall not be required to register the transfer or exchange of any registered Series 2021 Bond during the period of 15 days next preceding any Interest Payment Date with respect to such Bond, nor to transfer or exchange any Bond after the mailing of notice calling such Series 2021 Bond for redemption has been made,

SPECIMEN

nor during a period of 15 days next preceding the mailing of notice of redemption of any Series 2021 Bonds of the same maturity.

The Series 2021 Bonds are initially issuable only as registered Bonds without coupons in denominations of $100,000 and integral multiples of $5,000 in excess thereof ("*Authorized Denominations*"). Subject to the limitations and upon payment of the charges provided in the Bond Indenture, Series 2021 Bonds in authorized denominations may be exchanged for a like aggregate principal amount of registered Series 2021 Bonds of other authorized denominations of the same maturity.

The Series 2021 Bonds are also redeemable prior to maturity (i) in the event of damage to or destruction of, or the condemnation of, or sale consummated under threat of condemnation of, the School Facility or any part thereof, if the Net Proceeds of insurance, condemnation or sale received in connection therewith and applied to make prepayments on the Series 2021 Note exceeds $250,000; or (ii) in the event the Corporation shall exercise its option to prepay the Series 2021 Note in an amount sufficient to redeem all or a portion of the Series 2021 Bonds then outstanding. If called for redemption in the events referred to in (i) above, the Series 2021 Bonds shall be subject to redemption by the City at any time, in whole or in part, and if in part by maturities or portions thereof designated by the Corporation (and if less than all of a maturity is being redeemed, in such random manner as the Bond Trustee shall deem appropriate), without premium, as provided in the Bond Indenture. If called for redemption in the event referred to in (ii) above, Series 2021 Bonds shall be subject to redemption, in whole or in part, at the times and in the manner and with the same premium set forth below as if such Series 2021 Bonds were being redeemed at the option of the City.

Outstanding Series 2021 Bonds are subject to redemption prior to maturity on or after April 1, 2029 at the option of the City upon direction of the Corporation out of amounts prepaid on the Series 2021 Note and deposited in the Optional Redemption Fund, in whole or in part at any time, and if in part by maturities or portions thereof designated by the Corporation (and if less than all of a single maturity is being redeemed, in such manner as the Bond Trustee shall deem appropriate), at a redemption price equal to 100% of the principal amount of the Series 2021 Bonds to be redeemed plus accrued interest thereon to the date of redemption, without premium.

In lieu of redeeming Series 2021 Bonds, the Bond Trustee may, at the request of the Corporation, use such funds otherwise available under the Bond Indenture for redemption of Series 2021 Bonds to purchase Series 2021 Bonds in the open market at a price not exceeding the redemption price then applicable. The Series 2021 Bonds are also subject to mandatory tender and purchase as described in the Bond Indenture.

No optional or extraordinary redemption of less than all of the Series 2021 Bonds at the time outstanding other than in accordance with the Bond Indenture, shall be made unless the total amount of funds available and to be used for such partial redemption is equal to or greater than $100,000 and is an Authorized Denomination. If less than all of a single maturity of Series 2021 Bonds is to be redeemed, such Bonds shall be randomly selected utilizing such method as may be designated by the Bond Trustee. In the case of any optional or extraordinary redemption or any purchase and cancellation of the Series 2021 Bonds, the City shall receive credit against its

SPECIMEN

required Bond Sinking Fund deposits with respect to such Series 2021 Bonds of such serial maturity.

In the event any of the Series 2021 Bonds are called for redemption as aforesaid, notice thereof identifying the Series 2021 Bonds to be redeemed will be given by mailing a copy of the redemption notice by first class mail, postage prepaid, not more than 60 nor less than 30 days prior to the redemption date to the registered owner of each Series 2021 Bond to be redeemed at the address shown on the Bond Register; provided, however, that failure to give such notice by mailing, or any defect in such notice or mailing as to any Series 2021 Bond, shall not affect the validity of any proceedings for redemption as to any Series 2021 Bond as to which notice has been properly given. All Series 2021 Bonds so called for redemption will cease to bear interest on the specified redemption date, provided that notice of redemption has been given and funds for their redemption are on deposit with the Bond Trustee, and shall no longer be protected by the Bond Indenture and shall not be deemed to be outstanding under the provisions of the Bond Indenture.

The Series 2021 Bonds are also subject to advance defeasance of the Bond Indenture by depositing with the Bond Trustee noncallable Government Obligations (as defined in the Bond Indenture) in such amount, together with income or increment to accrue thereon, but without consideration of any reinvestment thereof, and any uninvested cash, sufficient to pay or redeem (when redeemable) and discharge the indebtedness of all Series 2021 Bonds outstanding under the Bond Indenture at or before their respective maturity dates. The Series 2021 Bonds are also subject to advance defeasance of the Bond Indenture by depositing with the Bond Trustee moneys in an amount sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Series 2021 Bonds outstanding under the Bond Indenture at or before their respective maturity dates, provided that such moneys, if invested, shall be invested in noncallable Government Obligations in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Series 2021 Bonds outstanding at or before their respective maturity dates; it being understood that the investment income on such moneys may be used for any other purpose under the Act. Upon such payment or provision therefor, together with all other payments required under the Bond Indenture, the Bond Indenture may be discharged by the Bond Trustee in accordance with the provisions thereof, but the City shall remain the obligor on all Series 2021 Bonds although the owners thereof and the owner hereof shall be entitled to payment solely out of such cash and/or funds received from such Government Obligations deposited with the Bond Trustee.

SPECIMEN

The City may also pay or provide for the payment of any portion of the Series 2021 Bonds by: (a) depositing with the Bond Trustee noncallable Government Obligations in an amount, together with the income or increment to accrue thereon, but without consideration of any reinvestment thereof, and any uninvested cash, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on any such portion of the Series 2021 Bonds at or before their respective maturity dates; or (b) depositing with the Bond Trustee moneys in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on any portion of the Series 2021 Bonds at or before their respective maturity dates, provided that such moneys, if invested, shall be invested in noncallable Government Obligations in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on any such portion of the Series 2021 Bonds at or before their respective maturity

dates; it being understood that the investment income on such Government Obligations may be used for any other purchase under the Act. Upon such deposit, such Bonds of such series or any such portion thereof shall cease to be entitled to any lien, benefit or security under the Bond Indenture. The holders of the Series 2021 Bonds shall be entitled to payment (to the exclusion of all other Bondholders) solely out of funds received from such Government Obligations and/or cash deposited with the Bond Trustee. The foregoing notwithstanding, none of the Series 2021 Bonds may be refunded nor may the Bond Indenture be discharged if under any circumstances such refunding would result in the loss of any exemption for the purposes of federal income taxation to which interest on the Series 2021 Bonds would otherwise be entitled. The Bond Indenture requires that the Bond Trustee receive an opinion of nationally recognized municipal bond counsel (which bond counsel and opinion, including without limitation the scope, form, substance and other aspects thereof are acceptable to the Bond Trustee and which opinion may be based upon a ruling or rulings of the Internal Revenue Service), to the effect that such refunding would not result in the loss of any exemption for the purposes of federal income taxation to which interest on such Series 2021 Bonds would otherwise be entitled.

The owner of this Series 2021 Bond shall have no right to enforce the provisions of 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 proceedings 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 (including this Series 2021 Bond) 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 Bond Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Bond Indenture.

It is hereby certified that all conditions, acts, and things required to exist, happen and be performed under the Ordinance and under the Bond Indenture precedent to and in connection with the issuance of this Series 2021 Bond exist, have happened and have been performed, and that the issuance, authentication and delivery of this Series 2021 Bond have been duly authorized by the duly adopted Ordinance of the City.

No recourse shall be had for the payment of the principal of, premium, if any, and interest on any of these Series 2021 Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in the Bond Indenture or the Loan Agreement or the *Purchase Agreement* against any past, present or future member, officer, alderman, agent, employee or official of the City, or any incorporator, member, alderman, official, officer, employee, director or trustee of any successor municipality, as such, either directly or through the City or any successor municipality, 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 incorporator, member, alderman, official, officer, employee, director, agent or trustee as such is hereby expressly waived and released as a condition of and consideration for the execution of the Bond Indenture or the Loan Agreement and the issuance of the Series 2021 Bonds. No covenant, stipulation, promise, agreement or obligation contained in the Bonds, the Loan Agreement, the Bond Indenture or any other document executed in connection therewith shall be deemed to be the covenant, stipulation, promise, agreement or obligation of any present or future official, officer, alderman, agent or

SPECIMEN

employee of the City in his or her individual capacity and neither any official of the City nor any officers executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Series 2021 Bonds.

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 duly executed by the Bond Trustee.

SPECIMEN

IN WITNESS WHEREOF, as provided by the Ordinance, the CITY OF EVANSTON, COOK COUNTY, ILLINOIS has caused this Bond to be executed in its name and on its behalf by the facsimile signature of its Mayor and its City Clerk and its seal to be hereunto affixed, all as of the dated date specified above.

CITY OF EVANSTON, COOK COUNTY, ILLINOIS

By: _____
Mayor

(SEAL)

ATTEST:

By: _____
City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION

This Series 2021 Bond is one of the Series 2021 Bonds described in the within-mentioned Bond Trust Indenture.

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Bond Trustee

By: William Cudgo
Authorized Signatory

Date of Authentication: 4/20/21

SPECIMEN

ASSIGNMENT OF BOND

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

TEN COM – as tenants in common
TEN ENT – as tenants by the entireties
JT TEN – as joint tenants with right of survivorship and not as tenants in common

Unif Trans Min Act—
_____ Custodian _____
(Cust) (Minor)

under Uniform Transfers to Minor Act

_____
(State)

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

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

_____

_____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

_____

attorney, to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

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

SPECIMEN

THE TRANSFERABILITY OF THIS BOND IS RESTRICTED AS DESCRIBED IN SECTION 208 OF THE HEREINAFTER DEFINED BOND INDENTURE

UNITED STATES OF AMERICA
STATE OF ILLINOIS
CITY OF EVANSTON, ILLINOIS
EDUCATIONAL FACILITY REVENUE BONDS, SERIES 2021
(ROYCEMORE SCHOOL)

No. R-3 $4,000,000

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
4.625%	April 1, 2051	April 22, 2021	299231AF7

PRINCIPAL SUM: FOUR MILLION DOLLARS

REGISTERED OWNER: Cede & Co.

Certain words not defined herein shall have the meanings assigned to them in the hereinafter-described Bond Indenture.

The CITY OF EVANSTON, COOK COUNTY, ILLINOIS (the "*City*"), a municipality and home rule unit of the State of Illinois, for value received, hereby promises to pay in lawful money of the United States of America to the registered owner specified above or registered assigns, on the maturity date identified above, unless this Bond shall be redeemable and shall have previously been called for redemption and payment of the redemption price made or provided for, but solely from the payments on the Series 2021 Note (hereinafter referred to) and amounts payable under the Loan Agreement (hereinafter referred to), which payments are pledged and assigned for the payment hereof pursuant to the Bond Indenture hereinafter mentioned and not otherwise, upon surrender hereof, the principal sum set forth above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such principal amount, payable solely from said Series 2021 Note payments and amounts payable under the Loan Agreement, from the date of this Bond or from the most recent Interest Payment Date (as defined below) to which interest has been paid at the interest rate per annum set forth above on April 1 and October 1 of each year (an "*Interest Payment Date*") commencing October 1, 2021, until payment of such principal amount or provision therefor shall have been made upon redemption or at maturity. The principal of this Bond is payable upon presentment at the designated corporate trust office of Wilmington Trust, National Association, as bond trustee (the "*Bond Trustee*") in Chicago, Illinois (or such other office as the Bond Trustee shall designate in a notice to the owners of the Series 2021 Bonds), or of any alternate Paying Agent (as defined in the Bond Indenture), if any, named in such Bonds or to the registered owner of $500,000 or more in aggregate principal amount of Series 2021 Bonds who so elects by wire transfer of immediately available funds sent on the principal payment date in accordance with the provisions of the Bond Indenture.

THIS BOND AND THE OBLIGATION TO PAY PRINCIPAL OR PREMIUM, IF ANY, WITH RESPECT HERETO, AND INTEREST HEREON ARE SPECIAL, LIMITED

SPECIMEN

OBLIGATIONS OF THE CITY, SECURED AS AFORESAID AND PAYABLE SOLELY OUT OF THE REVENUES AND INCOME DERIVED FROM THE LOAN AGREEMENT AND THE SERIES 2021 NOTE AND AS OTHERWISE PROVIDED IN THE ORDINANCE, INDENTURE AND THE LOAN AGREEMENT. THIS BOND AND THE OBLIGATION TO PAY PRINCIPAL OR PREMIUM, IF ANY, WITH RESPECT HERETO, AND INTEREST HEREON SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR AN OBLIGATION OF THE CITY, THE STATE OF ILLINOIS (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE PURVIEW OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR PROVISION OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS, IF ANY, OF ANY OF THEM. NO OWNER OF THIS BOND SHALL HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER, IF ANY, OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO PAY ANY PRINCIPAL INSTALLMENT OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND.

Except as otherwise provided in the Bond Indenture with respect to Defaulted Interest (as defined therein), payment of interest hereon shall be made to the registered owner hereof as shown on the registration books of the City (the "*Bond Register*") at the close of business on the 15th of March and the 15th of September (whether or not a Business Day) next preceding an Interest Payment Date (the "*Record Date*") and shall be paid (i) by check or draft mailed on the Interest Payment Date to such registered owner at such person's address as it appears on the Bond Register or at such other address as may be furnished in writing by such registered owner to the Bond Trustee prior to the applicable Record Date or (ii) to the registered owner of $500,000 or more in aggregate principal amount of Series 2021 Bonds who so elects by wire transfer of immediately available funds sent on the Interest Payment Date in accordance with the provisions of the Bond Indenture.

This Bond is one of an authorized series of Bonds issued under the hereinafter described Bond Indenture in the aggregate principal amount of $8,275,000 (the "*Series 2021 Bonds*"). The Series 2021 Bonds are being issued for the purpose of loaning funds to Roycemore School (the "*Corporation*"), an Illinois not for profit corporation, which will be used together with certain other moneys, to (i) refinance the outstanding portion of the $10,000,000 original amount of a taxable note (the "*Taxable Note*"), currently outstanding in the aggregate amount of $7,900,000; (ii) fund a debt service reserve fund; and (iii) pay certain costs incurred in connection with the issuance of the Series 2021 Bonds (collectively, the "*Financing Purposes*"), all as permitted by the Ordinance.

The City will loan the proceeds of the Series 2021 Bonds to the Corporation pursuant to the Loan Agreement dated as of April 1, 2021 between the City and the Corporation (the "*Loan Agreement*"). The terms of the Loan Agreement will require payments by the Corporation which, together with other moneys available therefor, will be sufficient to provide for the payment of the principal of and interest on the Series 2021 Bonds. The Series 2021 Bonds are secured by the Promissory Note, Series 2021 (the "*Series 2021 Note*") in the principal amount of $8,275,000 to be issued pursuant to the Loan Agreement.

The Series 2021 Bonds are all issued under and equally and ratably secured by and entitled to the security of a Bond Trust Indenture dated as of April 1, 2021 (the "*Bond Indenture*"),

SPECIMEN

duly executed and delivered by the City to the Bond Trustee, pursuant to which Bond Indenture the Series 2021 Note is pledged and assigned and all the right, title and interest of the City in and to the Loan Agreement (excluding Unassigned Rights, as defined in the Bond Indenture) are assigned by the City to the Bond Trustee as security for the Series 2021 Bonds. In addition, all or any portion of the Series 2021 Bonds may be advance refunded through a deposit in escrow for the benefit of such Bonds of cash and/or noncallable Government Obligations (as defined in the Bond Indenture). Reference is made to the Bond Indenture, to all indentures supplemental thereto, to the Loan Agreement, to all amendments thereto, for the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the City and the Bond Trustee, the rights of the owners of the Series 2021 Bonds, and to all provisions of which the owner by the acceptance of this Series 2021 Bond assents.

This Series 2021 Bond and the other Series 2021 Bonds, and the interest payable hereon and thereon, do not now and shall never constitute an indebtedness or an obligation of the City, the State or any political subdivision thereof, within the purview of any constitutional or statutory limitation or provision, or a charge against the general credit or taxing powers, if any, of any of them, but shall be secured as aforesaid, and shall be payable solely from the revenues and income derived from the Loan Agreement and the Series 2021 Note pledged under the Bond Indenture (except as stated aforesaid). No owner of the Series 2021 Bonds shall have the right to compel the exercise of the taxing power, if any, of the City, the State or any political subdivision thereof to pay any principal installment of, redemption premium, if any, or interest on the Series 2021 Bonds.

This Series 2021 Bond and the other Series 2021 Bonds, and the interest payable hereon and thereon, are special, limited obligations of the City and are payable solely from payments or prepayments to be made under the Loan Agreement and on the Series 2021 Note which are pledged and assigned for the payment of the Series 2021 Bonds in accordance with the Bond Indenture and from moneys and investments held by the Bond Trustee under the Bond Indenture and in certain circumstances from proceeds of insurance and condemnation awards or sales made under threat of condemnation.

This Series 2021 Bond is registered on the Bond Register and may be transferred by the registered owner hereof at the written request of such registered owner in person or by such person's attorney duly authorized in writing at the designated corporate trust office of the Bond Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Indenture and upon surrender and cancellation of this Series 2021 Bond. Upon such transfer a new registered Series 2021 Bond or Bonds without coupons of the same maturity, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefor. The City, the Bond Trustee and any paying agent may deem and treat the person in whose name this Series 2021 Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal and interest due hereon and for all other purposes and neither the City, the Bond Trustee nor any paying agent shall be affected by any notice to the contrary. The Bond Trustee shall not be required to register the transfer or exchange of any registered Series 2021 Bond during the period of 15 days next preceding any Interest Payment Date with respect to such Bond, nor to transfer or exchange any Bond after the mailing of notice calling such Series 2021 Bond for redemption has been made,

SPECIMEN

nor during a period of 15 days next preceding the mailing of notice of redemption of any Series 2021 Bonds of the same maturity.

The Series 2021 Bonds are initially issuable only as registered Bonds without coupons in denominations of $100,000 and integral multiples of $5,000 in excess thereof ("*Authorized Denominations*"). Subject to the limitations and upon payment of the charges provided in the Bond Indenture, Series 2021 Bonds in authorized denominations may be exchanged for a like aggregate principal amount of registered Series 2021 Bonds of other authorized denominations of the same maturity.

The Series 2021 Bonds are also redeemable prior to maturity (i) in the event of damage to or destruction of, or the condemnation of, or sale consummated under threat of condemnation of, the School Facility or any part thereof, if the Net Proceeds of insurance, condemnation or sale received in connection therewith and applied to make prepayments on the Series 2021 Note exceeds $250,000; or (ii) in the event the Corporation shall exercise its option to prepay the Series 2021 Note in an amount sufficient to redeem all or a portion of the Series 2021 Bonds then outstanding. If called for redemption in the events referred to in (i) above, the Series 2021 Bonds shall be subject to redemption by the City at any time, in whole or in part, and if in part by maturities or portions thereof designated by the Corporation (and if less than all of a maturity is being redeemed, in such random manner as the Bond Trustee shall deem appropriate), without premium, as provided in the Bond Indenture. If called for redemption in the event referred to in (ii) above, Series 2021 Bonds shall be subject to redemption, in whole or in part, at the times and in the manner and with the same premium set forth below as if such Series 2021 Bonds were being redeemed at the option of the City.

Outstanding Series 2021 Bonds are subject to redemption prior to maturity on or after April 1, 2029 at the option of the City upon direction of the Corporation out of amounts prepaid on the Series 2021 Note and deposited in the Optional Redemption Fund, in whole or in part at any time, and if in part by maturities or portions thereof designated by the Corporation (and if less than all of a single maturity is being redeemed, in such manner as the Bond Trustee shall deem appropriate), at a redemption price equal to 100% of the principal amount of the Series 2021 Bonds to be redeemed plus accrued interest thereon to the date of redemption, without premium.

In lieu of redeeming Series 2021 Bonds, the Bond Trustee may, at the request of the Corporation, use such funds otherwise available under the Bond Indenture for redemption of Series 2021 Bonds to purchase Series 2021 Bonds in the open market at a price not exceeding the redemption price then applicable. The Series 2021 Bonds are also subject to mandatory tender and purchase as described in the Bond Indenture.

No optional or extraordinary redemption of less than all of the Series 2021 Bonds at the time outstanding other than in accordance with the Bond Indenture, shall be made unless the total amount of funds available and to be used for such partial redemption is equal to or greater than $100,000 and is an Authorized Denomination. If less than all of a single maturity of Series 2021 Bonds is to be redeemed, such Bonds shall be randomly selected utilizing such method as may be designated by the Bond Trustee. In the case of any optional or extraordinary redemption or any purchase and cancellation of the Series 2021 Bonds, the City shall receive credit against its

SPECIMEN

required Bond Sinking Fund deposits with respect to such Series 2021 Bonds of such serial maturity.

In the event any of the Series 2021 Bonds are called for redemption as aforesaid, notice thereof identifying the Series 2021 Bonds to be redeemed will be given by mailing a copy of the redemption notice by first class mail, postage prepaid, not more than 60 nor less than 30 days prior to the redemption date to the registered owner of each Series 2021 Bond to be redeemed at the address shown on the Bond Register; provided, however, that failure to give such notice by mailing, or any defect in such notice or mailing as to any Series 2021 Bond, shall not affect the validity of any proceedings for redemption as to any Series 2021 Bond as to which notice has been properly given. All Series 2021 Bonds so called for redemption will cease to bear interest on the specified redemption date, provided that notice of redemption has been given and funds for their redemption are on deposit with the Bond Trustee, and shall no longer be protected by the Bond Indenture and shall not be deemed to be outstanding under the provisions of the Bond Indenture.

The Series 2021 Bonds are also subject to advance defeasance of the Bond Indenture by depositing with the Bond Trustee noncallable Government Obligations (as defined in the Bond Indenture) in such amount, together with income or increment to accrue thereon, but without consideration of any reinvestment thereof, and any uninvested cash, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Series 2021 Bonds outstanding under the Bond Indenture at or before their respective maturity dates. The Series 2021 Bonds are also subject to advance defeasance of the Bond Indenture by depositing with the Bond Trustee moneys in an amount sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Series 2021 Bonds outstanding under the Bond Indenture at or before their respective maturity dates, provided that such moneys, if invested, shall be invested in noncallable Government Obligations in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Series 2021 Bonds outstanding at or before their respective maturity dates; it being understood that the investment income on such moneys may be used for any other purpose under the Act. Upon such payment or provision therefor, together with all other payments required under the Bond Indenture, the Bond Indenture may be discharged by the Bond Trustee in accordance with the provisions thereof, but the City shall remain the obligor on all Series 2021 Bonds although the owners thereof and the owners thereof shall be entitled to payment solely out of such cash and/or funds received from such Government Obligations deposited with the Bond Trustee.

SPECIMEN

The City may also pay or provide for the payment of any portion of the Series 2021 Bonds by: (a) depositing with the Bond Trustee noncallable Government Obligations in an amount, together with the income or increment to accrue thereon, but without consideration of any reinvestment thereof, and any uninvested cash, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on any such portion of the Series 2021 Bonds at or before their respective maturity dates; or (b) depositing with the Bond Trustee moneys in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on any portion of the Series 2021 Bonds at or before their respective maturity dates, provided that such moneys, if invested, shall be invested in noncallable Government Obligations in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on any such portion of the Series 2021 Bonds at or before their respective maturity

dates; it being understood that the investment income on such Government Obligations may be used for any other purchase under the Act. Upon such deposit, such Bonds of such series or any such portion thereof shall cease to be entitled to any lien, benefit or security under the Bond Indenture. The holders of the Series 2021 Bonds shall be entitled to payment (to the exclusion of all other Bondholders) solely out of funds received from such Government Obligations and/or cash deposited with the Bond Trustee. The foregoing notwithstanding, none of the Series 2021 Bonds may be refunded nor may the Bond Indenture be discharged if under any circumstances such refunding would result in the loss of any exemption for the purposes of federal income taxation to which interest on the Series 2021 Bonds would otherwise be entitled. The Bond Indenture requires that the Bond Trustee receive an opinion of nationally recognized municipal bond counsel (which bond counsel and opinion, including without limitation the scope, form, substance and other aspects thereof are acceptable to the Bond Trustee and which opinion may be based upon a ruling or rulings of the Internal Revenue Service), to the effect that such refunding would not result in the loss of any exemption for the purposes of federal income taxation to which interest on such Series 2021 Bonds would otherwise be entitled.

The owner of this Series 2021 Bond shall have no right to enforce the provisions of 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 proceedings 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 (including this Series 2021 Bond) 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 Bond Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Bond Indenture.

It is hereby certified that all conditions, acts, and things required to exist, happen and be performed under the Ordinance and under the Bond Indenture precedent to and in connection with the issuance of this Series 2021 Bond exist, have happened and have been performed, and that the issuance, authentication and delivery of this Series 2021 Bond have been duly authorized by the duly adopted Ordinance of the City.

No recourse shall be had for the payment of the principal of, premium, if any, and interest on any of these Series 2021 Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in the Bond Indenture or the Loan Agreement or the *Purchase Agreement* against any past, present or future member, officer, alderman, agent, employee or official of the City, or any incorporator, member, alderman, official, officer, employee, director or trustee of any successor municipality, as such, either directly or through the City or any successor municipality, 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 incorporator, member, alderman, official, officer, employee, director, agent or trustee as such is hereby expressly waived and released as a condition of and consideration for the execution of the Bond Indenture or the Loan Agreement and the issuance of the Series 2021 Bonds. No covenant, stipulation, promise, agreement or obligation contained in the Bonds, the Loan Agreement, the Bond Indenture or any other document executed in connection therewith shall be deemed to be the covenant, stipulation, promise, agreement or obligation of any present or future official, officer, alderman, agent or

SPECIMEN

employee of the City in his or her individual capacity and neither any official of the City nor any officers executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Series 2021 Bonds.

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 duly executed by the Bond Trustee.

SPECIMEN

IN WITNESS WHEREOF, as provided by the Ordinance, the CITY OF EVANSTON, COOK COUNTY, ILLINOIS has caused this Bond to be executed in its name and on its behalf by the facsimile signature of its Mayor and its City Clerk and its seal to be hereunto affixed, all as of the dated date specified above.

CITY OF EVANSTON, COOK COUNTY, ILLINOIS

By: _____
Mayor

(SEAL)

ATTEST:

By: _____
City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION

This Series 2021 Bond is one of the Series 2021 Bonds described in the within-mentioned Bond Trust Indenture.

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Bond Trustee

By: William Gaudy
Authorized Signatory

Date of Authentication: 4/20/21

SPECIMEN

ASSIGNMENT OF BOND

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

TEN COM – as tenants in common
TEN ENT – as tenants by the entireties
JT TEN – as joint tenants with right of survivorship and not as tenants in common

Unif Trans Min Act—
_____ Custodian _____
(Cust) (Minor)

under Uniform Transfers to Minor Act

_____
(State)

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

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

_____

_____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

_____

attorney, to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

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

SPECIMEN

PROMISSORY NOTE

$8,275,000 **April 22, 2021**

Roycemore School, an Illinois not for profit corporation (the "*Corporation*"), for value received, promises to pay to the order of the City of Evanston, Cook County, Illinois (the "*City*"), the principal sum of EIGHT MILLION TWO HUNDRED SEVENTY FIVE THOUSAND DOLLARS ($8,275,000) and to pay (i) interest on the unpaid balance of such principal sum from and after the date of this Note at the interest rate or interest rates borne by the Bonds (as defined below), and (ii) interest on overdue principal, and to the extent permitted by law, on overdue interest, at the interest rate provided under the terms of the Bonds.

This Note has been executed and delivered by the Corporation pursuant to a certain Loan Agreement (the "*Agreement*"), dated as of April 1, 2021, between the City and the Corporation. Terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement and the Trust Indenture (as defined below).

Under the Agreement, the City has loaned the Corporation the proceeds received from the sale of the $8,275,000 aggregate principal amount of City of Evanston Educational Facility Revenue Bonds, Series 2021 (Roycemore School), dated as of the date of their issuance (the "*Bonds*"), to be applied to as provided in the Agreement. The Corporation has agreed to repay such loan by making Loan Payments at the times and in the amounts set forth in this Note. The Bonds have been issued, concurrently with the execution and delivery of this Note, pursuant to, and are secured by, the Bond Trust Indenture (the "*Trust Indenture*"), dated as of April 1, 2021, between the City and Wilmington Trust, National Association, as trustee (the "*Bond Trustee*").

To provide funds to pay the principal of and interest on the Bonds as and when due, the Corporation hereby agrees to and shall make Loan Payments as follows:

(a) *Interest*: On or before the fifteenth (15) day of each month commencing May 15, 2021 an amount which, together with an equal amount to be deposited on the last Business Day of each month preceding the next regularly scheduled semi-annual Interest Payment Date, is equal to not less than the interest to become due on the next succeeding regularly scheduled semi-annual Interest Payment Date of the Series 2021 Bonds; provided, however, that the Corporation may be entitled to certain credits on such payments as permitted under Section 7.3 of the Loan Agreement.

(b) *Principal*: On or before the fifteenth (15) day of each month commencing May 15, 2021 and thereafter, an amount equal to not less than one twelfth (1/12) of the amount of principal becoming due on the Series 2021 Bonds on the next succeeding April 1 by maturity; provided, however, that the Corporation may be entitled to certain credits on such payments as permitted under Section 7.3 of the Loan Agreement (each such day being a "*Loan Payment Date*"). In addition, to provide funds to pay the principal of and interest on the Bonds as and when due at any other time, the Corporation hereby agree to and shall make Loan Payments on any other date on which any principal of and interest on the Bonds shall be due and payable, whether at maturity, upon acceleration, call for redemption or otherwise.

SPECIMEN

(c) *Debt Service Reserve Fund*: If on any valuation date the amount on deposit in the Debt Service Reserve Fund is less than 100% of the Debt Service Reserve Fund Requirement as a result of a decline in the market value of investments on deposit in the Debt Service Reserve Fund, the Corporation agrees to pay an amount equal to the amounts of the deficiency in the Debt Service Reserve Fund in order to restore the amount on deposit in the Debt Service Reserve Fund to an amount equal to the Debt Service Reserve Fund Requirement within not more than 60 days following the date the Corporation receives notice of such deficiency. If at any time the amount on deposit in the Debt Service Reserve Fund is less than 100% of the Debt Service Reserve Fund Requirement as a result of the Debt Service Reserve Fund having been drawn upon, the Bond Trustee shall notify the City and the Corporation of such transfer and the Corporation agrees to restore the amount on deposit in the Debt Service Reserve Fund to an amount equal to the Debt Service Reserve Fund Requirement by the deposit with the Bond Trustee of an amount equal to such deficiency in not more than six (6) substantially equal monthly installments beginning with the first day of the month after the date such draw occurred.

(d) *Repair and Replacement Fund*: Commencing on October 15, 2022, the Corporation shall make monthly payments of $1,667 until the amount on deposit in the Repair and Replacement Fund is equal to $100,000. In the event of any withdrawal from the Repair and Replacement Fund, beginning on the month after such withdrawal, the Corporation shall make payments on the fifteenth day of each month at the aforementioned amounts until the amount on deposit in the Repair and Replacement Fund is replenished to $100,000.

If payment or provision for payment in accordance with the Trust Indenture is made in respect of the principal of and interest on the Bonds from moneys other than Loan Payments, this Note shall be deemed paid to the extent such payments or provision for payment of the principal of and interest on the Bonds has been made. Subject to the foregoing, all Loan Payments shall be in the full amount required hereunder.

All Loan Payments shall be payable in lawful money of the United States of America and shall be made to the Bond Trustee at its corporate trust office for the account of the City, deposited in the Bond Fund and used as provided in the Trust Indenture.

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

This Note is subject to optional prepayment, in whole or in part, upon the same terms and conditions, on the same dates and at the same prepayment prices, as the Bonds are subject to optional redemption. Any optional prepayment is also subject to satisfaction of any applicable notice, deposit or other requirements set forth in the Agreement or the Trust Indenture.

Whenever an Event of Default under Section 702 of the Trust Indenture shall have occurred and, as a result thereof, the principal of and any premium on all Bonds then outstanding, and interest accrued thereon shall have been declared to be immediately due and payable pursuant

SPECIMEN

to Section 703 of the Trust Indenture, the unpaid principal amount of and any premium and accrued interest on this Note also shall be due and payable on the date on which the principal of and premium and interest on the Bonds shall have been declared due and payable; provided that the annulment of a declaration of acceleration with respect to the Bonds shall also constitute an annulment of any corresponding declaration with respect to this Note.

[Signature Page Follows]

SPECIMEN

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

ROYCEMORE SCHOOL

By: _____
Adrianne Finley Odell, President and Head of School

SPECIMEN

ENDORSEMENT

Pay, without recourse, to Wilmington Trust, National Association, as Bond Trustee under the Bond Trust Indenture dated as of April 1, 2021, from the undersigned.

CITY OF EVANSTON, COOK COUNTY, ILLINOIS

By: _____
Mayor

SPECIMEN

TAX COMPLIANCE AGREEMENT

$8,275,000
CITY OF EVANSTON, ILLINOIS
EDUCATIONAL FACILITY REVENUE BONDS, SERIES 2021
(ROYCEMORE SCHOOL)

April 22, 2021

TAX COMPLIANCE AGREEMENT

This Tax Compliance Agreement (the "Agreement") dated April 22, 2021, is by and between Roycemore School, an Illinois not for profit corporation (the "Borrower") and the City of Evanston, Cook County, Illinois (the "Issuer").

WITNESSETH:

WHEREAS, this Agreement is being executed and delivered in connection with the issuance of the Issuer's City of Evanston, Illinois Educational Facility Revenue Bonds, Series 2021 (Roycemore School) (the "Bonds"); and

WHEREAS, the Bonds are issued under a Bond Trust Indenture (the "Bond Indenture") dated as of April 1, 2021 between the Issuer and Wilmington Trust, National Association, as bond trustee (the "Bond Trustee"); and

WHEREAS, the Bonds are secured by a Loan Agreement dated as of April 1, 2021 (the "Loan Agreement") between the Issuer and the Borrower, whereby the Issuer is lending the proceeds of the Bonds to the Borrower; and

WHEREAS, the following certifications are made pursuant to Sections 141, 145, 147, 148, 149 and 150 of the Internal Revenue Code of 1986 (the "Code") and the applicable income tax regulations (the "Regulations"), including, in particular, Regulations Section 1.148-2(b), in order to establish the reasonable expectations of the Issuer on the date hereof with respect to the amount and use of the proceeds of the Bonds; and

WHEREAS, the undersigned officer of the Borrower hereby certifies that as such officer she is authorized to make this Agreement on behalf of the Borrower and further certifies as set forth herein, and the undersigned officer of the Issuer accepts the certifications of the Borrower as set forth herein and agree to the provisions hereof; and

WHEREAS, the parties hereto have determined to enter into this Agreement in order to ensure that these requirements are fully satisfied on a continuous basis, all with the intended effect of preserving the exclusion of interest on the Bonds from the gross income of the owners thereof for purposes of Federal income taxation pursuant to Section 103 of the Code:

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Issuer and the Borrower hereby certify, represent and covenant as follows:

ARTICLE I

Definitions

Capitalized terms used herein have the meanings set forth in the recitals preceding this Article I; as set forth in the Exhibit A hereto entitled "Definitions," and made a part hereof; or in Article I of the Bond Indenture. Other words and phrases used herein have the same

meanings as set forth in the Code and Regulations, unless another meaning is apparent from the context.

ARTICLE II

The Bonds; General Matters

2.01. Terms. The Bonds are dated the date of their delivery (which is the date hereof) and mature on April 1, 2051. The Bonds are issued in the initial aggregate principal amount of $8,275,000. The Bonds bear interest at a fixed rate as set forth in the Exhibit B hereto entitled "Description of Bonds."

2.02. Purposes of the Bonds. Taxable Loan and 2011 Bonds. The Bonds are being issued to provide proceeds which, together with other available funds, will be used for the purposes of (a) refunding the outstanding principal balance of a loan (the "Taxable Loan") made in 2018 by RDP Lender LLC (the "Taxable Loan Lender") to the Borrower, (b) making a deposit to the Proceeds Account of the Debt Service Reserve Fund and (c) making a deposit to the Proceeds Account of the Expense Fund to be used to pay a portion of the costs of issuing the Bonds. The Borrower used the proceeds of the Taxable Loan to retire the then outstanding amount of the Issuer's Educational Facility Revenue Bonds, Series 2011 (Roycemore School Project) (the "2011 Bonds"). The proceeds of the 2011 Bonds were loaned by the Issuer to the Borrower for the purposes of (a) refinancing the outstanding balance of a bank loan incurred in December, 2010 to acquire approximately 2.34 acres of land with an existing three level school building located at 1200 Davis Street, Evanston, Illinois 60201 (the "Campus"); (b) renovating, remodeling, improving, and equipping said building, (c) constructing and equipping of a gymnasium on the Campus (the purposes in clauses (a)-(c) being collectively referred to as the "2011 Facility"), (d) funding a debt service reserve fund with respect to the 2011 Bonds and (e) paying a portion of the costs of issuance of the Series 2011 Bonds.

2.03. Amount and Application of Sale Proceeds of the Bonds and Other Available Funds. (a) Pursuant to a Bond Purchase Agreement dated April 14, 2021 (the "Bond Purchase Agreement") among the Issuer, the Borrower and Stifel Nicholas & Company, Incorporated (the "Underwriter"), the Underwriter made a bona fide public offering of all of the Bonds. Based on the Underwriter's Certificate attached hereto as Exhibit D, the proceeds derived from such public offering (the "Sale Proceeds") is $8,270,256.40, consisting of the aggregate principal amount of the Bonds of $8,275,000, minus original issue discount of $4,743.60, plus accrued interest of $0.00.

(b) The Sale Proceeds, together with other available funds of the Borrower, are being deposited with the Bond Trustee and credited to the appropriate accounts under the Bond Indenture for application as follows:

Sources	Bonds	Borrower Equity Contribution	Total
Bond Sale Proceeds	$8,270,256.40		$8,270,256.40
Borrower Equity		$479,546.23	$479,546.23

Contribution			
Total Sources	$8,270,256.40	$479,546.23	$8,749,802.63
Uses			
Refund Taxable Loan	$7,849,851.28		$7,849,851.28
Taxable Loan Lender Legal Fees & Costs		$1,485.60	$1,530.34
Debt Service Reserve for Bonds	$255,000.00	$255,000.00	$510,000.00
Underwriter's Discount	$165,405.12		$165,405.12
Costs of Issuance of Bonds		$212,281.88	$212,281.88
Title Insurance		$10,778.75	$10,778.75
Total Uses	$8,270.256.40	$479,546.23	$8,749,802.63

(c) **Payment Reserve for Taxable Loan; No other Funds on Hand in respect of the Taxable Loan or the 2011 Bonds**. Pursuant to the terms of the Taxable Loan, the Borrower has established with the Taxable Loan Lender a reserve (the "Payment Reserve") as security for the Taxable Loan. Amounts in the Payment Reserve are derived from revenues of the Borrower. Amounts in the Payment Reserve are used to pay accrued and unpaid interest on the Taxable Loan and, at the election of the Taxable Loan Lender, may be applied to pay the principal balance of the Taxable Loan (provided that a minimum balance of $25,000 is maintained in the Payment Reserve) and may also be used to pay certain loan fees to the Taxable Loan Lender. The current balance in the Payment Reserve is $70,108.04, which is being applied on the date hereof to pay the portion of the amount required to retire the Taxable Loan (including loan fees and legal fees of the Taxable Loan Lender) which is not funded from Bond proceeds. Other than the amounts in the Payment Reserve, there are no other amounts of the Borrower held in a fund or account that were reasonably expected to be used to pay the principal or, or interest on, the Taxable Loan or held in a fund or account providing the Taxable Lender with reasonable assurance that amounts therein would be available to pay the Taxable Loan in the event the Borrower encountered financial difficulties. There are no unspent proceeds of the Taxable Loan or the 2011 Bonds.

2.04. Non-Bond Proceeds Accounts of the Expense Fund and Debt Service Reserve Fund. No Bond proceeds shall be deposited to the Non-Proceeds Account of the Expense Fund or the Non-Proceeds Account of the Debt Service Reserve Fund.

2.05. No Federal Guaranty. The Bonds are and will be in no part guaranteed, directly or indirectly, by the United States or any of its agencies or instrumentalities`.

2.06. Registration. The Bonds are issued only as fully registered bonds, without coupons, and are transferable only upon the registration books maintained by the bond registrar.

2.07. Not Hedge Bonds. The Bonds are not "hedge bonds" within the meaning of Section 149(g) of the Code and Section 1.149(g)-1 of the Regulations because:

(a) the Issuer and the Borrower reasonably expected on the date of issue of the 2011 Bonds that at least 85% of the proceeds of the 2011 Bonds (other than proceeds deposited in a debt service reserve fund for the 2011 Bonds would be used to carry out the governmental purposes of the 2011 Bonds within the three-year period beginning on the date of issue of the 2011. See sections 2.06 and 4.04 of the Tax Compliance Agreement, dated July 21 ,2021, between the Issuer and the Borrower, with respect to the 2011 Bonds (the "2011 Tax Compliance Agreement");

(b) not more than 50% of the proceeds of the 2011 Bonds was invested in Nonpurpose Investments having a substantially guaranteed yield for four years or more.

2.08. Form 8038. The Issuer will file or cause to be filed with the Internal Revenue Service a signed and completed original of IRS Form 8038 with respect to the Bonds in the form attached hereto as the Exhibit E entitled "Form 8038" prior to August 15, 2021. The Borrower hereby certifies that the information in IRS Form 8038 with respect to the Bonds (other than in Part I thereof) is true and correct.

2.09. 120% Test. The weighted average maturity of the Bonds (18.5738 years), as set forth in the Exhibit D hereto entitled "Underwriter's Certificate," is no longer than the remaining portion of 120% of the weighted average reasonably expected economic life of the 2011 Facility determined as of the date of issue of the 2011 Bonds is 35.7807 years as set forth in the Exhibit L hereto entitled "Weighted Average Economic Life of 2011 Facility".

2.10. No Allocation of Proceeds to Prior Expenditures. No Proceeds of the Bonds are or will be allocated on the date hereof to the reimbursement of the Borrower for expenditures made prior to the date hereof.

2.11. Costs of Issuance. Not more than 2% of the proceeds of the Bonds will be used to pay Costs of Issuance.

2.12. Issuer's Reliance on Borrower for Tax Compliance. The Issuer and the Borrower agree that the Issuer may rely upon the Borrower's compliance with its representations and covenants set forth in, and procedures attached to, this Agreement for the purpose of maintaining the tax-exempt status of interest on the Bonds and complying with the requirements of Form 8038.

ARTICLE III

Plan of Finance

3.01. Refunding Plan. On the date hereof, the Borrower shall retire the Taxable Loan in its entirety. As of the date hereof, there are no unspent proceeds of the Taxable Loan or the 2011 Bonds.

3.02. $150,000,000 Limitation on Non-Hospital Bonds Not Applicable. All costs financed and refinanced by the 2011 Bonds were paid or incurred after August 5, 1997 and at least ninety-five percent (95%) of such costs are for capital expenditures. At least ninety-five percent (95%) of the Net Proceeds of the Bonds will be used to refund the Taxable Loan, which refunded the 2011 Bonds. Accordingly, the Bonds are not subject to and need not be taken into account in testing compliance with the provision of the Code limiting to $150,000,000 the amount of "qualified 501(c)(3) bonds" (other than a "qualified Hospital bonds") permitted to be outstanding for the benefit of 501(c)(3) organization using the facilities financed by such bonds.

3.03. Qualified Project Costs. At least 95% of the Net Proceeds of the Bonds will be used to refinance Qualified Project Costs constituting capital expenditures, either directly by the payment or reimbursement of such costs or indirectly through the use of Net Proceeds to pay or retire financing used to pay or reimburse such costs.

ARTICLE IV

The 2011 Facility

4.01. Description of the 2011 Facility. The 2011 Facility consists of the property, improvements and equipment described in Sections 2.02 above and in the Exhibit L hereto entitled "Weighted Average Economic Life of 2011 Facility". The 2011 Facility has been completed and is in operation.

4.02. Sole User and Tax Owner. At all times on and after the date hereof, the Borrower is expected to be the sole user of the 2011 Facility. At all times during the term of the Bonds, the Borrower is expected to be the owner of the 2011 Facility for Federal income tax purposes.

4.03. Sale or Transfer. The Borrower has no present plan or intention to sell, lease or transfer all or any portion of the 2011 Facility.

4.04. 501(c)(3) Bonds. The Borrower has been at all times on and after the date of the incurrence of the Prior Obligation and expects to remain at all times during the term of the Bonds a 501(c)(3) Organization. The determination letter of the Internal Revenue Service evidencing the status of the Borrower as a 501(c)(3) Organization is attached as set forth in the Exhibit C hereto entitled "Borrower's Determination Letter."

ARTICLE V

Sources and Uses of Proceeds

5.01. Allocation of Proceeds to Uses; Recordkeeping. All of the Proceeds described in Section 2.02(a) hereof will be allocated to the purposes set forth in Section 2.02(b) hereof using a reasonable method of accounting (such as specific tracing; gross proceeds spent first; first-in, first-out or ratable allocation). The Borrower shall maintain books and records for the Bonds with sufficient detail to reflect the allocation of the Proceeds to specific expenditures

which records shall be maintained until at least the fifth anniversary of the retirement of all of the Bonds (or any bonds refunding the Bonds), unless otherwise provided by the Internal Revenue Service. All such allocations will be consistent for purposes of Section 141 of the Code (relating to private activity bond tests) and Section 148 of the Code (relating to arbitrage and rebate). To the best of the knowledge of the Borrower, all allocations of the Net Proceeds of the 2011 Bonds were made no later than the earlier of:

I. the date that is no later than 18 months after the later of (a) the date the expenditure was paid and (b) the date the 2011 Facility was in operation substantially at its design level, and

II. the date that is 60 days after the earlier of (a) the fifth anniversary of the Date of Issuance of the 2011 Bonds and (b) the date that all of the 2011 Bonds have been retired.

The Borrower hereby adopts the post-issuance compliance procedures regarding the retention of Bond records set forth in the Exhibit J attached hereto entitled "Roycemore School Post-Issuance Compliance Procedures".

5.02. Limitations on Private Business Uses, Payments and Security Interests.

(a) Not more than the lesser of $15,000,000 or 5% of the Net Proceeds of the Bonds was or will be used, directly or indirectly, for the entire term of such obligations, for Non-Qualified Costs or in the trade or business of a person other than a Qualified User.

(b) Not more than 5% of the debt service on the Bonds was or will be derived, directly or indirectly, for the entire term of such obligations, from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used other than in the exempt trade or business of a Qualified User.

(c) Not more than 5% of the debt service on the Bonds was or will be secured, directly or indirectly, for the entire term of such obligations, by any interest in property used or to be used in the trade or business of a person other than a Qualified User or by any interest in payments in respect of such property.

(d) Not more than the lesser of $5,000 or 5% of the Net Proceeds of the Bonds was or will be used for the entire term of such obligations (directly or indirectly) to make or finance loans (or any arrangement treated as the economic equivalent of a loan under Federal income tax principles) to any person other than a Qualified User.

(e) Except as otherwise advised by Bond Counsel, or as permitted in paragraphs (a) through (d) above, during the period beginning on the date of issuance of the Bonds and ending on the date that no Bond is outstanding, the Borrower has not entered and shall not enter into any management or service contract or research agreement with any entity other than a Qualified User with respect to any portion of the 2011 Facility financed by Bond proceeds unless the management or service contract complies with the requirements of IRS Revenue Procedure 2017-13, and the research agreement complies with the requirements of IRS Revenue Procedure 2007-47, or such other authority as may control at the time.

(f) The provisions set forth in the Exhibit K hereto entitled "Qualified 501(c)(3) Bond Tests" shall govern for purposes of interpreting this Section 5.02.

5.03. Prohibited Uses.

(a) No portion of the Proceeds of the Bonds has been or will be applied to provide any airplane, skybox or other private luxury box; any facility primarily used for gambling; any store the principal business of which is the sale of alcoholic beverages for consumption off premises; or any health club facility used by any person other than a Qualified User (other than as a member of the general public).

(b) None of the Proceeds of the Bonds has been or will be used, directly or indirectly, to provide residential rental property for family units unless the first use of such property is or was pursuant to such Bonds, as applicable.

5.04. Working Capital Expenditures.

Except as otherwise permitted in the next sentence, all of the costs of the Project were and will be of a type, as of the date of their payment, that is properly chargeable to a capital account (or would be so chargeable with a proper election) under general Federal income tax principles. The following costs, if applicable, are not included in the covenant contained in the immediately preceding sentence:

(i) any issuance costs of the Bonds;

(ii) interest on the Bonds due on the first Interest Payment Date (October 1, 2021;

(iii) amounts paid to the United States for arbitrage rebate payments, yield reduction payments or penalty in lieu of rebate payments;

(iv) payments of principal of or interest on the Bonds paid from investment earnings on a reserve or replacement fund that are deposited in a *bona fide* debt service fund; and

(v) payments of principal or redemption price of or interest on the Taxable Loan.

5.05. Procedures Regarding Use of Bond Proceeds and 2011 Facility. The Borrower hereby adopts the post-issuance compliance procedures regarding the use of the Bond Proceeds and the 2011 Facility set forth in Exhibit H attached hereto entitled "Roycemore School Post-Issuance Compliance Procedures". Borrower acknowledges that the Issuer will rely on this covenant, and the Borrower's compliance with this covenant, as the establishment by the Issuer and the Borrower of written procedures to comply with the remediation requirements of the Code and the Regulations.

ARTICLE VI

Funds

6.01. Establishment of Funds. The Bond Indenture establishes the following Funds for the purposes indicated:

Transfer Fund	For the deposit of Proceeds and amounts in the Payment Reserve to retire the Taxable Loan on the date hereof.
Expense Fund	For the deposit of Proceeds in the Proceeds Account of the Expense Fund to pay the title insurance premium and amounts provided by the Borrower in the Non- Proceeds Account of the Expense Fund to pay the costs of issuing the Bonds.
Bond Sinking Fund	For the deposit of amounts to pay principal and mandatory sinking fund redemptions of the Bonds.
Revenue Fund	For the deposit of all payments upon the Series 2021 Note and the Loan Agreement when received by the Trustee.
Interest Fund	For the deposit of payments to pay interest on the Bonds.
Optional Redemption Fund	For the deposit of amounts to be used to pay the price of Bonds being redeemed at the option of the Borrower.
Debt Service Reserve Fund	For the deposit of Proceeds in the Proceeds Account of the Debt Service Reserve Fund and funds of the Borrower to the Non-Proceeds Account of the Debt Service Reserve Fund to be used for making up any deficiencies existing in the Interest Fund and the Bond Sinking Fund. Amounts in the Non-Proceeds Account may be used to make up deficiencies in the Repair and Replacement Fund.
Repair and Replacement Fund	For the deposit of amounts provided by the Borrower to pay for expenses related to the repair and maintenance of the 2011 Facility. The Repair and Replacement Fund will not contain proceeds of the Bonds. The funds in the Repair and Replacement Fund are not reasonably expected to be used to pay debt service on the Bonds or to be available for debt service in the event the Borrower encounters financial difficulties.

ARTICLE VII

Public Approval

7.01. Public Notice. As evidenced by the publisher's affidavit attached hereto as the Exhibit I entitled "Publisher's Affidavit and Transcript of Public Hearing," notice of the public hearing described in Section 7.02 hereof was published on March 10, 2021 in the *Chicago Sun-Times*. The *Chicago Sun-Times* is a publication of general circulation in the residents of the City of Evanston.

7.02. Public Hearing. On March 22, 2021, the Issuer held a public hearing with respect to the Bonds that was open to the public and an opportunity was provided for all interested persons to comment on the proposed issuance of the Bonds. The official transcript of the public hearing is attached hereto as the Exhibit I entitled "Publisher's Affidavit and Transcript of Public Hearing."

7.03. Public Approval. As evidenced by the Bond Ordinance dated April 12, 2021, a copy of which is attached hereto as the Exhibit J entitled, "Approval of Elected Representative," the issuance of the Bonds was approved following the public hearing described in Section 7.02. The 2011 Facility is located entirely within the geographic boundaries of the City of Evanston and the City Council is the elected legislative body of the City of Evanston.

ARTICLE VIII

Bond Yield

8.01. Aggregate Issue Price. Based on the certificate entitled "Underwriter's Certificate" attached hereto as an Exhibit D and the information in Exhibit M entitled "Final Pricing Numbers," the aggregate Issue Price at which the Bonds were sold is $8,270.256.40 reflecting the aggregate principal amount of $8,275,000.00, less original issue discount of $4,743.60. The Bonds were sold without accrued interest.

8.02. Bond Yield. The Underwriter has calculated the Bond Yield to be 4.9616% as evidenced by the certifications contained in Exhibit D hereto entitled "Underwriter's Certificate."

8.03. Yield on the Loan Agreement. The amounts to be paid by the Borrower under the Loan Agreement do not exceed the amounts necessary to enable the Issuer to make timely payments of principal of, premium, if any, and interest on the Bonds and the Issuer's expenses, in the amount of its out-of-pocket fees and expenses, payable on the date hereof. The Borrower has paid the Issuer a one-time fee of $10,000. Under such circumstances the Yield of the Loan Agreement does not exceed the Bond Yield plus 0.125%.

8.04. Adjustments to Bond Yield. The provisions of Section 1.148-4 of the Regulations have been applied for purposes of determining the Bond Yield, as follows:

(a) The special yield calculation rule described in Section 1.148-4(b)(3) of the Regulations does not apply to the Bonds because:

(i) The Bonds are not subject to optional redemption within five years of the Date of Issuance or (ii) the Bond Yield computed by assuming that all Bonds subject to redemption within five years of the Date of Issuance are paid at maturity is not more than 0.125% higher than the Bond Yield Computed by assuming that all Bonds subject to redemption within five years of the Date of Issuance are redeemed at the earliest date for their redemption;

(ii) the Bonds are not issued at a premium of more than 0.25% multiplied by the product of the maturity amount and the number of complete years to the first optional redemption date for the Bonds; and

(iii) no Bond bears interest at increasing interest rates.

(b) The special yield calculation rule described in Section 1.148-4(b)(2)(ii) of the Regulations does not apply to the Bonds because no Bond subject to mandatory sinking fund redemption (if any) is being issued with original issue discount exceeding 0.25% multiplied by the product of the maturity amount of such Bond and the weighted average maturity of such Bond and all term Bonds of the same maturity (computed by taking into account mandatory sinking fund payments).

8.05. Interest Rate Hedge. Neither the Issuer nor the Borrower has entered, and neither will enter unless approved by Bond Counsel, into any hedge agreements relating to the interest payable on the Bonds.

ARTICLE IX

Non-Arbitrage Certifications

9.01. Overissuance. (a) The Bonds are being issued in an amount that, including anticipated investment earnings thereon, is expected not to exceed the amount necessary to accomplish the purposes of the Bonds set forth in Section 2.02 above..

(b) The debt service schedule provided for the Bonds reflects as rapid an amortization of principal as is reasonable, within prudent business standards, in light of the Borrower's outstanding indebtedness and its foreseeable revenue and expenses over the term of the Bonds.

9.02. Single Issue. There are no other obligations (a) sold within 15 days before or after the sale date of the Bonds, (b) sold pursuant to the same plan of financing with the Bonds based on the purposes and structure of the financing and (c) that will be paid out of substantially the same source of funds as will be used to pay the Bonds (determined without regard to guaranties from parties unrelated to the Issuer).

9.03. No Other Sinking Funds. (a) The Borrower certifies that it does not expect that it will accumulate amounts of money (other than Proceeds) in a fund or series of funds that is pledged, maintained or otherwise reasonably expected to be available to pay any debt service on the Bonds (or to replace funds used to pay principal of or interest on the Bonds) other than the Revenue Fund, the Interest Fund, the Bond Sinking Fund and the Debt Service Reserve Fund.

(b) The Borrower expects to pay principal and interest on the Bonds from its current revenues derived from its operations rather than from investment or endowment funds. The Borrower has made no agreement with any donor or grant provider restricting the use of a charitable contribution or grant to the purposes of the 2011 Facility or the Bonds.

9.04. Minor Portion. The Minor Portion determined in connection with the Bonds has been calculated to be $100,000, which is equal to the lesser of (a) 5% of the Sale Proceeds of the Bonds, and (b) $100,000.

9.05. No Replacement. (a) Except as set forth herein, no portion of the Proceeds of the Bonds will be used to replace any amounts invested in Nonpurpose Investments having a Yield in excess of the Bond Yield. No replacement proceeds (within the meaning of Section 1.148-1(c) of the Regulations) are expected to exist in connection with the Bonds because, in general, there are no amounts that would have been used for the purposes of the Bonds if the Bonds had not been issued and the Bonds will not be outstanding longer than is reasonably necessary to accomplish the governmental purposes of the Bonds. As shown in Section 2.08 hereof, the weighted average maturity of the Bonds does not exceed the remaining portion of 120% of the weighted average reasonably expected economic life of the 2011 Facility.

(b) The amounts to be maintained by the Borrower pursuant to the Debt Service Coverage Ratio and the Days Cash on Hand covenants contained, respectively, in Sections 9.6 and 9.7 of the Loan Agreement (i) do not exceed the reasonable liquidity needs of the Borrower for the conduct of its business activities; (ii) are tested for satisfaction of such covenant no more frequently than every six months; and (iii) may be spent without restriction other than a requirement to replenish such amounts by the next six month testing date.

9.06. No Abusive Arbitrage Device. The Bonds are not and will not be a part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code and the Regulations thereunder, (a) enabling the Issuer to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, and (b) increasing the burden on the market for tax-exempt obligations. Specifically, the Proceeds do not exceed the amount necessary to accomplish the governmental purposes of the Bonds as set forth in Section 2.02 above; the Bonds are not issued earlier than necessary, as evidenced by the retirement of the Taxable Loan on the date of issue of the Bonds; and the Bonds will not be outstanding longer than necessary, as set forth in Sections 9.01(b) and 9.05(a) above.

9.07. Basis of Certification; Reasonableness; No Material Changes. This certification is based on facts, estimates and circumstances in existence on the date hereof, including the certifications of the Borrower set forth herein. To the best of the Issuer's knowledge, information and belief, based on the representations and certificates of the Borrower

contained herein, the conclusions, representations and expectations set out in this certification with respect to the Borrower, the 2011 Facility, and the Bonds are reasonable, and there are no facts, estimates or circumstances that would materially change such conclusions, representations and expectations.

9.08. Debt Service Reserve Fund. (a) Sale Proceeds in an amount not exceeding 10% of the stated principal amount of the Issue Price of the Bonds are being deposited on the date hereof in the Proceeds Account of the Debt Service Reserve Fund. Revenues of the Borrower are being deposited on the date hereof in the Non-Proceeds Account of the Debt Service Reserve Fund. The sum of the foregoing deposits does not exceed the Debt Service Reserve Requirement for the Bonds, which is equal to lesser of (i) the maximum annual principal and interest requirements on the Bonds then outstanding, (ii) an amount equal to 10% of the outstanding principal amount of the Bonds (determined in accordance with the provisions of U.S. Treasury Regulation Section 1.148-l(b)) or (iii) an amount equal to 125% of the average annual debt service payment amount during any Fiscal Year on the Bonds.

(b) The Underwriter has represented, in Exhibit D attached hereto entitled "Underwriter's Certificate," that the funding of the Debt Service Reserve Fund in the amount of the Debt Service Reserve Fund Requirement is reasonably required to provide security for the payment of debt service with respect to the Bonds, is consistent with normal practice in respect of bonds of the same general type as the Bonds, and is a vital factor in marketing the Bonds at the yields obtained.

9.09. Bond Sinking Fund, Optional Redemption Fund, and Interest Fund. The Bond Sinking, Optional Redemption and Interest Funds for the Bonds (a) will be used primarily to achieve a proper matching of revenues and debt service on the Bonds, as appropriate, within each Bond Year, and (b) will be depleted at least once each Bond Year to an amount not to exceed the greater of (i) the prior Bond Year's earnings on such Fund and (ii) $1/12^{th}$ of the prior Bond Year's debt service on the Bonds, as appropriate. .

ARTICLE X

Investment of Gross Proceeds

10.01. Fair Market Value.

(a) *In General.* Any purchase or sale of a Nonpurpose Investment shall be made only at the fair market value of such Nonpurpose Investment. Except as described below, the fair market value of a Nonpurpose Investment is the price at which a willing buyer would purchase the investment from a willing seller in a *bona fide*, arm's length transaction. The price shall not be adjusted to take into account "administrative costs" of the investment (within the meaning of Section 1.148-5(e)(1) of the Regulations) except as permitted by Section 1.148-5(e)(2) of the Regulations. The fair market value of a United States Treasury obligation purchased directly from the United States Treasury is its purchase price.

(b) *Guaranteed Investment Contracts and Investments Purchased for a Yield Restricted Defeasance Escrow.* In the case of a Nonpurpose Investment (i) that has specifically

negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate, including an agreement to supply investments on two or more future dates, or (ii) that will be deposited into a defeasance escrow that may not be invested at an unrestricted Yield, the fair market value is its purchase price if an employee or agent of the Borrower with responsibility for obtaining such investments delivers a certificate in substantially the form provided in the Exhibit G-1 entitled "Form of Investment Certificates – Borrower Employee or Agent" hereto and the provider of such investments delivers a certificate in substantially the form provided in the Exhibit G-2 entitled "Form of Investment Certificates – Provider" hereto and the Borrower shall have no reason to doubt the accuracy or completeness of such certificates. Any fee paid by the provider of such an investment to a bidding agent of the Issuer or the Borrower shall be treated as additional earnings on the investment unless otherwise provided by the Regulations.

(c) *Certificates of Deposit.* In the case of a certificate of deposit that has a fixed interest rate, a fixed payment schedule and a substantial penalty for early withdrawal, the fair market value of the certificate is its purchase price if the Yield on the certificate is not less than (i) the yield on reasonably comparable direct obligations of the United States, and (ii) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(d) *Commingled Funds.* Gross Proceeds of the Bonds may be invested in a Commingled Fund only if the Commingled Fund complies with the special accounting rules set forth at Section 1.148-6(e) of the Regulations. Generally, this requires that, not less frequently than as of the close of each fiscal period, all payments and receipts (including deemed payments and receipts) on investments held by a Commingled Fund must be allocated (but not necessarily distributed) among the different investors in the fund in accordance with a consistently applied, reasonable ratable allocation method. For this purpose, the term "investor" means each different source of funds invested in a Commingled Fund, and the term "fiscal period" means any consistent fiscal period adopted by the fund that does not exceed three months (such as a calendar year). Examples of reasonable ratable allocation methods include methods that allocate payments and receipts in proportion to either (A) the average daily balances of the amounts in the Commingled Fund from different investors during a fiscal period or (B) the average of the beginning and ending balances of the amounts in the Commingled Fund from different investors for a fiscal period that does not exceed one month.

In the case of a Commingled Fund in which the Borrower, the Issuer and any Related Person own more than 25% of the beneficial interests in the fund, unless the weighted average maturity of all investments held by the fund during a particular fiscal year does not exceed 18 months (and the only investments held by the Commingled Fund during that time are obligations), the Commingled Fund must mark-to-market all its investments either on the last day of each fiscal year or on the last day of each fiscal period and distribute the gains and losses so determined among the investors.

The mark-to-market requirement does not apply to a Commingled Fund that operates exclusively as a reserve fund, sinking fund or replacement fund for two or more issues of the Issuer. In such a case, investments held by the Commingled Fund must be allocated ratably among the issues served by the Commingled Fund in accordance with one of the following methods: (A) the relative values of the bonds of those issues; (B) the relative amounts

of the remaining maximum annual debt service requirements on the outstanding principal amounts of those issues; or (C) the relative original stated principal amounts of the outstanding issues. An issuer must make any such required allocations at least every three years and as of each date that an issue first becomes secured by the commingled reserve. If relative original principal amounts are used to allocate, allocations must also be made on the retirement of any issue secured by the commingled reserve.

10.02. Investments in Certain Federally Insured Accounts. The Borrower represents that less than 5% of the proceeds of the Bonds will be invested in deposits or accounts that are insured by any federally chartered corporation such as the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the National Credit Union Administration, or any successor to any of the foregoing, disregarding for this purpose investments in a *bona fide* debt service fund; investments in a reasonably required reserve fund; investments in United States Treasury bonds; investments for an initial temporary period until needed for the purpose for which the Bonds were issued; investments in a refunding escrow; and other investments permitted under the Code or the Regulations.

10.03. General Yield Restriction. The Borrower will not invest any amounts constituting Gross Proceeds of the Bonds in investments having a Yield in excess of the Bond Yield, except as otherwise expressly permitted below. Notwithstanding the preceding sentence, the restrictions on investment yield contained in the following paragraphs may be disregarded with respect to any amounts if, in the opinion of Bond Counsel, the provisions of Section 1.148-5(c) of the Regulations relating to yield reduction payments to the United States apply to such amounts and such payments are actually made in the amounts and at the times required by the Regulations.

10.04. Costs of Issuance. Proceeds of the Bonds applied to pay costs of issuance of the Bonds will be invested for a temporary period without restriction as to Yield pursuant to Section 148(c) of the Code and Sections 1.148-2(e)(2) and -9(d)(2)(iv) of the Regulations. No Proceeds of the Bonds will be applied to pay Costs of Issuance of the Bonds except as set forth in Section 2.10 above.

10.05. Transfer Fund. The Proceeds of the Bonds will not be invested because they will be applied on the date hereof to discharge the Taxable Loan.

10.06. Debt Service Reserve Fund.

(a) At no time shall the amount deposited to the credit of the Debt Service Reserve Fund and invested at an unrestricted Yield exceed the lowest of:

(i) $510,000, maximum annual debt service on the Bonds; or

(ii) $635,040.20, 125% of average annual debt service on the Bonds; or

(iii) $827,500, 10% of the stated principal amount of the Issue Price of the Bonds; or

(iv) the amount considered to be reasonably required from time to time.

(b) To the extent that amounts deposited to the credit of the Debt Service Reserve Fund exceed the lowest amount set forth in (a), any such excess amounts shall be invested in Nonpurpose Investments having a Yield not in excess of the Bond Yield or in Tax-Exempt Bonds, except to the extent that such amounts are held as part of the Minor Portion; provided, however, that any such amounts that constitute Sale Proceeds or Investment Proceeds may be invested in Nonpurpose Investments having a Yield not in excess of the Bond Yield plus .125%.

10.07. Investment of Bond Sinking Fund, Optional Redemption Fund and Interest Fund. Amounts deposited in the Bond Sinking Fund, Optional Redemption Fund and Interest Fund will be invested for a temporary period without restriction as to Yield pursuant to Section 148(c) of the Code and Sections 1.148-2(e)(5)(ii) and -9(d)(2)(iv) of the Regulations, since such amounts will be spend for their intended purpose not more than 13 months after their date of receipt.

10.08. Replacement Proceeds; Repair and Replacement Fund. The Borrower represents that no funds of the Borrower, including amounts on deposit in the Repair and Replacement Fund, will be pledged or otherwise set aside for the benefit of the owners of the Bonds or the provider of a credit or liquidity facility for the Bonds in a manner that causes such funds to be treated as "replacement proceeds" of the Bonds (within the meaning of Section 1.148-1(c) of the Regulations) unless such funds are invested at a Yield no higher than the Bond Yield or in Tax-Exempt Bonds. Amounts on deposit in the Repair and Replacement Fund may be invested without restriction as to Yield.

10.09. Universal Cap on Value of Nonpurpose Investments Allocated to the Bonds. The Issuer reasonably expects as of the date hereof that the universal cap under Section 1.148-6(b)(2) of the Regulations will not reduce the amount of Gross Proceeds allocable to the Bonds; therefore, the universal cap need not be applied on any date on which the Bonds have all of the following characteristics:

(a) no replacement proceeds are allocable to the Bonds, other than replacement proceeds in a *bona fide* debt service fund or a reasonably required reserve or replacement fund;

(b) the Net Proceeds of the Bonds (i) qualify for one of the temporary periods available for capital projects, restricted working capital expenditures or pooled financings, and those Net Proceeds are in fact allocated to expenditures prior to the expiration of the longest applicable temporary period, or (ii) are deposited in a refunding escrow and expended as originally expected;

(c) the Bonds do not refund a prior issue that, on any transfer date, has unspent proceeds allocable to it;

(d) none of the Bonds is retired prior to the date on which those Bonds are treated as retired in computing the Bond Yield; and

(e) no Proceeds are invested in qualified student loans or qualified mortgage loans.

10.10. Valuation of Nonpurpose Investments and Bonds. The Borrower represents that the valuation of all Nonpurpose Investments hereunder (*e.g.*, for purposes of computing transferred proceeds, the universal cap, the allocation of commingled funds, and the amount permitted to be invested as part of the Minor Portion or a reasonably required reserve or replacement fund) shall be performed in accordance with Section 1.148-5(d) of the Regulations. The Borrower represents that the valuation of the Bonds (*e.g.*, for purposes of the universal cap) shall be performed in accordance with Section 1.148-4(e) of the Regulations.

10.11. Issuer's and Borrower's Certification. Pursuant to Section 148 of the Code and the applicable Regulations, the Issuer and the Borrower each hereby certifies that the statements set forth above represent its reasonable expectations on the date hereof with respect to the investment of the Proceeds. To the extent such statements do not relate directly to the Issuer, the Issuer is reasonably and prudently relying upon the certification of the Underwriter and the covenants and certifications of the Borrower.

ARTICLE XI

Rebate of Excess Investment Earnings

11.01. Complete Records. The Borrower shall maintain complete records pertaining to all Funds and all transfers thereto, deposits therein, disbursements and transfers therefrom and earnings thereon, including the amount and source of each payment to, and the amount, purpose and payee of each payment from, each such Fund. With respect to each Nonpurpose Investment, the Borrower shall maintain a record of the Purchase Price, purchase date, type of security, accrued interest paid, interest rate, principal amount, date of maturity, interest payment date, date of liquidation and amount received upon liquidation. Such records and all Excess Earnings Reports filed with the Borrower shall be retained by the Borrower for at least five years following the payment and retirement of the Bonds.

11.02. Preparation of Excess Earnings Report. The Borrower, except as otherwise provided herein, shall cause a Rebate Expert to prepare, promptly following each Rebate Determination Date, an Excess Earnings Report containing substantially all of the information contained in the Exhibit F hereto entitled "Form of Excess Earnings Report" attached hereto, with respect to the Bonds. Each Report shall be dated as of such Rebate Determination Date and shall be numbered consecutively from "1" upward in chronological order.

11.03. Payments to United States.

(a) Except as otherwise provided herein, to the extent and at the time set forth on Line 3 and footnote 7 of any Excess Earnings Report, the Borrower shall make payment to the United States of any and all amounts due and owing to the United States. Each such payment to the United States shall be mailed by certified mail (return-receipt requested), postage prepaid, to the Internal Revenue Service, Ogden Submissions Processing Center, Ogden, Utah 84201, and shall be accompanied by a completed and executed copy of Internal Revenue Service Form 8038-T.

(b) In addition, upon a Determination of Rebate Deficiency, the Borrower shall promptly pay to the United States an amount equal to the correct rebate amount plus interest and, if so required by the Internal Revenue Service, the applicable penalty.

11.04. Six-Month Exception. The reporting and payment provisions of this Article shall not be applicable to the Bonds, if all of the Adjusted Gross Proceeds of the Bonds are expended for the purposes for which the Bonds were issued, not including the redemption of the Bonds, no later than the date that is six months after the date hereof; provided, however, that (i) an amount equal to 5% of the Adjusted Gross Proceeds must be expended no later than the date that is one year after the date hereof; (ii) the reporting and payment provisions of this Article must be met for Gross Proceeds other than Adjusted Gross Proceeds and other than amounts on deposit in a *bona fide* debt service fund; and (iii) if any such Adjusted Gross Proceeds become available thereafter, the Issuer shall fully comply with the reporting and payment provisions of this Article with respect to such Adjusted Gross Proceeds.

11.05. Bond Counsel Opinion. The provisions of Sections 11.02 and 11.03 above shall not be applicable if the Issuer receives an opinion of Bond Counsel (which opinion may be given in reliance upon a ruling or rulings of the Internal Revenue Service or on the basis of a determination that an exception applies) to the effect that such payment is not necessary to preserve the exclusion of interest on the Bonds from the gross income of the owners thereof for Federal income tax purposes.

11.06. Procedures Regarding Rebate. The Borrower hereby adopts the post-issuance compliance procedures regarding the rebate requirements set forth in the Exhibit H attached hereto entitled "Roycemore School Post-Issuance Compliance Procedures."

ARTICLE XII

Miscellaneous

12.01. Continuing Compliance. The parties hereto acknowledge and agree that the continued exclusion of interest on the Bonds from the gross income of the owners thereof for purposes of Federal income taxation is dependent upon, among other things, full compliance from and after the date hereof with the provisions and requirements of this Agreement.

12.02. Limitation on Liability of Issuer. No recourse shall be had for any claim based upon any obligation, covenant, representation or agreement contained herein against the Issuer or any official, officer, employee or agent of the Issuer, under any rule of law or equity, statutory or constitutional provision or by the enforcement of any penalty or assessment, it being understood that the Borrower expressly assumes all responsibility for full compliance with the terms and conditions of this Agreement. The Borrower agrees to indemnify and hold harmless the Issuer (and all officials, officers, employees and agents of the Issuer) against any losses, claims or liabilities, joint or several, to which the Issuer (or such officials, officers, employees or agents) may become subject under Federal or state laws or regulations, or otherwise, insofar as such losses, claims, damages or liabilities arise as a result of, or are based upon, a breach of any obligation, covenant or agreement contained herein. The provisions of this paragraph shall not

apply in the case of any gross negligence or willful misconduct on the part of any indemnified party.

12.03. Fees and Expenses of Rebate Expert; Appointment of Rebate Expert by Issuer. The Borrower agrees to pay the reasonable fees; expenses and charges of any Rebate Expert retained in connection with this Agreement. If the Borrower fails to engage a Rebate Expert at the times herein required, the Issuer may engage a Rebate Expert at the cost and expense of the Borrower.

12.04. Reliance. The Borrower hereby certifies that (i) to the best of the Borrower' knowledge, information and belief, each of the facts, estimates and expectations set forth in this Agreement (including the Exhibits hereto) relating to the Borrower, the 2011 Facility and the Bonds is true and correct in all material respects as of the date hereof, (ii) to the best of the Borrower' knowledge, information and belief, the expectations herein contained relating to the Borrower, the 2011 Facility and the Bonds are reasonable, (iii) the Issuer may rely upon these representations in executing this Agreement, (iv) Katten Muchin Rosenman LLP, Bond Counsel, may rely upon these representations in delivering its opinion with respect to the exclusion from gross income of interest on the Bonds, and (v) to the best of the Borrower' knowledge, information and belief, there are no facts, estimates or circumstances that would materially change any of the facts, estimates or expectations stated in this Agreement in connection with the Borrower, the 2011 Facility and the Bonds.

12.05. Amendments. The parties hereto agree that this Agreement and the exhibits attached hereto shall be amended from time to time, without the consent of the registered owners of the Bonds, as shall be necessary, in the opinion of Bond Counsel, to preserve the exclusion of interest on the Bonds from the gross income of the owners thereof for purposes of Federal income taxation pursuant to Section 103 of the Code or as shall be permissible, in the opinion of Bond Counsel, without impairing such exclusion. Any such amendment shall take effect without the need for a written instrument executed by the Issuer, the Borrower, but no such amendment shall be made other than in accordance with an opinion of Bond Counsel addressed to the Issuer and the Borrower.

12.06. Severability. If any clause, provision or section of this Agreement is ruled invalid by any court of incompetent jurisdiction, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections hereof.

12.07. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

12.08. Notices. All notices, demands, communications and requests that may be or are required to be given hereunder or by any party hereto shall be given and shall have the same effect as provided in the Loan Agreement for notices given thereunder.

12.09. Successors and Assigns. The terms, provisions, covenants and conditions of this Agreement shall bind and inure to the benefit of the respective successors and assigns of the Issuer and the Borrower.

12.10. Headings. The headings of this Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Agreement.

12.11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the United States of America and, where applicable, the laws of the State of Illinois.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned has hereunto subscribed his official signature as of the date first listed above.

CITY OF EVANSTON, COOK COUNTY, ILLINOIS, as Issuer

By: _____
Hitesh Desai
Chief Financial Officer and Treasurer

IN WITNESS WHEREOF, the undersigned has hereunto subscribed his official signature as of the date first listed above.

ROYCEMORE SCHOOL as Borrower

By: _____
Adrianne Finley Odell
President and Head of School

SCHEDULE OF EXHIBITS

Exhibit	Description
A	Definitions
B	Description of Bonds
C	Borrower's Determination Letter
D	Underwriter's Certificate
E	Form 8038
F	Form of Excess Earnings Report
G	Form of Investment Certificates
H	Roycemore School Post-Issuance Compliance Procedures
I	Publisher's Affidavit and Transcript of Public Hearing
J	Approval of Elected Representative/Bond Ordinance
K	Qualified 501(c)(3) Bond Tests
L	Weighted Average Economic Life of 2011 Facility
M	Final Pricing Numbers

EXHIBIT A

DEFINITIONS

"Adjusted Gross Proceeds" means Gross Proceeds less amounts (i) in a bona fide debt service fund, (ii) in a reasonably required reserve or replacement fund, (iii) that, as of the Date of Issuance, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the end of the six-month spending period described in Article IX of the Tax Compliance Agreement, (iv) representing Sale or Investment Proceeds derived from payments under any "purpose investment" (as defined in the Regulations) allocated to the Bonds, (v) representing payments of "grants" (as defined in the Regulations) financed by the Bonds, and (vi) with respect to the six-month spending exception described in Article IX of the Tax Compliance Agreement, representing proceeds of prior bonds (if any) that become transferred proceeds of the Bonds, other than prior bond proceeds described in clauses (i) through (v) of this definition and other than proceeds of prior bonds that are taxable bonds.

"AMT Bond" means a specified private activity bond described in Section 57(a)(5)(c) of the Code.

"Bond Counsel" means Katten Muchin Rosenman LLP or, for matters arising following the Date of Issuance, any counsel of nationally recognized standing in matters pertaining to tax-exempt bonds acceptable to the Borrower and the Issuer.

"Bond Ordinance" means the ordinance adopted by the Issuer on April 12, 2021 authorizing the issuance of the Bonds.

"Bond Year" means (unless the Borrower elects otherwise in accordance with the Regulations) the initial period beginning on the Date of Issuance and ending on May __ 2022, and thereafter each one year period ending on May __ or, if earlier, the day on which all outstanding Bonds are retired.

"Bond Yield" means the composite yield on the Bonds calculated in accordance with Regulations Section 1.148-4.

"Bonds" has the meaning specified in the preamble to the Tax Compliance Agreement.

"Code" means the Internal Revenue Code of 1986 as in effect on the Date of Issuance.

"Commingled Fund" means any fund or account if (i) the fund or account contains both Gross Proceeds of the Bonds and amounts in excess of $25,000 that are not Gross Proceeds of the Bonds, and (ii) amounts in the fund or account are invested collectively without regard to the source of funds deposited in the fund or account. For this purpose, an open-end regulated investment company (as defined in Section 851 of the Code) is not a Commingled Fund.

"Controlled Group" has the meaning specified in Section 1.150-1(e) of the Regulations and includes a group of entities controlled directly or indirectly by the same entity or group of entities if the controlling entity possesses:

(i) the right or power both to approve and to remove without cause a controlling portion of the governing body of the controlled group; or

(ii) the right or power to require the use of funds or assets of the controlled entity for any purpose of the controlling entity.

If a controlling entity controls a controlled entity, then the controlling entity also controls all entities controlled, directly or indirectly, by the controlled entity.

"Costs of Issuance" means and includes all costs and expenses of issuance of the Bonds, including, but not limited to: (i) underwriter's discount and fees; (ii) counsel fees, including bond counsel, Issuer's counsel, Borrower's fees; (iii) accountant fees; (iv) printing costs of the Bonds; (v) publication costs associated with the public approval of the Bonds; and (vi) costs of engineering and feasibility studies necessary to the issuance of the Bonds.

"Date of Issuance" means May 22, 2021.

"Determination of Rebate Deficiency" means a judgment or order of a court of competent jurisdiction, or a final ruling, technical advice or decision of the Internal Revenue Service, or a written opinion of Bond Counsel to the effect that insufficient amounts have been paid to the United States under Section 148(f) of the Code and stating the amount of the deficiency (including interest and penalties) then due. For purposes of this definition, a ruling or decision of the Internal Revenue Service shall be considered final if no appeal or action for a judicial review has been filed and the time for filing of such appeal has expired.

"501(c)(3) Organization" means any corporation organized under the laws of the United States of America, or any state thereof, that is an organization described in Section 501(c)(3) of the Code, is exempt from Federal income taxes under Section 501(a) of the Code, and is not a "private foundation" within the meaning of Section 509(a) of the Code, or corresponding provisions of Federal income tax laws from time to time in effect.

"Funds" means the funds identified in Article VI of the Tax Compliance Agreement for the Bonds.

"Gross Proceeds" means: (a) Proceeds; (b) amounts held from time to time in any of the Funds, including Investment Proceeds derived therefrom; and (c) "replacement proceeds" within the meaning of Section 1.148-1(c) of the Regulations.

"Hospital" means a facility that (1) is accredited as a hospital by the Joint Commission on Accreditation of Healthcare Organizations, (2) is primarily used to provide diagnostic services and therapeutic services for medical diagnosis, treatment, and care of injured, disabled or sick persons as hospital in-patients under the supervision of physicians; (3) has a requirement that every patient be under the care and supervision of a physician; and (4) provides 24-hour nursing services rendered or supervised by a registered professional nurse and has a

licensed practical nurse or registered nurse on duty at all times. The term "Hospital" does not include rest or nursing homes, day care centers, medical school facilities, research laboratories or ambulatory surgicenters.

"Investment Proceeds" generally means amounts actually or constructively received from investing the Proceeds and from reinvesting any such earnings.

"Investment Property" means any security, obligation, annuity contract, or investment-type property, including certain prepayments and hedges containing a significant investment element (as provided in Section 1.148-1(b) of the Regulations), that is held principally as a passive vehicle for the production of income, other than any Tax-Exempt Bond.

"Issue Price" of a maturity of the Bonds means the issue price is the first price at which a substantial (i.e., 10 percent) amount of the Bonds of that maturity is sold to the public (not including any underwriter) and in special circumstances described in Treasury Regulation Section 1.148-1(f)(2)(ii) may treat the initial offering price to the public as of the sale date as the issue price , or (ii) the issue price of a maturity of the Bonds sold for cash in a private placement to a single person that is not an underwriter or a related party (as defined in Treasury Regulation Section 1150-1(b) is the price paid by that buyer. For purposes of the foregoing, the term "underwriter" means (i) an person that agrees pursuant to a written contract with the issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the bonds to the public and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in (i) to participate in the initial sale of the bonds to the public (for example, a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the bonds to the public.

"Minor Portion" has the meaning specified in Article VII of the Tax Compliance Agreement.

"Net Proceeds" means Proceeds less amounts on deposit in a reasonably required reserve or replacement fund.

"Nonpurpose Investment" means any Investment Property other than a "purpose investment" (as defined in the Regulations) acquired with Gross Proceeds of the Bonds.

"Non-Qualified Costs" means Costs of Issuance; bond insurance premiums, letter of credit fees and similar credit enhancement costs that are not treated as costs of a "qualified guarantee" within the meaning of Treas. Reg. §1.148-4(f); and costs incurred to acquire, construct and equip the 2011 Facility (including any capitalized interest attributable thereto) that do not constitute Qualified Project Costs.

"Proceeds" means Sale Proceeds, Investment Proceeds and transferred proceeds (as defined in Regulations Section 1.148-9).

"Purchase Price" means the fair market value of a Nonpurpose Investment on the date it is purchased, or, if later, the date on which the Nonpurpose Investment is allocated to the Bonds, regardless of the amount actually paid for such Nonpurpose Investment, without taking

into account fees and commissions paid in connection with the acquisition of such Nonpurpose Investment except as permitted under Section 1.148-5(d) of the Regulations.

"Qualified 501(c)(3) Bond" means any bond that is a qualified 501(c)(3) bond within the meaning of Section 145 of the Code.

"Qualified Project Costs" means, generally, capital costs paid or incurred following the issuance of the 2011 Bonds (except as specifically permitted under the Regulations) to provide facilities that are (i) owned by the Borrower, one or more other 501(c)(3) Organizations, or a governmental unit, and (ii) used by the Borrower or another 501(c)(3) Organization in activities that do not constitute an "unrelated trade or business" of the Borrower or the user for purposes of Section 513(a) of the Code.

"Qualified User" means a state or local governmental unit or a 501(c)(3) Organization in the conduct of activities other than an "unrelated trade or business," within the meaning of Section 513(a) of the Code.

"Rebate Determination Date" means each of the following dates: (a) the last day of every fifth Bond Year (unless the Borrower elects otherwise in accordance with the Regulations); and (b) the earlier of the scheduled final maturity date of the Bonds or any date prior thereto on which all outstanding Bonds are paid and retired.

"Rebate Expert" means any person or firm expert in making the computations required under Section 148(f) of the Code selected by the Borrower.

"Related Person" means (i) with respect to persons and entities other than governmental units and 501(c)(3) Organizations, persons and entities that are related in the manner described in Section 144(a)(3) of the Code and Section 1.103-10(e) of the Regulations, and (ii) with respect to governmental units and 501(c)(3) Organizations, members of the same Controlled Group.

"Regulations" means the final, temporary and proposed regulations promulgated by the United States Treasury Department and in effect on the Date of Issuance with respect to the provisions of the Code.

"Sale Proceeds" means (i) any amounts actually or constructively received from the sale of the Bonds, including amounts used to pay underwriters' discount or compensation but excluding accrued interest that is to be paid within one year of the Date of Issuance, and (ii) amounts derived (on or after the date hereof) from the sale of a right that is associated with the Bonds (such as the Borrower' right to prepay the Bonds).

"Tax-Exempt Bond" means (i) any obligation, the interest on which is excludable from the gross income of the owner thereof for Federal income tax purposes, other than an AMT Bond, (ii) a certificate or indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 CFR Part 344, and (iii) an interest in a regulated investment company to the extent that at least 95% of the income to the holder of the interest is interest on obligations described in clause (i).

"Value," in reference to a Nonpurpose Investment, means the value of the Nonpurpose Investment as determined under Section 1.148-5(d) of the Regulations.

"Yield" means, with respect to the Bonds, the Bond Yield and, with respect to any other obligation or Investment Property, the yield calculated in accordance with Regulations Section 1.148-5(b).

EXHIBIT B

DESCRIPTION OF BONDS

$8,275,000
City of Evanston, Illinois
Educational Facility Revenue Bonds, Series 2021
(Roycemore School)

Maturity (April 1)	Principal Amount	Interest Rate
2032	$1,915,000	4.000%
2041	$2,360,000	4.375%
2051	$4,000,000	4.625%

The Bonds will be issued only in fully registered form in denominations of $5,000 or any integral multiple thereof ("Authorized Denominations"). The Bonds will bear interest (based on a 360-day year of twelve 30-day months) at the respective rates per annum and mature, subject to earlier redemption, in the amounts and on the dates set forth above. The Bonds will bear interest from their dates, payable on April 1 and October 1 (the "Interest Payment Dates") of each year, commencing October 1, 2021. The Bonds, as initially issued, will be dated their date of delivery.

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Bonds.

Principal and Interest

The principal of and interest on the Bonds are payable solely from (a) payments or prepayments on the Series 2021 Note, (b) payments or prepayments made under the Loan Agreement (other than Unassigned Rights), (c) moneys and investments held by the Trustee under, and to the extent provided in, the Indenture and (d) in certain circumstances, proceeds from insurance, condemnation awards and proceeds from sales made under threat of condemnation, which Series 2021 Note and payments are hereby specifically assigned and pledged to the payment of the Bonds in the manner and to the extent herein specified, and nothing in the Bonds or in the Indenture shall be considered as assigning or pledging any funds or assets of the City (except the moneys, the Series 2021 Note and the Loan Agreement pledged under the Indenture). Such payments are further secured by the Mortgage.

Redemption

The Bonds will be subject to optional, mandatory and extraordinary redemption, all as described below.

Optional Redemption. Outstanding Bonds are subject to redemption prior to maturity on or after April 1, 2029 at the option of the City upon direction of the Borrower out of amounts prepaid on the Series 2021 Note and deposited in the Optional Redemption Fund, in whole or in part at any time, and if in part by maturities or portions thereof designated by the Borrower (and if less than all of a single maturity is being redeemed, in such manner as the Trustee shall deem appropriate), at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued interest thereon to the date of redemption, without premium.

Bond Sinking Fund Redemption. The Bonds maturing on April 1, 2032 are subject to mandatory Bond Sinking Fund redemption at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date. The City shall cause to be deposited into the Bond Sinking Fund a sum that is sufficient to redeem on April 1 of each of the following years (after credit as provided below) the following principal amounts of Series 2021 Bonds, plus accrued interest to the redemption date:

Date (April 1)	Amount
2022	$135,000
2023	150,000
2024	155,000
2025	160,000
2026	165,000
2027	175,000
2028	180,000
2029	185,000
2030	195,000
2031	205,000
2032†	210,000

†Final Maturity.

The Bonds maturing on April 1, 2041 are subject to mandatory Bond Sinking Fund redemption at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date. The City shall cause to be deposited into the Bond Sinking Fund a sum that is sufficient to redeem on April 1 of each of the following years (after credit as provided below) the following principal amounts of Bonds, plus accrued interest to the redemption date:

Date (April 1)	Amount
2033	$220,000
2034	230,000
2035	240,000
2036	250,000
2037	260,000
2038	270,000
2039	285,000
2040	295,000
2041†	310,000

*Final Maturity.

The Bonds maturing on April 1, 2051 are subject to mandatory Bond Sinking Fund redemption at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date. The City shall cause to be deposited into the Bond Sinking Fund a sum that is sufficient to redeem on April 1 of each of the following years (after credit as provided below) the following principal amounts of Bonds, plus accrued interest to the redemption date:

Date (April 1)	Amount
2042	$325,000
2043	340,000
2044	355,000
2045	370,000
2046	385,000
2047	405,000
2048	425,000
2049	445,000
2050	465,000
2051†	485,000

*Final Maturity.

Extraordinary Optional Redemption. The Bonds shall be subject to extraordinary optional redemption by the City prior to their scheduled maturities, in whole or in part and if in part by maturities or portions thereof designated by the Borrower (and if less than all of a maturity is being redeemed, in such manner as the Trustee shall deem appropriate), at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date without premium in the event of damage to or destruction of, or the condemnation of, or sale consummated under threat of condemnation of, the Project or any part thereof, if the Net Proceeds of insurance, condemnation or sale received in connection therewith and applied to make prepayments on the Series 2021 Note exceed $250,000.

If called for redemption in the events referred to in the paragraph above, the Bonds shall be subject to redemption by the City at any time in whole or in part, and if in part by maturities or portions thereof designated by the Borrower (and if less than all of a maturity is being redeemed, in such random manner as the Trustee shall deem appropriate), at the principal amount thereof plus accrued interest to the redemption date and without premium from the Net Proceeds of such insurance or condemnation award but not in excess of the amount of such Net Proceeds applied to such purpose.

Selection for Redemption. No optional or extraordinary optional redemption of less than all of the Bonds at the time outstanding shall be made unless the total amount of funds available and to be used for such partial redemption for the Bonds is equal to or more than $100,000 and is an integral multiple of $5,000. In lieu of redeeming Bonds, the Trustee may, at the request of the Borrower, use such funds otherwise available under the Indenture for redemption of Bonds to purchase Bonds in the open market at a price not exceeding the redemption price then applicable under the Indenture. In the case of any optional or extraordinary redemption or purchase and cancellation of Bonds with serial maturities, the City shall receive credit against its required Bond Sinking Fund deposits with respect to such Bonds. In the case of any optional or extraordinary redemption or any purchase and cancellation of term

Bonds, the City shall receive credit against its required Bond Sinking Fund deposits with respect to the Bonds of the same maturity in such order as the Borrower shall designate prior to such optional or extraordinary redemption or purchase and cancellation or, if no such election is made, in the inverse order thereof.

Notice of Redemption. Notice of the call for any redemption shall state the following: (i) the name of the bond issue, (ii) the CUSIP number and bond certificate number of the Bonds to be redeemed, (iii) the original dated date of the bond issue, (iv) the interest rate and maturity date of the Bonds to be redeemed, (v) the date of the redemption notice, (vi) the redemption date, (vii) the redemption price and (viii) the address and telephone number of the designated corporate trust office of the Trustee. The redemption notice shall be given by mailing a copy of such notice of redemption by first class mail, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date to the registered owners of the Bonds to be redeemed to the address shown on the Bond Register; provided, however, that failure to give such notice by mailing or a defect in the notice or the mailing as to any Bond will not affect the validity of any proceedings for redemption as to any other Bond for which notice is properly given. While the Bonds are subject to the book-entry system of the Securities Depository, redemption notices will be given to the Securities Depository.

Except for a mandatory sinking fund redemption, prior to the date that the redemption notice is mailed as aforesaid, funds shall be placed with the Trustee to pay such Bonds and accrued interest thereon to the redemption date and the premium, if any, or such notice shall state that the redemption is conditional on such funds being deposited on the redemption date and that failure to make such a deposit shall not constitute an event of default under the Indenture. Upon the happening of the above conditions, the Bonds, or portions thereof, thus called for redemption shall not bear interest after the applicable redemption date, shall no longer be protected by the Indenture and shall not be deemed to be outstanding under the provisions of the Indenture. The Trustee shall redeem or purchase, in the manner provided in the Indenture, such an aggregate principal amount of Bonds at the principal amount thereof plus accrued interest to the redemption date, and premium, if any, as will exhaust as nearly as practicable such funds. At the direction of the Borrower, such funds may be invested in Government Obligations until needed for such redemption. If any owner of $500,000 or more in aggregate principal amount of Bonds to be redeemed on a single day delivers such Bonds for redemption on or prior to such redemption date, payment of such redemption price for such Bonds shall be made, if such owner so elects, by wire transfer of funds to such wire transfer address within the continental United States as such registered owner shall have furnished to the Trustee in writing and upon compliance with the reasonable requirements of the Trustee. Each redemption payment shall indicate the dollar amount of each CUSIP identification number being redeemed.

Mandatory Tender for Purchase in Lieu of Redemption

Pursuant to the Indenture, the City and, by their acceptance of the Bonds, the Bondholders, irrevocably grant to the Borrower and any assigns of the Borrower with respect to this right, the option to purchase, at any time and from time to time, any Bond which is subject to optional redemption pursuant to the Indenture at a purchase price equal to the optional redemption price therefor. To exercise such option, the Borrower shall give the Trustee a

Written Request exercising such option as though such Written Request were a written request of the City for optional redemption, and the Trustee shall thereupon give the Bondholders of the Bonds to be purchased notice of such mandatory tender and purchase in the same manner as a notice of redemption specified in the Indenture. The purchase of such Bonds shall be mandatory and enforceable against the Bondholders and the Bondholders will not have a right to retain their Bonds. On the date fixed for purchase pursuant to any exercise of such option, the Borrower shall pay or cause to be paid the purchase price of the Bonds then being purchased to the Trustee in immediately available funds, and the Trustee shall pay the same to the sellers of such Bonds against delivery thereof. Following such purchase, the Trustee shall cause such Bonds to be registered in the name of the Borrower or its nominee or as otherwise directed by the Borrower and shall deliver them to the Borrower or its nominee or as otherwise directed by the Borrower. In the case of the purchase of less than all of the Bonds, the particular Bonds to be purchased shall be selected in accordance with the procedures in the Indenture for selection of Bonds for redemption. No purchase of the Bonds as described in this paragraph shall operate to extinguish the indebtedness of the City evidenced thereby. Notwithstanding the foregoing, no such purchase shall be made unless the Borrower shall have delivered to the Trustee and the City concurrently with such purchase an Opinion of Bond Counsel to effect that such purchase and any resale thereof will not affect the validity of the Bonds or any exemption from federal income taxation to which the interest on the Bonds would otherwise be entitled.

EXHIBIT C

BORROWER'S DETERMINATION LETTER

See Transcript Item E.1.E.

EXHIBIT D

UNDERWRITER'S CERTIFICATE

See attached

CERTIFICATE OF UNDERWRITER

$8,275,000
City of Evanston, Illinois
Educational Facility Revenue Bonds, Series 2021
(Roycemore School)

The undersigned, as the duly authorized representative of Stifel Nicholas & Company, Incorporated (the "Underwriter"), with respect to the Education Facility Revenue Bonds, Series 2021 (Roycemore School), issued by the City of Evanston, Cook County, Illinois (the "Issuer") in the principal amount of $8,275,000 (the "Bonds"), hereby certifies, based on its records and information, as follows:

I. Issue Price

(a) The Purchaser, the Issuer and Roycemore School have executed a bond purchase agreement (the "Bond Purchase Agreement") in connection with the Bonds on April 14, 2021 (the "Sale Date"). The Purchaser has not modified the Bond Purchase Agreement since its execution on the Sale Date. .

(b). The first price at which at least ten percent ("Substantial Amount") of the principal amount of each maturity of the Bonds having the same credit and payment terms (a "Maturity") was sold to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter (the "Public") is set forth in the final Limited Offering Memorandum relating to the Bonds.

A copy of the pricing wire or equivalent communication for the Bonds is attached to this Issue Price Certificate as Schedule A.

For purposes of this Issue Price Certificate, the term "Underwriter" means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public) to participate in the initial sale of the Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

II, Debt Service Reserve Fund

The funding of the Debt Service Reserve Fund in the amount of the Debt Service Reserve Fund Requirement is reasonably required to provide security for the payment of debt service with respect to the Bonds, is consistent with normal practice in respect of bonds of the same general type as the Bonds, and is a vital factor in marketing the Bonds at the yields obtained.

III Information for Form 8038

In determining the weighted average maturity of the Bonds, we have been instructed by Bond Counsel as follows: divide (a) the sum of the products determined by taking the issue price of each maturity times the number of years from the date hereof to the date of such maturity (treating the mandatory redemption of bonds as a maturity), by (b) the issue price of the Bonds. Based solely on the above calculations, the weighted average maturity of the Bonds is 18.5738 years.

We have also been asked to calculate the arbitrage yield of the Bonds as instructed by Bond Counsel by determining the discount rate that, when used in computing the present value as of this date of all unconditionally payable payments of principal and interest on the Bonds, produces an amount equal to the present value, using the same discount rate, of the aggregate initial offering price or first sale price, as applicable for each Maturity, of the Bonds, plus accrued interest, as of this date. The arbitrage yield on the Bonds calculated in the foregoing manner is no less than 4.49616%.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Katten Muchin Rosenman LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Notwithstanding anything set forth herein, the Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this April 22, 2021

Stifel Nicholas & Company, Incorporated

By: _____

Name: Tyler Hack

SCHEDULE A

PRICING WIRE OR EQUIVALENT COMMUNICATION

(*Attached*)

From: Shamleffer, Mark (Muni Bonds) <shamlefferm@stifel.com>
Sent: Thursday, April 22, 2021 11:51 AM
To: Hoch, Tyler (PF-Minneapolis) <hocht@stifel.com>
Subject: Roycemore School final pricing wire

$ 8,275,000
EVANSTON (CITY OF), ILLINOIS
EDUCATIONAL FACILITY REVENUE BONDS, SERIES 2021
(ROYCEMORE SCHOOL)

POS URL:
https://www.stifel.com/Docs/MuniBond/Resources/ViewDocument/53811/429415fc-82c6-
4dd9-9063-48bc3f7455ac

FINAL PRICING AS FOLLOWS:

MOODY'S:
NR S&P: NR

FITCH: KROLL:

DATED:04/22/2021 FIRST COUPON:10/01/2021

DUE: 04/01

INITIAL TRADE DATE: 04/15/2021 @ 11:00AM Eastern

MATURITY	AMOUNT	COUPON	PRICE	ADD'L TAKEDOWN (Pts)	CUSIP
04/01/2032	1,915M	4.00%	100.00	3/4	299231AD2
04/01/2041	2,360M	4.375%	4.39	7/8	299231AE0
		(Approx. $ Price 99.799)			
04/01/2051	4,000M	4.625%	100.00	1.00	299231AF7

CALL FEATURES: Optional call in 04/01/2029 @ 100.00

By Lot Sinking Fund Schedule

2032 Term Bond

04/01/2022 135M
04/01/2023 150M
04/01/2024 155M
04/01/2025 160M
04/01/2026 165M
04/01/2027 175M
04/01/2028 180M
04/01/2029 185M
04/01/2030 195M
04/01/2031 205M
04/01/2032 210M

By Lot Sinking Fund Schedule

2041 Term Bond

04/01/2033 220M
04/01/2034 230M
04/01/2035 240M
04/01/2036 250M
04/01/2037 260M
04/01/2038 270M
04/01/2039 285M
04/01/2040 295M
04/01/2041 310M

By Lot Sinking Fund Schedule

2051 Term Bond

04/01/2042 325M
04/01/2043 340M
04/01/2044 355M
04/01/2045 370M
04/01/2046 385M
04/01/2047 405M
04/01/2048 425M
04/01/2049 445M
04/01/2050 465M
04/01/2051 485M

The compliance addendum MSRB Rule G-11 will apply.

The Award is expected on Wednesday, April 14, 2021 at 6:43PM Eastern .

Delivery is firm for Thursday, April 22, 2021.

This issue is book entry only. This issue is clearing through DTC.

Award: 04/14/2021
Award Time: 6:43PM Eastern
Delivery: 04/22/2021 (Firm)
Initial trade: 04/15/2021
Date of Execution: 04/15/2021
Time of Execution: 11:00AM Eastern

	Participation
Stifel, Nicolaus & Company, Inc.	100.000%

By: Stifel, Nicolaus & Company, Inc. St. Louis, MO

Mark Shamleffer
Managing Director | Municipal Syndicate
Fixed Income Capital Markets
(314) 342-2740 direct | (314) 342-2836 fax | shamlefferm@stifel.com

STIFEL | One Financial Plaza
501 North Broadway
St. Louis, Missouri 63102
Investment Services Since 1890

DISCLOSURE: http://www.stifel.com/disclosures/institutional-fixed-income-communications)

EXHIBIT E

FORM 8038

See attached.

Form **8038** (Rev. September 2018)
Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Private Activity Bond Issues

(Under Internal Revenue Code section 149(e))
▶ See separate instructions.
▶ Go to www.irs.gov/Form8038 for instructions and the latest information.

OMB No. 1545-0720

Part I Reporting Authority

Check if Amended Return ▶ ☐

1 Issuer's name City of Evanston, Illinois	2 Issuer's employer identification number 36-6005870
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)	3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address) Room/suite 2100 Ridge Avenue	5 Report number (For IRS Use Only) 1 ☐ ☐
6 City, town, or post office, state, and ZIP code Evanston, IL 60201	7 Date of issue (MM/DD/YYYY) 04/22/2021
8 Name of issue Educational Facilities Revenue Bonds, Series 2021 (Roycemore School)	9 CUSIP number 299231AE7
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information Hitesh Desai, Chief Financial Officer and Treasurer	10b Telephone number of officer or other employee shown on 10a 847-448-8082

Part II Type of Issue (Enter the issue price.)

			Issue Price
11	Exempt facility bond:		
a	Airport (sections 142(a)(1) and 142(c))	11a	
b	Docks and wharves (sections 142(a)(2) and 142(c))	11b	
c	Water furnishing facilities (sections 142(a)(4) and 142(e))	11c	
d	Sewage facilities (section 142(a)(5))	11d	
e	Solid waste disposal facilities (section 142(a)(6))	11e	
f	Qualified residential rental projects (sections 142(a)(7) and 142(d)) (see instructions)	11f	
	Meeting 20–50 test (section 142(d)(1)(A)) ☐		
	Meeting 40–60 test (section 142(d)(1)(B)) ☐		
	Meeting 25–60 test (NYC only) (section 142(d)(6)) ☐		
	Has an election been made for deep rent skewing (section 142(d)(4)(B))? ☐ Yes ☐ No		
g	Facilities for the local furnishing of electric energy or gas (sections 142(a)(8) and 142(f))	11g	
h	Facilities allowed under a transitional rule of the Tax Reform Act of 1986 (see instructions)	11h	
	Facility type		
	1986 Act section		
i	Qualified enterprise zone facility bonds (section 1394) (see instructions)	11i	
j	Qualified empowerment zone facility bonds (section 1394(f)) (see instructions)	11j	
k	Other (see instructions)	11k	
l	Qualified public educational facility bonds (sections 142(a)(13) and 142(k))	11l	
m	Mass commuting facilities (sections 142(a)(3) and 142(c))	11m	
n	Qualified highway or surface freight transfer facilities (sections 142(a)(15) and 142(m))	11n	
o	Other (see instructions)		
p	Local district heating or cooling facilities (sections 142(a)(9) and 142(g))	11p	
q	Other (see instructions)	11q	
12 a	Qualified mortgage bond (section 143(a))	12a	
b	Other (see instructions)	12b	
13	Qualified veterans' mortgage bond (section 143(b)) (see instructions) ▶	13	
	Check the box if you elect to rebate arbitrage profits to the United States ☐		
14	Qualified small issue bond (section 144(a)) (see instructions) ▶	14	
	Check the box for $10 million small issue exemption ☐		
15	Qualified student loan bond (section 144(b))	15	
16	Qualified redevelopment bond (section 144(c))	16	
17	Qualified hospital bond (section 145(c)) (attach schedule—see instructions)	17	
18	Qualified 501(c)(3) nonhospital bond (section 145(b)) (attach schedule—see instructions)	18	8,270,256
	Check box if 95% or more of net proceeds will be used **only** for capital expenditures ▶ ☒ (see attach.)		
19	Nongovernmental output property bond (treated as private activity bond) (section 141(d))	19	
20 a	Other (see instructions)		
b	Reissuance (see instructions)	20b	
c	Other. Describe (see instructions) ▶	20c	

Part III Description of Bonds (Complete for the entire issue for which this form is being filed.)

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	4/1/2051	$ 8,270,256	$ 8,275,000	19 years	4.4962%

Part IV Uses of Proceeds of Issue (including underwriters' discount)

				Amount
22	Proceeds used for accrued interest		22	
23	Issue price of entire issue (enter amount from line 21, column (b))		23	8,270,256
24	Proceeds used for bond issuance costs (including underwriters' discount)	24 165,405		
25	Proceeds used for credit enhancement	25		
26	Proceeds allocated to reasonably required reserve or replacement fund	26 255,000		
27	Proceeds used to refund prior tax-exempt bonds. Complete Part VI	27		
28	Proceeds used to refund prior taxable bonds. Complete Parts V and VI	28 7,849,851		
29	Add lines 24 through 28		29	8,270,256
30	Nonrefunding proceeds (subtract line 29 from line 23, enter amount here, and complete Part V)		30	0

Part V Description of Property Financed

Caution: Do not complete for qualified student loan bonds, qualified mortgage bonds, or qualified veterans' mortgage bonds.

31 Type of Property Financed:		Amount
a Land	31a	
b Buildings and structures	31b	
c Equipment with recovery period of more than 5 years	31c	
d Equipment with recovery period of 5 years or less	31d	
e Other. Describe (see instructions) title insruance premium	31e	

32 North American Industry Classification System (NAICS) of the projects financed.

	NAICS Code	Amount of nonrefunding proceeds		NAICS Code	Amount of nonrefunding proceeds
a		$	c		$
b		$	d		$

Part VI Description of Refunded Bonds (Complete this part only for refunding bonds.)

33	Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded ▶	years
34	Enter the remaining weighted average maturity of the taxable bonds to be refunded ▶	.022 years
35	Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY) ▶	
36	Enter the date(s) the refunded bonds were issued (MM/DD/YYYY) ▶	2/15/2018

Part VII Miscellaneous

37 Name of governmental unit(s) approving issue (see the instructions) ▶ City of Evanstion, Illinois; Date of Approval: 4/12/2021 Date of Hearing: 3/22/2021

38 Check the box if you have designated any issue under section 265(b)(3)(B)(i)(III) ▶ ☐

39 Check the box if you have elected to pay a penalty in lieu of arbitrage rebate ▶ ☐

40a Check the box if you have identified a hedge and enter the following information ▶ ☐

b Name of hedge provider

c Type of hedge ▶

d Term of hedge ▶

41 Check the box if the hedge is superintegrated ▶ ☐

42a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) ▶

b Enter the final maturity date of the GIC (MM/DD/YYYY) ▶

c Enter the name of the GIC provider ▶

43 Check the box if the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated in accordance with the requirements under the Code and Regulations (see instructions) ▶ ☒

44 Check the box if the issuer has established written procedures to monitor the requirements of section 148 ▶ ☒

45a Enter the amount of reimbursement if some portion of the proceeds was used to reimburse expenditures ▶

b Enter the date the official intent was adopted (MM/DD/YYYY) ▶

46 Check the box if the issue is comprised of qualified redevelopment, qualified small issue, or exempt facilities bonds, and provide name and EIN of the primary private user ▶ ☐

Name ▶ EIN

Part VIII Volume Caps

			Amount
47	Amount of state volume cap allocated to the issuer. **Attach copy of state certification**	47	
48	Amount of issue subject to the unified state volume cap	48	
49	Amount of issue not subject to the unified state volume cap or other volume limitations:	49	
a	Of bonds for governmentally owned solid waste facilities, airports, docks, wharves, environmental enhancements of hydroelectric generating facilities, or high-speed intercity rail facilities	49a	
b	Under a carryforward election. Attach a copy of Form 8328 to this return	49b	
c	Under transitional rules of the Tax Reform Act of 1986. Enter Act section ▶	49c	
d	Under the exception for current refunding (section 146(i) and section 1313(a) of the Tax Reform Act of 1986)	49d	
50a	Amount of issue of qualified veterans' mortgage bonds	50a	
b	Enter the state limit on qualified veterans' mortgage bonds	50b	
51a	Amount of section 1394(f) volume cap allocated to issuer. **Attach copy of local government certification**	51a	
b	Name of empowerment zone ▶		
52	Amount of section 142(k)(5) volume cap allocated to issuer. **Attach copy of state certification**	52	

Signature and Consent

Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person(s) that I have authorized above.

▶ _____ 4/22/2021 ▶ Hitesh Desai CFO & Treasurer

Signature of issuer's authorized representative — Date — Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	Preparer's PTIN
Alexander T. Deland	Alexander T. Deland	4/22/2021		P01410855

Firm's name ▶ Katten Muchin Rosenman LLP — Firm's EIN ▶ 36-2796532

Firm's address ▶ 525 West Monroe St., Chicago, Illinois 60661-3693 — Phone no. 212-294-6371

ATTACHMENT TO FORM 8038

Part II
Line 18:
Total Amount of Nonhospital Bonds in this issue: $8,270,256.40
Entities Benefitting from this issue of Nonhospital Bonds:

Entity	EIN	Amount of this Issue Benefitting the Organization
Roycemore School	36-1711590	$8,270,256.40

Note: a portion of the proceeds of the Educational Facilities Revenue Bonds, Series 2021 (Roycemore School) is being used to refinance a taxable loan. All of the proceeds of the taxable loan were used to pay capital expenditures made after August 5, 1997.

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

CERTIFIED MAIL®

7019 0140 0000 4208 9197

7019 0140 0000 4208 9197

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at *www.usps.com®*.

OFFICIAL USE

Certified Mail Fee
$

Extra Services & Fees *(check box, add fee as appropriate)*
- ☐ Return Receipt (hardcopy) $
- ☐ Return Receipt (electronic) $
- ☐ Certified Mail Restricted Delivery $
- ☐ Adult Signature Required $
- ☐ Adult Signature Restricted Delivery $

Postage
$

Postmark Here

Internal Revenue Service Center
Ogden Submission Processing Center
Ogden, UT 84201

Instructions

SENDER: *COMPLETE THIS SECTION*

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Internal Revenue Service Center
Ogden Submission Processing Center
Ogden, UT 84201

COMPLETE THIS SECTION ON DELIVER

A. Signature

X

B. Received by *(Printed Name)* C.

D. Is delivery address different from item 1?
If YES, enter delivery address below:

3. Service Type
- ☒ Certified Mail ☐ Express Mail
- ☐ Registered ☒ Return Receipt
- ☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? *(Extra Fee)*

2. Article Number *(Transfer from service label)* 7019 0140 0000 4208 9197

PS Form 3811, February 2004 Domestic Return Receipt

EXHIBIT F

FORM OF EXCESS EARNINGS REPORT

Report No. _____ Rebate Determination Date (1): _____, _____

1. Bond Yield (2): _____%

2. Net Excess Earnings by Fund:

Fund or Account	Future Value of Nonpurpose Receipts (3)	Future Value of Nonpurpose Payments (4)	Net Excess Earnings (5)
Project	$	$	$
Expense			
Debt Service (6)			
Debt Service Reserve			
Operating Reserve			
TOTAL	$	$	$

3. Rebate Amount (7) $ _____

Notes and Instructions

1. A Rebate Determination Date is (a) April __, 2026, and every fifth April ___ thereafter (unless the Borrower elects otherwise in accordance with the Regulations) and (b) the earlier of the scheduled final maturity date of the Bonds or any date prior thereto on which all outstanding Bonds are paid or retired.

2. The Bond Yield shall be computed in accordance with Regulations Section 1.148-4.

3. "Future Value of Nonpurpose Receipts" means, in general terms, the future value, as of the Rebate Determination Date, of all amounts received on or before the Rebate Determination Date with respect to Nonpurpose Investments allocated to the Bonds. All calculations necessary to determine the Future Value of Nonpurpose Receipts must be made in compliance with the rules set forth in Regulations Section 1.148-3 and the Regulations cited therein.

4. "Future Value of Nonpurpose Payments" means, in general terms, the future value, as of the Rebate Determination Date, of all amounts paid on or before the Rebate Determination Date with respect to Nonpurpose Investments allocated to the Bonds, including computation credits, if any. All calculations necessary to determine the Future Value of Nonpurpose Payments shall be made in compliance with the rules set forth in Regulations Section 1.148-3 and the Regulations cited therein.

5. Calculate the difference between Future Value of Nonpurpose Receipts and Future Value of Nonpurpose Payments for each Fund. Net Excess Earnings for any Fund may be a negative number.

6. Future Values of Nonpurpose Receipts and Payments allocable to any *bona fide* debt service fund are not to be taken into account in computing the amount due to the United States because the average annual debt service on the Bonds is not expected to exceed $2,500,000.

7. On or before the 60th day following each Rebate Determination Date other than the final one, an amount not less than 90% of the amount set forth in Line 3 must be remitted to the Internal Revenue Service. In addition, on or before the 60th day following retirement of the Bonds, 100% of such amount must be remitted to the Internal Revenue Service. For mailing instructions, *see* the Tax Compliance Agreement relating to the Bonds.

EXHIBIT G-1

FORM OF INVESTMENT CERTIFICATE: BORROWER EMPLOYEE OR AGENT

For purposes of this Certificate, the following terms have the meanings specified:

Bonds: City of Evanston, Illinois Educational Facility Revenue Bonds, Series 2021 (Roycemore School)

Investment: _____
_____

Issuer: City of Evanston, Illinois or Roycemore School Project

The undersigned hereby certifies as follows:

(A) The undersigned made a *bona fide* solicitation for the purchase of the Investment that satisfies all of the following requirements:

(1) The bid specifications were in writing and were timely forwarded to potential providers.

(2) The bid specifications included all material terms of the bid. A term is material if it may directly or indirectly affect the yield or the cost of the Investment.

(3) The bid specifications included a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Issuer or any other person (whether or not in connection with the Bonds), and that the bid is not being submitted solely as a courtesy to the Issuer or any other person for purposes of satisfying the requirements of paragraph (B) below.

(4) 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 Investment. [Add for solicitations of investments for a yield restricted defeasance escrow]: For example, the hold firm period is no longer than the Issuer reasonably requires.

(5) [For purchases of guaranteed investment contracts only]: The terms of the solicitation take into account the reasonably expected deposit and drawdown schedule for the amounts to be invested.

(6) All potential providers had an equal opportunity to bid. For example, no potential provider was given the opportunity to review other bids (*i.e.*, a last look) before providing a bid.

(7) At least three reasonably competitive providers were 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.

(B) The bids received by us meet all of the following requirements:

(1) We received at least three bids from providers that we solicited under a *bona fide* solicitation meeting the requirements of paragraph (A) above and that do not have a material financial interest in the Bonds. A lead underwriter (if the Bonds are sold in a negotiated underwriting transaction) is deemed to have a material financial interest in the Bonds until 15 days after the date of issuance thereof. In addition, any entity acting as a financial advisor with respect to the purchase of the Investment at the time the bid specifications are forwarded to potential providers has a material financial interest in the Bonds. A provider that is a related party to a provider that has a material financial interest in the Bonds is deemed to have a material financial interest in the Bonds.

(2) At least one of the three bids described in the preceding paragraph is from a reasonably competitive provider, within the meaning of paragraph (A)(7) above.

(3) We did not bid to provide the Investment.

(C) The winning bid meets the following requirements:

[Alternative (a) -- Guaranteed investment contracts:] it is the highest yielding *bona fide* bid (determined net of any broker's fees).

[Alternative (b) -- Other investments:]

(1) The winning bid is the lowest cost *bona fide* bid (including any broker's fees). The lowest cost bid is either the lowest cost bid for the portfolio or the aggregate cost of a portfolio comprised of the lowest cost bid for each investment. Any payment received by the Issuer from a provider at the time a guaranteed investment contract is purchased (*e.g.*, an escrow float contract) for a yield restricted defeasance escrow under a bidding procedure meeting the requirements of the Arbitrage Regulations is taken into account in determining the lowest cost bid.

(2) The lowest cost *bona fide* bid (including any broker's fees) is not greater than the cost of the most efficient portfolio comprised exclusively of State and Local Government Series Securities from the United States Department of the Treasury, Bureau of Public Debt. The cost of the most efficient portfolio of State and Local Government Series Securities was determined at the time that bids were required to be submitted pursuant to the terms of the bid specifications. Note: [This paragraph may be omitted if SLGS are not available on the date of the bid deadline; see Regs. §1.148-5/d/6/iii/C/2/iii.]

Attached to this Certificate are copies of the following:

(1) [For guaranteed investment contracts:] The contract. [For other Investments:] The purchase agreement or confirmation.

(2) The receipt for the amount actually paid by the Issuer, including a record of any administrative costs (such as our fees) paid by the Issuer.

(3) A chart showing for each bid received: the name of the person and entity submitting the bid, the time and date of the bid and the bid results.

(4) The bid solicitation form, including a statement explaining any deviation by the Investment from the form. [See Regs. §1.148-5/d/6/iii/E/4 if there is any deviation from the form.]

(5) [For an escrow portfolio:] An analysis showing the cost of the most efficient SLGS portfolio as of the deadline for submitting bids under the bid solicitation.

Dated: _____

[ISSUER/AGENT]

By _____
Its _____

EXHIBIT G-2

FORM OF INVESTMENT CERTIFICATE: PROVIDER

For purposes of this Certificate, the following terms have the meanings specified:

Bonds: City of Evanston, Illinois, Educational Facility Revenue Bonds, Series 2021 (Roycemore School)

Investment: _____

_____

Issuer: City of Evanston, Illinois or Roycemore School

The undersigned is providing the Investment with respect to the Bonds following submission of our bid in response to a written solicitation received by us relating to the Investment.

In connection with our bid to provide the Investment, we certify that we did not consult with any other potential provider about its bid, our bid was determined without regard to any other formal or informal agreement that we may have with or any person (whether or not in connection with the Bonds), and the bid was not submitted solely as a courtesy to any person for purposes of satisfying the requirements of the arbitrage regulations.

We further certify that the administrative costs paid or expected to be paid by us to third parties in connection with supplying the Investment are as follows:

AMOUNT	PAYEE

We further certify that we do not have a material financial interest in the Bonds and we are not a related party to any entity with such an interest (*e.g.*, the lead underwriter for the Bonds until 15 days after the date of issuance thereof or a financial advisor with respect to the purchase of the Investment).

Finally, we acknowledge receipt on this date of $_____ as the purchase price for the Investment.

Dated: _____

[PROVIDER]

By _____
Its _____

EXHIBIT H

ROYCEMORE SCHOOL

POST-ISSUANCE COMPLIANCE PROCEDURES
Relating to:

$8,275,000
City of Evanston
Educational Facility Revenue Bonds, Series 2021 (Roycemore School) (the "Bonds")

INTENT: Roycemore School ("Roycemore"), a 501(c)(3) organization under the Internal Revenue Code of 1986, as amended (the "Code"), is using the proceeds of the Bonds (the "Bond Proceeds") issued on behalf of Roycemore to refinance the 2011 Facility as described in that certain Tax Compliance Agreement dated April 22, 2021 related to the Bonds (the "Tax Compliance Agreement"). The Project enables Roycemore to fulfill its purposes as a 501(c)(3) organization. To comply with IRS regulations concerning post-issuance compliance for tax-exempt bond issues relating to (a) expenditure of Bond Proceeds; (b) use of the 2011 Facility; (c) record retention; (d) the remediation of Bonds due to a change of use of the 2011 Facility, if necessary; (e) arbitrage rebate monitoring of the Bonds; and (f) any other post-issuance compliance requirements under the Code and pertinent regulations, these procedures (the "Procedures") have been adopted by Roycemore and will be implemented with respect to the Bonds to ensure post-issuance compliance. Roycemore will consult with Bond Counsel if any question arises with respect to post-issuance compliance with the Code and regulations.

COMPLIANCE – KEY ELEMENTS

The individual or officer at Roycemore primarily responsible for implementing these procedures is the President.

Project Completion Due Diligence

1. The President shall monitor the Project to ensure that it proceeds with due diligence to completion.

Expenditure of Bond Proceeds

2. The President shall monitor Bond Proceed expenditures to ensure Costs of Issuance of the Bonds shall not exceed 2% of Sale Proceeds of the Bonds.

3. The President shall implement a reasonable method of allocating expenditures of Sale Proceeds of Bonds.

4. The President shall monitor the commitment and expenditure of Bond Proceeds to determine compliance with any applicable exceptions from the Arbitrage Rebate

requirements, as follows (all dates are "no later than" deadlines; if an exception is needed, consult with the President; date of Bond issuance is April 22, 2021):

6 Months After Date of Bond Issuance

a. 5% or more of Sale Proceeds of Bonds (net of reasonably required debt service reserves) must be committed to the Project; use of Sale Proceeds of Bonds to complete the Project must proceed with due diligence.

b. 100% of Sale Proceeds of Bonds must be spent in order to qualify for **6-Month Arbitrage Rebate Exception**.

Use of 2011 Facility

5. The President shall monitor the tax ownership and use of the 2011 Facility to ensure compliance with the Tax Compliance Agreement.

Change of Use/Remediation

6. Any proposed change of use of the 2011 Facility will be discussed with the Board of Trustees. Information to be provided includes:

   a. Description of property being considered for change of use, including;

      (1) Square footage

      (2) Cost of facilities involved, including equipment

      (3) Amount and type of financing that relates to subject property

   b. Description of current use of property

   c. Description of proposed future use of property, including:

      (1) Legal structure of change of use (lease, management contract, joint venture, etc.)

      (2) Amount of compensation to be received for proposed use

7. The Board of Trustees will include in its review of any proposed transaction the following considerations:

   a. If a contract or transaction under review will involve the use of Roycemore facilities financed with Bond Proceeds, the Board of Trustees will be notified for follow up.

   b. All contracts relating to services provided by outside management or service providers in Bond financed facilities must meet the IRS safe harbor rules for compensation structure and term. The President shall consult with Bond Counsel as

appropriate to ensure compliance.

8. The Business Manager will maintain records and keep account of any change of use or "bad use" of Bond financed property to ensure that any bad use does not exceed statutory limits.

9. The capital approval process through the President will include a requirement to report on the use of any Bond financed assets in the capital project being proposed. This will include the use of any existing space and equipment, as well as proposed acquisitions needed to implement the proposed project.

10. The President shall promptly consult with Bond Counsel in the event that any applicable tax restrictions regarding the use of Bond Proceeds may be violated in order to determine whether a remedial action is necessary and if so, determine a course of action to remediate all non-qualified Bonds (*e.g.,* through redemption of Bonds, qualified use of the proceeds received from the change in use of the Proceeds, qualification of the changed use for Bond financing, or settlement agreement with the IRS).

Constructive Re-Issuance of Bonds

11. While Bonds remain outstanding, the President shall monitor for any "Significant Modification" to a material term of Bonds which may cause a constructive "re-issuance" of the Bonds, by reviewing all finance transactions related to Bonds and consulting with Bond Counsel if there is any possible change in a material term of the Bonds.

Arbitrage Rebate Monitoring

12. The President will initiate regular reviews of arbitrage and rebate liability, according to the following schedule:

    a. The President shall keep a detailed account of the expenditure and investment of Bond Proceeds.

    b. No later than 5 years after the date of Bond issuance and every 5 years thereafter (or the retirement of the Bonds, if sooner), a rebate expert will be engaged to prepare the official arbitrage calculations. The President will provide the rebate expert with documents and information necessary for the rebate expert to prepare the Arbitrage Rebate calculations. Any indicated liability will be appropriately reported and at least 90% of the indicated liability shall be paid to the IRS within 60 days of the end of the computation period as per the regulations.

    c. At least 60 days prior to the date of maturity of the Bonds or on the date of the final retirement of the Bonds, if earlier, the President shall contact a rebate expert in order to prepare a final arbitrage rebate report to determine whether any accrued positive rebate liability is due to the IRS. If so, the President shall appropriately report and pay 100% of any indicated liability to the IRS on Roycemore's behalf within 60 days of the end of the final computation period as per the regulations.

Record Retention

13. The President shall maintain all documentation related to the Bonds and any other bonds issued to refund the Bonds (the "Refunding Bonds"). Said documentation with respect to both the Bonds and Refunding Bonds includes but is not limited to documentation relating to the bond issuance; changes in any bond terms; records showing how Bond Proceeds are spent; investment agreements and earnings related to the Bond Proceeds; Arbitrage Rebate reports, IRS Forms 8038; Bond Counsel opinions; and all contracts relating to the use of the Project. These records are to be maintained for the life of the Bonds and up to five (5) years after the date of retirement of the Bonds and if the original Bonds are refunded, for the life of any Refunding Bonds and up to five (5) years after the date of retirement of the Refunding Bonds.

EXHIBIT I

PUBLISHER'S AFFIDAVIT REGARDING NOTICE OF HEARING AND TRANSCRIPT OF PUBLIC HEARING

See attached

KATTEN MUCHIN ROSENMAN LLP
NOTICE OF PUBLIC HEARING PUBLIC NOTICE is hereby given

ADORDERNUMBER: 0001122625-01
PO NUMBER: Bonds
AMOUNT: 1,312.00
NO OF AFFIDAVITS: 1

Chicago Sun-Times
Certificate of Publication

State of Illinois - County of Cook

Chicago Sun-Times, does hereby certify it has published the attached advertisments in the following secular newspapers. All newspapers meet Illinois Compiled Statue requirements for publication of Notices per Chapter 715 ILCS 5/0.01 et seq. R.S. 1874, P728 Sec 1, EFF. July 1, 1874. Amended by Laws 1959, P1494, EFF. July 17, 1959. Formerly Ill. Rev. Stat. 1991, CH100, Pl.
Note: Notice appeared in the following checked positions.

PUBLICATION DATE(S): 03/10/2021

Chicago Sun-Times

IN WITNESS WHEREOF, the undersigned, being duly authorized, has caused this Certificate to be signed

by Susan Quinn

Susan Quinn
Manager | Recruitment & Legals

This 10th Day of March 2021

KATTEN MUCHIN ROSENMAN LLP
525 W MONROE ST
CHICAGO, IL 60661-3629

NOTICE OF PUBLIC HEARING

PUBLIC NOTICE is hereby given that on March 22, 2021, at the meeting of the City Council (the "Council") of the City of Evanston (the "City"), which will commence no earlier than 5:30 P.M., the Council of the City, or its designee, will conduct a public hearing (which is expected to start during the early portion of the City's meeting) remotely by toll free conference call to receive public comments regarding the proposed issuance by the City of its educational facility revenue bonds as hereinafter described (the "Bonds"), in one or more tax-exempt or taxable series, for the benefit of Roycemore School, an Illinois not for profit corporation (the "Corporation"). The tax-exempt series of Bonds will be issued as Qualified 501(c)(3) Bonds pursuant to Section 145(a) of the Internal Revenue Code of 1986, as amended. Interested members of the public are invited to participate by dialing any of the following Toll-Free numbers below and then entering the Meeting ID and Passcode set forth below:

Toll free Numbers	1-888-788-0099
	1-833-548-0276
	1-833-548-0282
	1-877-853-5247
Meeting Id	959 0282 8168
Passcode	708359

The hearing will also be accessible as a free to join webinar accessible through the following world wide web address:

https://zoom.us/j/95902828168?pwd=Uy9JQWRZam44NUB4h2NHRVV4R3IQQT09

Meeting ID	959-0282-8168
Passcode	708359

The Bonds will be issued in an aggregate principal amount not to exceed $11,000,000 and the proceeds thereof will be loaned by the City to the Corporation and used, together with other available funds of the Corporation, to (a) refund the outstanding balance of a taxable loan incurred by the Corporation to refinance the City's Educational Facility Revenue Bonds, Series 2011 (Roycemore School Project) (the "Prior Bonds"); (b) fund a debt service reserve fund; and (c) pay certain costs incurred in connection with the issuance of the Bonds and the refunding of said taxable loan (collectively, the "Financing Purposes"). The Prior Bonds had been issued by the City for the benefit of the Corporation and loaned to the Corporation to pay the costs of: (i) the acquisition of approximately 2.34 acres of land with an existing three level building thereon (the "Building") located at 1200 Davis Street, Evanston, Illinois 60201 (the "Campus"); (ii) the renovation, remodeling, improvement, and equipping of the approximately 68,000 square foot Building; and (iii) the construction and equipping of a gymnasium on the Campus (collectively, the "Facility"). The Facility to be refinanced with the proceeds of the Bonds is owned and operated by the Corporation.

The Bonds, if and when issued, will be special limited obligations of the City. The principal of, premium, if any, and interest on the Bonds shall be payable solely out of the revenues derived from payments made by or on behalf of the Corporation pursuant to a loan agreement between the City and the Corporation. The Bonds and the interest thereon shall never constitute a debt or indebtedness of the City within the meaning of any provision or limitation of the statutes or Constitution of the State of Illinois (the "State") and shall not constitute or give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers. No owner of the Bonds shall have the right to compel any exercise of the taxing power of the City, the State or any other political subdivision thereof to pay the principal of the Bonds or the interest or premium, if any, thereon.

The above notice of public hearing is required by Section 147(f) of the Internal Revenue Code of 1986, as amended. At the public hearing, residents, taxpayers and other interested persons will have the opportunity to express their views for or against the refinancing of the Facility, the Financing Purposes and the Bonds. Written comments may also be submitted to the City Clerk of the City at his office located at 2100 Ridge Avenue, Evanston, Illinois 60201, until no later than 4:00 P.M., March 19, 2021. Subsequent to the hearing, the Council will consider approval of the issuance of the Bonds.

Dated: March 10, 2021

City Clerk

City of Evanston, Cook County, Illinois

3/10/2021 #1122625

MINUTES OF HEARING REGARDING
CITY OF EVANSTON, ILLINOIS
EDUCATIONAL FACILITY REVENUE BONDS, SERIES 2021
(ROYCEMORE SCHOOL)
March 22, 2021

A Public Hearing on behalf of the City of Evanston, Illinois (the "City") was held on March 22, 2021 during the meeting of the City Council which commenced no earlier than 5:30 P.M. The hearing was held remotely by toll-free conference call and by free Zoom video conference, using the toll-free telephone numbers or the Zoom world wide web address, Meeting ID and Passcode, all as shown in the notice of hearing described below. Mr. Stephe Hagerty, the Mayor for the City duly appointed by the City to be the hearing officer for this public hearing (the "Hearing Officer"), called the hearing to order at 5:49 P.M.

The Hearing Officer advised that Notice of the Public Hearing had been published in the *Chicago Sun-Times* on March 10, 2021. A Proof of Publication from the *Chicago Sun-Times* was provided to the City Clerk for filing with the Minutes of the Meeting.

The Hearing Officer then announced that the City was conducting a public hearing regarding the proposed issuance of the City of Evanston Educational Facility Revenue Bonds, Series 2021 (Roycemore School) in a maximum stated principal amount not to exceed $11,000,000 (the "Bonds"). The Hearing Officer stated that Roycemore School, a not for profit corporation under the laws of the State of Illinois (the "Corporation"), has represented to the City that the proceeds of the Bonds, together with other available funds of the Corporation, will be used by the Corporation to: (i) refinance the outstanding balance of an existing note (the "Note") incurred by the Corporation, (ii) make a deposit to a debt service reserve fund for the Bonds and (iii) pay costs incurred in connection with the issuance of the Bonds and the refinancing of the Note (collectively, the "Financing Purposes"). The purpose of the Note was to refund bonds previously issued by the City to fund a loan to the Corporation to pay the costs of: (i) the

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acquisition of approximately 2.34 acres of land with an existing three-level building thereon (the "Building"), located at 1200 Davis Street, Evanston, Illinois 60201 (the "Campus"); (ii) the renovation, remodeling, improvement, and equipping of the now 68,000 square foot Building, and the (iii) the construction and equipping of a gymnasium on the Campus (collectively, the "Facility"). The Corporation has represented to the City that the Bonds do not and shall never constitute an indebtedness or obligation of the City, the State of Illinois (the "State") or any political subdivision thereof, or a loan of credit of any of them, within the meaning of any constitutional or statutory provision, or a charge against the general credit or taxing powers, if any, of the State, the City, or any other political subdivision thereof. The Bonds are special, limited obligations of the City, payable solely out of the revenues and income of the City derived pursuant to the Loan Agreement (the "Loan Agreement") between the City and the Corporation. No owner of the Bonds shall have the right to compel any exercise of the taxing power of the City, the State or any other political subdivision thereof to pay the principal of the Bonds or the interest or premium, if any, thereon. The Corporation has represented to the City that the Public Hearing is required by Section 147(f) of the Internal Revenue Code of 1986.

The Hearing Officer requested comments from any members of the public who accessed the hearing through the toll-free conference call numbers and the free Zoom world wide web address published in the Notice of the Public Hearing.

Mr. Carlis Sutton spoke in opposition to the bonds, City should be supporting public schools in the fifth ward rather than a private school.

Ms. Kathleen Scheidt spoke in support of the bonds, stating that she is a Roycemore parent and member of the Board of Trustees.

Ms. Adrianne Finley Odell spoke briefly in support of the bonds. She is the principal of Roycemore School.

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Mr. Michael Vasilko spoke in opposition to the bonds, stating it was inappropriate for the City to be funding a private entity, and that the City doesn't provide this funding for any other private organization or schools.

Mr. Anthony Chambers spoke in favor of bonds, stating he is also a parent and member of the Board of Trustees. Mr. Chambers spoke about Roycemore's commitment to racial and economic diversity in the student body and school community.

Alderman Don Wilson commented to clarify that the City is not giving money to the school, Roycemore is completely responsible for the debt, and the City is receiving a fee from the school for this service.

Mayor Steve Hagerty asked City Manager Erika Storlie to clarify whether other organizations in Evanston could qualify for this type of conduit bond financing.

City Manager Erika Storlie stated that other organizations could qualify, and that there is information on the City's website regarding qualifications for those interested.

Ms. Carolyn Murray asked if Family Focus, a non-profit organization in Evanston, would qualify for this type of financing.

Chief Financial Officer Hitesh Desai clarified that there are certain restrictions to qualify for conduit debt, and that the bonds are based on the organization's own credit rating and finances, not the City's.

No written comments were received by the City Clerk with respect to this public hearing by 4:00 P.M., March 19, 2021.

There being no further business, the Public Hearing was lawfully adjourned at 6:04 P.M.

City Clerk of the City of Evanston

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EXHIBIT J

APPROVAL OF ELECTED REPRESENTATIVE

Bond Ordinance appears as Item D.1.A.

EXHIBIT K

QUALIFIED 501(c)(3) BOND TESTS

The following rules govern for purposes of applying the Qualified 501(c)(3) Bond Tests in Section 5.02 of the Tax Compliance Agreement to which this Exhibit is attached; a more complete statement of the rules is contained in Treasury Regulations Sections 1.141-0 through 1.141-15 and 1.145-0 through 1.145-2 and IRS Revenue Procedures 97-13 and 2007-47.

A. General Rules

1. The Bonds may lose their status as tax-exempt "qualified 501(c)(3) bonds" if more than 5% of the Net Proceeds are used directly or indirectly in the trade or business of any person (a "Nonexempt Person") other than (i) a governmental unit or (ii) a 501(c)(3) Organization engaged in activities that do not constitute unrelated trade or business activities (see "Private Business Use Test" below) and more than 5% of the principal or interest on the Bonds is (a) secured directly or indirectly by any interest in or payment in respect of the property or borrowed money used, or to be used, in such nonexempt trade or business, or (b) to be derived from payments (whether or not to the Issuer or the Borrower) in respect of property, or borrowed money, used or to be used for a private business use (see "Private Security or Payment Test" below). In addition, the Bonds may lose their status as tax-exempt qualified 501(c)(3) bonds if any part of the Project is owned, under general Federal tax principles, by a Nonexempt Person or if more than 5% (or, if lower, $100,000) of the Net Proceeds are used (a) to make loans to Nonexempt Persons (see "Private Loan Financing Test" below) or (b) to acquire nongovernmental output property (see "Nongovernmental Output Property" below).

2. Whenever the Issuer or the Borrower states that it "reasonably expects" or "expects" something to occur or not to occur, the statement refers to the Issuer's or Borrower's reasonable expectations concerning events and actions over the entire stated term of the Bonds; provided, however, that an event or action is disregarded if the Bonds are subject to mandatory redemption within six months of the date of such event or action and the other conditions set forth in Regs. §1.141-2(d)(2)(ii) are satisfied. If an unexpected event or action that would cause the Bonds to lose their status as qualified 501(c)(3) bonds occurs during the term of the Bonds, the Bonds may become taxable unless an appropriate remedial action under Regs. §1.141-12 is taken.

3. All governmental units and 501(c)(3) Organizations that are members of the same Controlled Group (as defined in the Regulations) are treated as one person and all persons and entities other than governmental units and 501(c)(3) Organizations that are related within the meaning of Section 144(a)(3) of the Code are treated as one person.

B. Private Business Use Test

1. Any activity carried on by a Nonexempt Person that is not a natural person is treated as private business use.

2. Any use of the 2011 Facility pursuant to a special legal entitlement conferred on a Nonexempt Person, such as a Loan Agreement, a management or incentive payment contract (except as provided in paragraph 6 below), certain research agreements or a take or pay or other output-type contract, is a private business use.

3. If the 2011 Facility is not available for use by the general public, private business use may be established solely on the basis of a special economic benefit conferred on one or more Nonexempt Persons, even if those Nonexempt Persons have no special legal entitlements to use of the Project.

4. Use by an agent of the Issuer or the Borrower, use incidental to certain financing arrangements, use pursuant to a contract encompassing fewer than 180 days, temporary use by a developer, certain incidental uses (such as telephone booths) and certain qualified improvements are not treated as private business use if the conditions set forth in Regs. §1.141-3(d) are satisfied.

5. The amount of private business use of the 2011 Facility is equal to the average annual private business use of the 2011 Facility during the period beginning on the later of the Date of Issuance or the date the 2011 Facility is placed in service, and ending on the earlier of the last date of the reasonably expected economic life of the 2-11 Facility or the latest maturity date (or mandatory redemption date) of the Bonds.

6. A management, service or incentive payment contract with a Nonexempt Person with respect to the Project generally gives rise to private business use unless Bond Counsel advises the Borrower otherwise or:

   (a) The services are incidental to the primary function of the Project (such as janitorial, equipment repair and billing services); or

   (b) The contract grants admitting privileges to a doctor on an equal basis with other qualified doctors; or

   (c) The contract is for the operation of public utility property and limits compensation to reimbursement for the service provider's expenses (including overhead); or

   (d) The contract is for the provision of services and limits compensation to reimbursement for the service provider's expenses (not including overhead); or

(e) The contract contains all of the following features:

(i) The service provider receives not more than reasonable compensation for services rendered and reimbursement for expenses; and

(ii) The service provider is not compensated (in whole or in part) on the basis of a share of net profits derived from the Project; and

(iii) Not more than 20% of the voting power of the governing body of the governmental unit is vested in the service provider and its directors, officers, shareholders and employees, and any overlapping board members do not include the chief executive officers of the service provider or the governmental unit; and

(iv) The governmental unit and the service provider are not related persons; and

(v) The maximum term (including renewal options enforceable by the service provider) and cancellation protection are as set forth in the table below for contracts subject to Revenue Procedure 97-13 and 2016-44 and for contracts subject to Revenue Procedure 2017-13:

Type of Compensation	Maximum Term	Cancelable Without Penalty at End of
For management contracts to which Revenue Procedures 97-13 and 2016-14 are applicable:		
95% Fixed (including CPI adjustments and 1 predetermined incentive award)	*Public Utility Property:* Lesser of 80% of project useful life and 20 years *Other Property:* Lesser of 80% of project useful life and 15 years	No Provision
80% Fixed (including CPI adjustments and 1 predetermined incentive award)	*Public Utility Property:* Lesser of 80% of project useful life and 20 years *Other Property:* Lesser of 80% of project useful life and 10 years	No Provision
50% Fixed (including CPI adjustments)	5 years	3rd year
Per Person or combination of Fixed and Per Person (including CPI adjustments)	5 years	3rd year
Per Unit or combination of Fixed and Per Unit (including CPI adjustments)	3 years	2nd year

Percentage of Fees or combination of Per Unit and Percentage of Revenue or Expense (including Percentage of Gross or Adjusted Gross Revenues or Expenses during start-up period)	2 years	1st year
Net Profits (including percentage of net revenues but not including certain predetermined productivity rewards)	Not Permitted	Not Permitted
For contracts to which Revenue Procedure 2017-13 is applicable:		
The maximum term of the contract, plus all renewal options, cannot exceed the lesser of 80% of the weighted average reasonably expected economic life of the managed property and 30 years		

and

(v) in the case of contracts subject to Revenue Procedure 2017-13, the following requirements also apply:

(I) In determining whether compensation is reasonable, payments to reimburse actual and direct expenses paid by the service provider and related administrative overhead expenses of the service provider are take into account;

(II) The contract must not provide to the service provider a share of net profits from the operation of the managed property. Compensation to the service provider will not be treated as providing a share of net profits if no element of the compensation takes into account, or is contingent upon, either the managed property's net profits or both the managed property's net revenues and expenses for the fiscal period. For this purpose, the elements of the compensation are the eligibility for, the amount of, and the timing of the payment of the compensation. Further, solely for purposes of determining whether the amount of the compensation meets the requirements of this clause (II), any reimbursements of actual and direct expenses paid by the service provider to unrelated parties are disregarded as compensation. Incentive compensation will not be treated as providing a share of net profits if the eligibility for the incentive compensation is determined by the service provider's performance in meeting one or more standards that measure quality of services, performance, or productivity, and the amount and the timing of the payment for the compensation meets the requirements of this clause (II);

(III) The contract must not, in substance, impose upon the service provider the burden of bearing any share of net losses from the operation of the managed property. An arrangement will not be treated as requiring the service provider to bear a share of net losses if: (x) the determination of the amount of the service provider's compensation and the amount of any expenses to be paid by the service provider (and not reimbursed), separately and collectively, do not take into account either the managed property's net losses or both the managed property's revenues and expenses for any fiscal period, and (y) the timing of the payment of compensation is not contingent upon the managed property's net losses. For example, a service provider whose compensation is reduced by a stated dollar amount (or one of multiple stated dollar amounts) for failure to keep the managed property's expenses below a specified target (or one of multiple specified targets) will not be treated ass bearing a share of net losses as a result of that reduction;

(IV) Without regard to whether the service provider pays expenses with respect to the operation of the managed property without reimbursement by the Borrower, compensation for services will not be treated as providing a share of net profits or requiring the service provider to bear a share of net losses under (II) and (III) above if the compensation is (a) based solely on a capitation fee, a periodic fixed fee, or a per-unit or (b) a combination of these types of compensation;

(V) Deferral due to insufficient net cash flows from the operation of the managed property of the payment of compensation that otherwise meets the requirements of (II) and (IV) above will not cause the deferred compensation to be treated as contingent upon the net profits or net losses under (II) and (III) above if the contract includes requirements that (a) the compensation is payable at least annually, (b) the Borrower is subject to reasonable consequences for late payment, such as reasonable interest charges or late payment fees, and (c) the Borrower will pay such deferred compensation (with interest or late payment fees) no later than the end of five years after the original due date of the payment;

(VI) The Borrower must exercise a significant degree of control over the use of the managed property. This control requirement is met if the contract requires the Borrower to approve the annual budget of the managed property, capital expenditures with respect to the managed property, each disposition of property that is art of the managed property, rates charged for the use of the managed property, and the general nature and type of use of the managed property (for example, the type of services). For this purpose, for example, the University may show approval of capital expenditures for a managed property by approving an annual budget for capital expenditures described by functional purpose and specific maximum amounts; the Borrower may show approval of dispositions of property that is part of the managed property in a similar manner. Further, the Borrower may show approval of rates charged for use of the managed property by either expressly approving such rates or a general description of the methodology for setting such rates (such as a method that establishes hotel room rates using specified revenue goals based on comparable properties) or by requiring that the service provider charge rates that are reasonable and customary ass specifically determined by, or negotiated with, an independent party (such as a medical insurance comp

(VII) The Borrower must bear the risk of loss upon damage or destruction of the managed property (for example, upon force majeure). The Borrower will not fail to meet this risk of loss requirement as a result of insuring against risk of loss through a third party or imposing upon the service provider a penalty for failure to operate the managed property in accordance with standards set forth in the management contract; and

(VIII) The service provider must agree that it is not entitled to and will not take any tax position that is inconsistent with being a service provider to the Borrower with respect to the managed property. For example, the service provider must agree not to take any depreciation or amortization, investment tax credit, or deduction for any payment as rent with respect to the managed property.

C. Private Security or Payment Test

1. The security for, and payment of debt service on, the Bonds is determined from both the terms of the Bond documents and on the basis of any underlying arrangement between the Issuer or the Borrower and a Nonexempt Person.

2. In determining whether the Bonds meet the Private Security or Payment Test, the present value (at the Bond Yield or, in the case of variable rate Bonds, at the initial rate on the Bonds) of the payments or property taken into account under Regs. §1.141-4(c) is compared to the present value of the debt service to be paid over the term of the Bonds, with the adjustments set forth in Regs. §1.141-4(b).

3. Generally applicable taxes are not treated as private business payments as long as such taxes are not in the nature of fees for goods or services, have a uniform tax rate that is applied to all persons of the same classification in the appropriate jurisdiction and have a generally applicable manner of determination and collection.

4. Private business payments and security are allocated among different sources of funding for the same project in accordance with the provisions of Regs. §1.141-4(c)(3).

D. Private Loan Financing Test

1. Any transaction that is generally characterized as a loan for federal income tax purposes is a loan for purposes of the Private Loan Financing Test. In addition, a loan may arise from the direct lending of Proceeds or may arise from transactions in which indirect benefits that are the economic equivalent of a loan are conveyed.

2. In determining whether the Proceeds are used to make or finance loans, indirect, as well as direct, use of the Proceeds is taken into account, without discounting the amount loaned to reflect the present value of the loan repayments.

3. Prepayments, grants and tax assessment loans are not treated as loans for purposes of the Private Loan Financing Test if the conditions in Regs. §1.141-5(c) and (d) are satisfied.

E. Nongovernmental Output Property

1. The limitation on using Proceeds for Nongovernmental Output Property applies generally to the acquisition of existing energy facilities from a Nongovernmental Person.

2. Certain limited exceptions to this rule apply where the Issuer has historically supplied energy in the same service area (including certain annexed areas) as that served by the facilities to be purchased.

EXHIBIT L

WEIGHTED AVERAGE ECONOMIC LIFE OF PROJECT

The Borrower calculated the "weighted average reasonably expected economic life" of the 2011 Facility being refinanced with the proceeds of the City of Evanston, Illinois, Educational Facility Revenue Bonds, Series 2021 (Roycemore School) (the "Bonds"). This calculation will be relied on by Katten Muchin Rosenman LLP in rendering its opinion that interest on the Bonds is excluded from the gross income of the owners thereof for federal income tax purposes. Capitalized terms used herein and not otherwise defined shall have the respective meanings specified in the Tax Compliance Agreement relating to the Bonds.

For purposes of this certificate, the following rules have been applied:

(a) for structures, original reasonably expected economic life is as set forth in *Revenue Procedure* 62-21, 1962-2 C.B. 418; for assets other than structures, original reasonably expected economic life is equal to the applicable midpoint lives under the ADR system; in all cases, longer useful lives may be used if, on the basis of the facts and circumstances, the economic lives to the Borrower are greater than the lives established under the foregoing administrative guidelines;

(b) the cost of any land is disregarded if less than 25% of the proceeds of the Bonds is to be used for such purpose;

(c) if 25% or more of the proceeds of the Bonds is to be used to finance land, such land shall be treated as having an original economic life of 30 years; and

(d) for refinanced property, such as the 2011 Facility, the estimated economic life and cost or estimated costs as of the date of issue of the 2011 Bonds is used.

The schedule below sets forth information relating to the Project pertinent to the computation of the remaining portion of 120% of the weighted average reasonably expected economic life thereof, which is the maximum period of tax-exempt financing for the 2011 Facility permitted by the Code. As shown on the attached schedule, the remaining portion of 120% of the weighted average reasonably expected economic life of the 2011 Facility refinanced with the Bonds, as adjusted for the period elapsed since the date of issue of the 2011 Bonds is not less than 35,7807 years.

2011 Facility Component	Line Item	Amount funded with 2011 Bond Proceeds	Estimate Economic Life	211 Bond Proceeds X Est. Economic Life
Building & Structural Improvements[1]				
	GMAX	$3,098,354	40	123,934,160
	Doors/Paint/Floor	$538,768	40	21,550. 720
	HVAC/Elect/Plumbing/Finishes	$2,270,500	40	90,820,000
	Permits	$86,044	40	3,441,760
Equip. w/ Life over 5 years[1]	F&E	$375,000	10	3,750,000
Equip. w/Life 5 yr or less[1]	F&E	$300,000	3	900,000
Other[1]	Environmental Abatement	$362,425	40	14,537,000
	Professional Fees	$926,373	40	37,054,920
	Municipal & Utility	$65,460	40	2,618,400
	Miscellaneous	$139,471	40	5,578,840
	Contingency	$204,089	40	8,163,560
Building Acquisition	Building[2]	$2,506,406[3]	40	100,256,240

1. See Exhibit P to 2011 Tax Compliance Agreement.

2 Acquisition of Build Site not included, since value of land was less than 25% of purchase price, based on information in appraisal report of Argianas Associates, dated August 29, 2019 ("Appraisal Report").

3 Determined as of amount of acquisition loan refinanced by the 2011 Bonds, $3,156,682.49 X portion of purchase price allocable to the building, 79.4%. The 79.4% factor is the appraised value of the property acquired ($16,370,000), net of the appraised value of the land ($3,370,000), divided by the appraised value of the property, all as shown in the Appraisal Report.

Total		**$10,873,890**		**412,605,600**
Reas. Exp. Weighted Avg Life	**412,605,600 / $10,873,890 =**	**37.9446 years**		
120% of Reas. Exp. Weighted Average Life	**120% X 37.9446 years =**	**45.5335 years**		
Adj for Time Elapsed since issue date of 2011 Bonds	**45.5335 years – 9.7528 years =**	**35.7807 years**		

EXHIBIT M

FINAL PRICING NUMBERS

See attached

STIFEL

SOURCES AND USES OF FUNDS

City of Evanston, Illinois
Educational Facility Revenue Bonds, Series 2021
(Roycemore School)
FINAL NUMBERS

Dated Date	04/22/2021
Delivery Date	04/22/2021

Sources:	
Bond Proceeds:	
Par Amount	8,275,000.00
Original Issue Discount	(4,743.60)
	8,270,256.40
Other Sources of Funds:	
School Cash Equity Contrib.	215,281.88
School Cash Equity Contrib. (DSRF)	255,000.00
Taxable Note Principal Reserve	54,500.00
	524,781.88
	8,795,038.28

Uses:	
Project Fund Deposits:	
Current Refinancing Deposit	7,900,000.00
Other Fund Deposits:	
Debt Service Reserve Fund	510,000.00
Delivery Date Expenses:	
Cost of Issuance	215,281.88
Underwriter's Discount	165,405.12
	380,687.00
Other Uses of Funds:	
Contingency	4,351.28
	8,795,038.28

STIFEL

COST OF ISSUANCE

City of Evanston, Illinois
Educational Facility Revenue Bonds, Series 2021
(Roycemore School)
FINAL NUMBERS

Cost of Issuance	$/1000	Amount
Issuer Fee	1.20846	10,000.00
Issuer's Counsel	1.81269	15,000.00
Bond Counsel	8.01353	66,312.00
Underwriter's Counsel	6.04230	50,000.00
Financial Forecast	3.02115	25,000.00
Trustee Fee	0.36254	3,000.00
Trustee's Counsel	0.36254	3,000.00
Printing	0.18127	1,500.00
Underwriter's Discount from School Contrib.	5.01147	41,469.88
	26.01594	215,281.88

STIFEL

BOND PRICING

City of Evanston, Illinois
Educational Facility Revenue Bonds, Series 2021
(Roycemore School)
FINAL NUMBERS

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)
Tax-Exempt 2032 Term Bond:						
	04/01/2032	1,915,000	4.000%	4.000%	100.000	
Tax-Exempt 2041 Term Bond:						
	04/01/2041	2,360,000	4.375%	4.390%	99.799	(4,743.60)
Tax-Exempt 2051 Term Bond:						
	04/01/2051	4,000,000	4.625%	4.625%	100.000	
		8,275,000				(4,743.60)

Dated Date	04/22/2021	
Delivery Date	04/22/2021	
First Coupon	10/01/2021	
Par Amount	8,275,000.00	
Original Issue Discount	(4,743.60)	
Production	8,270,256.40	99.942676%
Underwriter's Discount	(165,405.12)	(1.998853%)
Purchase Price	8,104,851.28	97.943822%
Accrued Interest		
Net Proceeds	8,104,851.28	

Note: Optional Redemption - April 1, 2029 @ Par

STIFEL

BOND MATURITY TABLE

City of Evanston, Illinois
Educational Facility Revenue Bonds, Series 2021
(Roycemore School)
FINAL NUMBERS

Maturity Date	Tax-Exempt 2032 Term Bond	Tax-Exempt 2041 Term Bond	Tax-Exempt 2051 Term Bond	Total
04/01/2022	135,000			135,000
04/01/2023	150,000			150,000
04/01/2024	155,000			155,000
04/01/2025	160,000			160,000
04/01/2026	165,000			165,000
04/01/2027	175,000			175,000
04/01/2028	180,000			180,000
04/01/2029	185,000			185,000
04/01/2030	195,000			195,000
04/01/2031	205,000			205,000
04/01/2032	210,000			210,000
04/01/2033		220,000		220,000
04/01/2034		230,000		230,000
04/01/2035		240,000		240,000
04/01/2036		250,000		250,000
04/01/2037		260,000		260,000
04/01/2038		270,000		270,000
04/01/2039		285,000		285,000
04/01/2040		295,000		295,000
04/01/2041		310,000		310,000
04/01/2042			325,000	325,000
04/01/2043			340,000	340,000
04/01/2044			355,000	355,000
04/01/2045			370,000	370,000
04/01/2046			385,000	385,000
04/01/2047			405,000	405,000
04/01/2048			425,000	425,000
04/01/2049			445,000	445,000
04/01/2050			465,000	465,000
04/01/2051			485,000	485,000
	1,915,000	2,360,000	4,000,000	8,275,000

STIFEL

DETAILED BOND DEBT SERVICE

City of Evanston, Illinois
Educational Facility Revenue Bonds, Series 2021
(Roycemore School)
FINAL NUMBERS

Tax-Exempt 2032 Term Bond

Period Ending	Principal	Coupon	Interest	Debt Service
04/01/2022	135,000	4.000%	72,131.67	207,131.67
04/01/2023	150,000	4.000%	71,200.00	221,200.00
04/01/2024	155,000	4.000%	65,200.00	220,200.00
04/01/2025	160,000	4.000%	59,000.00	219,000.00
04/01/2026	165,000	4.000%	52,600.00	217,600.00
04/01/2027	175,000	4.000%	46,000.00	221,000.00
04/01/2028	180,000	4.000%	39,000.00	219,000.00
04/01/2029	185,000	4.000%	31,800.00	216,800.00
04/01/2030	195,000	4.000%	24,400.00	219,400.00
04/01/2031	205,000	4.000%	16,600.00	221,600.00
04/01/2032	210,000	4.000%	8,400.00	218,400.00
	1,915,000		486,331.67	2,401,331.67

STIFEL

DETAILED BOND DEBT SERVICE

City of Evanston, Illinois
Educational Facility Revenue Bonds, Series 2021
(Roycemore School)
FINAL NUMBERS

Tax-Exempt 2041 Term Bond

Period Ending	Principal	Coupon	Interest	Debt Service
04/01/2022			97,227.08	97,227.08
04/01/2023			103,250.00	103,250.00
04/01/2024			103,250.00	103,250.00
04/01/2025			103,250.00	103,250.00
04/01/2026			103,250.00	103,250.00
04/01/2027			103,250.00	103,250.00
04/01/2028			103,250.00	103,250.00
04/01/2029			103,250.00	103,250.00
04/01/2030			103,250.00	103,250.00
04/01/2031			103,250.00	103,250.00
04/01/2032			103,250.00	103,250.00
04/01/2033	220,000	4.375%	103,250.00	323,250.00
04/01/2034	230,000	4.375%	93,625.00	323,625.00
04/01/2035	240,000	4.375%	83,562.50	323,562.50
04/01/2036	250,000	4.375%	73,062.50	323,062.50
04/01/2037	260,000	4.375%	62,125.00	322,125.00
04/01/2038	270,000	4.375%	50,750.00	320,750.00
04/01/2039	285,000	4.375%	38,937.50	323,937.50
04/01/2040	295,000	4.375%	26,468.76	321,468.76
04/01/2041	310,000	4.375%	13,562.50	323,562.50
	2,360,000		1,675,070.84	4,035,070.84

STIFEL

DETAILED BOND DEBT SERVICE

City of Evanston, Illinois
Educational Facility Revenue Bonds, Series 2021
(Roycemore School)
FINAL NUMBERS

Tax-Exempt 2051 Term Bond

Period Ending	Principal	Coupon	Interest	Debt Service
04/01/2022			174,208.33	174,208.33
04/01/2023			185,000.00	185,000.00
04/01/2024			185,000.00	185,000.00
04/01/2025			185,000.00	185,000.00
04/01/2026			185,000.00	185,000.00
04/01/2027			185,000.00	185,000.00
04/01/2028			185,000.00	185,000.00
04/01/2029			185,000.00	185,000.00
04/01/2030			185,000.00	185,000.00
04/01/2031			185,000.00	185,000.00
04/01/2032			185,000.00	185,000.00
04/01/2033			185,000.00	185,000.00
04/01/2034			185,000.00	185,000.00
04/01/2035			185,000.00	185,000.00
04/01/2036			185,000.00	185,000.00
04/01/2037			185,000.00	185,000.00
04/01/2038			185,000.00	185,000.00
04/01/2039			185,000.00	185,000.00
04/01/2040			185,000.00	185,000.00
04/01/2041			185,000.00	185,000.00
04/01/2042	325,000	4.625%	185,000.00	510,000.00
04/01/2043	340,000	4.625%	169,968.76	509,968.76
04/01/2044	355,000	4.625%	154,243.76	509,243.76
04/01/2045	370,000	4.625%	137,825.00	507,825.00
04/01/2046	385,000	4.625%	120,712.50	505,712.50
04/01/2047	405,000	4.625%	102,906.26	507,906.26
04/01/2048	425,000	4.625%	84,175.00	509,175.00
04/01/2049	445,000	4.625%	64,518.76	509,518.76
04/01/2050	465,000	4.625%	43,937.50	508,937.50
04/01/2051	485,000	4.625%	22,431.26	507,431.26
	4,000,000		4,774,927.13	8,774,927.13

STIFEL

BOND SUMMARY STATISTICS

City of Evanston, Illinois
Educational Facility Revenue Bonds, Series 2021
(Roycemore School)
FINAL NUMBERS

Dated Date	04/22/2021
Delivery Date	04/22/2021
First Coupon	10/01/2021
Last Maturity	04/01/2051
Arbitrage Yield	4.496168%
True Interest Cost (TIC)	4.667812%
Net Interest Cost (NIC)	4.623986%
All-In TIC	4.569396%
Average Coupon	4.513275%
Average Life (years)	18.572
Weighted Average Maturity (years)	18.574
Duration of Issue (years)	11.982
Par Amount	8,275,000.00
Bond Proceeds	8,270,256.40
Total Interest	6,936,329.64
Net Interest	7,106,478.36
Bond Years from Dated Date	153,687,291.67
Bond Years from Delivery Date	153,687,291.67
Total Debt Service	15,211,329.64
Maximum Annual Debt Service	510,000.00
Average Annual Debt Service	508,032.16

Bond Component	Par Value	Price	Average Coupon	Average Life	Duration	PV of 1 bp change
Tax-Exempt 2032 Term Bond	1,915,000.00	100.000	4.000%	6.349	5.514	1,666.05
Tax-Exempt 2041 Term Bond	2,360,000.00	99.799	4.375%	16.223	11.704	3,115.20
Tax-Exempt 2051 Term Bond	4,000,000.00	100.000	4.625%	25.810	15.265	6,440.00
	8,275,000.00			18.572		11,221.25

	TIC	All-In TIC	Arbitrage Yield
Par Value	8,275,000.00	8,275,000.00	8,275,000.00
+ Accrued Interest			
+ Premium (Discount)	(4,743.60)	(4,743.60)	(4,743.60)
- Underwriter's Discount	(165,405.12)	(165,405.12)	
- Cost of Issuance Expense		(215,281.88)	
- Other Amounts		309,500.00	
Target Value	8,104,851.28	8,199,069.40	8,270,256.40
Target Date	04/22/2021	04/22/2021	04/22/2021
Yield	4.667812%	4.569396%	4.496168%

STIFEL

BOND DEBT SERVICE

City of Evanston, Illinois
Educational Facility Revenue Bonds, Series 2021
(Roycemore School)
FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/22/2021					
10/01/2021			161,142.08	161,142.08	
04/01/2022	135,000	4.000%	182,425.00	317,425.00	478,567.08
10/01/2022			179,725.00	179,725.00	
04/01/2023	150,000	4.000%	179,725.00	329,725.00	509,450.00
10/01/2023			176,725.00	176,725.00	
04/01/2024	155,000	4.000%	176,725.00	331,725.00	508,450.00
10/01/2024			173,625.00	173,625.00	
04/01/2025	160,000	4.000%	173,625.00	333,625.00	507,250.00
10/01/2025			170,425.00	170,425.00	
04/01/2026	165,000	4.000%	170,425.00	335,425.00	505,850.00
10/01/2026			167,125.00	167,125.00	
04/01/2027	175,000	4.000%	167,125.00	342,125.00	509,250.00
10/01/2027			163,625.00	163,625.00	
04/01/2028	180,000	4.000%	163,625.00	343,625.00	507,250.00
10/01/2028			160,025.00	160,025.00	
04/01/2029	185,000	4.000%	160,025.00	345,025.00	505,050.00
10/01/2029			156,325.00	156,325.00	
04/01/2030	195,000	4.000%	156,325.00	351,325.00	507,650.00
10/01/2030			152,425.00	152,425.00	
04/01/2031	205,000	4.000%	152,425.00	357,425.00	509,850.00
10/01/2031			148,325.00	148,325.00	
04/01/2032	210,000	4.000%	148,325.00	358,325.00	506,650.00
10/01/2032			144,125.00	144,125.00	
04/01/2033	220,000	4.375%	144,125.00	364,125.00	508,250.00
10/01/2033			139,312.50	139,312.50	
04/01/2034	230,000	4.375%	139,312.50	369,312.50	508,625.00
10/01/2034			134,281.25	134,281.25	
04/01/2035	240,000	4.375%	134,281.25	374,281.25	508,562.50
10/01/2035			129,031.25	129,031.25	
04/01/2036	250,000	4.375%	129,031.25	379,031.25	508,062.50
10/01/2036			123,562.50	123,562.50	
04/01/2037	260,000	4.375%	123,562.50	383,562.50	507,125.00
10/01/2037			117,875.00	117,875.00	
04/01/2038	270,000	4.375%	117,875.00	387,875.00	505,750.00
10/01/2038			111,968.75	111,968.75	
04/01/2039	285,000	4.375%	111,968.75	396,968.75	508,937.50
10/01/2039			105,734.38	105,734.38	
04/01/2040	295,000	4.375%	105,734.38	400,734.38	506,468.76
10/01/2040			99,281.25	99,281.25	
04/01/2041	310,000	4.375%	99,281.25	409,281.25	508,562.50
10/01/2041			92,500.00	92,500.00	
04/01/2042	325,000	4.625%	92,500.00	417,500.00	510,000.00
10/01/2042			84,984.38	84,984.38	
04/01/2043	340,000	4.625%	84,984.38	424,984.38	509,968.76
10/01/2043			77,121.88	77,121.88	
04/01/2044	355,000	4.625%	77,121.88	432,121.88	509,243.76
10/01/2044			68,912.50	68,912.50	
04/01/2045	370,000	4.625%	68,912.50	438,912.50	507,825.00
10/01/2045			60,356.25	60,356.25	
04/01/2046	385,000	4.625%	60,356.25	445,356.25	505,712.50
10/01/2046			51,453.13	51,453.13	
04/01/2047	405,000	4.625%	51,453.13	456,453.13	507,906.26
10/01/2047			42,087.50	42,087.50	
04/01/2048	425,000	4.625%	42,087.50	467,087.50	509,175.00
10/01/2048			32,259.38	32,259.38	
04/01/2049	445,000	4.625%	32,259.38	477,259.38	509,518.76
10/01/2049			21,968.75	21,968.75	
04/01/2050	465,000	4.625%	21,968.75	486,968.75	508,937.50
10/01/2050			11,215.63	11,215.63	
04/01/2051	485,000	4.625%	11,215.63	496,215.63	507,431.26
	8,275,000		6,936,329.64	15,211,329.64	15,211,329.64

STIFEL

BOND DEBT SERVICE

City of Evanston, Illinois
Educational Facility Revenue Bonds, Series 2021
(Roycemore School)
FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service
04/01/2022	135,000	4.000%	343,567.08	478,567.08
04/01/2023	150,000	4.000%	359,450.00	509,450.00
04/01/2024	155,000	4.000%	353,450.00	508,450.00
04/01/2025	160,000	4.000%	347,250.00	507,250.00
04/01/2026	165,000	4.000%	340,850.00	505,850.00
04/01/2027	175,000	4.000%	334,250.00	509,250.00
04/01/2028	180,000	4.000%	327,250.00	507,250.00
04/01/2029	185,000	4.000%	320,050.00	505,050.00
04/01/2030	195,000	4.000%	312,650.00	507,650.00
04/01/2031	205,000	4.000%	304,850.00	509,850.00
04/01/2032	210,000	4.000%	296,650.00	506,650.00
04/01/2033	220,000	4.375%	288,250.00	508,250.00
04/01/2034	230,000	4.375%	278,625.00	508,625.00
04/01/2035	240,000	4.375%	268,562.50	508,562.50
04/01/2036	250,000	4.375%	258,062.50	508,062.50
04/01/2037	260,000	4.375%	247,125.00	507,125.00
04/01/2038	270,000	4.375%	235,750.00	505,750.00
04/01/2039	285,000	4.375%	223,937.50	508,937.50
04/01/2040	295,000	4.375%	211,468.76	506,468.76
04/01/2041	310,000	4.375%	198,562.50	508,562.50
04/01/2042	325,000	4.625%	185,000.00	510,000.00
04/01/2043	340,000	4.625%	169,968.76	509,968.76
04/01/2044	355,000	4.625%	154,243.76	509,243.76
04/01/2045	370,000	4.625%	137,825.00	507,825.00
04/01/2046	385,000	4.625%	120,712.50	505,712.50
04/01/2047	405,000	4.625%	102,906.26	507,906.26
04/01/2048	425,000	4.625%	84,175.00	509,175.00
04/01/2049	445,000	4.625%	64,518.76	509,518.76
04/01/2050	465,000	4.625%	43,937.50	508,937.50
04/01/2051	485,000	4.625%	22,431.26	507,431.26
	8,275,000		6,936,329.64	15,211,329.64

STIFEL

FORM 8038 STATISTICS

City of Evanston, Illinois
Educational Facility Revenue Bonds, Series 2021
(Roycemore School)
FINAL NUMBERS

Dated Date	04/22/2021
Delivery Date	04/22/2021

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Tax-Exempt 2032 Term Bond:						
	04/01/2022	135,000.00	4.000%	100.000	135,000.00	135,000.00
	04/01/2023	150,000.00	4.000%	100.000	150,000.00	150,000.00
	04/01/2024	155,000.00	4.000%	100.000	155,000.00	155,000.00
	04/01/2025	160,000.00	4.000%	100.000	160,000.00	160,000.00
	04/01/2026	165,000.00	4.000%	100.000	165,000.00	165,000.00
	04/01/2027	175,000.00	4.000%	100.000	175,000.00	175,000.00
	04/01/2028	180,000.00	4.000%	100.000	180,000.00	180,000.00
	04/01/2029	185,000.00	4.000%	100.000	185,000.00	185,000.00
	04/01/2030	195,000.00	4.000%	100.000	195,000.00	195,000.00
	04/01/2031	205,000.00	4.000%	100.000	205,000.00	205,000.00
	04/01/2032	210,000.00	4.000%	100.000	210,000.00	210,000.00
Tax-Exempt 2041 Term Bond:						
	04/01/2033	220,000.00	4.375%	99.799	219,557.80	220,000.00
	04/01/2034	230,000.00	4.375%	99.799	229,537.70	230,000.00
	04/01/2035	240,000.00	4.375%	99.799	239,517.60	240,000.00
	04/01/2036	250,000.00	4.375%	99.799	249,497.50	250,000.00
	04/01/2037	260,000.00	4.375%	99.799	259,477.40	260,000.00
	04/01/2038	270,000.00	4.375%	99.799	269,457.30	270,000.00
	04/01/2039	285,000.00	4.375%	99.799	284,427.15	285,000.00
	04/01/2040	295,000.00	4.375%	99.799	294,407.05	295,000.00
	04/01/2041	310,000.00	4.375%	99.799	309,376.90	310,000.00
Tax-Exempt 2051 Term Bond:						
	04/01/2042	325,000.00	4.625%	100.000	325,000.00	325,000.00
	04/01/2043	340,000.00	4.625%	100.000	340,000.00	340,000.00
	04/01/2044	355,000.00	4.625%	100.000	355,000.00	355,000.00
	04/01/2045	370,000.00	4.625%	100.000	370,000.00	370,000.00
	04/01/2046	385,000.00	4.625%	100.000	385,000.00	385,000.00
	04/01/2047	405,000.00	4.625%	100.000	405,000.00	405,000.00
	04/01/2048	425,000.00	4.625%	100.000	425,000.00	425,000.00
	04/01/2049	445,000.00	4.625%	100.000	445,000.00	445,000.00
	04/01/2050	465,000.00	4.625%	100.000	465,000.00	465,000.00
	04/01/2051	485,000.00	4.625%	100.000	485,000.00	485,000.00
		8,275,000.00			8,270,256.40	8,275,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	04/01/2051	4.625%	485,000.00	485,000.00		
Entire Issue			8,270,256.40	8,275,000.00	18.5738	4.4962%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	165,405.12
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	510,000.00

Sources and Uses of Funds

City of Evanston, Illinois

Educational Facility Revenue Bonds, Series 2021

(Roycemore School)

FINAL NUMBERS

Dated Date 4/22/2021

Delivery Date 4/22/2021

Sources:		
Bond Proceeds:		
	Par Amount	$ 8,275,000.00
	Original Issue Discount	(4,743.60)
		$ 8,270,256.40
Other Sources of Funds:		
	School Cash Equity Contrib. (2% COI Excess)	$ 215,281.88
	Additional Roycemore Cash Necessary	**9,264.35**
	School Cash Equity Contrib. (DSRF)	255,000.00
	Taxable Note Principal Reserve	70,108.04
Total Other Sources of Funds:		$ 549,654.27
Total Sources of Funds:		**$ 8,819,910.67**

Uses:		
Project Fund Deposits:	Current Refinancing Deposit	$ 7,900,000.00
	Accrued Interest Due	19,914.58
	Title Costs	10,778.75
	Note Lender Legal Fees	980.00
	Note Lender Costs	550.34
	Total Project Fund Deposi	$ 7,932,223.67
Other Fund Deposits:	Debt Service Reserve Fund	$ 510,000.00
Delivery Date Expenses:	Cost of Issuance	$ 212,281.88
	Underwriter's Discount	165,405.12
		$ 377,687.00
Total Uses of Funds:		**$ 8,819,910.67**

School Cash Equity Contrib. (2% COI Excess)	$ 215,281.88
Additional Roycemore Cash Necessary	9,264.35
School Cash Equity Contrib. (DSRF)	255,000.00
Total	$ 479,546.23

RDP Lender Note Balance	$ 7,900,000.00
RDP Lender Note Accrued Interest	19,914.58
RDP Lender Legal & Other Fees	1,530.34
Less: Credit for Reserves	(70,108.04)
Total	$ 7,851,336.88

Cost of Issuance

City of Evanston, Illinois

Educational Facility Revenue Bonds, Series 2021

(Roycemore School)

FINAL NUMBERS

Cost of Issuance	$/1000	Amount
Issuer Fee	1.20846	10,000.00
Issuer's Counsel	1.81269	15,000.00
Bond Counsel	8.01353	66,312.00
Underwriter's Counsel	6.04230	50,000.00
Financial Forecast	3.02115	22,000.00
Trustee Fee	0.36254	3,000.00
Trustee's Counsel	0.36254	3,000.00
Printing	0.18127	1,500.00
Underwriter's Discount from School Contrib.	5.01147	41,469.88
	26.01595	212,281.88