

REDEVELOPMENT NOTE

VILLAGE OF LOMBARD, DUPAGE COUNTY, ILLINOIS
\$13,658,425.00 INTEREST BEARING NON-RECOURSE REDEVELOPMENT NOTE
(Yorktown Center Redevelopment Project)

Date of Note: June 1, 2006

Original Principal Balance: \$13,658,425.00

FOR VALUE RECEIVED, THE VILLAGE OF LOMBARD, DUPAGE COUNTY, ILLINOIS (the "Village"), an Illinois municipal corporation, promises to pay to the order of YORKTOWN HOLDINGS LLC, an Illinois limited liability company ("Yorktown Holdings") and HIGHLAND YORKTOWN LLC, an Illinois limited liability company ("Highland Yorktown") (Yorktown Holdings and Highland Yorktown are referred to collectively as "Owners"), the principal sum of THIRTEEN MILLION SIX HUNDRED FIFTY EIGHT THOUSAND FOUR HUNDRED TWENTY FIVE AND NO/100 DOLLARS (\$13,658,425.00) pursuant to the Redevelopment Agreement (as hereinafter defined), together with simple interest on the principal balance outstanding from time to time calculated at the rate of seven percent (7%) per annum.

This Redevelopment Note is made pursuant to that certain Business District Redevelopment Agreement dated as of June 1, 2006 by and between the Village and Owners (the "Redevelopment Agreement"). All terms not defined herein shall have the same meanings given them in the Redevelopment Agreement. In the event of any conflict between the terms of this Redevelopment Note and the terms of the Redevelopment Agreement, the Redevelopment Agreement shall control. The terms and conditions of the Redevelopment Agreement are hereby incorporated into this Redevelopment Note by this reference thereto as if fully set forth herein. Amounts payable pursuant to this Redevelopment Note shall be paid in accordance with the provisions of the Redevelopment Note.

1. **Authority.** This Redevelopment Note is issued by the Village pursuant to: (i) the exercise of the Village's power and authority as a unit of local government; (ii) an ordinance adopted on November 17, 2005, and captioned Ordinance No. 5776, "*An Ordinance Designating Lombard Business District No. 1 [Highland Avenue/Butterfield Road Business District] (Northeast Corner of Butterfield Road and Highland Avenue on the Yorktown Mall Property, Generally Consisting of the Former Montgomery Wards Store Site and Surrounding Areas)*"; and (iii) an ordinance adopted on June 1, 2006, and captioned Ordinance No. 5880, "*An Ordinance Approving A Redevelopment Agreement Between And Among Yorktown Holdings, LLC, Highland Yorktown LLC And The Village Of Lombard In Regard To Lombard Business District No. 1*", which Ordinance authorizes the Redevelopment Agreement that provides for this Redevelopment Note.

2. **Purpose.** Payments to Owners under this Redevelopment Note shall be in reimbursement of a portion of the Redevelopment Project Costs that Owners have incurred, as approved by the Village pursuant to the Redevelopment Agreement.

3. **Payments.** Payments on account of the indebtedness represented by this Redevelopment Note shall be made to Owners by the Village on Quarterly Payment Dates, as provided for in the Redevelopment Agreement. Payments shall be made, to the extent monies therefor are available in the Redevelopment Account, and applied in accordance with the amortization schedule attached hereto as Exhibit 1 and made a part hereof by reference. Notwithstanding anything to the contrary herein contained, this Redevelopment Note shall be canceled automatically on the Reimbursement Termination Date even if the sum of all payments received by Owners on or prior to the Reimbursement Termination Date do not satisfy in full the principal balance of this Redevelopment Note and all amounts of interest then due on this Note.

4. **Place of Payment.** Payments of principal and interest under this Redevelopment Note shall be made by check of the Village mailed and addressed as follows: Long/Pehrson Associates, LLC, 203 Yorktown Shopping Center, Lombard, IL 60148 (Attention: Veronica Lidral), unless the Village has been directed to make such payments in another manner by written notice given to the Village by Owners at least fifteen (15) days prior to any Quarterly Payment Date.

5. **Non-Recourse.** **THIS REDEVELOPMENT NOTE AND THE OBLIGATION TO PAY THE AMOUNTS SPECIFIED IN THIS REDEVELOPMENT NOTE ARE LIMITED OBLIGATIONS OF THE VILLAGE PAYABLE SOLELY FROM THE SALES TAXES COLLECTED AND REMITTED TO THE VILLAGE AS A RESULT OF SALES OCCURRING IN THE BUSINESS DISTRICT DURING THE REIMBURSEMENT PERIOD. SAID OBLIGATIONS DO NOT NOW AND SHALL NEVER CONSTITUTE A GENERAL INDEBTEDNESS OF THE VILLAGE WITHIN THE MEANING OF ANY STATE OF ILLINOIS CONSTITUTIONAL OR STATUTORY PROVISION AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE VILLAGE OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWER.**

6. **Default.** In the event of a default by the Village under this Redevelopment Note, the holder of this Redevelopment Note may proceed to secure the specific performance of the covenants and agreements contained herein upon giving the Village a thirty (30) day written notice specifying the default unless, within such thirty (30) day period, the Village cures such default.

7. **Governing Law, Waiver and Notices.** This Redevelopment Note shall be governed by the laws of the State of Illinois and the sole and exclusive venue for any disputes arising out of this Redevelopment Note shall be the Circuit Court of the 18th Judicial Circuit, DuPage County, Illinois. A waiver of any part of this Redevelopment Note shall be limited to that specific event and shall not be a waiver of the entire Redevelopment Note. No delay on the part of the holder of this Redevelopment Note in exercising any option to demand payment shall operate as a waiver thereof or preclude the exercise thereof at any time during the continuance of a default. Any notices required in this Redevelopment Note shall be effective when given as provided in the Redevelopment Agreement.

8. Miscellaneous.

(a) Time is of the essence of this Redevelopment Note.

(b) The Village shall not be deemed in default with respect to any of its obligations under this Redevelopment Note if the Village fails to timely perform the same and such failure is due in whole or in part to a change in governmental laws and regulations, acts caused directly or indirectly by Owners (or their agents or employees) or any other cause beyond the reasonable control of the Village.

(c) Upon assignment or other transfer of this Redevelopment Note by Owners, or either one of them, as provided in the Redevelopment Agreement, the term "Owners" as used herein shall be deemed to mean such assignee or other transferee or successor who may become the holder of this Redevelopment Note by virtue of any assignment or transfer of this Redevelopment Note. Subject to the terms of the Redevelopment Agreement, this Redevelopment Note shall inure to the benefit of Owners and their successors and assigns and shall be binding upon the Village and its successors and assigns.

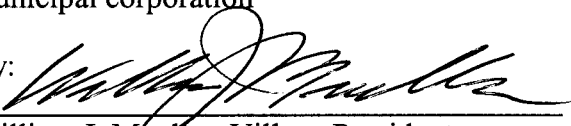
(d) The Village hereby waives presentment and demand for payment, notices of nonpayment and of dishonor, protest of dishonor and notice of protest.

IN WITNESS WHEREOF, the Village of Lombard has caused this Redevelopment Note to be executed in its name and on its behalf by its President and its Village Clerk and its corporate seal to be hereunto affixed.

Dated: June 1, 2006

VILLAGE OF LOMBARD, an Illinois
municipal corporation


By:



William J. Mueller, Village President

ATTEST:

By:



Brigitte O'Brien, Village Clerk

EXHIBIT 1

AMORTIZATION SCHEDULE

Principal Amount	\$ 13,658,425				
Note Interest Rate	7.00%				
	Total Projected BID Revenue Available	Principal Balance	Interest Payment	Principal Amount	Total Payment (99% of BID Revenue - Net of 1% Village Admin Fee)
2006	\$ 0	\$ 13,658,425			\$ 0
2007	\$ 564,244	\$ 14,055,914	\$ 956,090	\$ (397,489)	\$ 558,601
2008	\$ 1,007,196	\$ 14,042,704	\$ 983,914	\$ 13,210	\$ 997,124
2009	\$ 1,186,583	\$ 13,850,976	\$ 982,989	\$ 191,727	\$ 1,174,717
2010	\$ 1,280,584	\$ 13,552,767	\$ 969,568	\$ 298,210	\$ 1,267,778
2011	\$ 1,336,217	\$ 13,178,605	\$ 948,694	\$ 374,161	\$ 1,322,855
2012	\$ 1,379,855	\$ 12,735,051	\$ 922,502	\$ 443,554	\$ 1,366,057
2013	\$ 1,424,918	\$ 12,215,835	\$ 891,454	\$ 519,216	\$ 1,410,669
2014	\$ 1,471,453	\$ 11,614,205	\$ 855,108	\$ 601,630	\$ 1,456,739
2015	\$ 1,519,508	\$ 10,922,887	\$ 812,994	\$ 691,318	\$ 1,504,313
2016	\$ 1,569,131	\$ 10,134,049	\$ 764,602	\$ 788,838	\$ 1,553,440
2017	\$ 1,620,376	\$ 9,239,260	\$ 709,383	\$ 894,789	\$ 1,604,172
2018	\$ 1,673,294	\$ 8,229,447	\$ 646,748	\$ 1,009,813	\$ 1,656,561
2019	\$ 1,727,940	\$ 7,094,848	\$ 576,061	\$ 1,134,599	\$ 1,710,661
2020	\$ 1,784,371	\$ 5,824,960	\$ 496,639	\$ 1,269,888	\$ 1,766,527
2021	\$ 1,842,644	\$ 4,408,490	\$ 407,747	\$ 1,416,471	\$ 1,824,218
2022	\$ 1,902,821	\$ 2,833,291	\$ 308,594	\$ 1,575,199	\$ 1,883,793
2023	\$ 1,964,963	\$ 1,089,845	\$ 198,330	\$ 1,743,446	\$ 1,941,776
2024	\$ 2,029,135				
2025	\$ 2,095,402				
2026	\$ 2,163,833		Capped At \$25 Million Total		
2027	\$ 2,234,499				
2028	\$ 2,307,473				
Total	\$ 36,086,440		\$ 12,431,420	\$ 12,568,580	\$ 25,000,000