

EXHIBIT A

CITY OF HILLSDALE, MICHIGAN TAX INCREMENT FINANCE AUTHORITY

INSTALLMENT NOTE

Principal Amount: Not to exceed \$400,000.00
Interest Rate: .90%
Issue Date: _____, 2021
Tax ID No.: _____ Final Due Date: November 1, 2030

KNOW ALL MEN BY THESE PRESENTS, that the City of Hillsdale, Michigan Tax Increment Finance Authority, a Michigan Municipal Authority (TIFA), hereby acknowledges itself indebted and for value received promises to pay to Southern Michigan Bank & Trust, of 51 West Pearl Street, PO Box 309, Coldwater, Michigan 49036 (the "Bank"), or its assigns, the sum of not to exceed \$400,000.00, together with interest thereon at the rate of point nine (.90%) percent, per annum from the date hereof. All Payments shall be made on the Payment Dates set forth on Schedule 1 attached hereto and made a part hereof. Payments on this Note are payable in lawful money of the United States of America at the office of Southern Michigan Bank & Trust, 51 West Pearl Street, PO Box 309, Coldwater, Michigan 49036, as a paying agent and Note registrar.

Interest on this Note shall be calculated on the basis of a 360-day year, assuming monthly Payment periods of 30 days each.

If an Event of Taxability shall occur, as defined in the Installment Purchase Agreement dated as of _____, 2021 (the "Agreement"), not later than 30 days following receipt from the Bank of written notice that an Event of Taxability has occurred, TIFA shall pay to the Bank all outstanding principal and interest accrued to the date of payment thereof.

Each of the following shall be an event of default under this Note:

(a) If default occurs in the payment of any installment of principal or interest hereunder or of any late charge, out-of-pocket expense, or loan processing fee at any time owing to Bank or any affiliate Bank under this Note or in the payment of any other indebtedness or obligation now or hereafter owing by TIFA to Bank or any affiliate of Bank under this Note or any loan agreement or other agreement heretofore or hereafter entered into between TIFA and Bank or any affiliate of Bank or if there occurs any other event of default under any such loan agreement or other document;

(b) If any warranty or representation heretofore or hereafter made to Bank or any affiliate of Bank by TIFA, in this Note, or in any financial statement, loan application or other document given to Bank, shall have been false in any material respect;

(c) If TIFA shall dissolve, become insolvent, or make an assignment for the benefit of creditors;

(d) If any levy, writ of attachment, garnishment, execution, or similar process shall be

issued against or placed upon any property of TIFA; or

(e) If at any time Bank or any affiliate of Bank for any reason shall in good faith believe that the prospect of payment of performance of this Note or any other indebtedness or obligation of TIFA to Bank or any affiliate of Bank is impaired.

Upon the occurrence of any event of default, all or any part of the indebtedness evidenced hereby and all or any part of all other indebtedness and obligations then owing by TIFA to Bank or any affiliate of Bank shall at the option of Bank or any affiliate of Bank, become immediately due and payable without notice or demand. If a voluntary or involuntary case in bankruptcy, receivership or insolvency shall at any time be begun by or against TIFA, or if any attachment, garnishment, execution, levy or similar process shall at any time be placed upon any deposit account at any time maintained with Bank by TIFA, then all such indebtedness and obligations shall automatically become immediately due and payable. All or any part of the indebtedness evidenced hereby also may become, or may be declared to be, immediately due and payable under the terms and conditions contained in any loan agreement, or other agreement heretofore or hereafter entered into between TIFA and Bank or any affiliate of Bank.

The Bank shall have the right at any time to set off any indebtedness that Bank then owes to TIFA (including any deposit account) against any indebtedness evidenced by this Note that is then due and payable.

This Note was authorized to be issued as part of an Installment Purchase Agreement in accordance with the provisions of Act No. 99 of the Public Acts of 1933, as amended, which provides a means by which TIFA may enter into agreements for the purchase of land, property, or equipment for public purposes, to be paid for in installments. The obligation of TIFA to make the principal and interest Payments under this Note is a general obligation of TIFA, and TIFA has pledged its limited tax, full faith and credit, general obligation to the Payment of principal of and interest on this Note, as and when due, subject to constitutional and statutory limitations.

This Note is subject to prepayment in whole on any Payment Date at the discretion of TIFA, upon Payment by TIFA of the then applicable Prepayment Amount as set forth in Schedule 1 of the Note plus the Payment due on such date, upon thirty (30) days written notice to the Bank. Such prepayment shall be without penalty.

TIFA has designated the Payments under this Note to be qualified tax-exempt obligations for the purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

It is hereby certified, recited and declared that all acts, conditions, and things required to exist, happen, and be performed precedent to the issuance of this Note, existed, happened and have been performed in the time, form and manner as required by the Constitution and statutes of the State of Michigan, and that the amount of this Note, together with all other indebtedness of TIFA, does not exceed any constitutional, charter or statutory limitations.

IN WITNESS WHEREOF, TIFA has caused this Note to be signed in its name by TIFA Chairman and City Manager.

CITY OF HILLSDALE, MICHIGAN TAX INCREMENT FINANCE AUTHORITY

By: _____
_____, its Chairman

By: _____
David Mackie, City Manager

SCHEDULE 1

Payment Schedule					\$400,000.00	0.90%
	Principal	Interest	Payment Amount	Balance	Interest Rate	
5/1/2021	\$ 20,000.00	\$ 1,520.00	\$ 21,520.00	\$ 380,000.00	0.90%	
11/1/2021	\$ 20,000.00	\$ 1,710.00	\$ 21,710.00	\$ 360,000.00	0.90%	
5/1/2022	\$ 20,000.00	\$ 1,620.00	\$ 21,620.00	\$ 340,000.00	0.90%	
11/1/2022	\$ 20,000.00	\$ 1,530.00	\$ 21,530.00	\$ 320,000.00	0.90%	
5/1/2023	\$ 20,000.00	\$ 1,440.00	\$ 21,440.00	\$ 300,000.00	0.90%	
11/1/2023	\$ 20,000.00	\$ 1,350.00	\$ 21,350.00	\$ 280,000.00	0.90%	
5/1/2024	\$ 20,000.00	\$ 1,260.00	\$ 21,260.00	\$ 260,000.00	0.90%	
11/1/2024	\$ 20,000.00	\$ 1,170.00	\$ 21,170.00	\$ 240,000.00	0.90%	
5/1/2025	\$ 20,000.00	\$ 1,080.00	\$ 21,080.00	\$ 220,000.00	0.90%	
11/1/2025	\$ 20,000.00	\$ 990.00	\$ 20,990.00	\$ 200,000.00	0.90%	
5/1/2026	\$ 20,000.00	\$ 900.00	\$ 20,900.00	\$ 180,000.00	0.90%	
11/1/2026	\$ 20,000.00	\$ 810.00	\$ 20,810.00	\$ 160,000.00	0.90%	
5/1/2027	\$ 20,000.00	\$ 720.00	\$ 20,720.00	\$ 140,000.00	0.90%	
11/1/2027	\$ 20,000.00	\$ 630.00	\$ 20,630.00	\$ 120,000.00	0.90%	
5/1/2028	\$ 20,000.00	\$ 540.00	\$ 20,540.00	\$ 100,000.00	0.90%	
11/1/2028	\$ 20,000.00	\$ 450.00	\$ 20,450.00	\$ 80,000.00	0.90%	
5/1/2029	\$ 20,000.00	\$ 360.00	\$ 20,360.00	\$ 60,000.00	0.90%	
11/1/2029	\$ 20,000.00	\$ 270.00	\$ 20,270.00	\$ 40,000.00	0.90%	
5/1/2030	\$ 20,000.00	\$ 180.00	\$ 20,180.00	\$ 20,000.00	0.90%	
11/1/2030	\$ 20,000.00	\$ 90.00	\$ 20,090.00	\$ -	0.90%	
Total	\$ 400,000.00	\$ 18,620.00	\$ 418,620.00			