

ORDINANCE NO. 15-33

AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS (ALTERNATE REVENUE SOURCE), SERIES 2015, IN ONE OR MORE SERIES, OF THE VILLAGE OF COAL CITY, GRUNDY AND WILL COUNTIES, ILLINOIS, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$3,000,000 FOR THE PURPOSE OF FINANCING THE COSTS OF CERTAIN CAPITAL PROJECTS WITHIN THE VILLAGE AND PAYING FOR COSTS RELATED THERETO.

WHEREAS, the Village of Coal City, Grundy and Will Counties, Illinois, (the “**Village**”) is a municipal corporation and body politic of the State of Illinois, duly created, organized and existing under The Municipal Code of the State of Illinois (the “**Code**”), and having the powers, objects and purposes provided by said Code; and

WHEREAS, the Board of Trustees of the Village (the “**Corporate Authorities**”) has determined that it is necessary to (i) finance the costs of the acquisition, construction, rehabilitation and equipping of certain infrastructure within the municipality and matters related thereto, including, but not limited to, certain working capital costs and costs related to the immediate response for public health and safety related to the aftermath of the tornadoes which affected the Village on June 22, 2015 (the “**Disaster**”) and other costs incidental thereto (the “**Project**”) and (iii) pay certain costs of issuance of the Bonds (as such term is hereinafter defined), all for the benefit of the inhabitants of the Village; and

WHEREAS, the estimated cost of the Project, including legal, financial, bond discount, printing and publication costs, capitalized interest, and other expenses (collectively, the “**Costs**”), is not to exceed \$3,000,000, and there are insufficient funds on hand and lawfully available to pay such costs; and

WHEREAS, for the purpose of providing funds to pay the Costs and in accordance with the provisions of the Local Government Debt Reform Act, as supplemented and amended (the “**Act**”), the Corporate Authorities on the 13th day of July, 2015, adopted an ordinance (the “**Authorizing Ordinance**”) authorizing the issuance of alternate bonds, being general obligation bonds payable from any revenue source as provided by the Act, in an amount not to exceed \$3,000,000; and

WHEREAS, it is necessary for the best interests of the Village that the Project be completed, and in order to raise funds required for such purpose it will be necessary for the Village to borrow an aggregate principal amount of not to exceed \$3,000,000 and in evidence thereof to issue alternate bonds, being general obligation bonds payable from (i) all collections distributed to the Village from Retailer’s Occupation Taxes, Service Occupation Taxes, Use Taxes and Service Use Taxes (the “**Sales Taxes**”), (ii) receipts of the Village’s distributive share of State of Illinois income taxes (such distributive share referred to herein as the “**Revenue Sharing Receipts**”) imposed by the State of Illinois pursuant to the Illinois Income Tax Act and distributed pursuant to the State Revenue Sharing Act and such other funds legally available and

appropriated therefor (iii) Telecommunications Taxes, Electric Utility Taxes and Gas Utility Taxes (collectively, the “**Utility Taxes**”), (iv) all collections from grants and or insurance proceeds related to reimbursement of damages resulting from the Disaster (collectively, the “**Disaster Related Proceeds**”) (together the Sales Taxes, Revenue Sharing Receipts, the Utility Taxes and the Disaster Related Proceeds are the “**Pledged Revenues**”) and (v) the Pledged Taxes (as defined below), in an aggregate principal amount not to exceed \$3,000,000, all in accordance with the Act; and

WHEREAS, if the above-mentioned revenue sources are insufficient to pay the principal of and interest on the Bonds, ad valorem property taxes upon all taxable property in the Village (the “**Pledged Taxes**”) without limitation as to rate or amount are authorized to be extended to pay the principal of and interest on the bonds, in an aggregate principal amount not to exceed \$3,000,000 in accordance with the Act; and

WHEREAS, on the 15th day of July, 2015, the Authorizing Ordinance, together with a notice in the statutory form, was published in the *Coal City Courant*, being a newspaper of general circulation in the Village, and an affidavit evidencing the publication of the Authorizing Ordinance and said notice have been presented to the Corporate Authorities and made a part of the permanent records of the Corporate Authorities; and

WHEREAS, more than thirty (30) days have expired since the date of publication of the Authorizing Ordinance and said notice, and no petition with the requisite number of valid signatures thereon has been filed with the Village Clerk requesting that the question of the issuance of the alternate bonds be submitted to referendum; and

WHEREAS, on the 27th day of July, 2015, the Corporate Authorities held a public hearing pursuant to the Bond Issuance Notification Act following notice published in the *Coal City Courant*, on the 15th day of July, 2015; and

WHEREAS, the Village has insufficient funds to pay the costs of the Project and, therefore, must borrow money and issue one or more series of alternate bonds under this ordinance, from time to time, in evidence thereof in the aggregate principal amounts as herein provided for such purpose; and

WHEREAS, the Corporate Authorities are now authorized to issue alternate bonds in an aggregate amount not to exceed \$3,000,000 in accordance with the provisions of the Act, and the Corporate Authorities hereby determine that it is necessary and desirable that the bonds so authorized be issued at this time; and

WHEREAS, the Village shall set forth the term of the Bonds and their status as tax-exempt bonds in the Bond Order as hereinafter defined; and

WHEREAS, such determination is supported by the most recent audit of the Village (the “**Audit**”), which Audit has previously been presented to the Corporate Authorities and is currently on file with the Village Clerk or by a report prepared by a nationally recognized feasibility consultant or independent accountant, either of which are not otherwise involved with the Project and approved by the Village President pursuant to the Bond Order;

WHEREAS, pursuant to the offering of the Bonds (as defined in Section 1) for negotiated sale and the related Preliminary Official Statement (the “**Preliminary Official Statement**”, which when supplemented and completed is to constitute a final “**Official Statement**”), the Village has determined to accept the Bond Purchase Agreement (which when executed and delivered each shall constitute a “**Purchase Agreement**”) submitted by Stern Brothers & Co., of Chicago, Illinois (the “**Underwriter**”), with respect to which the Village will execute a Continuing Disclosure Undertaking (the “**Disclosure Agreement**”) under Rule 15c2-12 of the Securities and Exchange Commission (“**Rule 15c2-12**”); and

WHEREAS, for convenience of reference only this ordinance is divided into numbered sections with headings, which shall not define or limit the provisions hereof, as follows:

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NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF COAL CITY, GRUNDY AND WILL COUNTIES, ILLINOIS, as follows:

Section 1. Definitions. Certain words and terms used in this ordinance shall have the meanings given them herein, including above in the recitals in the preamble hereto, and the meanings given them in this Section 1, unless the context or use clearly indicates another or different meaning is intended. Certain definitions are as follows:

“Act” collectively and as applicable, the Local Government Debt Reform Act (Section 350/1 *et seq.* of Chapter 30 (and particularly Section 350/15 thereof concerning alternate bonds) of the Illinois Compiled Statutes, as supplemented and amended, the Illinois Municipal Code (65 ILCS 5/1-1-1 *et seq.*), and applicable laws in connection with the Registered Bond Act, the Illinois Bond Replacement Act and the Bond Authorization Act.

“Alternate Bonds” means **“alternate bonds”** as described in Section 15 of the Local Government Debt Reform Act (Section 350/15 of Chapter 30 of the Illinois Compiled Statutes), and includes expressly the Bonds.

“BDSF” or **“bona fide debt service fund”** means a fund, which may include proceeds of an issue, that (1) is used primarily to achieve a proper matching of revenues with principal and interest payments within each bond year (i.e. each _____ 2 to _____ 1 annual period); and (2) is depleted at least once each bond year, except for a reasonable carryover amount not to exceed the greater of: (i) the earnings on the fund for the immediately preceding bond year; or (ii) one-twelfth of the principal and interest payments on the issue for the immediately preceding bond year.

“Bond” or **“Bonds”** means, the Village’s General Obligation Bonds (Alternate Revenue Source), Series 2015, as authorized to be issued by this ordinance, as supplemented and amended.

“Bond Order” means one or more certificates signed by the Village President, and attested to by the Village Clerk and under the seal of the Village, setting forth and specifying details for the Bonds, including, as the case may be, but not limited to, identification of a Policy and an Insurer, if any, book-entry only registration, specification of Pledged Taxes, final interest rates, final maturity schedules, optional and mandatory redemption provisions, reoffering premium, original issue discount (**“OID”**) status as **“qualified tax-exempt obligations,”** designation of a Bond Registrar, Paying Agent or other fiscal agent, and designation of series subject to not exceeding the specified aggregate principal amount for the Bonds.

“Bond Year” means each annual period of December 2 to the next December 1, for the Bonds, subject to such lawful elections as the Village may make.

“Village” means the Village of Coal City, Grundy and Will Counties, Illinois.

“Code” means the Internal Revenue Code of 1986, as amended, and includes related and applicable Income Tax Regulations promulgated by the Treasury Department.

“Corporate Authorities” means the Board of Trustees of the Village.

“Depository” means a securities depository with respect to Bonds subject to global book entry registration, initially The Depository Trust Company (**“DTC”**), New York, New York.

“Disaster Related Proceeds” shall have the meaning as set forth in the recitals in the preamble to this ordinance.

“Disclosure Agreement” means the Village’s Continuing Disclosure Undertaking under Rule 15c2-12 related to the Bonds.

“Fiscal Year” means the twelve-month period beginning on May 1 of the calendar year and ending on the succeeding April 30.

“Insurer” means, if any, the issuer of a Policy securing payment of one or more series of Bonds.

“Outstanding”, when used with reference to any referenced obligation, means any referenced obligation which is outstanding and unpaid; provided, however, such term shall not include obligations: **(i)** which have matured and for which moneys are on deposit with proper paying agents, or are otherwise properly available, sufficient to pay all principal and interest thereof, or **(ii)** the provision for payment of which has been made by the Village by the deposit in an irrevocable trust or escrow of funds of direct, full faith and credit non-callable obligations of the United States of America, the principal and interest of which will be sufficient to pay at maturity or as called for redemption all the principal of and applicable premium on such obligations, and will not result in the loss of the exclusion from gross income of the interest thereon under Section 103 of the Code.

“Parity Bonds” means bonds or any other obligations, if any, which share ratably and equally in the applicable Pledged Revenues, as set forth and provided for in any such ordinance authorizing the issuance of any such Parity Bonds.

“Pledged Revenues” means: Sales Taxes, Revenue Sharing Receipts, Utility Taxes, and Disaster Related Proceeds and other funds legally available and appropriated therefor, distributed pursuant to applicable law.

“Pledged Taxes” means the Taxes authorized to be levied in Section 10 to secure and pay the Bonds.

“Purchase Agreement” means the Bond Purchase Agreement with the Underwriter for the purchase of Bonds, which upon acceptance and execution by the Village and the Underwriter constitutes the Purchase Agreement for the applicable Bonds.

“Qualified Investments” means legal investments of the Village under applicable law, limited and restricted with respect to any applicable Insurer’s Policy.

“Revenue Sharing Receipts” shall have the meaning as set forth in the recitals in the preamble to this ordinance.

“Revenue Source” means Sales Taxes, Revenue Sharing Receipts, Utility Taxes and Disaster Related Proceeds.

“Rule 15c2-12” means Rule 15c2-12 of the Securities and Exchange Commission.

“Sales Taxes” shall have the meaning as set forth in the recitals in the preamble to this ordinance.

“**Underwriter**” means Stern Brothers & Co., Chicago, Illinois, the underwriter in connection with the Bonds identified in the preamble to this ordinance.

“**Utility Taxes**” shall have the meaning as set forth in the recitals in the preamble to this ordinance.

“**Yield**” or “**yield**” means yield computed under Section 1.148-4 of the Income Tax Regulations for the Bonds, and yield computed under Section 1.148-5 of the Income Tax Regulations for an investment.

“**Yield Reduction Payments**” or “**yield reduction payments**” shall have the meaning in Income Tax Regulations Section 1.148-5(c).

“**Yield Restricted**” or “**yield restricted**” with reference to an obligation means that the yield thereon is restricted not to exceed the yield on the Bonds.

Section 2. Preambles, Authority and Purpose. The Corporate Authorities hereby find that all the recitals contained in the preamble and recitals to this ordinance are true, complete and correct, and hereby incorporate them into this ordinance by this reference thereto. This ordinance is adopted pursuant to the Constitution and applicable laws of the State of Illinois, including the Act, for the purpose of paying all or a portion of the costs of the Project and costs of issuance of the Bonds. The Corporate Authorities hereby determine the period of usefulness of the Project to be not less than ten (10) years from the expected date of delivery of the Bonds.

Section 3. Authorization and Terms of Bonds. To meet all or a part of the estimated costs of the Project, there is hereby appropriated each applicable sum to be derived from the proceeds of the Bonds. For the purpose of financing such appropriations, the Bonds of the Village shall be issued and sold from time to time in the aggregate principal amount set forth herein, shall be designated: **General Obligation Bonds (Alternate Revenue Source), Series 2015** (\$3,000,000 maximum aggregate principal amount), and shall be issuable in the denominations of \$5,000 each or any authorized integral multiple thereof.

(a) **General Terms.** The Bonds series shall be numbered consecutively from R-1 upwards in order of their issuance and may bear such identifying numbers or letters as shall be useful to facilitate the registration, transfer and exchange of the Bonds. As set forth in an order to authenticate the Bonds, each Bond shall be dated as of or before the date or dates of the issuance and sale thereof and acceptable to the Underwriter. Subject to the applicable Bond Order, the Bonds of each series are hereby authorized to bear interest at a rate not to exceed 7.00% and mature in the principal amount on December 1 of each of the years (subject to redemption, as the case may be), not to exceed \$500,000 for any year commencing not before 2015 and ending not later than 2046, as shall be specified in a Bond Order.

Each Bond shall bear interest from its date, or from the most recent interest payment date to which interest has been paid, computed on the basis of a 360-day year consisting of twelve 30-day months, and payable in lawful money of the United States of America semiannually on each June 1 and December 1, commencing as set forth in the Bond Order, at the rates percent per

annum as shall be specified in the Bond Order. The principal of and premium, if any, on the Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the designated payment office of the financial institution designated in the Bond Order to act as the Paying Agent for the Bonds (including its successors, the “**Paying Agent**”). Interest on the Bonds shall be payable on each interest payment date to the registered owners of record appearing on the registration books maintained by the financial institution designated in the Bond Order to act as the Bond Registrar on behalf of the Village for such purpose (including its successors, the “**Bond Registrar**”), at the designated corporate trust office of the Bond Registrar as of the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding the applicable interest payment date. Interest on the Bonds shall be paid by check or draft mailed by the Paying Agent to such registered owners at their addresses appearing on the registration books.

Redemption. The Bonds are subject to redemption as follows:

(i) Optional Redemption. Bonds maturing on and after December 1 of the year specified in a Bond Order may be subject to optional redemption prior to maturity on and after the date specified in a Bond Order, if applicable, in whole or in part on any date, in any order of specified maturity (but in inverse order if none is specified), at a redemption price of par, plus accrued interest to the date fixed for redemption, and otherwise are not subject to call for optional redemption prior to maturity.

(ii) Mandatory Sinking Fund Redemption. The Bonds may be subject to mandatory sinking fund redemption, if needed, as determined in the Bond Order.

(iii) Procedure. The Village covenants that it will redeem Bonds pursuant to the redemption provisions applicable to such Bonds. Proper provision for redemption having been made, the Village covenants that the Bonds so selected for redemption shall be payable as at maturity.

The Village shall, at least 45 days prior to an optional redemption date (unless a shorter time shall be satisfactory to the Bond Registrar), notify the Bond Registrar of any optional redemption date and of the principal amount of Bonds to be redeemed. In the event that less than all of the Bonds of a particular series or maturity are called for redemption as aforesaid, as necessary, the particular Bonds or portions of Bonds to be redeemed shall be selected not more than sixty (60) days or less than thirty (30) days prior to the redemption date by the Bond Registrar by such method as the Bond Registrar shall deem fair and appropriate; provided, that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$5,000 Bond or \$5,000 portion of a Bond shall be as likely to be called for redemption as any other such \$5,000 Bond or \$5,000 portion. The Bond Registrar shall promptly notify the Village in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Unless waived by the registered owner of Bonds to be redeemed, presentment for payment being conclusively such a waiver, notice of any such redemption shall be given by the Bond Registrar on behalf of the Village by mailing the redemption notice by first class mail not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption

to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by each such registered owner to the Bond Registrar.

All notices of redemption shall include at least the information as follows: **(1)** the identification of the particular Bonds (and related series) to be redeemed; **(2)** the redemption date; **(3)** the redemption price; **(4)** if less than all of the Bonds of a particular maturity are to be redeemed, the identification numbers and maturities (and, in the case of partial redemption of any Bond, the respective principal amounts) of the Bonds to be redeemed; **(5)** a statement that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after such date; and **(6)** the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated payment office of the Paying Agent.

Prior to any redemption date, the Village shall deposit with the Paying Agent an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, together with accrued interest, and from and after such date (unless the Village shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Neither the failure to mail such redemption notice nor any defect in any notice so mailed to any particular registered owner of a Bond shall affect the sufficiency of such notice with respect to any other registered owner. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or the redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice shall be filed with the Bond Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Upon surrender of such Bonds for redemption in accordance with such notice, such Bonds shall be paid from available funds therefor by the Paying Agent at the redemption price. Interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for the partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal.

If any Bond or portion of Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal, and premium, if any, shall, until paid, bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption. All Bonds which have been redeemed shall be marked cancelled by the Bond Registrar and shall not be reissued.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall identify the series and the Bond or Bonds, or portion thereof, being redeemed with the proceeds of such check or other transfer.

Section 4. Registration of Bonds and Book-Entry. The Bonds shall be negotiable, subject to the provisions for registration of transfer contained herein and related to book-entry only registration.

(a) **General.** This subsection (a) is subject to the provisions of subsection (b) concerning book-entry only provisions. The Village shall cause books (as applicable to each series, the “**Bond Register**”) for the registration and for the transfer of the Bonds as provided in this ordinance to be kept at the designated payment office of the Bond Registrar, which is hereby constituted and appointed the Bond Registrar of the Village. The Village is authorized to prepare, and the Bond Registrar shall keep custody of, multiple Bond blanks executed by the Village for use in the issuance from time to time of the Bonds and in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal payment office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or such owners attorney duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same series and maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at the office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of the same series and maturity of other authorized denominations. The execution by the Village of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the fifteenth (15th) day of the calendar month next preceding any interest payment date on such Bond and ending on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for prepayment has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of prepayment and redemption of any Bonds.

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

No service charge shall be made for any transfer or exchange of Bonds, but the Village or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds exchanged in the case of the issuance of a Bond or Bonds for the outstanding portion of a Bond surrendered for redemption. In the event any registered owner fails to provide a correct taxpayer

identification number to the Paying Agent, the Paying Agent may make a charge against such registered owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Paying Agent from amounts otherwise payable to such registered owner hereunder or under the Bonds.

The Village President, Village Clerk or Village Treasurer may, in his or her discretion at any time, designate a bank with trust powers or trust company, duly authorized to do business as a bond registrar, paying agent, or both, to act in one or both such capacities hereunder, in the event the Village President, Village Clerk or Village Treasurer shall determine it to be advisable. Notice shall be given to the registered owners of any such designation in the same manner, as near as may be practicable, as for a notice of redemption of Bonds, and as if the date of such successor taking up its duties were the redemption date.

(b) **Book-Entry-Only Provisions.** Unless otherwise set forth in a Bond Order, the Bonds shall be issued in the form of a separate single fully registered Bond of each series for each of the maturities of the Bonds. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register therefor in a street name (initially “**Cede & Co.**” for DTC) of the Depository, or any successor thereto, as nominee of the Depository. As necessary, the outstanding Bonds from time to time may be registered in the Bond Register in a street name, as nominee of the Depository. If not already done and effective, the Village President or Village Clerk or Village Treasurer is authorized to execute and deliver on behalf of the Village such letters to or agreements with the Depository as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the “**Representation Letter**”). Without limiting the generality of the authority given to the Village President, Village Clerk or Village Treasurer with respect to entering into such Representation Letter, it may contain provisions relating to (a) payment procedures, (b) transfers of the Bonds or of beneficial interest therein, (c) redemption notices and procedures unique to the Depository, (d) additional notices or communications, and (e) amendment from time to time to conform with changing customs and practices with respect to securities industry transfer and payment practices.

With respect to Bonds registered in the Bond Register in the name of a nominee of the Depository, the Village and the Bond Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which the Depository holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a “**Depository Participant**”) or to any person on behalf of whom such a Depository Participant or an Indirect Participant holds an interest in the Bonds (an “**indirect participant**” or a “**beneficial owner**”). Without limiting the meaning of the foregoing, the Village and the Bond Registrar or Paying Agent shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, the nominee, or any Depository Participant, Indirect Participant or Beneficial Owner, with respect to any ownership interest in the Bonds, (b) the delivery to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (c) the payment to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to principal of or interest on the Bonds.

As long as the Bonds are held in a book-entry-only system, no person other than the nominee of the Depository, or any successor thereto, as nominee for the Depository, shall receive a Bond certificate with respect to any Bonds. Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new nominee in place of the prior nominee, and subject to the provisions hereof with respect to the payment of interest to the registered owners of Bonds as of the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding the applicable interest payment date, the reference herein to nominee in this ordinance shall refer to such new nominee of the Depository.

In the event that (a) the Village determines that the Depository is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the agreement among the Village, the Bond Registrar, the Paying Agent and the Depository evidenced by the Representation Letter shall be terminated for any reason or (c) the Village determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Village shall notify the Depository and the Depository Participants of the availability of Bond certificates, and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of a nominee of the Depository. At that time, the Village may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a book-entry system, as may be acceptable to the Village, or such depository's agent or designee, and if the Village does not select such alternate book-entry system, then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof. Notwithstanding any other provision of this ordinance to the contrary, so long as any Bond is registered in the name of a nominee of the Depository, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

Section 5. Execution and Authentication. Each Bond shall be executed in the name of the Village by the manual or authorized facsimile signature of its Village President and the corporate seal of the Village, or a facsimile thereof, shall be thereunto affixed, impressed or otherwise reproduced or placed thereon and attested by the manual or authorized facsimile signature of its Village Clerk. Temporary Bonds, in lieu of or preliminary to the availability of Bonds in definitive form, shall be and are hereby authorized and approved. Typewritten Bonds are authorized in the event Section 4(b) applies.

In case any officer whose signature, or a facsimile of whose signature, shall appear on any Bond shall cease to hold such office before the issuance of such Bond, such Bond shall nevertheless be valid and sufficient for all purposes, the same as if the person whose signature, or a facsimile thereof, appears on such Bond had not ceased to hold such office. Any Bond may be signed, sealed or attested on behalf of the Village by any person who, on the date of such act, shall hold the proper office, notwithstanding that at the date of such Bond such person may not hold such office. No recourse shall be had for the payment of any Bonds against any member of the Corporate Authorities or any officer or employee of the Village (past, present or future) who executes the Bonds, or on any other basis.

Each Bond shall bear thereon a certificate of authentication executed manually by the Bond Registrar. No Bond shall be entitled to any right or benefit under this ordinance or shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Bond Registrar. Such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by the Bond Registrar if signed by an authorized officer of or signer for the Bond Registrar, but it shall not be necessary that the same signer or officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 6. Transfer, Exchange and Registration. Each Bond shall be transferable only upon the registration books maintained by the Bond Registrar on behalf of the Village for that purpose at the principal office of the Bond Registrar, by the registered owner thereof in person or by such registered owners attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar and duly executed by the registered owner or such registered owners duly authorized attorney. Upon the surrender for transfer of any such Bond, the Village shall execute and the Bond Registrar shall authenticate and deliver a new Bond or Bonds registered in the name of the transferee of the same aggregate principal amount, maturity and interest rate as the surrendered Bond. Bonds, upon surrender thereof at the principal office of the Bond Registrar, with a written instrument satisfactory to the Bond Registrar, duly executed by the registered owner or such registered owners attorney duly authorized in writing, may be exchanged for an equal aggregate principal amount of Bonds of the same maturity and interest rate and of the denomination of \$5,000 or any authorized integral multiple thereof, less previous retirements.

For every such exchange or registration of transfer of Bonds, the Village or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. No other charge shall be made for the privilege of making such transfer or exchange. The provisions of the Illinois Bond Replacement Act shall govern the replacement of lost, destroyed or defaced Bonds.

The Village, the Paying Agent and the Bond Registrar may deem and treat the person in whose name any Bond shall be registered upon the registration books as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of, premium, if any, or interest thereon and for all other purposes whatsoever, and all such payments so made to any such registered owner or upon such registered owners order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Village nor the Paying Agent or the Bond Registrar shall be affected by any notice to the contrary.

Section 7. Bond Registrar and Paying Agent. The Bond Registrar and Paying Agent with respect to this ordinance and the Bonds shall be such entity as is provided in the Bond Order. The Village covenants that it shall at all times retain a Bond Registrar and Paying Agent with respect to the Bonds and shall cause to be maintained at the designated office of such

Bond Registrar a place where Bonds may be presented for registration of transfer or exchange, that it will maintain at the designated payment office of the Paying Agent a place where Bonds may be presented for payment, that it shall require that the Bond Registrar maintain proper registration books and that it shall require the Bond Registrar and Paying Agent to perform the other duties and obligations imposed upon each of them by this ordinance in a manner consistent with the standards, customs and practices concerning municipal securities. The Village may enter into appropriate agreements with any Bond Registrar and any Paying Agent in connection with the foregoing, including as follows:

(a) to act as Bond Registrar, authenticating agent, Paying Agent and transfer agent as provided herein;

(b) to maintain a list in the Bond Register of the registered owners of the Bonds as set forth herein and to furnish such list to the Village upon request, but otherwise to keep such list confidential;

(c) to cancel and/or destroy Bonds which have been paid at maturity or submitted for exchange or transfer;

(d) to give notices of redemption of Bonds to be redeemed;

(e) to furnish the Village at least annually a certificate with respect to Bonds cancelled and/or destroyed; and

(f) to furnish the Village at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

In any event, the Bond Registrar and Paying Agent shall comply with (a) - (f) above.

The Bond Registrar and Paying Agent shall signify their acceptances of the duties and obligations imposed upon them by this ordinance. The Bond Registrar by executing the certificate of authentication on any Bond shall be deemed to have certified to the Village that it has all requisite power to accept, and has accepted, such duties and obligations, including in the case of the Paying Agent, not only with respect to the Bond so authenticated but with respect to all of the Bonds. The Bond Registrar and Paying Agent are the agents of the Village for such purposes and shall not be liable in connection with the performance of their respective duties except for their own negligence or default. The Bond Registrar shall, however, be responsible for any representation in its certificate of authentication on the Bonds.

The Village may remove the Bond Registrar or Paying Agent at any time. In case at any time the Bond Registrar or Paying Agent shall resign (such resignation to not be effective until a successor has accepted such role) or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Bond Registrar or Paying Agent, or of its property, shall be appointed, or if any public officer shall take charge or control of the Bond Registrar or Paying Agent or of their respective properties or affairs, the Village covenants and agrees that it will thereupon appoint a successor Bond Registrar or Paying Agent, as the case may be. The Village shall mail or cause to be mailed

notice of any such appointment made by it to each registered owner of Bonds within twenty (20) days after such appointment. Any Bond Registrar or any Paying Agent appointed under the provisions of this Section 7 shall be a bank, trust company or other qualified professional with respect to such matters, authorized to exercise such functions in the State of Illinois.

The Village shall provide to the Bond Registrar and Paying Agent a copy of any amendment to this ordinance or in connection with the Bonds.

Section 8. Alternate Bonds; General Obligations. The Bonds are and constitute Alternate Bonds under the Local Government Debt Reform Act, anticipated to be payable from applicable Pledged Revenues. The Bonds of each such series, regardless of the date or dates of their issuance, are on parity with each other within such series and shall share equally and ratably as to payment in the Pledged Revenues applicable to the Bonds. Under and pursuant to Section 15 of the Local Government Debt Reform Act, the full faith and credit of the Village are hereby irrevocably pledged to the punctual payment of the principal of, premium, if any, and interest on such Bonds; and such Bonds shall be direct and general obligations of the Village; and the Village shall be obligated to levy ad valorem taxes upon all the taxable property within the Village's corporate limits, for the payment of the Bonds and the interest thereon, without limitation as to rate or amount (such ad valorem taxes being the "**Pledged Taxes**"), as provided herein.

Pledged Revenues are hereby determined by the Corporate Authorities to be sufficient to provide for or pay in each year to final maturity of the Bonds all of the following: **(1)** the debt service on all Outstanding revenue bonds payable from Pledged Revenues, **(2)** all amounts required to meet any fund or account requirements with respect to such Outstanding revenue bonds, **(3)** other contractual or tort liability obligations, if any, payable from such Pledged Revenues, and **(4)** in each year, an amount not less than 1.10 times debt service of all **(i)** Alternate Bonds payable from such Pledged Revenues previously issued and outstanding, and **(ii)** Alternate Bonds payable from such Pledged Revenues proposed to be issued, including the Bonds. The Pledged Revenues shall be and are hereby determined by the Corporate Authorities to provide in each year an amount not less than 1.10 times debt service (as defined in Section 2 of the Local Government Debt Reform Act) of Alternate Bonds payable from such revenue sources previously issued and outstanding, and Alternate Bonds proposed to be issued. Such conditions enumerated need not be met for that amount of debt service (as defined in Section 2 of the Local Government Debt Reform Act) provided for by the setting aside of proceeds of bonds or other moneys at the time of the delivery of such bonds. The Pledged Revenues are hereby determined by the Corporate Authorities to provide in each year all amounts required to meet any fund or account requirements with respect to this resolution, any contractual or tort liability obligations, if any, payable from Pledged Revenues, and an amount not less than 1.10 times debt service (as defined in Section 2 of the Local Government Debt Reform Act) of all of the Outstanding Bonds, payable from such Pledged Revenues.

The determination of the sufficiency of the applicable Pledged Revenues for the Bonds is expected to be supported by reference to the most recent audit of the Village, which was for a Fiscal Year ending not earlier than 18 months previous to the time of issuance of the Bonds. If such Pledged Revenues are shown to be insufficient, the determination of sufficiency, if applicable law so requires, and not otherwise, are to be supported by the "**report**" of an

independent accountant or feasibility analyst, the latter having a national reputation for expertise in such matters and not otherwise associated with the Project, demonstrating the sufficiency of such revenues and explaining, if appropriate, by what means Pledged Revenues are to be greater than as shown in the audit. Whenever the sufficiency of Pledged Revenues is demonstrated by reference to higher rates or charges and fees for enterprise revenues such higher rates or charges and fees with respect to the use of the services of the System are to be properly imposed by an ordinance adopted prior to the time of delivery of any Bonds.

Section 9. **Form of Bonds.** Unless Bonds in typewritten form are accepted or in any contract for the sale of the Bonds the purchaser or purchasers of the Bonds shall agree to accept typewritten or other temporary Bonds preliminary to the availability of, or in lieu of, Bonds in printed form prepared in compliance with the National Standard Specifications for Fully Registered Municipal Securities prepared by the American National Standards Institute, Bonds shall comply therewith, and in any event shall be in substantially the following forms provided, however, that appropriate insertions, deletions and modifications in the form of the Bonds may be made, including as to the custom of printing Bonds in part on the front and back of certificates, a payment schedule and the issuance of a single Bond for each maturity, as the Underwriter thereof agrees or accepts, in an appropriate form approved by Bond Counsel, not inconsistent herewith:

REGISTERED
NO. _____

\$ _____

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
THE COUNTY OF HENRY
VILLAGE OF COAL CITY
GENERAL OBLIGATION BONDS
(ALTERNATE REVENUE SOURCE)
SERIES 2015**

INTEREST RATE: MATURITY DATE: DATED DATE: CUSIP:

Registered Owner: CEDE & CO.

Principal Amount:

KNOW ALL BY THESE PRESENTS that the Village of Coal City (the “**Village**”), a municipality situated in The County of Henry, in the State of Illinois, acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount set forth above on the Maturity Date specified above, and to pay interest on such Principal Amount from the later of the Dated Date hereof or the most recent interest payment date to which interest has been paid, at the Interest Rate per annum set forth above, computed on the basis of a 360-day year consisting of twelve 30-day months and payable in lawful money of the United States of America semiannually on the first (1st) day of June and December in each year, commencing December 1, 2016, until the Principal Amount hereof shall have been paid, by check or draft mailed to the Registered Owner of record hereof as of the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding each interest payment date, at the address of such Registered Owner appearing on the registration books maintained for such purpose at the designated corporate trust office of _____, as Bond Registrar (including its successors, the “**Bond Registrar**”). This Bond, as to principal and premium, if any, when due, will be payable in lawful money of the United States of America upon presentation and surrender of this Bond at the designated payment office of _____, as Paying Agent (including its successors, the “**Paying Agent**”). Interest on each Bond also may be payable by wire or electronic transfer to (and at the expense of) any registered owner of a Bond or Bonds (as of the applicable record date) holding an aggregate principal amount of \$500,000 or more when such registered owner shall have requested such wire or electronic transfer payment to a bank in the continental United States by written instruction (with sufficient directions, including bank address and routing and account numbers) to the Paying Agent at least fifteen (15) days prior to an interest payment date.

The Bonds are payable from the receipts derived by the Village from certain Pledged Revenues (that is, from Sales Taxes, Revenue Sharing Receipts, Utility Taxes, and Disaster Related Proceeds, which are defined in the Bond Ordinance); and although it is expected and required by applicable law, that the Bonds are to be paid from such Pledged Revenues, which are pledged to the payment thereof, the full faith and credit of the Village, including the power to levy taxes without limit as to rate or amount are irrevocably pledged for the punctual payment of

the principal of and interest on this Bond and each Bond of the series of which it is a part, according to the terms thereof.

This Bond is one of a series of Bonds issued in the aggregate principal amount of \$ _____, which are all of like tenor, except as to maturity, interest rate and right of and redemption, and which are authorized and issued under and pursuant to and in accordance with Ordinance No. _____, adopted by the Board of Trustees of the Village on the ___ of _____, 2015, and entitled: **“AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS (ALTERNATE REVENUE SOURCE), SERIES 2015, IN ONE OR MORE SERIES, OF THE VILLAGE OF COAL CITY, GRUNDY AND WILL COUNTIES, ILLINOIS, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$3,000,000 FOR THE PURPOSE OF FINANCING THE COSTS OF CERTAIN CAPITAL PROJECTS WITHIN THE VILLAGE AND PAYING FOR COSTS RELATED THERETO”** (with respect to which undefined terms herein shall have the meanings therein, the **“Bond Ordinance”**, as supplemented and amended), pursuant to the Constitution and laws of the State of Illinois, including Section 15 of the Local Government Debt Reform Act (Section 350/15 of Chapter 30 of the Illinois Compiled Statutes, in connection with **“alternate bonds”**, as supplemented and amended), the Illinois Municipal Code (Section 5/11-129-1 and Section 8-5-16 *et seq.* of Chapter 65 of the Illinois Compiled Statutes), as supplemented and amended, the Registered Bond Act, the Illinois Bond Replacement Act and the Bond Authorization Act. The Bonds are issued to finance the costs of the acquisition, construction, rehabilitation and equipping of certain infrastructure within the municipality and matters related thereto, including, but not limited to, certain working capital costs and costs related to the immediate response for public health and safety related to the aftermath of the tornadoes which affected the Village on June 22, 2015 (the **“Disaster”**) and other costs incidental thereto and pay certain costs of issuance of the Bonds.

The Bonds of this issue are subject to redemption prior to maturity as set forth in the Ordinance.

The Bonds due on December 1, 20__ are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 1 of the years and in the principal amounts as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>
-------------------------	-------------------------

(final maturity)

This Bond is transferable only upon the registration books therefor by the Registered Owner hereof in person, or by such Registered Owners attorney duly authorized in writing, upon surrender hereof at the designated corporate trust office of the Bond Registrar together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the Registered Owner or by such Registered Owner’s duly authorized attorney, and thereupon a new registered Bond or Bonds, in the denominations of \$5,000 or any authorized integral multiple thereof and of the same aggregate principal amount as this Bond shall be issued to the transferee in exchange

therefor. In like manner, this Bond may be exchanged for an equal aggregate principal amount of Bonds of any authorized denomination.

The Bond Registrar shall not be required to exchange or transfer any Bond during the period from the fifteenth (15th) day of the month next preceding any interest payment date and ending on such interest payment date. The Village or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange of this Bond. No other charge shall be made for the privilege of making such transfer or exchange. The Village, the Paying Agent and the Bond Registrar may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal, premium, if any, and interest due hereon and for all other purposes whatsoever, and all such payments so made to such Registered Owner or upon such Registered Owner's order shall be valid and effectual to satisfy and discharge the liability upon this Bond to the extent of the sum or sums so paid, and neither the Village nor the Paying Agent or the Bond Registrar shall be affected by any notice to the contrary.

No recourse shall be had for the payment of any Bonds against the Village President or any member of the Board of Trustees or any other officer or employee of the Village (past, present or future) who executes any Bonds, or on any other basis. The Village may remove the Bond Registrar or Paying Agent at any time and for any reason and appoint a successor.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been duly executed by the Bond Registrar.

The Village has designated the Bonds of this series as "**qualified tax-exempt obligations**" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

It is hereby certified, recited and declared that all acts, conditions and things required to be done, exist and be performed precedent to and in the issuance of this Bond in order to make it a legal, valid and binding general obligation of the Village have been done, exist and have been performed in regular and due time, form and manner as required by law, and that the series of Bonds of which this Bond is one, together with all other indebtedness of the Village is within every debt or other limit prescribed by law.

IN WITNESS WHEREOF, the Village of Coal City, Grundy and Will Counties, Illinois, has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Village President, and its corporate seal, or a facsimile thereof, to be hereunto affixed or otherwise reproduced hereon and attested by the manual or facsimile signature of its Village Clerk, all as of the Dated Date set forth above.

(SEAL)

VILLAGE OF COAL CITY,
Grundy and Will Counties, Illinois

Attest:

SPECIMEN
Village Clerk

SPECIMEN
Village President

CERTIFICATE OF AUTHENTICATION

Dated: _____, 2015

This is one of the General Obligation Bonds (Alternate Revenue Source), Series 2015, described in the within mentioned Bond Ordinance.

_____, _____, Illinois, as Bond Registrar

By: _____
Authorized Signer

**Bond Registrar and
Paying Agent:** _____, _____, Illinois

ASSIGNMENT

For value received the undersigned sells, assigns and transfers unto

[Name, Address and Tax Identification Number of Assignee]
the within Bond and hereby irrevocably constitutes and appoints _____
attorney to transfer the within Bond on the books kept for registration thereof, with full power of
substitution in the premises.

Dated

Signature Guarantee By: _____ Signature

(Name of Eligible Guarantor Institution as defined by
SEC Rule 17 Ad-15 (17 CFR 240.1 Ad-15))

NOTICE: The signature on 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.

Section 10. Levy and Extension of Taxes. For the purpose of providing the money required to pay the interest on the Bonds when and as the same falls due and to pay and discharge the principal thereof as the same shall mature, there shall be levied upon all the taxable property within the Village's corporate limits in each year while any of the Bonds shall be Outstanding, a direct annual tax sufficient for that purpose and there is hereby levied upon all of the taxable property within the Village's corporate limits, in addition to all other taxes, the following direct annual taxes, in the amounts for each year not to exceed \$500,000, commencing

for each levy year, commencing not before 2015 and ending not later than 2045, as shall be specified in an applicable Bond Order (the “**Pledged Taxes**”).

To the extent lawful, interest or principal coming due at any time when there shall be insufficient funds on hand to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the Pledged Taxes herein levied; and when such taxes shall have been collected, reimbursement shall be made to such fund or funds from which such advance was made in the amounts thus advanced.

As soon as this ordinance becomes effective, a copy thereof, certified by the Village Clerk, which certificate shall recite that this ordinance has been duly adopted, shall be filed with the County Clerks of Grundy and Will Counties, Illinois, who is hereby directed to ascertain the rate percent required to produce the aggregate Pledged Taxes authorized to be levied in the years as authorized in this Section 10 and to extend the same for collection on the tax books in connection with other taxes levied in each of such years, in and by the Village for general corporate purposes of the Village, and in each of such years such annual tax shall be levied and collected in like manner as taxes for general corporate purposes for each of such years are levied and collected and, when collected, such taxes shall be used solely for the purpose of paying the principal of and interest on the Bonds herein authorized as the same become due and payable.

The Village covenants and agrees with the owners of the Bonds that so long as any of the Bonds remain Outstanding, the Village will not cause the abatement of the foregoing taxes and otherwise will take no action or fail to take any action which in any way would adversely affect the ability of the Village to levy and collect the foregoing taxes, unless and to the extent there then shall be moneys irrevocably on deposit therefor in the applicable debt service account or accounts established under Section 12 below. The Village and its officers will comply with all present and future applicable laws in order to assure that the foregoing taxes will be levied, extended and collected as provided herein and deposited in each applicable debt service account established in Section 12 below to pay the principal of and interest on the Bonds; and whenever the debt service deposit requirements in this paragraph have been satisfied, the Corporate Authorities shall duly direct the abatement of the applicable Pledged Taxes for the year with respect to which such taxes have been levied for the Bonds of each applicable series to the extent so satisfied, and appropriate certification of such abatement shall be timely filed with the County Clerks of Grundy and Will Counties in connection with such abatement. If for any reason there is abatement of such levy of taxes and the failure thereafter to pay debt service in respect of such abatement, the additional amount, together with additional interest accruing, shall be added to the tax levy in the year of, or the next year following, such failure.

Section 11. Related Agreements. The Purchase Agreement and the Disclosure Agreement, in substantially the forms thereof presented before the meeting of the Corporate Authorities at which this ordinance is adopted, shall be and are hereby approved and authorized to be executed, delivered and performed.

The Official Statement in connection with the Bonds, as presented before the Corporate Authorities in preliminary form, shall be and is hereby approved, deemed final under Rule 15c2-12 and is authorized to be used by the Underwriter in the offering and sale of the Bonds. The Preliminary Official Statement is hereby authorized to be completed to constitute a final Official

Statement under such Rule 15c2-12. The Village is authorized to cooperate with the Underwriter in connection with compliance by the Underwriter with Rule 15c2-12 and applicable rules of the Municipal Securities Rulemaking Board related to the Bonds.

All things done with respect to the Purchase Agreement, the Disclosure Agreement and the Official Statement by the Village President, Village Clerk or Village Treasurer in connection with the issuance and sale of the Bonds, shall be and are hereby in all respects ratified, confirmed and approved. The Village President, Village Clerk, Village Treasurer and other officials of the Village are hereby authorized and directed to do and perform, or cause to be done or performed for or on behalf of the Village, each and everything necessary for the issuance of the Bonds, including the proper execution, delivery and performance by the Village of the Official Statement, the Disclosure Agreement, the Purchase Agreement and related instruments and certificates, such documents to be in substantially the form presented at the meeting of the Corporate Authorities which the ordinance is adopted, with such changes therein as the officers executing them shall approve, and the purchase by and delivery of the Bonds to or at the direction of the Underwriter.

No elected or appointed officer of the Village is in any manner interested, directly or indirectly, in his or her own name or in the name of any other person, association, trust or corporation in the Purchase Agreement.

Section 12. Funds and Accounts.

Alternate Bond Fund. There is hereby created or continued a special fund of the Village, which fund shall be held separate and apart from all other funds and accounts of the Village and shall be known as the “*Alternate Bond Fund (Series 2015A Bonds)*” (which may also be referred to as the “**Bond Fund**”). The purpose of the Bond Fund is to provide a fund to receive and disburse the Pledged Revenues for the Bonds and to receive and disburse Pledged Taxes for any (or all) of the Bonds. All Pledged Revenues as required for the Bonds shall be deposited to the credit of the Bond Fund, and all Pledged Taxes shall be deposited to the credit of the Bond Fund. The Bond Fund and any respective accounts therein, constitute a trust fund established for the purpose of carrying out the covenants, terms, and conditions imposed upon the Village by this Ordinance. The requisite amount of Pledged Revenues is to be received by the Village Treasurer or such other designee of the Village, as may be authorized, by the officers who collect or receive the Pledged Revenues. The Village Treasurer or such other designee of the Village, as may be authorized, shall thereupon deposit the Pledged Revenues to the credit of the Bond Fund in such amounts, taking into account the prior use of moneys in the Bond Fund, as shall provide for the timely payment of all principal of and interest on the Bonds. Any Pledged Taxes which may be received by the Village shall promptly be deposited into the Bond Fund. Pledged Taxes on deposit to the credit of the Bond Fund shall be fully spent to pay the principal of and interest on the Bonds for which such taxes were levied and collected prior to use of any moneys on deposit from Pledged Revenues.

Investments: Money to the credit of the Bond Fund may be invested pursuant to any authorization granted to municipal corporations by State law or court decision.

Moneys to the credit of the Bond Fund (and any subaccounts created therein) may be invested from time to time by the Village Treasurer in (i) interest bearing bonds, notes, or other direct full faith and credit obligations of the United States of America, (ii) obligations unconditionally guaranteed as to both principal and interest by the United States of America, or (iii) certificates of deposit or time deposits of any bank, as defined by the Illinois Banking Act, provided such bank is insured by the Federal Deposit Insurance Corporation or a successor corporation to the Federal Deposit Insurance Corporation, and provided further that the principal of such deposits in excess of the insured amount is secured by a pledge of obligations as described in clauses (i)(i) and (i)(ii) above in the full principal amount of such excess. Such investments may be sold from time to time by the Village Treasurer as funds may be needed for the purpose for which said respective accounts have been created, To the extent moneys in said Accounts as described in this paragraph are held uninvested and on deposit in demand accounts, such amounts shall be added to the amount invested pursuant to clause (iii) above and the sum so derived subject to the limitations as set forth therein.

Investments in the Accounts shall mature or be subject to redemption at the option of the holder thereof prior to the time when needed, and, in any event, within one (1) year.

All interest on any funds so invested shall be credited to the Bond Fund and is deemed and allocated as expended with the next expenditure(s) of money from the Bond Fund.

Moneys in any of said accounts shall be invested by the Village Treasurer, if necessary, in investments restricted as to yield, which investments may be in United States Treasury Obligations - State and Local Government Series, if available, and to such end the Village Treasurer shall refer to any investment restrictions covenanted by the Village or any officer thereof as part of the transcript of proceedings for the issuance of the Bonds, and to appropriate opinions of counsel.

Section 13. Bond Proceeds Account. Except for accrued interest received on the sale of the Bonds (and an amount of applicable Bond proceeds or other available funds to pay interest to and including the first or second interest payment date as specified in a Bond Order), which shall be deposited upon issuance of any Bonds into the applicable Bond and Interest Account, all remaining proceeds derived from the sale of each series of the Bonds, net of issuance costs directly paid by the Underwriter, which is hereby authorized, and for which the Underwriter shall receive a purchase price credit, shall be deposited in a “Bond Proceeds Account” identified to the Bonds (as “Series 2015”), within each of which there further shall be, as applicable, a “Proceeds Subaccount” with respect to applicable project and issuance costs, which are hereby established as special accounts and subaccounts of the Village. Moneys in the applicable subaccount or subaccounts of the Bond Proceeds Account shall be used for the purposes specified in Section 3 of this ordinance and for the payment of costs of issuance of the Bonds, but may hereafter be reallocated and used for other lawful purposes in accordance with applicable law. Before any such reallocation shall be made, there shall be filed with the Village Clerk of the Village an opinion of Ice Miller LLP, Chicago, Illinois, or other nationally recognized Bond Counsel (“Bond Counsel”) to the effect that such reallocation is authorized and will not adversely affect the tax-exempt status of any Bonds under Section 103 of the Internal Revenue Code of 1986, as amended. Moneys in each subaccount of the Bond Proceeds Account shall be withdrawn from time to time as needed for the payment of costs and expenses incurred by the Village in

connection with, as applicable, the Project and paying the fees and expenses incidental thereto. Moneys shall be withdrawn from the depository in connection with such funds from time to time by the Village Treasurer or other appropriate financial officer of the Village only upon submission to such officer of the following:

A duplicate copy of the order signed by the Village President or Village Clerk, or such other officer as may from time to time be by law authorized to sign and countersign orders of the Village, the Bond Proceeds Account and the purpose for which the order is issued and indicating that the payment for which the order is issued has been approved by the Corporate Authorities.

Within sixty (60) days after completion of the Project, the Village President or Village Clerk shall certify to the Corporate Authorities the fact that the work, cost or issuance cost payment has been completed, and after all costs have been paid, the Village President or Village Clerk shall execute a completion certificate and file it with the Village Treasurer and in the records of the Village certifying that the work or issuance cost payments have been completed and that all related costs have been paid; and, if at that time any funds remain in the Bond Proceeds Account, the same shall be applied for other authorized improvements or work or such officer shall credit such funds to the Bond and Interest Account to the Bonds, as the Corporate Authorities direct.

Section 14. Arbitrage Rebate. The Village shall comply with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, relating to the rebate of certain investment earnings at periodic intervals to the United States of America to the extent that such compliance is necessary to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds under Section 103 of the Internal Revenue Code of 1986, as amended. There is hereby authorized to be created a separate and special accounts identified to each issue of the Bonds, each to be known as the “**Rebate Account**”, and further identified “**Series 2015**”, to the Bonds or into which there shall be deposited as necessary investment earnings to the extent required so as to maintain the tax-exempt status of the interest on the Bonds under Section 148(f) of the Internal Revenue Code of 1986, as amended. All rebates, Yield Reduction Payments, special impositions or taxes for such purpose payable to the United States of America (Internal Revenue Service) shall be payable from applicable excess earnings or other sources which are to be deposited into the appropriate Rebate Account. An arbitrage regulation agreement with respect to this Section 15 is authorized, and shall also apply to Yield Reduction Payments.

Section 15. Investment Regulations. All investments shall be in Qualified Investments, unless otherwise expressly herein provided. No investment shall be made of any moneys in the Bond and Interest Account related to the Bonds or the Bond Proceeds Account related to the Bonds, except in accordance with the tax covenants and other covenants set forth in Section 17 of this ordinance. All income derived from such investments in respect of moneys or securities in any fund or account shall be credited in each case to the fund or account in which such moneys or securities are held.

Any moneys in any fund or account that are subject to investment yield restrictions may be invested in United States Treasury Securities, State and Local Government Series, pursuant to the regulations of the United States Treasury Department, Bureau of Public Debt. The Village Treasurer or other appropriate financial officer of the Village and agents designated by such

officer are hereby authorized to submit on behalf of the Village subscriptions for such United States Treasury Securities and to request redemption of such United States Treasury Securities.

Section 16. Non-Arbitrage and Tax-Exemption. One purpose of this Section 16 is to set forth various facts regarding the Bonds and to establish the expectations of the Corporate Authorities and the Village as to future events regarding the Bonds and the use of Bond proceeds. The certifications and representations made herein and at the time of the issuance of the Bonds are intended, and may be relied upon, as certifications and expectations described in Section 1.148-0 *et seq.* of the Income Tax Regulations dealing with arbitrage and rebate (the “**Regulations**”). The covenants and agreements contained herein and at the time of the issuance of the Bonds are made for the benefit of the registered owners from time to time of the Bonds. The Corporate Authorities and the Village agree, certify, covenant and represent as follows:

(a) All of the amounts received upon the sale of the Bonds, plus all investment earnings thereon (the “**Proceeds**”) are needed for the purposes for which the bonds are being issued.

(b) Accordingly, no portion of any Proceeds will be used to replace any proceeds of the applicable Bonds or any prior issuance of obligations by the Village. No portion of any issue of the Bonds is being issued solely for the purpose of investing Proceeds at a Yield higher than the Yield on the applicable Bonds. For purposes of this Section, “**Yield**” means that yield (that is, the discount rate) which when used in computing the present worth of all payments of principal and interest to be paid on an obligation (using semi-annual compounding on the basis of a 360-day year) produces an amount equal to the purchase price of the Bonds, including accrued interest, and the purchase price of the Bonds is equal to the first offering price at which more than 10% of the principal amount of each maturity of the Bonds is sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers).

(c) All principal proceeds of the Bonds, net of accrued interest and issuance costs directly paid by the Underwriter, will be deposited in the applicable Bond Proceeds Account or otherwise applied to the Project and costs of issuance of the Bonds, and any accrued interest and premium received on the delivery of the Bonds will be deposited in the applicable Bond and Interest Account and used to pay the first interest due on the Bonds. Earnings on the investment of moneys in any fund or account or subaccount will be credited to that fund or account or subaccount. Other costs, including issuance costs of the Bonds, will be paid directly from other proceeds or from the applicable Bond Proceeds Account, and no other moneys are expected to be deposited therein. This ordinance provides that moneys in a Depreciation Account may be applied to pay debt service on the applicable Bonds in the event there shall be an insufficiency therefor. However, due to the expected application of such moneys to pay costs of replacement, repair and extraordinary maintenance of the System, it is unlikely such moneys will be available for such purpose. Interest on and principal of the Bonds will be paid from the applicable Bond and Interest Account. No Proceeds will be used more than ninety (90) days after the date of issue of the Bonds for the purpose of paying any principal or interest on any other issue of bonds, notes, certificates or warrants or on any installment contract or other obligation of the Village or for the purpose of replacing any funds of the Village used for such purpose.

(d) The Bond and Interest Account is established to achieve a proper matching of revenues and earnings with debt service in each year for the Bonds. Other than any amounts held to pay principal of matured Bonds that have not been presented for payment, it is expected that any moneys deposited in the Bond and Interest Account will be spent within the 12-month period beginning on the date of deposit therein. Any earnings from the investment of amounts in the Bond and Interest Account will be spent within a one-year period beginning on the date of receipt of such investment earnings. Other than any amounts held to pay principal of matured Bonds that have not been presented for payment, it is expected that the Bond and Interest Account will be depleted at least once a year, except for a reasonable carryover amount not to exceed the greater of (i) one-year's earnings on the investment of moneys in each applicable Bond and Interest Account, or (ii) in the aggregate one-twelfth (1/12th) of the annual debt service on the Bonds.

(e) Other than the Bond and Interest Account, no funds or accounts, including any Depreciation Account, have been or are expected to be established, and no moneys or property have been or are expected to be pledged (no matter where held or the source thereof) which will be available to pay, directly or indirectly, the Bonds or restricted so as to give reasonable assurance of their availability for such purposes. No property of any kind is pledged to secure, or is available to pay, obligations of the Village to any credit enhancer or liquidity provider.

(f) (i) All amounts on deposit in each applicable Bond Proceeds Account or in the Bond and Interest Account and all Proceeds, no matter in what funds or accounts deposited ("**Gross Proceeds**"), to the extent not exempted in (ii) below, and all amounts in any fund or account or subaccount pledged directly or indirectly to the payment of the Bonds which will be available to pay, directly or indirectly, the Bonds or restricted so as to give reasonable assurance of their availability for such purpose contrary to the expectations set forth in (f) above, shall be invested at market prices and at a Yield not in excess of the Yield on such Bonds plus, for amounts in the applicable Bond Proceeds Account to be applied to finance project facilities, if any, after 3 years of issuance 1/8 of 1%.

(ii) The following may be invested without Yield restriction:

(A) amounts invested in obligations described in Section 103(a) of the Internal Revenue Code of 1986, as amended (but not specified private activity bonds as defined in Section 57(a)(5)(C) of the Code), the interest on which is not includable in the gross income of any registered owner thereof for federal income tax purposes ("**Tax-Exempt Obligations**");

(B) amounts deposited in the Bond and Interest Account that are reasonably expected to be expended within thirteen (13) months from the deposit date and have not been on deposit therein for more than thirteen (13) months;

(C) amounts, if any, in the applicable Bond Proceeds Account to be applied to a project to the earlier of completion (or abandonment) of such improvements or three (3) years from the date of issue of the Bonds for each such project;

(D) an amount not to exceed the lesser of \$100,000 or 5% of the Bond proceeds;

(E) all amounts for the first thirty (30) days after they become Gross Proceeds (e.g., date of deposit in any fund or account securing the Bonds); and

(F) all amounts (other than with respect to refunding) derived from the investment of the Proceeds for a period of one (1) year from the date received.

(g) Subject to (q) below, once moneys are subject to the Yield limits of (g)(i) above, such moneys remain Yield restricted until they cease to be Gross Proceeds.

(h) Pursuant to Section 148(f)(4)(D) of the Internal Revenue Code of 1986, as amended, the Village may not be excepted from the required rebate of arbitrage profits on the Bonds. The Village is a governmental unit with general taxing powers, none of the Bonds is a “**private activity bond**” as defined in Section 141(a) of the Internal Revenue Code of 1986, as amended, and all the net proceeds of the applicable Bonds are to be used for the local government activities of the Village, the aggregate face amount of all tax-exempt obligations (and excluding “**private activity bonds**” as defined in Internal Revenue Code of 1986, as amended) to be issued by the Village and all subordinate entities thereof (of which there are none) during the calendar year of issuance of the Bonds, including the Bonds, is not reasonably expected to exceed \$5,000,000 to be taken into account under such Section 148(f)(4)(D). In any event, the Village reserves the right to use any applicable exception from such arbitrage rebate, including the 6-month expenditure and 2-year construction spend down exception under Section 148(f)(4)(C) of the Internal Revenue Code of 1986, as amended, or the 18-month expenditure exception under Section 1.148-7(d) of the Regulations, and the Village President is authorized to select and document any such exception. The Village is authorized to execute, deliver and perform an arbitrage regulation agreement related to the Bonds, arbitrage rebate and Yield Reduction Payments.

(i) None of the Proceeds will be used, directly or indirectly, to replace funds which were used in any business carried on by any person other than a state or local governmental unit.

(j) The payment of the principal of or the interest on the Bonds will not be, directly or indirectly: **(A)** secured by any interest in **(i)** property used or to be used for a private business use by any person other than a state or local governmental unit, or **(ii)** payments in respect of such property, or **(B)** derived from payments (whether or not by or to the Village), in respect of property, or borrowed money, used or to be used for a private business use by any person other than a state or local governmental unit.

(k) None of the Proceeds will be used, directly or indirectly, to make or finance loans to persons other than a state or local governmental unit.

(l) No user of the Project, other than a state or local government unit, will use the Project on any basis other than the same basis as the general public, and no person other than a state or local governmental unit will be a user of such Project as a result of **(i)** ownership, or **(ii)**

actual or beneficial use pursuant to a lease or a management or incentive payment contract, or (iii) any other similar arrangement.

(m) Beginning on the 15th day prior to the sale date of the Bonds, the Village has not sold or delivered, and will not sell or deliver, (nor will it deliver within 15 days after the date of issuance of such Bonds) any other obligations pursuant to a common plan of financing, which will be paid out of substantially the same source of funds (or which will have substantially the same claim to be paid out of substantially the same source of funds) as the Bonds or will be paid directly or indirectly from Proceeds.

(n) No portion of any Project is expected to be sold or otherwise disposed of prior to the last maturity of the particular Bonds to which they relate.

(o) The Village has not been notified of any disqualification or proposed disqualification of it by the Internal Revenue Service as a bond issuer which may certify bond issues under Section 1.148-0 *et seq.* of the Regulations.

(p) The Yield restrictions contained in (g) above or any other restriction or covenant contained herein need not be observed and may be changed if the Village receives an opinion of Bond Counsel to the effect that such non-observance or change will not adversely affect the tax-exempt status of interest on any of the Bonds to which such Bonds otherwise are entitled.

(q) The Village acknowledges that any changes in facts or expectations from those set forth herein may result in different Yield restrictions or rebate requirements from those set forth herein and that Bond Counsel should be contacted if such changes do occur.

(r) The Corporate Authorities have no reason to believe the facts, estimates, circumstances and expectations set forth herein are untrue or incomplete in any material respect. On the basis of such facts, estimates, circumstances and expectations, it is not expected that the Proceeds or any other moneys or property will be used in a manner that will cause the Bonds to be private activity bonds, arbitrage bonds or hedge bonds within the meaning of Sections 141, 148 or 149(g) of the Internal Revenue Code of 1986, as amended, and of applicable regulations. To the best of the knowledge and belief of the Corporate Authorities, such expectations are reasonable, and there are no other facts, estimates and circumstances that would materially change such expectations.

The Village also agrees and covenants with the registered owners of the Bonds from time to time outstanding that, to the extent possible under Illinois law, it will comply with all present federal tax law and related regulations and with whatever federal tax law is adopted and regulations promulgated in the future which apply to such Bonds and affect the tax-exempt status of such Bonds.

Section 17. Further Assurances and Actions. The Corporate Authorities hereby authorize the officials of the Village responsible for issuing the Bonds, the same being the Village President, Village Clerk, and Village Treasurer of the Village, to make such further filings, covenants, certifications and supplemental agreements (including but not limited to Purchase Agreements, the Disclosure Agreements and an arbitrage regulation agreement) as may

be necessary to assure that the Bonds, and related proceeds, will not cause any of the Bonds to be private activity bonds, arbitrage bonds or hedge bonds and to assure that the interest on the Bonds will be excluded from gross income for federal income tax purposes and that there will be compliance by the Underwriter with Rule 15c2-12. In connection therewith, the Village and the Corporate Authorities further agree: **(a)** through the officers of the Village, to make such further specific covenants, representations as shall be true, correct and complete, and assurances as may be necessary or advisable; **(b)** to consult with Bond Counsel approving the Bonds and to comply with such advice as may be given; **(c)** to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds; **(d)** to file such forms, statements, and supporting documents as may be required and in a timely manner; and **(e)** if deemed necessary or advisable, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the Village in such compliance. The Project are hereby authorized and approved or ratified if already given. The abatement of Pledged Taxes levied to pay for the Bonds is authorized upon compliance with this ordinance.

Section 18. General Covenants. The Village covenants and agrees with the registered owners of the Bonds that as long as there are any Outstanding Bonds (as defined herein), as follows:

(a) The Village will take all action necessary to impose, levy, collect and apply applicable Pledged Revenues and Pledged Taxes in the manner contemplated by this ordinance and such Pledged Revenues shall not be less than as shall be required under Section 15 of the Local Government Debt Reform Act to maintain the Bonds as Alternate Bonds according to their respective terms.

(b) The Village covenants that it will, while any of the Bonds shall remain outstanding, ensure that the Pledged Revenues will be sufficient to provide for or pay each of the following in any given year: (1) debt service on all Outstanding revenue bonds payable from such revenue sources, (2) the debt service on all Outstanding revenue bonds payable from pledged revenue sources, (3) all amounts required to meet any fund or account requirements with respect to such Outstanding revenue bonds, (4) other contractual or tort liability obligations, if any, payable from such pledged revenues, (5) other contractual or tort liability obligations, if any, payable from such revenue sources, and (6) in each year, an amount not less than 1.10 times debt service of all (i) alternate bonds payable from such revenue source previously issued and outstanding and (ii) alternate bonds proposed to be issued (i.e. the Bonds).

(c) The determination of the sufficiency of the Pledged Revenues is expected to be supported by reference to the most recent audit of the Village, which audit is for a Fiscal Year ending not earlier than 18 months previous to the time of issuance of the Bonds.

(d) The Village will make and keep proper books and accounts (separate and apart from all other records and accounts of the Village), in which complete entries shall be made of all transactions related to the Pledged Revenues, and covenants that within 210 days following the close of each Fiscal Year, it will cause the books and accounts related to the Pledged Revenues to be audited by independent certified public accountants. Such audit will be available for inspection by the registered owners of any of the Bonds. Each such audit, in addition to

whatever matters may be thought proper by the accountants to be included therein, shall, without limiting the generality of the foregoing, include the following:

- (i) A balance sheet as of the end of such Fiscal Year, including a statement of the amount held in each of the funds and accounts under this ordinance.
- (ii) A description of all insurance policies in force at the end of the Fiscal Year.
- (iii) The amount and details of all Outstanding bonds.
- (iv) The accountants' comments regarding the manner in which the Village has carried out the accounting requirements of this ordinance (including as to the Alternate Bond status of the Bonds) and has complied with Section 15 of the Local Government Debt Reform Act, and the accountants recommendations for any changes.

It is further covenanted and agreed that a copy of each such audit upon request shall be furnished upon completion to the Underwriter.

(e) The Village will keep its books and accounts in accordance with generally accepted fund reporting practices for local government entities and enterprise funds; provided, however, that the monthly credits to the Bond and Interest Account shall be in cash, and such funds shall be held separate and apart in cash and investments. For the purpose of determining whether sufficient cash and investments are on deposit in the accounts and subaccounts under the terms and requirements of this ordinance, investments shall be valued at the lower of the cost or market price on the valuation date thereof, which valuation date shall be not less frequently than annually.

(f) The Village will take no action in relation to the Pledged Revenues or the Pledged Taxes which would unfavorably affect the security of the Bonds or the prompt payment of the principal and interest thereon or the 110% coverage required in subsection (b) above to maintain the Bonds as "alternate bonds" under Section 15 of the Local Government Debt Reform Act.

(g) The owner of any Bond may proceed by civil action to compel performance of all duties required by law and this ordinance.

(h) The Village will comply with the special covenants concerning Alternate Bonds as required by Section 15 of the Local Government Debt Reform Act and this ordinance.

(i) The Village will pay, or cause to be paid, as the same become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed, imposed or levied against the Village.

(j) The Village will carry insurance on the Project of the kinds and in the amounts which are usually carried by private parties operating similar properties, covering such risks as shall be recommended by a competent consulting engineer or insurance consultant employed by the Village for the purpose of making such recommendations. All moneys received for loss under such insurance policies shall be deposited in a segregated insurance account and used in

making good the loss or damage in respect of which they were paid, either by repairing the property damaged or making replacement of the property destroyed, and provision for making good such loss or damage shall be made within ninety (90) days from the date of the loss. The proceeds derived from any and all policies for workers compensation or public liability shall be paid into a segregated account and used in paying the claims on account of which they were received.

(k) After their issuance, to the extent lawful each issue of the Bonds shall be incontestable by the Village.

Section 19. Ordinance to Constitute a Contract. The provisions of this ordinance shall constitute a contract between the Village and the owners of the Bonds. Any pledge made in this ordinance and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Village shall be for the equal benefit, protection and security of the registered owners of any and all of the Bonds. All of the Alternate Bonds issued under this ordinance, regardless of the time or times of their issuance, shall be of equal rank in the related or shared Pledged Revenues without preference, priority or distinction of any of such Bonds over any other thereof (or of each series, as applicable), except as expressly provided in or pursuant to this ordinance. This ordinance, as supplemented and amended, shall constitute full authority for the issuance of Bonds, and to the extent that the provisions thereof conflict with the provisions of any other ordinance or resolution of the Village, the provisions of this ordinance shall control.

Section 20. Severability and No Contest. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance or any ordinance supplemental hereto. Upon the issuance of the Bonds, neither the Bonds nor this ordinance shall be subject to contest by or in respect of the Village, to the extent lawful.

Section 21. Bank Qualified Bonds. Pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, the Village as applicable at the time of sale and delivery of Bonds shall designate such Bonds as “**qualified tax-exempt obligations**” as defined in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The Village by any such designation represents that the reasonably anticipated amount of tax-exempt obligations that will be issued by the Village and all subordinate entities (of which there are none) of the Village during the calendar year in which the Bonds are issued will not exceed \$10,000,000 within the meaning of or to be taken into account under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The Village by any such designation covenants that in that connection it will not so designate and issue more than \$10,000,000 aggregate principal amount of tax-exempt obligations in such calendar year. For purposes of this Section, the term “**tax-exempt obligations**” includes “**qualified 501(c)(3) Bonds**” (as defined in the Section 145 of the Internal Revenue Code of 1986, as amended) but does not include other “**private activity bonds**” (as defined in Section 141 of the Internal Revenue Code of 1986, as amended).

Section 22. Filing/Conflict. This ordinance has remained on file with the Village Clerk for public inspection, in substantially the form in which it is finally passed, at least one week before the final passage thereof. All ordinances, resolutions or parts thereof in conflict

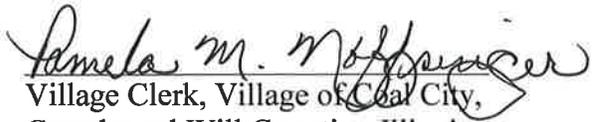
herewith be and the same are hereby superseded to the extent of such conflict and this ordinance shall be in full force and effect forthwith upon its adoption.

Section 23. **Effective Date.** This ordinance shall become effective immediately upon its passage and approval in the manner provided by law, and upon its becoming effective and upon or prior to the issuance of the Bonds a certified copy of this ordinance shall be filed with the County Clerk of Grundy and Will Counties, Illinois.

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Adopted: 9-28, 2015.


Village President, Village of Coal City,
Grundy and Will Counties, Illinois


Village Clerk, Village of Coal City,
Grundy and Will Counties, Illinois

Trustee T. Bradley moved and Trustee R. Bradley seconded the motion that said Ordinance as presented by the Village Clerk be adopted.

After a full discussion thereof, the Village President directed that the roll be called for a vote upon the motion to adopt said Ordinance.

Upon the roll being called, the following Trustees voted

AYE: R. Bradley, D. Greggain, D. Togliatti, T. Bradley

NAY: none

ABSENT: N. Nelson, J. Wren

Whereupon the Village President declared the motion carried and said Ordinance adopted, approved and signed the same in open meeting and directed the Village Clerk to record the same in the records of the Corporate Authorities of the Village of Coal City, Grundy and Will Counties, Illinois, which was done.

Other business not pertinent to the adoption of said Ordinance was duly transacted at the meeting.

Upon motion duly made, seconded and carried, the meeting was adjourned.


Village Clerk, Village of Coal City,
Grundy and Will Counties, Illinois

STATE OF ILLINOIS)
) SS
COUNTIES OF WILL)
AND GRUNDY)

CERTIFICATION OF MINUTES AND ORDINANCE

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Coal City, Grundy and Will Counties, Illinois (the "Village"), and as such official am the keeper of the official journal of proceedings, books, records, minutes and files of the Board of Trustees (the "Corporate Authorities").

I further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Corporate Authorities held on the 28 day of Sept, 2015, insofar as the same relates to the adoption of Ordinance No. ~~15-33~~ entitled:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS (ALTERNATE REVENUE SOURCE), SERIES 2015, IN ONE OR MORE SERIES, OF THE VILLAGE OF COAL CITY, GRUNDY AND WILL COUNTIES, ILLINOIS, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$3,000,000 FOR THE PURPOSE OF FINANCING THE COSTS OF CERTAIN CAPITAL PROJECTS WITHIN THE VILLAGE AND PAYING FOR COSTS RELATED THERETO.

a true, correct and complete copy of which said ordinance as adopted at said meeting appears in the foregoing transcript of the minutes of said regular public meeting.

I do further certify that the deliberations of the Corporate Authorities on the adoption of said ordinance were conducted openly, that the vote on the adoption of said ordinance was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and that the Village has complied with all of the provisions of said Act and with all of the procedural rules of the Corporate Authorities.

IN WITNESS WHEREOF, I hereunto affix my official signature and seal of said Village, this 28 day of Sept, 2015.


Village Clerk

(SEAL)

STATE OF ILLINOIS)
)
COUNTY OF WILL) SS

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of Will County, Illinois, and as such official I do further certify that on the ____ day of _____, 2015, there was filed in my office a duly certified copy of Ordinance No. ____ entitled:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS (ALTERNATE REVENUE SOURCE), SERIES 2015, IN ONE OR MORE SERIES, OF THE VILLAGE OF COAL CITY, GRUNDY AND WILL COUNTIES, ILLINOIS, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$3,000,000 FOR THE PURPOSE OF FINANCING THE COSTS OF CERTAIN CAPITAL PROJECTS WITHIN THE VILLAGE AND PAYING FOR COSTS RELATED THERETO.

duly adopted by the Board of Trustees of the Village of Coal City, Grundy and Will Counties, Illinois, on the ___ day of _____, 2015, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County, this ____ day of _____, 2015.

County Clerk of Will County, Illinois

(SEAL)

STATE OF ILLINOIS)
)
COUNTY OF GRUNDY) SS

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of Grundy County, Illinois, and as such official I do further certify that on the ____ day of _____, 2015, there was filed in my office a duly certified copy of Ordinance No. ____ entitled:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS (ALTERNATE REVENUE SOURCE), SERIES 2015, IN ONE OR MORE SERIES, OF THE VILLAGE OF COAL CITY, GRUNDY AND WILL COUNTIES, ILLINOIS, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$3,000,000 FOR THE PURPOSE OF FINANCING THE COSTS OF CERTAIN CAPITAL PROJECTS WITHIN THE VILLAGE AND PAYING FOR COSTS RELATED THERETO.

duly adopted by the Board of Trustees of the Village of Coal City, Grundy and Will Counties, Illinois, on the ____ day of _____, 2015, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County, this ____ day of _____, 2015.

County Clerk of Grundy County, Illinois

(SEAL)