

# **COAL CITY VILLAGE BOARD MEETING**

**WEDNESDAY  
APRIL 27, 2022  
7:00 P.M.**

**(IMMEDIATLEY FOLLOWING THE PUBLIC HEARING)**

## **AGENDA**

1. Call meeting to order
2. Pledge of Allegiance
3. Approval of Minutes      April 13, 2022
4. Approval of Warrant List
5. Public Comment
6. Appointment and Swearing in Police Department Officers
  - Brandon Larson
  - Connor Goron

7. Resolution 22- 09                      Designating a portion of S. Carbon Hill Road as an Honorary Roadway – the Megan Bugg Way
8. Ordinance 22-05                      Adopting the FY23 Budget
9. Ordinance 22-06                      An ordinance authorizing the issuance of not to exceed \$4,000,000 general obligation bonds (alternate revenue source), series 2022 of the Village of Coal City, Grundy and will counties, Illinois, providing the details of such bonds and for alternate revenue sources and the levy of direct annual taxes sufficient to pay the principal of and interest on such bonds, and related matters
10. Report of Mayor
11. Report of Trustees:                      S. Beach  
    T. Bradley  
    D. Spesia  
    D. Greggain  
    R. Bradley  
    D. Togliatti
12. Report of Village Clerk
13. Report of Village Attorney
14. Report of Village Engineer
15. Report of Chief of Police
16. Report of Village Administrator
17. Adjourn

Coal City Village Hall  
515 S. Broadway, Coal City, IL 60416

WARRANT LIST APRIL 27 , 2022

Vendor	Invoice	G/L#	Description	Amount
AIRGAS	9987274566.000000	01-41-512	TANK RENTAL	92.79
		51-00-512	TANK RENTAL	92.80
ANCEL GLINK	85090	01-11-533	425-435 BROADWAY POSSIBLE PURCHASE	858.75
BERKOT'S	568055	01-21-652	SUPPLIES	46.97
	940561	01-21-652	SUPPLIES	8.58
BOB'S ADVANCED AUTO	130645	01-21-512	STEERING SHAFT - SQUAD #78	709.76
BOB'S ADVANCED AUTO	130646	01-21-512	WIPER BLADES SQUAD # 78	32.52
BSI ONLINE	7010	51-00-652	ANNUAL FEE	495.00
CHAMLIN ENGINEERING	3021288	01-11-532	BIG TIMBER PRELIMINARY PLAT	1,548.00
	3021496	20-00-532	5th AVE & ROUTE 113	574.00
	3021932	01-31-532	ALLEY VACATION 750 DIVISION	429.00
	3022113	51-00-532	NPDES RE - RATING WASTEWATER PLANT	4,658.00
	3022194	32-00-532	WTP IEPA	1,720.00
CLENNON ELECTRIC	40279	51-00-513	R-30 FUSES	52.20
CMI INC	8048576	01-21-842	INTOX 500 W/ CASE REPAIR	243.37
COPS & FIRE PERSONNEL	107100	01-21-841	LAW ENFORCEMENT EXAM	1,000.00
	107176	01-21-841	LAW ENFORCEMENT PSYCHOLOGICALS	900.00
	107165	01-21-841	PREFERENCE POINTS/REGISTERS	450.00
	20220411	01-41-652	PROPANE REFILL	34.00
DIBBLE		51-00-652	PROPANE REFILL	34.00
EICH'S SPORTS	25424	01-21-553	AWARDS PLAQUE CORRECTED	30.00
FASTENAL	ILMOS61622	51-00-517	S.S. BOLTS AND NUTS	4.38
FISHERS	20220401	01-41-512	VEHICLE/ EQUIP SUPPLY	622.51
	20220401	51-00-512	VEHICLE/ EQUIP SUPPLY	622.51
FREE PRESS	20036	01-31-553	LEGAL NOTICE ZONING MAP	16.80
GARDEN CREATIONS	ESTIMATE	01-41-614.1	BROADWAY SUMMER PLANTS	6,659.86
GASVODA & ASSOC	2102349	51-00-513	REPAIR HUBER AT SEWER PLANT	3,491.85
GETAC SERVICE CENTER	20220413	01-21-657	REPLACE HARD DRIVE	799.95
GRUNDY CO ANIMAL CONTROL	202203	01-21-571	MAR MONTHLY CHARGES	380.00
GRUNDY SUPPLY	299128	01-21-511	3' X 10' MATS	557.07
IMHOF , MIKE	20220411	01-21-562	TRAVEL FOR TRAINING	14.27

JACOB KLEIN	20220323	20-00-548	TIF PROFESSIONAL FEES	2,903.30
MENARDS	20220419	01-41-614.1	TREATED POST	313.80
	20220419	51-00-511	SOFFIT BROWN	71.16
MIDWEST SALT	P463106	51-00-517	SALT FOR BRINE	3,434.53
	P463253	51-00-517	SALT FOR BRINE	3,254.04
MORRIS HOSPITAL	20840-00	01-21-841	PHYSICAL AND DRUG SCREENING	324.00
MUNICIPAL CLERKS OF ILLINOIS	20220413	01-11-561.1	ANNUAL DUES - 2022	55.00
NORTHERN ILLINOIS STEEL	241363	51-00-513	GALVANIZED GRATING	1,250.00
OFFICE DEPOT	237441606001	51-00-651	TONER	65.89
		01-11-651	OFFICE SUPPLIES	53.13
		01-31-651	OFFICE SUPPLIES	98.56
	20220411	01-11-657	MONITOR	129.00
		01-31-657	MONITOR	129.00
SANDENO INC MORRIS ASPHALT	4269	01-41-514	COLD PATCH	624.45
TEST INC	20220401	51-00-522	WATER TESTING	643.00
THE ECON DEVELOPMENT GROUP	20220323	20-00-548	TIF PROFESSIONAL FEES	13,188.09
TIPCO TECHNOLOGIES INC	ESTIMATE	51-00-513	RETAINING RING SEWER PLANT	708.37
UNIVERSITY OF POLICE TRAINING	ESTIMATE	01-21-471	T-SHIRTS	88.40
UNDERGROUND PIPE AND VALVE	053454-02	51-00-517	LEAD FITTINGS 3/4	72.00
	053454-01	51-00-517	LEAD FITTINGS 1"	180.00
VILLAGE OF CHANNAHON	1721	01-11-561.2	STATE OF VILLAGE	35.00
		01-11-565	STATE OF VILLAGE	35.00
VISA ADMIN	20220330	01-11-562.2	TRAVEL ILCMA CONFERENCE	43.38
		01-11-651	CALCULATOR - POST IT NOTES	96.30
		01-41-652	EUREKA VACUUM	87.99
	20220421	51-00-513	MAGNETIC COIL	227.98
WICKISER, KRISTI	20220419	01-11-562	TRAVEL REIMB FOR CLASS	57.68
	10896552	51-00513	OVERLOAD RELAY	53.25
WHITMORE ACE	20220430	01-11-511	MAINT. SERVICE BUILDING	30.58
		01-41-512	MAINT. SERVICE EQUIPMENT	26.99
		51-00-517	R&M WATERMAINS & HYDRANTS	3.75
		01-11-652	MISC EXPENSE	5.98
		01-11-511	MAINT.SERVICE BUILDING	26.97
		01-21-511	MAINT. SERVICE BUILDING	91.28
		01-41-652	OPERATING SUPPLIES	140.36



**MEMO**

**TO:** Mayor Halliday and the Board of Trustees

**FROM:** Matthew T. Fritz  
Village Administrator

**MEETING**

**DATE:** April 27, 2022

**RE: DESIGNATING A PORTION OF S. CARBON HILL ROAD AS “THE MEGAN BUGG WAY”**



The community has been reacting to the long fought battle with cancer for which Ken Miller reminded the community at Megan Bugg’s celebration of life was the moment at which she had defeated cancer and would no longer fall victim to the limitations and pain through which she had lived her last 7 years. Tonight’s resolution to be considered would rename a portion of S. Carbon Hill Road as the Megan Bugg Way and would be the first honorary designation of a roadway within Coal City.



The accolades for the manner in which Megan Bugg lived her life are inspiring and numerous. Her example is one for which the Board would like to adopt an honorary portion of roadway in order to inspire future Coalers to set goals and continue to attain them despite the obstacles that may present themselves along the way. Consideration of this resolution is timely since Megan’s birthday is to be celebrated shortly on April 30<sup>th</sup>. The signage includes the official logo Team Megan logo and is provided the gold color associated with the cause of finding a cure to childhood cancer. This corridor will have the honorary signage at each end alongside the roadway as well as any intersections along S. Carbon Hill Rd. such as W. Oak Street.

**Recommendation:**

Adopt Resolution No. \_\_\_\_: Designating a Portion of S. Carbon Hill Road as an Honorary Roadway - the Megan Bugg Way.

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**THE VILLAGE OF COAL CITY**

**GRUNDY & WILL COUNTIES, ILLINOIS**

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RESOLUTION NUMBER \_\_\_\_\_

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**A RESOLUTION AUTHORIZING AN HONORARY STREET NAME AND SIGNS FOR  
CARBON HILL ROAD FROM THE COAL CITY HIGH SCHOOL ON THE NORTH  
TO THE BNSF RAILROAD CROSSING ON THE SOUTH IN THE VILLAGE OF  
COAL CITY IN HONOR OF MEGAN BUGG**

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TERRY HALLIDAY, Village President  
PAMELA M. NOFFSINGER, Village Clerk

SARAH BEACH  
ROSS BRADLEY  
TIMOTHY BRADLEY  
DANIEL GREGGAIN  
DAVID SPESIA  
DAVID TOGLIATTI  
Village Trustees

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION AUTHORIZING AN HONORARY STREET NAME AND SIGNS FOR  
CARBON HILL ROAD FROM THE COAL CITY HIGH SCHOOL ON THE NORTH  
TO THE BNSF RAILROAD CROSSING ON THE SOUTH IN THE VILLAGE OF  
COAL CITY IN HONOR OF MEGAN BUGG**

**WHEREAS**, Mayor Halliday and the Board of Trustees (the “Corporate Authorities”) of the Village of Coal City (“Village”) wish to express their deepest sorrow over the passing of Megan Melissa Bugg on March 9, 2022, just shy of her twenty-first birthday; and

**WHEREAS**, Megan Bugg touched and inspired the lives of her family, classmates, Village officials and residents through her tremendous and unceasing courage, resolve, strength of character and desire to improve the lives and prospects of others, leading by example and offering hope to future generations of children and others struggling from the cruel ravages of cancer; and

**WHEREAS**, Megan Bugg was a tireless advocate for childhood cancer awareness and research throughout her long battle with Alveolar Rhabdomyosarcoma proved a worthy foe of the terrible disease, lobbying legislators for increased funding of childhood cancer, and earning a host of local and national awards and accolades honoring her vision and unflinching devotion to the cause; and

**WHEREAS**, Megan Bugg was a treasured daughter, friend, and classmate, a local hero demonstrating the profound impact of a too-short life lived to the fullest, and an exemplary citizen whose memory should inspire generations of Coal City residents and visitors; and

**WHEREAS**, the Village is blessed and honored to have been graced by Megan’s life and are proud to count her amongst its residents and wish to ensure that her memory is cherished and lives on forever in the Village of Coal City; and



**WHEREAS**, the Village of Coal City (“Village”) is an Illinois non-home rule municipal corporation, organized and operating pursuant to the Constitution and laws of the State of Illinois;

**WHEREAS**, the Village has jurisdiction over South Carbon Hill Road from Division (State Route 113) on the north southward to a point that is approximately 160 feet south of Covey Street, just north of the intersection of the BNSF railroad and S. Carbon Hill Road; and

**WHEREAS**, the Corporate Authorities, in celebration of Megan Bugg’s life and in recognition and deep appreciation of Megan’s profound legacy that will live on, wish to give the aforesaid portion of Carbon Hill Road in the Village of Coal City the honorary designation “The Megan Bugg Way.”

**NOW, THEREFORE, BE IT RESOLVED** by the President and Board of Trustees of the Village of Coal City, Counties of Will and Grundy, Illinois, as follows:

**SECTION 1. Recitals.** The foregoing recitals shall be and are hereby incorporated into and made a part of this Resolution as if fully set forth in this Section 1.

**SECTION 2. Honorary Designation of a Portion of S. Carbon Hill Road as Megan Bugg Way.**

A. The Corporate Authorities hereby authorize and direct that S. Carbon Hill Road between a point on the north side of the west Coal City High School entrance, which is approximately 170 feet south of the back of curb along the south side of State Route 113 and that point just north of the BNSF Railroad intersection, which is approximately 160 feet south of the back of curb of the south side of Covey Street be given the honorary designation *The Megan Bugg Way* and that signage be erected proclaiming the same.

**B.** The Village President, Clerk, Administrator, and Public Works Director are hereby authorized and directed to take such actions as may be reasonably necessary or convenient to carry out the intent of this Resolution.

**SECTION 3. Resolution of Conflicts.** All resolutions in conflict herewith are hereby repealed to the extent of such conflict.

**SECTION 4. Saving Clause.** If any section, paragraph, clause, or provision of this Resolution shall be held invalid, the invalidity thereof shall not affect any of the other provisions of this Resolution, which are hereby declared to be separable.

**SECTION 5. Effectiveness.** This Resolution shall be in full force and effect from and after its passage, approval, and publication in the manner provided by law.

SO RESOLVED this \_\_\_\_\_ day of \_\_\_\_\_, 2022, at Coal City, Grundy and Will Counties, Illinois.

AYES:

NAYS:

ABSENT:

ABSTAIN:

**VILLAGE OF COAL CITY**

\_\_\_\_\_  
Terry Halliday, President

Attest:

\_\_\_\_\_  
Pamela M. Noffsinger, Clerk

**MEMO**

**TO:** Mayor Halliday and the Board of Trustees

**FROM:** Matthew T. Fritz  
Village Administrator

**MEETING**

**DATE:** April 27, 2021

**RE: FY23 BUDGET ADOPTION**

The Village annually adopts a budget by the beginning of its fiscal year, which occurs on May 1<sup>st</sup> of each year. Following the input of the Village staff and reviewing the projects a number of line items were slightly adjusted from the Proposed Budget that had been placed on file. Minor adjustments took place due to the budget conversations with the departmental directors. Most of this was

ensuring that any planned revenues were provided to ensure the expenditures could take place. At the last meeting, this year's budget included major capital projects to be funded with the on-time federal ARP funds due to the COVID relief funds.

**FY23 Operational Budget Summary**

		FY23	FY22	FY21	FY20	FY19
<b>Operational Program</b>						
<u>Number</u>						
01-11	Admin.	1,043,577	952,377	887,960	558,241	739,217
01-21	PD	2,455,724	2,459,979	2,344,847	1,770,833	2,180,534
01-31	Comm. Dev.	156,995	145,631	223,412	86,557	183,405
01-41	Maintenance	779,253	757,043	797,150	757,043	705,330
01-71	EMA	14,800	22,581	16,150	8,951	12,219
16-00	IMRF/Soc. Security	235,100	265,924	261,330	161,116	241,811
	Subtotal	\$ 4,685,450	\$4,603,535	\$4,530,849	\$3,342,741	\$4,062,516
51-00	Water/Sewer	1,986,801	1,775,059	1,930,871	1,314,456	1,742,418
52-00	Garbage	603,856	580,714	694,650	217,998	498,906
71-00	Parks	153,764	140,946	301,253	215,611	194,302
	Subtotal	2,744,420	2,496,719	2,926,774	1,748,065	2,435,626
	95% Utilizatio	(371,494)	(333,440)	(351,309)	(232,968)	(324,907)
<b>Total</b>	<b>Expense</b>	<b>\$7,058,377</b>	<b>\$6,766,813</b>	<b>\$7,106,314</b>	<b>\$4,857,838</b>	<b>\$6,173,235</b>
<b>Fund Revenues</b>						
<u>Fund</u>						
01	General	4,100,913	3,919,177	3,683,915	3,830,570	3,569,468
16	IMRF/Soc. Security	235,200	245,100	308,740	296,345	295,257
	Subtotal	4,336,113	4,164,277	3,992,655	4,126,915	3,864,725
51	Water/Sewer	1,849,856	1,822,670	1,737,000	1,692,594	1,656,980
52	Garbage	613,182	543,000	514,470	506,720	549,513
71	Parks	106,878	96,496	190,835	101,325	102,046
	Fund Balance Use	166,886	201,800	291,065	70,000	92,256
<b>Total</b>	<b>Revenue</b>	<b>\$7,072,915</b>	<b>\$6,828,243</b>	<b>\$6,726,025</b>	<b>\$6,497,554</b>	<b>\$6,265,520</b>
	<b>Difference</b>	<b>14,538</b>	<b>61,430</b>	<b>(380,289)</b>	<b>1,639,716</b>	<b>92,286</b>

The total budget of all fund and all programs are attached to the ordinance. The summary of the operational budget is provided within the table.

**Recommendation:**

Adopt Ordinance No. \_\_\_\_: Adopting the Fiscal Year 2023 Budget.

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**THE VILLAGE OF COAL CITY**

GRUNDY & WILL COUNTIES, ILLINOIS

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ORDINANCE  
NUMBER 22 - \_\_\_\_\_

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**ORDINANCE APPROVING THE ANNUAL MUNICIPAL BUDGET  
FOR THE FISCAL YEAR 2022/2023**

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TERRY HALLIDAY, Village President  
PAMELA M. NOFFSINGER, Village Clerk

SARAH BEACH  
ROSS BRADLEY  
TIM BRADLEY  
DAN GREGGAIN  
DAVID SPESIA  
DAVID TOGLIATTI  
Village Trustees

**ORDINANCE NO. 22 - \_\_\_\_\_**

**ORDINANCE APPROVING THE ANNUAL MUNICIPAL BUDGET  
FOR THE FISCAL YEAR 2022/2023**

**WHEREAS**, the Village of Coal City (“Village”) is a non-home rule municipality operating under the Illinois Municipal Code; and

**WHEREAS**, in the Village it is the responsibility of the Budget Officer to complete an annual budget, in lieu of an annual appropriation ordinance, which the Village Board is required to adopt before the Fiscal Year to which it applies begins and which fiscal years of the Village begin May 1<sup>st</sup> of each calendar year; and

**WHEREAS**, the purpose of the adoption of a budget is to replace the annual appropriation ordinance with a budget which more truly reflects anticipated receipts and disbursements of the Village; and

**WHEREAS**, the budget is required to contain an estimate of revenue available to the Village for the forthcoming Fiscal Year to which the budget is drafted, together with recommendations for expenditures of the Village and all of its departments, commissions and boards; and, the budget is required to contain actual or estimated revenues and expenditures for the preceding two (2) Fiscal Years of the Village and shall show the specific fund from which each anticipated expenditure shall be made; and

**WHEREAS**, pursuant to the terms and provisions of 65 ILCS 5/8-2-9.1, et seq., and the Village Code, the Annual Budget for the Village for Fiscal Year 2022/2023 has been duly presented for approval and adoption; and

**WHEREAS**, said Budget is hereby found to be in good order and in form for adoption;  
and

**WHEREAS**, said Budget was made publicly available for inspection and copying not less than ten days prior to the date of approval; and

**WHEREAS**, notice of a public hearing on the proposed Budget was published in the Coal City Courant, a newspaper of general circulation within the Village, on April 13, 2022, which was at least one week prior to the date of said public hearing; and

**WHEREAS**, a public hearing was held on the Budget pursuant to statute on April 27, 2022, and all of those members of the public desiring to speak were given the opportunity; and

**WHEREAS**, adoption of said Budget is in the best interests of the Village of Coal City.

**NOW THEREFORE, BE IT ORDAINED BY** the President and Board of Trustees of the Village of Coal City, Counties of Grundy and Will, Illinois, as follows:

**Section 1:** The above-stated recitals are incorporated by this reference.

**Section 2:** The Annual Budget for fiscal year 2022/2023 which is attached hereto as Exhibit "A" is hereby adopted and approved.

**Section 3:** Within thirty (30) days after the Village enacts its ordinance to adopt its budget, it is required to file a certified copy of the ordinance and the budget with the County Clerks of Grundy and Will Counties, Illinois, same to be accompanied by an estimate of the revenues the Village anticipates receiving during the forthcoming Fiscal Year of the Village, identifying the sources of revenue, with the revenue estimate to be certified by the Village's chief financial office.

**Section 4:** This Ordinance shall be in full force and effect from and after its passage and approval.

**Section 5:** In the event any portion of this Ordinance is found and determined to be invalid, the invalid portion shall be stricken herefrom and the remainder shall be in full force and effect.

SO ORDAINED this \_\_\_\_\_ day of April, 2022, at Coal City, Grundy County, Illinois.

AYES:

NAYS:

ABSENT:

ABSTAIN:

VILLAGE OF COAL CITY

\_\_\_\_\_  
Terry Halliday, President

Attest:

\_\_\_\_\_  
Pamela M. Noffsinger, Clerk

**Exhibit A**  
**Village of Coal City**  
**FY23 Final Budget**

Program No.	Name	FY23 Budgeted Expenditures		FY22 Budgeted Expenditures		FY21 Actual Expenditures	FY20 Actual Expenditures
		Personnel	Operations	Personnel	Operations		
<b>Operational Programs</b>							
01-11	Administration	212,015	831,563	189,705	762,672	887,960	807,169
01-21	Police Department	2,096,422	359,302	2,077,749	382,229	2,344,847	2,215,903
01-31	Community Development	105,329	51,666	100,541	45,090	223,412	177,456
01-41	Maintenance	415,975	363,278	328,935	428,108	797,150	687,150
01-71	Emergency Operations	14,800	14,800		22,581	21,150	22,173
16-00	IMRF/Social Security	235,100	235,100	265,924	265,924	261,330	241,105
	<b>General Fund &amp; Levy Funded Subtotal</b>	<b>2,829,740</b>	<b>1,855,709</b>	<b>2,696,931</b>	<b>1,906,604</b>	<b>4,535,849</b>	<b>4,150,956</b>
51-00	Water & Sewer	713,249	1,273,552	624,444	1,150,615	1,930,871	1,643,774
52-00	Garbage Collection	22,587	581,269	8,714	572,000	694,650	506,351
71-00	Parks	32,014	121,750	37,946	103,000	301,253	137,091
		<b>3,597,590</b>	<b>3,832,280</b>	<b>3,368,034</b>	<b>3,732,219</b>	<b>7,462,623</b>	<b>6,438,172</b>
<b>Capital Projects</b>							
15-00	Motor Fuel Tax		732,705		380,000	200,000	95,750
35-00	Bond Projects		363,500		360,500	436,000	397,818
38-00	Capital Improvements		2,237,606		2,145,161	1,745,214	1,153,026
39-00	Municipal Facilities		21,525		165,467	20,000	60,605
48-00	Infrastructure Expansion		30,000		35,000	5,000	5,012
78-00	Economic Development		40,000		279,667	38,000	17,650
			<b>3,425,336</b>		<b>3,365,795</b>	<b>2,444,214</b>	<b>1,729,861</b>
<b>Discretionary Spending</b>							
18-00	School Sites		20,000		20,000	17,000	35,655
20-00	TIF Fund	53,758	1,204,910	48,488	1,284,003	1,050,118	118,394
32-00	Water Impact		-		45,000	45,000	30,000
33-00	Sanitary Sewer Impact		0		45,000	45,000	26,000
		<b>53,758</b>	<b>1,224,910</b>	<b>48,488</b>	<b>1,394,003</b>	<b>1,157,118</b>	<b>210,049</b>
<b>Obligations</b>							
02-00	Building Fees Depreciation		313,000		27,500	20,000	-
34-00	Storm Water Re-Fi Bonds Paymt		491,591		489,841	760,499	610,659
36-00	Water Infrastructure Improvement		0		-	-	-
37-00	Sanitary Sewer Infr. Improvement		0		-	-	200,746
41-00	SSA		367,404		151,475	34,808	1,195,626
46-00	Water Depreciation		0		-	-	-
47-00	Sewer Plant Depreciation		0		0	-	-
			<b>1,171,995</b>		<b>668,816</b>	<b>815,307</b>	<b>2,007,031</b>
	<b>TOTAL - All Programs</b>	<b>\$ 3,651,348</b>	<b>\$ 9,654,521</b>	<b>\$ 3,416,522</b>	<b>\$ 9,160,833</b>	<b>\$ 11,879,262</b>	<b>\$ 10,385,113</b>



Village of Coal City  
FY23 Final Budget

Revenues by Fund Summary

Fund No.	Fund Name	FY23 Budget Revenues	FY22 Budget Revenues	FY22 Actuals Revenues	FY21 Actuals Revenues	FY20 Actuals Revenues
01	General	\$4,100,913	\$3,919,177	\$3,728,173	\$4,091,395	\$3,569,465
16	IMRF/Social Security	235,200	245,100	243,301	307,174	295,257
51	Water & Sewer	1,849,856	1,822,670	1,356,079	1,655,276	1,656,980
52	Garbage	613,182	543,000	410,817	539,027	549,513
71	Parks	106,878	96,496	99,018	184,935	120,089
	<b>Operating Funds Subtotal</b>	<b>\$6,906,029</b>	<b>\$6,626,443</b>	<b>\$5,837,388</b>	<b>\$6,777,807</b>	<b>\$6,191,304</b>
15	Motor Fuel Tax	\$362,936	\$339,734	\$221,589	\$396,120	\$206,021
32	Water Impact	15,000	13,050	104,000	19,647	14,130
33	San. Sewer Impact	24,100	22,100	18,400	32,669	25,085
38	Capital Improvement	2,299,325	2,229,108	861,360	1,713,918	1,013,036
39	Municipal Facilities	100	142,042	0	1,365	27,521
48	Infrastructure Expansion	1,000	119,667	(147)	1,018	46,805
78	Economic Development	87,100	303,434	12,488	22,665	18,132
	<b>Capital Funds Subtotal</b>	<b>\$2,789,561</b>	<b>\$3,169,135</b>	<b>\$1,217,689</b>	<b>\$2,187,403</b>	<b>\$1,350,729</b>
18	School Sites	\$18,000	\$17,020	\$17,983	\$26,246	\$19,427
44	Water Bond Reserve	0	0	0	70,000	0
45	Sewer Bond Reserve	0	0	0	0	0
46	Water Depreciation	0	0	0	0	0
47	Sewer Plant Depreciation	0	0	0	0	0
	<b>Required Funds</b>	<b>\$18,000</b>	<b>\$17,020</b>	<b>\$17,983</b>	<b>\$96,246</b>	<b>\$19,427</b>
02	Building Fees Depreciation	\$30,000	\$30,050	\$20,958	\$37,392	\$23,131
34	Storm Water Ref. Bond Repayment	491,691	490,341	484,050	511,558	608,631
35	Bond Fund	363,600	360,000	359,501	285,922	213,400
36	Water Infrastructure Improvmt.	0	90,000	0	79	2,261
41	SSA	484,404	34,808	151,474	22,872	431,450
37	Sanitary Sewer Infrastructure Improvmt.	0	50	0	520	13,106
	<b>Debt Obligation Funds</b>	<b>\$1,369,695</b>	<b>\$1,005,249</b>	<b>\$1,015,983</b>	<b>\$858,342</b>	<b>\$1,291,978</b>
20	TIF	\$995,000	\$952,000	\$965,252	\$894,560	\$806,466
	<b>TOTAL - All Funds</b>	<b>\$12,078,285</b>	<b>\$11,769,847</b>	<b>\$9,054,295</b>	<b>\$10,814,358</b>	<b>\$9,659,903</b>

**MEMO**

**TO:** Mayor Halliday and the Board of Trustees

**FROM:** Matthew T. Fritz  
Village Administrator

**MEETING**

**DATE:** April 27, 2022

**RE: ADOPTION OF ALTERNATIVE REVENUE BOND ISSUANCE  
PARAMETERS ORDINANCE TO PAY FOR THE SANITARY  
TREATMENT PLANT MODERNIZATION PROJECT**

The Village of Coal City has been working to clear any statutory requirements to enable the Board of Trustees to borrow the capital that is necessary to modernize the sanitary treatment plant. This modernization project will replace equipment that has outlived its useful life and enable the plant to be rated to treat approximately 30% more capacity. Please note, this additional capacity comes from the analysis for which the total project size was determined; due to the organic capacity of the treatment method this is possible without additional capital investment or replacement.

The modernization will provide additional real-time information for the operators and incorporate much higher efficiency capability to include blowers that operate at variable speed rather than being bi-modal. The borrowing is expected to take place in May after negotiation for private placement with a local lender. Due to the discussion at the Finance Committee Meeting, prior to the Regular Meeting, it is expected the total borrowing will be much less than the \$4 million that can be borrowed according to this and previous ordinances adopted by the Village. The final annual payment will be determined following the closing on the debt issuance. A \$5 surcharge was included within the utility rate for the current year knowing it was necessary to begin collecting revenue in order to meet the debt obligations payments that will be necessary in the future.

The ordinance establishes that bonds will be issued and a registrar agent will be responsible for their creation and tracking according to federal and state requirements. These bonds are Alternate bonds to be paid with pledged revenues as described in Section 8 of this ordinance and are backed by the general obligation credit of the Village. This is a necessary step prior to the bonds being negotiated and sold. There were no petitioners who wished this issue be one that required a referendum of the general electorate; the petition filing period has concluded.

**Recommendation:**

Adopt Ordinance No. \_\_\_\_: Authorizing the Issuance of up to \$4 million in Alternate Revenue bonds for the Sanitary Modernization Project.

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$4,000,000 GENERAL OBLIGATION BONDS (ALTERNATE REVENUE SOURCE), SERIES 2022 OF THE VILLAGE OF COAL CITY, GRUNDY AND WILL COUNTIES, ILLINOIS, PROVIDING THE DETAILS OF SUCH BONDS AND FOR ALTERNATE REVENUE SOURCES AND THE LEVY OF DIRECT ANNUAL TAXES SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON SUCH BONDS, AND RELATED MATTERS**

**WHEREAS**, the Village of Coal City, Grundy and Will Counties, Illinois (the **“Village”** or the **“Issuer”**), is a duly organized and existing municipality created under the provisions of the laws of the State of Illinois (the **“State”**), and is now operating under the provisions of the Illinois Municipal Code, as amended (the **“Municipal Code”**); and

**WHEREAS**, the Issuer has for many years owned and operated a waterworks and sewerage system (the **“System”**) in accordance with the provisions of Division 139 of Article 11 of the Municipal Code (Section 5/11-139-1 *et seq.* of Chapter 65 of the Illinois Compiled Statutes), as supplemented and amended (the **“Enterprise Revenue Act”**), from which it derives net revenues from the operation by the Village of the System (**“Net Revenues”** generally, means gross revenues minus operating and maintenance expenses), and is authorized to receive a certain distributive share of proceeds from the Village’s collection of utility taxes (including any replacement or successor taxes of similar effect) imposed, collected and distributed pursuant to applicable law (the **“Utility Tax Receipts,”** and together with the Net Revenues, the **“Pledged Revenues”**) as distributed pursuant to applicable law; and

**WHEREAS**, the Mayor and Board of Trustees of the Village (the **“Corporate Authorities”**) have determined that it is advisable, necessary and in the best interests of the Village to finance (a) various capital-related projects within the Village including but not limited to construction of an addition to the current treatment facility, purchase of more energy-efficient machinery and equipment, and other improvements to the utility facilities of the Village (the **“Project”**) and (b) 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, if any, printing and publication costs, capitalized interest, if any, and other expenses preliminary to and in connection with the Project, is anticipated not to exceed available funds on hand or grant proceeds and the amount presently anticipated and planned to be paid from proceeds of the hereinafter described Bonds; and

**WHEREAS**, the Village reasonably expects to advance its own funds to pay certain costs of the Project and subsequently reimburse these advances with proceeds of debt to be incurred by the Village; and

**WHEREAS**, pursuant to the provisions of the Local Government Debt Reform Act of the State (the “**Debt Reform Act**”) as supplemented and amended (Section 350/1 *et seq.* of Chapter 30 of the Illinois Compiled Statutes), “**Alternate Bonds**”, as defined in the Debt Reform Act, may be issued pursuant to “**Applicable Law**”, as defined in the Debt Reform Act, for the above-described purposes; and

**WHEREAS**, pursuant to and in accordance with the Debt Reform Act and this ordinance, the Issuer is authorized to issue its General Obligation Bonds (Alternate Revenue Source), Series 2022, up to the aggregate principal amount of \$4,000,000 (the “**Bonds**”), for the purpose of providing funds to finance the Project, and related costs and expenses; and

**WHEREAS**, the Issuer has insufficient funds to pay the costs of the Project and, therefore, must borrow money and issue the Bonds under this ordinance in evidence thereof up to the aggregate principal amount set forth above for such purposes; 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 PRESIDENT AND 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 preambles 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:

“**Additional Bonds**” means any Alternate Bonds issued in the future in accordance with the provisions of Applicable Law on a parity with and sharing ratably and equally in the Enterprise Revenues and/or the Utility Tax Receipts.

“**Alternate Bonds**” means any Outstanding bonds issued as alternate bonds under and pursuant to Applicable Law, and includes, expressly, the Bonds.

“**Applicable Law**” means, collectively, the Debt Reform Act, as supplemented and amended, and the Enterprise Revenue Act, applicable law concerning Utility Tax Receipts, and other applicable law, each as supplemented and amended.

“**Arbitrage Regulation Agreement**” means the Issuer’s Arbitrage Regulation Agreement in connection with, among other things, arbitrage rebate and Yield Reduction Payments.

“**Bona fide debt service fund**” means a fund or account that: (1) is used primarily to achieve a proper matching of revenues with principal and interest payments within each bond year; 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 Issuer’s General Obligation Bonds (Alternate Revenue Source), Series 2022, authorized to be issued by this ordinance, in the principal amount set forth above.

“**Bond Order**” shall have the meaning in Section 3(a).

“**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**” shall have the meaning above in the recitals to this Ordinance.

**“Debt Reform Act”** means the Local Government Debt Reform Act of the State, as supplemented and amended (Section 350/1 *et seq.* of Chapter 30 of the Illinois Compiled Statutes).

**“Enterprise Revenue Act”** means the provisions of Division 139 of Article 11 of the Municipal Code (Section 5/11-139-1 *et seq.* of Chapter 65 of the Illinois Compiled Statutes).

**“Enterprise Revenues”** means all income from whatever source derived from the System, including: (i) investment income; (ii) connection, permit and inspection fees and the like; and (iii) penalties and delinquency charges, but excluding expressly (a) nonrecurring income from the sale of property of the System; (b) governmental or other grants; (c) advances or grants made to or from the Issuer; (d) capital development, reimbursement, or recovery charges and the like; (e) annexation or preannexation charges; and (f) as otherwise determined in accordance with generally accepted accounting principles for local government funds.

**“Fiscal Year”** means the twelve-month period constituting the Issuer’s fiscal year, not inconsistent with Applicable Law.

**“Insurer”** means the issuer of a Policy, if any, securing the payment of the Bonds.

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

**“Junior Bonds”** means any Outstanding bond or Outstanding bonds payable from the Junior Bond and Interest Account of the Waterworks and Sewerage Fund created under Section 11 of this Ordinance, and includes, expressly, the Bonds.

**“Maximum Annual Debt Service”**, when used with reference to Senior Bonds, Junior Bonds, Parity Bonds or Additional Bonds, respectively, means an amount of money equal to the highest future principal and interest requirement of all such bonds Outstanding, as applicable, required to be deposited into a Senior Bond and Interest Account or a Junior Bond and Interest Account, as applicable, maintained in and by this Ordinance, or payable from Utility Tax Receipts, in any Fiscal Year, including and subsequent to the Fiscal Year in which the computation is made.

**“Net Revenues”** shall have the meaning above in the recitals to this Ordinance.

**“Official Statement”** means, as applicable, within context of use, the Issuer’s Preliminary Official Statement and Final Official Statement concerning the Bonds.

**“Operation and Maintenance Expenses”** means all expenses of operating, maintaining and routine repair of the System, including but not limited to wages, salaries, costs of materials and supplies, power, fuel, insurance, purchase of System services; but excluding debt service, depreciation, or any reserve requirements, and otherwise as determined in accordance with generally accepted accounting principles for local government enterprise funds.

**“Ordinance”** or **“ordinance”** means this ordinance and any ordinance supplemental hereto.

**“Outstanding”** when used with reference to any bond, means a bond which is outstanding and unpaid; provided, however, such term shall not include bonds: (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 thereof and interest thereon, or (ii) the provision for payment of which has been made by the Issuer by the deposit in an irrevocable trust or escrow of funds of direct, full faith and credit obligations of the United States of America (the **“United States”**), the principal of and interest on which will be sufficient to pay at maturity or as called for redemption all the principal of, redemption premium, if any, and interest on such bonds, 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 to be issued subsequent in time to the Bonds and which will share ratably and equally in the Pledged Revenues with either the Senior Bonds or the Junior Bonds, as set forth and provided for with respect to such Parity Bonds.

**“Pledged Revenues”** means, collectively, the Enterprise Revenues constituting the Net Revenues of the System and the Utility Tax Receipts, each constituting a **“revenue source”** under the Debt Reform Act.

**“Pledged Taxes”** means the ad valorem taxes levied against all taxable property in the corporate limits of the Issuer without limitation as to rate or amount, pledged hereunder by the Issuer for the Bonds.

**“Policy”** means, if any, a bond insurance policy or other credit facility securing the payment of the Bonds.

**“Project”** shall have the meaning above in the recitals to this Ordinance.

**“Purchase Agreement”** means the bond purchase agreement or contract to be entered into by and between the Issuer and the Underwriter in connection with the Bonds.

**“Qualified Investments”** means legal investments of the Issuer under the laws of the State of Illinois.

**“Revenue Source”** means Utility Tax Receipts as defined in the preambles to this ordinance.

**“Rule 15c2-12”** means Rule 15c2-12 of the Securities and Exchange Commission (**“SEC”**).

**“Senior Bonds”** means any Outstanding bond or Outstanding bonds to which the Bonds hereunder are junior and subordinate, if any, payable from the Senior Bond and

Interest Account of the Waterworks and Sewerage Fund created or continued under Section 11 of this Ordinance.

“**System**” means the Issuer’s waterworks and sewerage system, including all property, real, personal or otherwise, now or in the future at any time owned or under the control of the Issuer, wherever located, and used by or useful to the Issuer in connection with the Issuer’s waterworks and sewerage system.

“**Tax-Exempt**” means, with reference to the Bonds, the status of interest paid and received thereon as excludable from the gross income of the owners thereof for federal income tax purposes except to the extent that such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

“**Underwriter**” means the purchaser or underwriter set forth in a Bond Order in connection with the Bonds.

“**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 limited to the yield on the Bonds.

**Section 2. Authority and Purpose.** This ordinance is adopted pursuant to the Constitution and Applicable Laws of the State for the purpose of providing funds in order to pay costs of financing the Project.

**Section 3. Authorization and Terms of Bonds.** To meet part of the estimated cost of the Project, there is to be applied the sum of up to \$4,000,000 to be derived from the proceeds of the Bonds. For the purpose of the Project, the Bonds shall be issued, on a taxable or tax-exempt basis, and sold in an amount up to the aggregate principal amount set forth above, shall be designated “**General Obligation Bonds (Alternate Revenue Source), Series 2022**”, and shall be issuable in minimum denominations of \$100,000 and integral multiples of \$5,000 thereof.

(a) **General Terms.** The Bonds shall be numbered consecutively from 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. The Bonds shall be dated as of or before the date or dates of the issuance and sale thereof acceptable to the Underwriter. The Bonds are hereby authorized to bear interest at the rates percent per annum not to exceed 5.50% and shall mature in the principal amount on December 1 in each year, commencing not earlier than 2022 and ending not later than 2042, in principal amount per year not to exceed \$550,000, as shall be specified in a Bond Order.



Bonds maturing on December 1 of the years specified in a Bond Order are Term Bonds (the “**Term Bonds**”), subject to mandatory sinking fund redemption in the principal amount on December 1 in each of the years specified in a Bond Order.

Although the Bonds of each maturity are authorized to mature and to bear interest at the rates per annum, as set forth above, the Bonds are nevertheless hereby authorized to mature in other principal amounts (not exceeding \$4,000,000 in the aggregate) and to bear interest at such lawfully authorized lower rate or rates as either (i) the Mayor, Village Administrator, Village Clerk, or Village Treasurer, as designated representatives, shall certify in a Bond Order at the time of delivery of the Bonds and payment therefor (with respect to which the term “**Bond Order**” shall mean, if at all, a certificate signed by the Mayor, and attested by the Village Clerk and under the Issuer’s seal, setting forth and specifying details of the Bonds, but not limited to specification of a Bond Registrar, Paying Agent or other fiscal agents, Insurer or Policy, including interest rates, aggregate principal amount (but not to exceed \$4,000,000), the principal amount maturing in each year, dated dates, payment dates, mandatory and optional redemption provisions, issue prices, reoffering premium and original issue discount (“**OID**”), and full authority is hereby given to the Mayor to certify and specify such terms, without any further action by the Corporate Authorities than this Ordinance), or (ii) the Corporate Authorities in supplemental proceedings shall approve, in either case other than as specifically set forth in this Ordinance.

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 semiannually on each June 1 and December 1, commencing on the date set forth in the Bond Order, at the rate or rates percent per annum herein provided. The principal of and premium, if any, on the Bonds shall be payable in lawful money of the United States upon presentation and surrender thereof at the designated payment office of the Paying Agent for the Bonds (including its successors, the “**Paying Agent**”) to be set forth in the Bond Order. 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 Bond Registrar on behalf of the Issuer for such purpose (including its successors, the “**Bond Registrar**”) to be set forth in the Bond Order, 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.

(b) **Redemption.**

(i) Bonds maturing on and after December 1 of the year specified in a Bond Order shall be subject to redemption prior to maturity in whole or in part on any date on and after December 1 of the year specified in a Bond Order in any order of maturity specified by the Issuer, but in inverse order of maturity if there is no specification, at a redemption price equal to the principal amount to be so redeemed, plus accrued interest to the date fixed for redemption, as specified in a Bond Order, and not otherwise.

(ii) This paragraph shall apply only to the extent Section 3(a) or a Bond Order shall specify any Term Bonds, and otherwise shall not apply. Bonds so specified as Term Bonds (the “**Term Bonds**”) are subject to mandatory sinking fund redemption in the principal amount on December 1 of the years so specified but corresponding to the principal maturities specified above in Section 3(a). At its option before the 45th day (or such lesser time acceptable to the Bond Registrar) next preceding any mandatory sinking fund redemption date in connection with Term Bonds the Issuer by furnishing the Bond Registrar and the Paying Agent an appropriate certificate of direction and authorization executed by the Mayor may (a) deliver to the Bond Registrar for cancellation Term Bonds in any authorized aggregate principal amount desired; or (b) furnish the Paying Agent funds for the purpose of purchasing any of such Term Bonds as arranged by the Issuer; or (c) receive a credit (not previously given) with respect to the mandatory sinking fund redemption obligation for such Term Bonds which prior to such date have been redeemed and cancelled. Each such Bond so delivered, previously purchased, or redeemed shall be credited at 100% of the principal amount thereof, and any excess shall be credited with regard to future mandatory sinking fund redemption obligations for such Bonds in chronological order, and the principal amount of Bonds to be so redeemed as provided shall be accordingly reduced. In the event Bonds being so redeemed are in a denomination greater than \$5,000, a portion of such Bonds may be so redeemed, but such portion shall be in the principal amount of \$5,000 or any authorized integral multiple thereof.

(iii) In the event of the redemption of less than all the Bonds of like maturity, the aggregate principal amount thereof to be redeemed shall be \$5,000 or an integral multiple thereof and the Bond Registrar shall assign to each Bond of such maturity a distinctive number for each \$5,000 principal amount of such Bond and shall select by lot from the numbers so assigned as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided that only so much of the principal amount of each Bond shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected.

(iv) The Issuer 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 the redemption date, together with interest to such redemption date, prior to giving any notice of redemption. With notice at least forty-five (45) days before the redemption date to the Bond Registrar by the Issuer (or lesser notice acceptable to the Bond Registrar), notice of the redemption of Bonds shall be given by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for such redemption to the registered owners of Bonds to be redeemed at their last addresses appearing on such registration books. The Bonds or portions thereof specified in such notice shall become due and payable at the applicable redemption price on the redemption date therein designated, together with interest to the redemption date. If there shall be drawn for redemption less than all of a Bond, the Issuer shall execute and the Bond Registrar shall authenticate and deliver, upon the surrender of such Bond, without charge to the registered owner thereof, for the unredeemed balance of the Bond so surrendered, Bonds of like maturity and of the denomination of \$5,000 or any authorized integral multiple thereof.

(v) All notices of redemption are to include at least the information as follows: (1) the redemption date; (2) the redemption price; (3) if less than all of the Bonds of a given maturity are to be redeemed, the identification and, in the case of partial redemption of the Bonds, the respective principal amounts of the Bonds to be redeemed; (4) 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 such date; and (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Paying Agent.

(vi) Notice of redemption having been so given, 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, and from and after such date 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 other registered owners. Notice having been properly given, any 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, if at all, 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 by the Paying Agent at the redemption price. Interest due on or prior to the redemption date shall be payable as herein provided for the payment of interest.

(vii) 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 such Bond so called for redemption. All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued.

**Section 4. Related Agreements.** All things done with respect to the sale of the Bonds by the Issuer's Mayor, Village Administrator, Village Clerk, and Village Treasurer shall be and are hereby in all respects ratified, confirmed, and approved. The sale of the Bonds at the price of not less than 98% of par plus accrued interest is authorized and approved. The Mayor, Village Clerk, Village Treasurer, Village Attorney and other officials of the Issuer are hereby authorized and directed to do and perform, or cause to be done or performed for or on behalf of the Issuer, each and every thing necessary in connection with the issuance of the Bonds, including the proper execution, delivery and performance of, as applicable, the ordinance and the Undertaking, Purchase Agreement, Arbitrage Regulation Agreement, and related opinions, instruments and certificates by or on behalf of the Issuer and the purchase by and delivery of the Bonds to or at the direction of the Underwriter, which related agreements shall be. No elected or appointed officer of the Issuer 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. The continuing

disclosure provisions of SEC Rule 15c2-12 apply to the Bonds, and the Issuer will execute and deliver an Undertaking.

The Underwriter is authorized to pay issuance costs related to the Bonds and receive a credit against the purchase price for the Bond, according to the Purchase Agreement.

**Section 5. Execution and Authentication.** Each Bond shall be executed in the name of the Issuer by the manual or facsimile signature of its Mayor and the corporate seal of the Issuer, or a facsimile thereof, shall be thereunto affixed, impressed or otherwise reproduced or placed thereon and attested by the manual or facsimile signature of its Village Clerk. Temporary Bonds, preliminary to the availability of Bonds in definitive form shall be and are hereby authorized and approved.

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 Issuer 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 the Corporate Authorities or any officer or employee of the Issuer (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 the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

**Section 6. Transfer, Exchange and Registration.** 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 Issuer shall cause books (the "**Bond Register**") for the registration and for the transfer of the Bonds as provided in this ordinance to be kept at the designated corporate trust office of the Bond Registrar, which is hereby constituted and appointed the Bond Registrar of the Issuer. The Issuer is authorized to prepare, and the Bond Registrar shall keep custody of, multiple Bond blanks executed by the Issuer 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 designated corporate trust 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 owner's attorney duly authorized in writing, the Issuer 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 Issuer 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, as applicable, to transfer or exchange any Bond after notice calling any Bonds for redemption 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 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 owner's 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 Issuer 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.

The Mayor 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 Mayor 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 of the maturities of the Bonds. Upon initial issuance, the ownership of each such Bond may be registered in the Bond Register therefor in a street name of the Depository, or any successor thereto, as nominee of the Depository. 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 effected, the Mayor or Village Treasurer is authorized to execute and deliver on behalf of the Issuer 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 Mayor or 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 Issuer 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 holds an interest in the Bonds. Without limiting the meaning of the foregoing, the Issuer and the Bond Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, the nominee, or any Depository Participant 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 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 Issuer determines that the Depository is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the agreement among the Issuer, the Bond Registrar, the Paying Agent and the Depository evidenced by the Representation Letter shall be terminated for any reason or (c) the Issuer determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Issuer 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 Issuer 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 Issuer, or such depository's agent or designee, and if the Issuer 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 7. Bond Registrar and Paying Agent.** The Bond Registrar and Paying Agent thereof with respect to this Ordinance and the Bonds shall be the entity set forth in the Bond Order. The Issuer 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 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 Issuer may enter into agreements with any Bond Registrar or such officer's successor and any Paying Agent in connection with the foregoing, including as follows (in any event, (a) - (f) below shall apply to the Bond Registrar and Paying Agent):

- (a) to act as Bond Registrar, authenticating agent, Paying Agent and transfer agent as provided herein;
- (b) to maintain a list of the registered owners of the Bonds as set forth herein and to furnish such list to the Issuer 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 furnish the Issuer at least annually a certificate with respect to Bonds cancelled and/or destroyed;
- (e) to give notices of redemption; and
- (f) to furnish the Issuer at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

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 Issuer that it has all requisite power to accept, and has accepted, such duties and obligations 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 Issuer 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.

**Section 8. Alternate Bonds; General Obligations.** The Bonds are and constitute Alternate Bonds under the Debt Reform Act, to be payable from Pledged Revenues and by a levy of Pledged Taxes, and the Bonds constitute general obligation bonds as alternate bonds. Subject to the foregoing, under and pursuant to Section 15 of the Debt Reform Act, the full faith and credit of the Issuer are hereby irrevocably pledged to the punctual payment of the principal of, premium, if any, and interest on the Bonds; the Bonds shall be direct and general obligations of the Issuer; and the Issuer shall be obligated to levy ad valorem taxes upon all the taxable property within the Issuer'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**").

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) Operation and Maintenance Expenses of the enterprise (i.e., the System), but not including depreciation, to be payable solely from Enterprise Revenues, (2) debt service on all Outstanding revenue bonds payable from Pledged Revenues, (3) all amounts required to meet any fund or account requirements with respect to any such Outstanding revenue bonds, (4) other contractual or tort liability obligations, if any, payable from such Pledged Revenues, and (5) in each year, an amount not less than 1.25 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. To the extent payable from one or more revenue sources, the Pledged Revenues shall be and, with appropriate increases, are hereby determined by the Corporate Authorities to provide in each year an amount not less than 1.25 times debt service (as defined in Section 3 of the Debt Reform Act) of Alternate Bonds payable from such Pledged Revenues 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 3 of the 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 Operation and Maintenance Expenses, depreciation and reserve requirements and an amount not less than 1.25 times debt service (as defined in Section 3 of the Debt Reform Act) of all of the Bonds, there being no obligations Outstanding payable from such Pledged Revenues except the Bonds, after the Project.

The determination of the sufficiency of the Pledged Revenues shall be and is hereby expected to be supported by reference to the most recent audit of the Issuer, which is for a Fiscal Year ending not earlier than eighteen (18) months previous to the time of the issuance of the Alternate Bonds. If for any reason such audit does not adequately show the sufficiency of such Pledged Revenues, or if such Pledged Revenues are shown to be insufficient, then the determination of sufficiency shall be supported by the report of an independent accountant or feasibility analyst, the latter having a national reputation for expertise in such matters, demonstrating the sufficiency of such Pledged Revenues and



explaining, if appropriate, by what means the Pledged Revenues will 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 the Enterprise Revenues (with respect to the use of the System constituting the Enterprise Revenues), such higher rates or charges and fees with respect to the use of the services of the System shall have been properly imposed by an ordinance adopted prior to the time of delivery of the Bonds.

**Section 9. Form of Bonds.** Notwithstanding any provision of this ordinance to the contrary, in lieu of issuing Bonds in serial form the Bonds may be issued as a single installment instrument in a principal amount equal to the aggregate principal amount of the Bonds actually issued with a final maturity consistent with the last maturity in Section 3(a), payable in annual installments equal to the principal amount scheduled to mature on December 1 in each year as set out in Section 5 (subject to adjustment in a Bond Order or other supplemental proceedings), with an appropriate payment schedule annexed, and otherwise substantially complying with this ordinance. The form for the Bonds set forth below shall be appropriately modified with respect to any Bond issued in installment form, the sufficiency of which shall be conclusively approved by the delivery of nationally recognized bond counsel's ("**Bond Counsel**") approving opinion upon issuance thereof. Bonds in serial or installment form may be interchanged from time to time, in whole or in part.

Unless in any contract for the sale of the Bonds the purchaser or purchasers of the Bonds shall agree to accept typewritten or temporary Bonds preliminary to the availability of Bonds in definitive 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 form [provided, however, that appropriate insertions, deletions and modifications in the form of the Bonds may be made, including the issuance of a single Bond in installment form as provided herein, as the each initial Purchaser thereof agrees or accepts, in an appropriate form prepared by bond counsel, not inconsistent herewith]:

**UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTIES OF GRUNDY AND WILL  
VILLAGE OF COAL CITY  
GENERAL OBLIGATION BOND  
(ALTERNATE REVENUE SOURCE),  
SERIES 2022**

REGISTERED NO. \_\_\_\_\_

REGISTERED \$ \_\_\_\_\_

INTEREST RATE:

MATURITY DATE:

DATED DATE:

CUSIP:

Registered Owner:

Principal Amount:

**KNOW ALL BY THESE PRESENTS** that the Village of Coal City (the “**Issuer**”), situated in the Counties of Grundy and Will, in the State of Illinois (the “**State**”), hereby 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 Dated Date hereof, or from 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 (the “**United States**”) semiannually on the first days of June and December in each year, commencing \_\_\_\_\_, 20\_\_\_\_, 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 \_\_\_\_\_, in \_\_\_\_\_, \_\_\_\_\_, as Bond Registrar (including such officer’s 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 upon presentation and surrender of this Bond at the designated payment office of \_\_\_\_\_, in \_\_\_\_\_, \_\_\_\_\_, as Paying Agent (including its successors, the “**Paying Agent**”). Although it is expected, and has been certified, that the Bonds are to be paid from the receipts derived by the Issuer from Pledged Revenues derived from the Issuer’s operation and maintenance of its municipally owned waterworks and sewerage system (the “**System**”), Utility Tax Receipts (as each is defined in the hereinafter defined Bond Ordinance), which Pledged Revenues are pledged on parity with certain prior alternate bonds to the payment thereof, the full faith and credit of the Issuer, 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 redemption, and which are authorized and issued under and pursuant to the Constitution and laws of the State, including the Local Government Debt Reform Act of the State (Section 350/1 *et seq.* of Chapter 30 of the Illinois Compiled Statutes, in connection with “**alternate bonds**”, as supplemented and amended), Division 139 of Article 11 of the Illinois Municipal Code (Section 5/11-139-1 *et seq.* of Chapter 65 of the Illinois Compiled Statutes, as supplemented and amended), and pursuant to and in accordance with Ordinance No. \_\_\_\_\_ adopted by the Mayor and Board of Trustees of the Issuer on April 27, 2022, and entitled: “AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$4,000,000 GENERAL OBLIGATION BONDS (ALTERNATE REVENUE SOURCE), SERIES 2022, OF THE VILLAGE OF COAL CITY, GRUNDY AND WILL COUNTIES, ILLINOIS, PROVIDING THE DETAILS OF SUCH BONDS AND FOR ALTERNATE REVENUE SOURCES AND THE LEVY OF DIRECT ANNUAL TAXES SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON SUCH BONDS, AND RELATED MATTERS” (with respect to which undefined terms herein shall have the meanings therein, the “**Bond Ordinance**”). The Bonds are issued to finance various capital-related projects within the Village.

[Insert and adapt, as applicable: Bonds maturing on and after December 1, 20\_\_ shall be subject to redemption prior to maturity in whole or in part on any date on and after December 1, 20\_\_, in any order of maturity specified by the Issuer, but in inverse order of maturity if there is no specification, at a redemption price equal to the principal amount to be so redeemed, plus accrued interest to the date fixed for redemption.]

[Insert and adapt, as applicable: Bonds maturing on December 1, 20\_\_ and 20\_\_ are Term Bonds (the “**Term Bonds**”) and are subject to mandatory sinking fund redemption in the principal amount on December 1 in each year, as follows:

Dec. 1, 20__ Term Bonds		Dec. 1, 20__ Term Bonds	
Year	Principal Amount(s)	Year	Principal Amount(s)

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\* To be paid at maturity unless previously retired.]

In the event of the redemption of less than all the Bonds of like maturity, the aggregate principal amount thereof to be redeemed shall be \$5,000 or an authorized integral multiple thereof, and the Bond Registrar shall assign to each Bond of such maturity a distinctive number for each \$5,000 principal amount of such Bond and shall select by lot from the numbers so assigned as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided that only so much of the

principal amount of each Bond shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected.

The Issuer 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 the redemption date, together with interest to such redemption date, prior to giving any notice of redemption. Notice of the redemption of Bonds shall be given by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for such redemption to the registered owners of Bonds to be redeemed at their last addresses appearing on the registration books therefor, as provided in the Bond Ordinance. The Bonds or portions thereof specified in such notice shall become due and payable at the redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the Bonds or portions thereof to be redeemed, together with interest to the redemption date, remain on deposit with the Paying Agent, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner), then from and after the redemption date interest on such Bonds or portions thereof shall cease to accrue and become payable. If there shall be drawn for redemption less than all of a Bond, the Issuer shall execute and the Bond Registrar shall authenticate and deliver, upon the surrender of such Bond, without charge to the registered owner thereof, for the unredeemed balance of the Bond so surrendered, Bonds of like maturity and of the denomination of \$5,000 or any authorized integral multiple thereof.

This Bond is transferable only upon the registration books therefor by the Registered Owner hereof in person, or by such Registered Owner's 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 calendar month preceding any interest payment date to such interest payment date [or during a period of fifteen (15) days next preceding the mailing of a notice of redemption which could designate all or a part of any Bond for redemption after such maturity]. The Issuer 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 Issuer, 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 Issuer 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 any member of the Issuer's Corporate Authorities or any officer or employee of the Issuer (past, present or future) who executes any Bonds, or on any other basis. The Issuer may remove the Bond Registrar or Paying Agent as provided in the Bond Ordinance.

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 Issuer has designated the Bonds 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 Issuer 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 Issuer, 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 duly authorized facsimile signature of its Mayor, and its corporate seal, or a facsimile thereof, to be hereunto affixed or otherwise reproduced hereon and attested by the manual or duly authorized 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

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Village Clerk

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Mayor

**CERTIFICATE OF AUTHENTICATION**

This Bond is one of the General Obligation Bonds (Alternate Revenue Source), Series 2022, described in the within mentioned Bond Ordinance.

Dated: \_\_\_\_\_,

By: \_\_\_\_\_

Its: \_\_\_\_\_

**Bond Registrar** \_\_\_\_\_  
**and Paying Agent:** \_\_\_\_\_, \_\_\_\_\_

**ASSIGNMENT**

For value received the undersigned sells, assigns and transfers unto

\_\_\_\_\_  
[Name, Address and Social Security Number or FEIN 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

Signature Guarantee:

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. Treatment of Bonds as Debt.** The Bonds are to be payable from the Pledged Revenues and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation, unless the Pledged Taxes shall have been extended pursuant to the general obligation, full faith and credit promise supporting the Bonds, as set forth in Section 13 hereof, in which case the amount of the Alternate Bonds then Outstanding shall be included in the computation of indebtedness of the Issuer for purposes of all statutory provisions or limitations until such time as an audit of the Issuer shall show that the Bonds have been paid from the Pledged Revenues for the Alternate Bonds for a complete Fiscal Year, in accordance with the Applicable Law.

**Section 11. System Fund.** All of the Enterprise Revenues, and, as applicable, Utility Tax Receipts, shall be set aside as collected and be deposited into a separate fund to be designated or continued, as the case may be, as the Waterworks and Sewerage Fund (the "**System Fund**"). Such System Fund shall constitute a trust fund for the purpose of carrying out the covenants, terms, and conditions of this Ordinance, and shall be used only in paying Operation and Maintenance Expenses, providing an adequate depreciation fund, paying the principal of and interest on all revenue bonds of the Issuer which by their terms are payable from Enterprise Revenues derived from the System, and providing for the establishment of and expenditure from the respective accounts as described in this Ordinance.

In the System Fund, there shall be and there are hereby created and established, or continued, as appropriate, the separate accounts known as the "**Operation and Maintenance Account**", the "**Senior Bond and Interest Account**", the "**Senior Bond Reserve Account**", the "**Junior Bond and Interest Account**" (within which there shall be a separate subaccount related to the Bonds), the "**Junior Bond Reserve Account**", the "**Depreciation Account**", and the "**Surplus Account**", to which there shall be credited on a given day of each month as selected by the Village Treasurer of the Issuer, without any further official action or direction, in the order in which such accounts are hereinafter mentioned, **first**, from Enterprise Revenues, and, **second**, from Utility Tax Receipts to the extent of any shortfall in the required deposits of Enterprise Revenues to the Senior Debt Service Account, to be held in such Fund, in accordance with the following provisions:

**A. Operation and Maintenance Account**

There shall be credited to the Operation and Maintenance Account an amount sufficient, when added to the amount then on deposit in such Account, to establish a balance to an amount not less than the amount necessary to pay Operation and Maintenance Expenses for the System for the then current month and up to the time of the next monthly accounting for moneys and crediting to accounts.

Amounts in such Account shall be used to pay Operation and Maintenance Expenses.



**B. Senior Bond and Interest Account**

There next shall be credited to the Senior Bond and Interest Account and held, in cash and investments, a fractional amount of the interest becoming due on the next succeeding interest payment date on all Outstanding Senior Bonds, if any, payable from such Account and also a fractional amount of the principal becoming due or subject to mandatory redemption on the next succeeding principal maturity or mandatory redemption date of all of the Outstanding Senior Bonds, if any, payable from such Account until there shall have been accumulated and held, in cash and investments, in the Senior Bond and Interest Account in or before the month preceding such maturity date of interest or maturity or mandatory redemption date of principal, an amount sufficient to pay such principal or interest, or both.

In computing the fractional amount to be set aside each month in the Senior Bond and Interest Account, the fraction shall be so computed that a sufficient amount will be set aside in said Account and will be available for the prompt payment of such principal of and interest on all Outstanding Senior Bonds payable from such Account and shall be not less than 1/6 of the interest becoming due on the next succeeding interest payment date and not less than 1/12 of the principal becoming due or subject to mandatory redemption on the next succeeding principal payment or mandatory redemption date on all Outstanding Senior Bonds payable from such Account until there is sufficient money in said Account to pay such principal or interest, or both.

All moneys in such Account shall be used only for the purpose of paying interest on and principal of such Outstanding Senior Bonds, if any.

**C. Senior Bond Reserve Account**

There shall next be credited to the Senior Bond Reserve Account and held, in cash and investments or as otherwise provided, such amount or amounts at such times as may be required in the applicable ordinance or ordinances by which Outstanding Senior Bonds are authorized and issued.

Amounts to the credit of the Senior Bond Reserve Account shall be used to pay principal of or interest on such Outstanding Senior Bonds of the System at any time when there are insufficient funds available in the Senior Bond and Interest Account to pay the same as may be provided in the applicable ordinances and shall be transferred to such Account for such purpose.

**D. Junior Bond and Interest Account**

There next shall be credited to the Junior Bond and Interest Account and held, in cash and investments, a fractional amount of the interest becoming due on the next succeeding interest payment date on all Outstanding Junior Bonds (including the Outstanding Bonds) payable from such Account and also a fractional amount of the principal becoming due or subject to mandatory redemption on the next succeeding

principal maturity or mandatory redemption date of all of the Outstanding Junior Bonds (including the Outstanding Bonds) payable from such Account until there shall have been accumulated and held, in cash and investments, in the Junior Bond and Interest Account in or before the month preceding such maturity date of interest or maturity or mandatory redemption date of principal, an amount sufficient to pay such principal or interest, or both.

Upon issuance of the Bonds, accrued interest from the sale of the Bonds shall be deposited into such Account and used to pay first interest due on the Bonds.

All moneys in such Account shall be used only for the purpose of paying interest on and principal of such Outstanding Junior Bonds. Such moneys as are sufficient to make payments of principal of and interest on such Bonds when due, along with any fees then due, shall be transferred to the Paying Agent not less than five (5) days prior to the next applicable principal or interest payment date.

**E. Junior Bond Reserve Account**

There shall next be credited to the Junior Bond Reserve Account and held, in cash and investments or as otherwise provided, such amount or amounts at such times as may be required in the applicable ordinance or ordinances by which Outstanding Junior Bonds are authorized and issued.

Amounts to the credit of the Junior Bond Reserve Account shall be used to pay principal of or interest on the Bonds and such other Outstanding Junior Bonds as they may secure at any time when there are insufficient funds available in the Junior Bond and Interest Account to pay the same as may be provided in the applicable ordinances and shall be transferred to said Account for said purpose.

**F. Depreciation Account**

There shall be deposited in and credited to the Depreciation Account such amounts as the Corporate Authorities from time to time direct.

Amounts to the credit of the Depreciation Account shall be used for (i) the payment of the costs of extraordinary maintenance, necessary repairs and replacements, or contingencies, the payment for which no other funds are available, in order that the System may at all times be able to render efficient service and, although it is not expected, (ii) the payment of principal of or interest and applicable premium on any Outstanding bonds payable from the Pledged Revenues of the System at any time when there are no other funds available for that purpose in order to prevent a default and shall be transferred to the appropriate account or accounts for such purpose.

Whenever an amount is withdrawn from the Depreciation Account for the purpose stated in clause (ii) of the preceding paragraph, the Issuer shall have undertaken a rate study of the System by a qualified accountant, engineer, or other finance professional. Each expenditure to be made from the Depreciation Account or the purpose stated in clause (i) of

the preceding paragraph shall be made only after an approving vote of the Corporate Authorities has certified that such expenditure is necessary to the continued effective and efficient operation of the System.

#### **G. Surplus Account**

All moneys remaining in the System Fund, after crediting the required amounts to the respective accounts hereinabove provided for, and after making up any deficiency in the accounts described above shall be credited each month to the Surplus Account. Funds in the Surplus Account shall be used, first, to make up any subsequent deficiencies in any of the Accounts hereinabove named; and then, for the remainder of all surplus Enterprise Revenues, at the discretion of the Corporate Authorities, for one or more of the following purposes without any priority among them:

1. For the purpose of constructing or acquiring repairs, replacements, renewals, improvements or extensions to the System; or
2. For the purpose of calling and redeeming Outstanding bonds payable from Pledged Revenues of the System; or
3. For the purpose of paying principal and interest and applicable premium on any subordinate bonds or obligations issued for the purpose of acquiring or constructing repairs, replacements, renewals, improvements and extensions to the System; or
4. For any other lawful purpose, including the authorized purchase of outstanding bonds payable from Pledged Revenues.

The Issuer reserves the right to reimburse the general fund from System revenues for any Utility Tax Receipts applied to debt service under D. above.

#### **H. Investments**

Money to the credit of the funds and accounts under this Section 11 may be invested from time to time by the Issuer's Village Treasurer in (i) interest-bearing bonds, notes, or other direct full faith and credit obligations of the United States, (ii) obligations unconditionally guaranteed as to both principal and interest by the United States, or (iii) certificates of deposit or time deposits of any bank or savings and loan association, as defined by Illinois law, provided such bank or savings and loan association 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 are secured by a pledge of obligations as described in clauses (i) and (ii) above in the full principal amount of such deposits, or otherwise collateralized in such amount and in such manner as may be required by law. Such investments may be sold from time to time by the Village Treasurer of the Issuer as funds may be needed for the purpose for which said Accounts have been created. All interest on any funds so invested shall be credited to the applicable Account of the System Fund and is hereby deemed and allocated as expended with the next

expenditure or expenditures of money from the applicable Account of the System Fund. Moneys in any of such accounts shall be invested by the Issuer's Treasurer, if necessary, in investments restricted as to yield, which investments may be in U.S. Treasury Securities – State and Local Government Series, if available, and to such end the Issuer's Treasurer shall refer to any investment restrictions covenanted by the Issuer or any officer thereof as part of the transcript of proceedings for the issuance of the Bonds, and to appropriate opinions of counsel.

#### I. Account Excesses

Any amounts to the credit of the Accounts in excess of the then current requirements therefor may be transferred at any time by the Corporate Authorities to such other Account or Accounts of the same Fund as it may in its sole discretion lawfully designate.

#### J. Bona Fide Debt Service Fund

Moneys preliminary to deposit in subsections B. and/or D. above and used to abate taxes under Section 14 below, which if deposited into the Senior Bond and Interest Account would disqualify the Senior Bond and Interest Account as a “**bona fide debt service fund**” shall be held in a separate account (the “**Pledged Account**”) of the Senior Bond and Interest Account and the investment yield thereon yield restricted and, a applicable, subject to yield reduction payments.

**Section 12. Alternate Bond Fund.** There is hereby created a special fund of the Issuer, which fund shall be held separate and apart from all other funds and accounts of the Issuer and shall be known as the “**Alternate Bond Fund**” (the “**Bond Fund**”). The purpose of the Bond Fund is to provide a fund to receive and disburse the pledged Utility Tax Receipts and to receive and disburse Pledged Taxes for any of the Bonds. All payments made with respect to the Bonds from the Enterprise Revenues shall be made directly from the Junior Bond and Interest Account of the System Fund. There are hereby created three accounts in the Bond Fund, designated the “**Utility Tax Receipts Account**” and the “**General Account**”. All pledged Utility Tax Receipts as required for the Bonds shall be deposited to the credit of the Utility Tax Receipts Account, and all Pledged Taxes shall be deposited to the credit of the General Account. The Bond Fund and its respective accounts constitute a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the Issuer by this Ordinance.

The Utility Tax Receipts shall be paid to the Village Treasurer of the Issuer by the officers who collect or receive the Utility Tax Receipts. The Village Treasurer of the Issuer shall deposit the Utility Tax Receipts to the credit of the Utility Tax Receipts Account of the Bond Fund (at the times and in the amounts required by Section 16 hereof).

Any Pledged Taxes received by the Issuer shall promptly be deposited into the General Account of the Bond Fund.

Pledged Taxes on deposit to the credit of the General Account of the Bond Fund shall be fully spent to pay the principal of and interest and premium, if any, on the Bonds for which such taxes were levied and collected prior to use of any moneys on deposit in the Utility Tax Receipts Account of the Bond Fund or the Senior Bond and Interest Account of the System Fund.

**Section 13. Levy and Extension of Taxes; Filing with County Clerks.** 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 Issuer's corporate limits in each year while any of the Bonds shall be outstanding, a direct annual tax (as previously defined, the "**Pledged Taxes**") in each of the levy years commencing no earlier than 2022 and ending not later than 2041, sufficient for that purpose, in addition to all other taxes, and in the amounts for each such levy year in an amount not to exceed \$575,000 per year, as shall be specified in a Bond Order, without any further authorization or approval by the Corporate Authorities other than as set forth in this ordinance, subject to abatement as authorized by this ordinance.

To the extent lawful, interest or principal coming due at any time when there shall be insufficient funds on hand from the Pledged Revenues 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 the Pledged 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 and any such supplementary proceedings become effective, copies thereof, certified by the Village Clerk of the Issuer, which certificate shall recite that this ordinance and any such supplementary proceedings have been duly adopted, shall be filed with the County Clerks of Grundy and Will Counties, Illinois (the "**County Clerks**"), who are hereby directed to ascertain the rate percent required to produce the aggregate Pledged Taxes provided to be levied in the authorized levy years, 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 Issuer for general corporate purposes of the Issuer, and in each of such years such Pledged Taxes 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 Pledged 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 Issuer covenants and agrees with the registered owners of the Bonds that so long as any of the Bonds remain Outstanding, the Issuer will not cause the abatement of the foregoing Pledged Taxes and otherwise will take no action or fail to take any action which in any way would adversely affect the ability of the Issuer to levy and collect the Pledged Taxes unless and to the extent there then shall be moneys irrevocably on deposit in the Pledged Account for transfer to the Senior Bond and Interest Account established under Section 11 of this ordinance. The Issuer and its officers will comply with all present and

future applicable laws in order to assure that the Pledged Taxes will be levied, extended and collected as provided herein and deposited in the General Account established under Section 12 of this ordinance to pay the principal of and interest on the Bonds. Whenever this paragraph has been satisfied, the related Pledged Taxes are authorized to be abated by appropriate certification of such abatement timely filed with the County Clerk in connection with such abatement. If for any reason there is abatement of such levy of Pledged Taxes and the failure thereafter to pay debt service on the Bonds in respect of such abatement, the additional amount, together with additional interest accruing, shall be added to the tax levy for the Pledged Taxes in the year of, or the next year following, such failure.

Pursuant to Section 13 of the Debt Reform Act, the moneys deposited or to be deposited into the Bond Fund, including any tax receipts derived from the taxes levied pursuant to this Ordinance, are pledged as security for the payment of the Bonds. While any Bonds remain outstanding and unpaid, the tax levies to be made as provided by this Ordinance shall be for the sole benefit of the owners of the outstanding Bonds and such owners shall have and are granted a security interest in, and a lien upon, all rights, claims and interests of the Village arising pursuant to those levies and all present and future proceeds of such levies. The security interest in and lien upon those rights, claims and interests are immediately valid and binding from the time the Bonds are issued, and shall immediately attach to (a) the tax receipts wherever held, (b) amounts held in the Bond Fund and other funds pledged for the benefit of holders of the Bonds, and (c) those rights, claims and interests pledged hereby, without any physical delivery or further act and the lien of such pledge shall be immediately valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Village or against the funds, rights, claims or interests pledged hereby irrespective of whether such parties have notice thereof.

The pledge is an agreement between the Village and the bondholders to provide security for the Bonds in addition to any statutory lien.

To the extent that the taxes levied above exceed the amount necessary to pay debt service on the Bonds as set forth in the Bond Order, the Mayor, Village Clerk, and Village Treasurer are hereby authorized to direct the abatement of such taxes to the extent of the excess of such levy in each year over the amount necessary to pay debt service on the Bonds in the following bond year. Proper notice of such abatement shall be filed with the County Clerks in a timely manner to affect such abatement.

**Section 14. Tax Abatement.** The Village covenants and agrees with the Underwriter and registered owners of the Bonds that so long as any of the Bonds remain outstanding, the Village 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 Pledged 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 11 above and in accordance with this Section. The Village and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes may be levied, extended and collected as provided herein and deposited into the Bond Fund.

In the event that funds from any lawful source may be made available for the purpose of paying any principal of or interest on the Bonds so as to enable the abatement of the Pledged Taxes, the Corporate Authorities shall, by proper proceedings, direct the deposit of such other funds into the Bond Fund, and further shall direct the abatement of the Pledged Taxes by the amount so deposited. A certified copy or other notification of any such proceedings abating taxes may then be filed with the County Clerk in a timely manner to affect such abatement.

**Section 15. Pledge of Utility Tax Receipts.** For the purpose of providing Utility Tax Receipts in each year sufficient to pay debt service of all Outstanding Bonds for such year and the provision of not less than an additional .25 times such debt service on such Outstanding Bonds, all in accordance with Section 15 of the Debt Reform Act, the Issuer hereby pledges and dedicates the Utility Tax Receipts. Prior to the deadline for the timely annual abatement of the Pledged Taxes for the Alternate Bonds, but in no event earlier than November 30th of the year for which such Pledged Taxes are levied (i.e., the year prior to extension and collection), the Village Treasurer shall deposit Utility Tax Receipts into the Utility Tax Receipts Account of the Bond Fund in an amount or amounts necessary to provide for abatement of the related Pledged Taxes in respect of the Alternate Bonds, for the payment of 1.25 times interest and principal coming due on the Alternate Bonds otherwise payable from the proceeds of such tax levy. Upon (but in no event prior to) the deposit of such moneys, the Corporate Authorities or the officers of the Issuer acting with proper authority shall direct the abatement of such levy of Pledged Taxes as provided in Section 14 of this ordinance to the extent of such a deposit, and not in excess. Any amounts of the Utility Tax Receipts deposited into the Utility Tax Receipts Account of the Bond Fund in excess of the then current requirements therefor may be withdrawn by the Treasurer at any time and applied to any such other account or fund of the Issuer as may be authorized by the Corporate Authorities.

**Section 16. Pledged Revenues; General Covenants.** The Issuer covenants and agrees with the registered owners of the Bonds, so long as any such Bonds remain Outstanding, as follows:

A. The Issuer pledges the Enterprise Revenues of the System to the payment of the Bonds payable from such Enterprise Revenues as hereinabove provided, after provision for payment of Operation and Maintenance Expenses, and required credits to accounts of the System Fund having a lien on such Enterprise Revenues prior to the lien of the Bonds, and the Corporate Authorities covenant and agree to provide for, collect and apply Enterprise Revenues of the System and Utility Tax Receipts to the payment of the Bonds as hereinabove provided and the provision of not less than an additional .25 times debt service on the Bonds, provided however, that the coverage factor solely from System Net Revenues shall be at least 100% under Section 15 of the Debt Reform Act. To the extent that such Enterprise Revenues are not sufficient for such purposes, the Utility Tax Receipts are likewise hereby pledged to the payment of the Bonds, and the Corporate Authorities covenant and agree to provide for, collect and apply the Utility Tax Receipts to the payment of the Bonds and the provision of not less than an additional .25 times debt service on the

Bonds, all in accordance with Section 15 of the Debt Reform Act. With the exception of the Village's outstanding General Obligation Bonds (Alternate Revenue Source), Series 2015, there is no prior lien on or pledge of Utility Tax Receipts superior to that of the Bonds. The determination of the sufficiency of the Pledged Revenues pursuant to this subsection A. shall be supported by reference to the most recent audit of the Issuer, and the reference to and acceptance of such audit by the Corporate Authorities shall be conclusive evidence that the conditions of Section 15 of the Debt Reform Act have been met.

B. The Issuer will punctually pay or cause to be paid from the Junior Bond and Interest Account and from the Utility Tax Receipts Account or the General Account of the Bond Fund, as applicable, the principal of and interest on the Bonds in strict conformity with the terms of the Bonds and this Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof and hereof.

C. The Issuer will pay and discharge, or cause to be paid and discharged, from, as applicable, the Junior Bond and Interest Account, the Utility Tax Receipts Account or the General Account of the Bond Fund any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Revenues, or any part thereof, or upon any funds in the hands of the Paying Agent, or which might impair the security of the Bonds. Nothing herein contained shall require the Issuer to make any such payment so long as the Issuer in good faith shall contest the validity of such claims.

D. The Issuer will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, the Pledged Revenues, the System Fund, and the Bond Fund.

E. The Issuer will preserve and protect the security of the Bonds and the rights of the owners of the Bonds and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the Issuer, to the extent lawful the Bonds shall be incontestable by the Issuer.

F. The Issuer will adopt, make, execute and deliver any and all such further ordinances, resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of, this ordinance, and for the better assuring and confirming unto the owners of the Bonds of the rights and benefits of this ordinance.

G. As long as any of the Bonds are Outstanding, the Issuer will continue to deposit and apply the Pledged Revenues as provided herein and, if applicable, the Pledged Taxes to the General Account of the Bond Fund. The Issuer covenants and agrees with the purchasers of the Bonds and with the owners thereof that so long as any of the Bonds remain Outstanding, except as expressly herein authorized, the Issuer will take no action or fail to take any action which in any way would adversely affect the ability of the Issuer to levy the Pledged Taxes and to collect and to segregate the Pledged Revenues according to this



Ordinance. The Issuer and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes can be levied and extended and that the Pledged Revenues and the Pledged Taxes may be collected and deposited into the System Fund and to the credit of the respective Accounts thereof and the Bond Fund, respectively, as provided this ordinance.

H. Scheduled debt service on the Bonds shall be and forever remain until paid or defeased the general obligation of the Issuer, for the payment of which its full faith and credit are pledged, and shall be payable, in addition to from the Pledged Revenues, as herein provided, from the levy of the Pledged Taxes as provided in the Debt Reform Act.

I. The Issuer will maintain the System in good repair and working order, will operate the same efficiently and faithfully, and will punctually perform all duties with respect thereto required by State and Federal law.

J. The Issuer will establish and maintain at all times reasonable fees, charges and rates for the use and service of the System and will provide for the collection thereof and the segregation and application of the Pledged Revenues in the manner provided by this ordinance, sufficient at all times, together with Utility Tax Receipts, to pay for Operation and Maintenance Expenses, to provide an adequate depreciation fund, to pay the principal of and interest on all revenue bonds of the Issuer which by their terms are payable from Enterprise Revenues thereof, according to their respective terms, including coverage for the Bonds of at least 125%, and to provide for the creation and maintenance and funding of the respective accounts as provided in Section 11 of this ordinance. It is hereby expressly provided that the pledge and establishment of rates or charges for use of the System shall constitute a continuing obligation of the Issuer with respect to such establishment and to the extent lawful a continuing appropriation of the amounts received.

K. There shall be charged against all users of the System, including the Issuer, such rates and amounts for services as shall be adequate to meet the requirements of this ordinance. Charges for services rendered the Issuer shall be made against the Issuer, and payment for the same shall be made monthly from the corporate funds into the System Fund hereunder as revenues derived from the operation of such System; provided however, that the Issuer need not charge itself for the System's services if, in the previous Fiscal Year, without applying receipts of Utility Tax Receipts or Pledged Taxes, the Enterprise Revenues, not including any other payments made by the Issuer, of the System shall have met the requirements of this ordinance.

L. Within six (6) months following the close of each Fiscal Year, the Issuer will cause the books and accounts of the System Fund and the Bond Fund to be audited by independent certified public accountants in accordance with appropriate audit standards, which audit shall include comments on the Issuer's compliance with this ordinance. Such audit will be available for inspection by the owners of any of the Bonds.

M. The Issuer will carry insurance on the System 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 Issuer for the purpose of making such recommendations. All moneys received for loss under such insurance policies shall be deposited in a separate subaccount of the Depreciation 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 payment of premiums for all insurance policies required under the provisions of this covenant in connection with the System shall be considered an Operation and Maintenance Expense.

N. The owner of any Bond may proceed by civil action to compel performance of all duties required by law and this ordinance, including the making and collecting of sufficient charges and rates for the service supplied by the System and the application of the income and revenue therefrom and of Utility Tax Receipts and Pledged Taxes.

#### **Section 17. Parity Bonds; Additional Bonds.**

##### **A. Parity Bonds.**

The Issuer reserves the right to issue Parity Bonds without limit provided that the Pledged Revenues as determined or as adjusted as hereinbelow set out shall be sufficient to provide for or pay all of the following: (a) Operation and Maintenance Expenses of the System (but not including depreciation), solely from Enterprise Revenues; (b) debt service on all Outstanding bonds computed immediately after the issuance of the proposed Parity Bonds; (c) all amounts required to meet any fund or account requirements with respect to such Outstanding bonds; (d) other contractual or tort liability obligations then due and payable, if any; and (e) an additional amount not less than 0.25 times debt service on such of the Alternate Bonds as shall remain Outstanding bonds after the issuance of the proposed Parity Bonds. Such sufficiency shall be calculated for each year to the final maturity of such Alternate Bonds which shall remain Outstanding after the issuance of the proposed Parity Bonds. The determination of the sufficiency of Pledged Revenues shall be supported by reference to the Issuer's most recent audit, including of the System Fund, which audit shall be for a Fiscal Year ending not earlier than eighteen (18) months previous to the time of issuance of the proposed Parity Bonds.

If such audit shows the Pledged Revenues to be insufficient, then the determination of sufficiency may be made in either of the following two ways:

1. The Pledged Revenues may be adjusted in the event there has been an increase in the rates of the System from the rates in effect for the Fiscal Year of such audit (if such rate increase is still in effect at the time of the issuance of such proposed Parity Bonds) to show such Pledged Revenues as they would have been if such increased rates had been in effect during all of such Fiscal Year. Any adjusted statement of Pledged Revenues shall be evidenced by the

certificate of an independent consulting engineer, an independent certified public accountant or an independent financial consultant employed for such purpose.

2. The determination of sufficiency of the Pledged Revenues may be supported by the report of an independent accountant or feasibility analyst having a national reputation for expertise in such matters, demonstrating the sufficiency of the Pledged Revenues and explaining by what means they will be greater than as shown in the audit.

The reference to and acceptance of an audit, an adjusted statement of the Pledged Revenues, or a report, as the case may be, and the determination of the Corporate Authorities of the sufficiency of the Pledged Revenues shall be conclusive evidence that the conditions of this Section 16. A. have been met and that the Parity Bonds are properly issued hereunder; and no right to challenge such determination is granted to the registered owners of the Bonds.

**B. Additional Bonds.**

The Issuer reserves the right to issue Additional Bonds from time to time payable from the Enterprise Revenues and/or Utility Tax Receipts, and any such Additional Bonds shall share ratably and equally in the Enterprise Revenues and/or Utility Tax Receipts with the Bonds; provided, however, that no Additional Bonds shall be issued except in accordance with the provisions of the Debt Reform Act.

**Section 18. Defeasance.**

Any of the Bonds which are no longer Outstanding Bonds as defined in this Ordinance shall cease to have any lien on or right to receive or be paid from Pledged Revenues and shall no longer have the benefits of any covenant for the registered owners of Outstanding Bonds as set forth herein as such relates to lien and security of the Bonds in the Pledged Revenues.

**Section 19. Bond Proceeds Account.** The proceeds derived from the sale of the Bonds shall be used as follows:

A. Accrued interest (and capitalized interest or other funds, as necessary) shall be credited to the Bond and Interest Account, as set forth above in Section 11 and applied to pay first interest due on the Bonds, and sufficient funds to fund the Project Account. All of the remaining proceeds derived from the sale of the Bonds shall be deposited in the “**Bond Proceeds Account**” (the “**Bond Proceeds Account**”), which is hereby established as a special account of the Issuer, within which there shall be (i) a Project Subaccount (the “**Project Subaccount**” for System related facilities, improvement and costs) and (ii) a Project Subaccount (the “**Project Subaccount**” for the Project in the event a Project Account is not timely funded). Moneys in the Bond Proceeds Account shall be used for the purposes specified in Section 3 of this ordinance (that is, as applicable, the costs of financing the Project) 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 the Enterprise

Revenue Act. Before any such reallocation shall be made, there shall be filed with the Village Clerk of the Issuer an opinion of nationally recognized bond counsel (“**Bond Counsel**”) to the effect that such reappropriation is authorized and will not adversely affect the tax-exempt status of the Bonds under Section 103 of the Code. Except for funding the Project Account and paying authorized issuance costs, moneys in the Bond Proceeds Account shall be withdrawn from time to time as needed for the payment of costs and expenses incurred or advanced by the Issuer in connection with the System and for paying the fees and expenses incidental thereto. Moneys shall be withdrawn from the depository in connection with such funds from time to time to the Village Treasurer or other appropriate financial officer of the Issuer of the following (except that this shall not apply to the Project or Bond issuance costs):

A duplicate copy of the order signed by the Mayor and the Village Clerk, or such other officer(s) as may from time to time be by law authorized to sign and countersign orders of the Issuer, stating specifically 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 or System work, the Mayor shall certify to the Corporate Authorities the fact that the Project or applicable work or costs have been completed, and after all costs have been paid, the Mayor and Village Clerk shall execute a completion certificate and file it in the records of the Issuer certifying that the Project or System work has been completed and that all costs have been paid; and, if at that time any funds remain in the Bond Proceeds Account, the same shall be applied for other applicable work or costs which have been transmitted to the Village Treasurer or other appropriate financial officer of the Issuer, and such officer shall credit such funds to the applicable Bond and Interest Account, as the Corporate Authorities direct.

**Section 20. Arbitrage Rebate.** The Issuer shall comply with the provisions of Section 148(f) of the Code, relating to the rebate of certain investment earnings at periodic intervals to the United States to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds under Section 103 of the Code. There is hereby authorized to be created a separate and special account known as the “**Rebate Account**”, 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 Code. All rebates, special impositions, taxes, or other payments (including Yield Reduction Payments) for such purpose payable to the United States (Internal Revenue Service) shall be payable from applicable excess earnings or other sources which are to be deposited into the Rebate Account.

Yield Reduction Payments in connection with the Pledged Account under Section 11. J. above shall be determined and paid, as the case may be, in a manner similar to arbitrage rebate under this Section.

**Section 21. Investment Regulations.** All investments shall be in Qualified Investments, unless otherwise expressly herein provided. No investment shall be made of any moneys in any Bond and Interest Account, the Bond Fund, or the Bond Proceeds Account, except in accordance with the tax covenants and other covenants set forth in Section 22 of this ordinance. All income derived from such investments in respect of moneys or securities in any fund or account, unless otherwise herein expressly required, 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 and agents designated by such officer are hereby authorized to submit on behalf of the Issuer subscriptions for such United States Treasury Securities and to request redemption of such United States Treasury Securities.

**Section 22. Non-Arbitrage and Tax-Exemption.** One purpose of this Section is to set forth various facts regarding the Bonds and to establish the expectations of the Corporate Authorities and the Issuer as to future events regarding the Bonds and the use of the proceeds of the Bonds. 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 Issuer agree, certify, covenant, and represent as follows:

**A.** The Bonds are being issued to pay the costs of financing the Project and related costs and expenses. 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.** The Issuer has entered into or will enter into within six months from the date of issue of the Bonds, binding contracts or commitments obligating it to spend at least 5% of the proceeds of the Bonds for constructing, acquiring and installing the Project. The work of acquiring, constructing, and installing the Project shall timely commence and proceed with due diligence to completion within two (2) years of issuance of the Bonds.

**C.** The Issuer has on hand no funds which could legally and practically be used for the Project which are not pledged, budgeted, earmarked or otherwise necessary to be used for other purposes. Accordingly, no portion of the Proceeds will be used (i) directly or indirectly to replace funds of the Issuer or any agency, department, or division thereof that could be used for the Project, or (ii) to replace any proceeds of any prior issuance of obligations by the Issuer. No portion of the Bonds is being issued solely for the purpose of investing the Proceeds at a Yield higher than the Yield on the 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).

**D.** All net principal proceeds of the Bonds, net of the required Project Fund deposit, received by the Issuer shall be set aside in separate funds hereby created or continued and designated as the Project Fund (the **“Project Fund”**), which the Issuer shall maintain as a separate and segregated account. Moneys in the Project Fund shall be withdrawn from time to time as needed for the payment of costs of the Project and paying the fees and expenses incidental thereto. Moneys on deposit in the Project Fund may be invested by the Village Treasurer in any lawful manner. All investment earnings shall first be reserved and transferred to such other account as and to the extent necessary to pay any “excess arbitrage profits” or “penalty in lieu of rebate” under Code Section 148 to maintain the Tax-Exempt status of the Bonds, and the remainder shall be retained in the Project Fund. Within 60 days after full depletion of the Project Fund, or if the Project has been fully completed and paid for, the Village Treasurer shall certify to the Corporate Authorities the fact of such depletion or the Village engineer shall certify to such completion and payment, and upon approval of such certification by the Corporate Authorities, funds (if any) which remain shall be transferred to the Bond Fund for expenditure to pay the Bonds on the then next interest and principal payment date(s) until fully expended, and the portion of the Project Fund related to the Project shall be closed. This ordinance provides that moneys in the Depreciation Account may be applied to pay debt service on the Bonds in the event there shall be an insufficiency in the applicable Bond and Interest Account. However, due to the expected application of such moneys to pay costs of replacement, repair, and extraordinary maintenance of System facilities, 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 and the Bond Fund. Except for the Project, no Proceeds will be used more than thirty (30) days after the date of issue of the Bonds for the purpose of paying any principal of or interest on any issue of bonds, notes, certificates, or warrants or on any installment contract or other obligation of the Issuer or for the purpose of replacing any funds of the Issuer used for such purpose.

**E.** The Junior Bond and Interest Account (except the Pledged Account) and the Bond Fund each is established to achieve a proper matching of revenues and earnings with debt service in each year. 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 Junior Bond and Interest Account (except the Pledged Account) and the Bond Fund will be spent within the 12-month period beginning on the date of deposit therein. Any earnings from the investment of amounts in the Junior Bond and Interest Account (except the Pledged Account) and the Bond Fund 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

Junior Bond and Interest Account (except the Pledged Account) and the Bond Fund 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 the Junior Bond and Interest Account and the Bond Fund, or (ii) in the aggregate one-twelfth (1/12th) of the annual debt service on the Bonds.

F. Other than the Bond and Interest Account (including the Pledged Account) and the Bond Fund, no funds or accounts 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 Issuer to any credit enhancer or liquidity provider.

G. (i) All amounts on deposit in the Bond Proceeds Account, the applicable Bond and Interest Account, the Bond Fund or the Depreciation 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 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 the Bonds plus, for amounts in the Project Subaccount of the Bond Proceeds Account after three (3) years under (c) below from the date of issuance to finance System improvements, 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 Code (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 Junior Bond and Interest Account and the Bond Fund 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 Bond Proceeds Account to be applied to System improvements prior to the earlier of completion (or abandonment) of such improvements or three (3) years from the date of issue of the Bonds;

(d) an amount not to exceed 5% of Bond proceeds;

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

(f) all amounts derived from the investment of the Proceeds for a period of one (1) year from the date received.

**H.** Subject to P. 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.

**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 Issuer), 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 such 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 the 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 fifteenth (15th) day prior to the Bond sale date, the Issuer has not sold or delivered, and will not sell or deliver (nor will it deliver within fifteen (15) days after the date of issuance of the 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 the Project is expected to be sold or otherwise disposed of prior to the last maturity of the Bonds.

**O.** The Issuer 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 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 Issuer 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 the Bonds to which the Bonds otherwise are entitled.

**Q.** The Issuer 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 Code, 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.

**S.** The Issuer also agrees and covenants with the 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 the Bonds and affect the Tax-Exempt status of the Bonds.

**Section 23. Further Assurances and Actions.** The Corporate Authorities hereby authorize the officials of the Issuer responsible for issuing the Bonds, the same being the Mayor, Village Clerk and Village Treasurer of the Issuer, to execute and perform, as applicable, the Purchase Agreement, Arbitrage Regulation Agreement, and Undertaking, and to make such further filings, covenants, certifications and supplemental agreements as may be necessary to assure that the use of the Project and related proceeds will not cause 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. In connection therewith, the Issuer and the Corporate Authorities further agree: (a) through the officers of the Issuer, 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 or yield reduction payments relating to the Bonds; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; (e) if deemed necessary or advisable, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the Issuer in such compliance; and (f) to abate Pledged Taxes, as herein provided. Appropriate officers of the Issuer are authorized to file abatement certifications for the Bonds, not inconsistent with this ordinance.

**Section 24. Reimbursement.** A portion of the proceeds of the Bonds will be used to pay, directly or indirectly, in whole or in part, for an expenditure that has been paid by the Village prior to the date hereof except architectural or engineering costs incurred prior to commencement of any of the construction of the Project or expenditures for which an intent to reimburse it was properly declared under Treasury Regulations Section 1.150-2. This ordinance is a declaration of official intent under Treasury Regulations Section 1.150-2 as to all costs of the Project paid within 60 days preceding the adoption of this ordinance, after the date hereof, and prior to issuance of the Bonds.

**Section 25. Ordinance to Constitute a Contract.** The provisions of this ordinance shall constitute a contract between the Issuer 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 Issuer shall be for the equal benefit, protection, and security of the owners of any and all of the Bonds. All of the Bonds, regardless of the time or times of their issuance, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or pursuant to this ordinance. This ordinance, together with any ordinance supplemental hereto, shall constitute full authority for the issuance of the Bonds, and to the extent that the provisions thereof conflict with the provisions of any other ordinance or resolution of the Issuer, the provisions of this ordinance, together with any ordinance supplemental hereto, shall control.

**Section 26. Severability and No Contest.** If any section, paragraph, clause, or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this ordinance. Upon the issuance of the Bonds, neither the Bonds nor this ordinance shall be subject to contest by or in respect of the Issuer.

**Section 27. Bank Qualified Bonds.** Pursuant to Section 265(b)(3) of the Code, the Issuer hereby designates the Bonds as “**qualified tax-exempt obligations**” as defined in Section 265(b)(3) of the Code. The Issuer represents that the reasonably anticipated amount of tax-exempt obligations that will be issued by the Issuer and all subordinate entities of the Issuer during the calendar year in which the Bonds are issued will not exceed \$10,000,000 within the meaning of Section 265(b)(3) of the Code. The Issuer covenants that 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 Section 145 of the Code) but does not include other “**private activity bonds**” (as defined in Section 141 of the Code).

**Section 28. Conflict.** 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 29. Effective Date.** This ordinance has remained on file with the Village Clerk for public inspection, in the form in which it is finally passed, at least one week before the final passage thereof. This ordinance shall become effective immediately upon its

passage and approval in the manner provided by law, and, upon its becoming effective and prior to the issuance of the Bonds, a certified copy of this Ordinance, together with any ordinance supplemental hereto, shall be filed with the County Clerks.

Upon motion by Trustee \_\_\_\_\_, seconded by Trustee \_\_\_\_\_, adopted this 27th day of April, 2022, by roll call vote as follows:

AYES (Names): \_\_\_\_\_

\_\_\_\_\_

NAYS (Names): \_\_\_\_\_

ABSENT (Names): \_\_\_\_\_

**APPROVED:** April 27, 2022

(SEAL)

**ATTEST:**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Village Clerk

STATE OF ILLINOIS        )  
  ) SS  
COUNTY OF GRUNDY        )

**CERTIFICATION OF ORDINANCE**

I, the undersigned, do hereby certify that I am the duly selected, qualified, and acting Village Clerk of the Village of Coal City, Grundy and Will Counties, Illinois (the “**Issuer**”), and as such official I am the keeper of the records and files of the Issuer and of its Board of Trustees (the “**Corporate Authorities**”).

I do further certify that the attached constitutes a full, true and complete excerpt from the proceedings of a meeting of the Corporate Authorities held on the 27th day of April, 2022, insofar as the same relates to the adoption of Ordinance No. \_\_\_\_\_, entitled:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$4,000,000 GENERAL OBLIGATION BONDS (ALTERNATE REVENUE SOURCE), SERIES 2022, OF THE VILLAGE OF COAL CITY, GRUNDY AND WILL COUNTIES, ILLINOIS, PROVIDING THE DETAILS OF SUCH BONDS AND FOR ALTERNATE REVENUE SOURCES AND THE LEVY OF DIRECT ANNUAL TAXES SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON SUCH BONDS, AND RELATED MATTERS,

a true, correct, and complete copy of which ordinance (the “**Ordinance**”) as adopted at such meeting appears in the transcript of the minutes of such meeting and is hereto attached. The Ordinance was adopted and approved by the vote and on the date therein set forth.

I do further certify that the deliberations of the Corporate Authorities on the adoption of such Ordinance were taken openly, that the adoption of such Ordinance was duly moved and seconded, that the vote on the adoption of such Ordinance was taken openly and was preceded by a public recital of the nature of the matter being considered and such other information as would inform the public of the business being conducted, that such meeting was held at a specified time and place convenient to the public, that notice of such meeting was duly given to all of the news media requesting such notice, that the agenda for the meeting was duly posted at the Village Hall at least 48 hours prior to the meeting, that such meeting was called and held in strict compliance with the provisions of the Open Meetings Act, as amended, and the Illinois Municipal Code, as amended, and that the Corporate Authorities have complied with all of the applicable provisions of such open meeting laws and such Code and their procedural rules in the adoption of such Ordinance.

**IN WITNESS WHEREOF**, I hereunto affix my official signature and the seal of the Village, this 27th day of April, 2022.

(SEAL)

\_\_\_\_\_  
Village Clerk

STATE OF ILLINOIS        )  
  ) SS  
COUNTY OF GRUNDY        )

**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 \_\_\_\_\_, 2022, there was filed in my office a duly certified copy of Ordinance No. \_\_\_\_\_ entitled:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$4,000,000 GENERAL OBLIGATION BONDS (ALTERNATE REVENUE SOURCE), SERIES 2022, OF THE VILLAGE OF COAL CITY, GRUNDY AND WILL COUNTIES, ILLINOIS, PROVIDING THE DETAILS OF SUCH BONDS AND FOR ALTERNATE REVENUE SOURCES AND THE LEVY OF DIRECT ANNUAL TAXES SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON SUCH BONDS, AND RELATED MATTERS,

duly adopted by the Village Board of the Village of Coal City, Grundy and Will Counties, Illinois, on the 27th day of April, 2022, 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 \_\_\_\_\_, 2022.

\_\_\_\_\_  
County Clerk of Grundy County, Illinois

(SEAL)

STATE OF ILLINOIS        )  
  ) SS  
COUNTY OF WILL        )

**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 \_\_\_\_\_, 2022, there was filed in my office a duly certified copy of Ordinance No. \_\_\_\_\_ entitled:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$4,000,000 GENERAL OBLIGATION BONDS (ALTERNATE REVENUE SOURCE), SERIES 2022, OF THE VILLAGE OF COAL CITY, GRUNDY AND WILL COUNTIES, ILLINOIS, PROVIDING THE DETAILS OF SUCH BONDS AND FOR ALTERNATE REVENUE SOURCES AND THE LEVY OF DIRECT ANNUAL TAXES SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON SUCH BONDS, AND RELATED MATTERS,

duly adopted by the Village Board of the Village of Coal City, Grundy and Will Counties, Illinois, on the 27th day of April, 2022, 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 \_\_\_\_\_, 2022.

\_\_\_\_\_  
County Clerk of Will County, Illinois

(SEAL)