ORDINANCE NO. D-7-15-6

AN ORDINANCE authorizing and providing for the issuance of not to exceed $4,750,000 General Obligation Sewerage Refunding Bonds (Alternate Revenue Source), Series 2015A, of the Village of Bradley, Kankakee County, Illinois, for the purpose of refunding certain outstanding alternate bonds of said Village, providing for the levy and collection of a direct annual tax sufficient to pay the principal and interest on said bonds, providing for the collection, segregation and distribution of the revenues of the sewerage system operated by said Village, along with State of Illinois income taxes received by said Village, authorizing the sale of said bonds to D.A. Davidson & Co., and directing the execution of an escrow agreement in connection with the issuance of said bonds.

WHEREAS, the Village of Bradley, Kankakee County, Illinois (the *"Village"*), is a duly organized and existing municipality and unit of local government created under the provisions of the laws of the State of Illinois, and is now operating under the provisions of the Illinois Municipal Code, as supplemented and amended (the *"Municipal Code"*), and for many years has owned and operated a municipally-owned sewerage system (the *"System"*) as set forth in Division 141 of Article 11 of the Municipal Code, and is entitled to receive a certain distributive revenue share of receipts from State of Illinois income taxes (such distributive share referred to herein as the *"Revenue Sharing Receipts"*) imposed by the Illinois Income Tax Act, as amended, and distributed pursuant to the State Revenue Sharing Act, as amended; and

WHEREAS, the Village has heretofore issued and there are now outstanding General Obligation Sewerage Bonds (Alternate Revenue Source), Series 2006, dated March 15, 2006 (the *"Prior Bonds"*); and

WHEREAS, the President and Board of Trustees of the Village (the *"Board"*) has heretofore determined and does hereby determine that it is advisable, necessary and in the best interests of the Village, its residents, and the users of its System, in order to promote the public health, welfare, safety and convenience, to refund all or a portion of the outstanding Prior Bonds

(said Prior Bonds to be refunded being referred to herein as the *"Refunded Bonds"*) in order to realize certain interest cost savings (the "*Refunding*"); and

WHEREAS, the Refunded Bonds shall be fully described in the hereinafter defined Bond Notification and are presently outstanding and unpaid and are binding and subsisting legal obligations of the Village; and

WHEREAS, the expenses and contingencies related to the Refunding include legal, financial and accounting services related to the accomplishment of said purposes and the issuance of bonds therefor; bond discount; bond registrar, paying agent, and other related banking fees; printing and publication costs; and other miscellaneous costs; and

WHEREAS, the estimated costs of effectuating the Refunding, including, as applicable, such expenses and contingencies, is not more than $4,750,000 plus investment earnings thereon, and there are insufficient funds on hand and lawfully available to pay such costs; and

WHEREAS, such costs are expected to be paid from cash on hand or expected to be on hand and lawfully available for the purpose and the proceeds of bonds payable from the revenues of the System and authorized to be issued pursuant to Division 141 of Article 11 of the Municipal Code; and

WHEREAS, pursuant to the provisions of the Local Government Debt Reform of the State of Illinois, as amended (the *"Debt Reform Act"*), 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 refunding purpose aforesaid, *i.e.*, the Village is authorized to issue revenue bonds (without referendum or right of petition by the electors) pursuant to Division 4 of Article 8 and Division 141 of Article 11 of the Municipal Code, and further pursuant to the provisions of the Debt Reform Act and, accordingly, is authorized to issue Alternate Bonds in lieu of said revenue bonds pursuant to the provisions of the Debt Reform Act; and

WHEREAS, the Debt Reform Act provides that Alternate Bonds can be issued to refund the Refunded Bonds without meeting any of the provisions and requirements of Section 15 of the Debt Reform Act provided that the term of such Alternate Bonds is not longer than the term of the Refunded Bonds and that the debt service payable in any year on such Alternate Bonds shall not exceed the debt service payable in such year on the Refunded Bonds (the *"Refunding Conditions"*); and

WHEREAS, the Board has heretofore, and it is hereby expressly, determined that the Refunding Conditions can be met and accordingly, Alternate Bonds can be issued to pay the costs of the Refunding (the "*Bonds*"); and

WHEREAS, the Bonds to be issued will be payable from the Pledged Revenues and the Pledged Taxes, both as hereinafter defined; and

WHEREAS, after the Refunding, the Village will have no bonds other than the Bonds that are payable from the Pledged Revenues; and

WHEREAS, the Property Tax Extension Limitation Law of the State of Illinois, as amended (the *"Limitation Law"*), imposes certain limitations on the "aggregate extension" of certain property taxes levied by the Village, but provides that the definition of "aggregate extension" contained in Section 18-185 of the Limitation Law does not include "extensions made for payments of principal and interest on bonds issued under Section 15 of the Local Government Debt Reform Act"; and

WHEREAS, the Board does hereby find and determine that the 2015A Alternate Bonds are being issued pursuant to Section 15 of the Debt Reform Act; and

WHEREAS, the County Clerk of The County of Kankakee, Illinois (the "*County Clerk*"), is therefore authorized to extend and collect said direct annual ad valorem tax so levied for the payment of the Bonds for the Refunding, as alternate bonds, without limitation as to rate or amount:

NOW THEREFORE Be It Ordained by the President and Board of Trustees of the Village of Bradley, Kankakee County, Illinois, as follows:

Section 1. Definitions. In addition to those terms otherwise defined herein, the following words and terms used in this Ordinance shall have the following meanings unless the context or use clearly indicates another or different meaning is intended:

"Junior Bonds" means any bonds payable from the Junior Bond and Interest Account of the Sewerage Fund.

"Maximum Annual Debt Service," when used with reference to Senior Bonds or Junior Bonds, respectively, means an amount of money equal to the highest future principal and interest requirement of all outstanding Senior Bonds or outstanding Junior Bonds, as applicable, required to be deposited into the Senior Bond and Interest Account or the Junior Bond and Interest Account, as applicable, created by this Ordinance, or payable from Revenue Sharing Receipts, in any fiscal year, including and subsequent to the fiscal year in which the computation is made. Any outstanding bonds required to be redeemed pursuant to mandatory redemption from such a Bond and Interest Account shall be treated as falling due on the date required to be redeemed (except in the case of failure to make any such mandatory redemption) and not on the stated maturity date of such outstanding bonds.

"Operation and Maintenance Costs" means all costs of operating, maintaining and routine repair of the System, including wages, salaries, costs of materials and supplies, power, fuel, insurance, taxes, including rebate of excess arbitrage profits to the U.S. government, and purchase of water or sewage treatment services (including all payments by the Village pursuant to long-term contracts for such services); but excluding debt service, depreciation, capital improvements or replacements (including meter replacements) or engineering expenses in anticipation thereof or in connection therewith, or any reserve requirements; and otherwise

determined in accordance with generally accepted accounting principles for municipal enterprise funds.

"Parity Bonds" means any bonds or other obligations issued subsequent in time to the Bonds payable from, and sharing ratably and equally in, the Pledged Revenues with either Senior Bonds or Junior Bonds (with respect to the Revenues) and/or the Bonds (with respect to the Revenue Sharing Receipts), as set forth and provided for in such Parity Bonds.

"Pledged Revenues" means the Revenues on deposit in the Sewerage Fund of the Village and further to the credit of the Junior Bond and Interest Account of such Fund, after the payment of all Operation and Maintenance Costs, and the making of any required monthly deposits and credits under this Ordinance to the various prior lien accounts of the Sewerage Fund, and the Revenue Sharing Receipts.

"Revenues" means all income from whatever source derived from the System, including (a) investment income on all accounts of the Fund; (b) connection, permit and inspection fees and the like; (c) penalties and delinquency charges; (d) capital development, reimbursement, or recovery charges and the like; and (e) annexation or pre-annexation charges insofar as designated by the Board as paid for System connection or service; but excluding expressly (i) non-recurring income from the sale of property of the System; (ii) governmental or other grants; (iii) advances or grants made from the Village; and as otherwise determined in accordance with generally accepted accounting principles for municipal enterprise funds.

"Senior Bonds" means any bonds payable from the Senior Bond and Interest Account of the Fund.

Section 2. Incorporation of Preambles. The Board hereby finds that the recitals contained in the preambles to this Ordinance are true, correct and does hereby incorporate them into this Ordinance by this reference.

Section 3. Determination to Issue Bonds. It is necessary and in the best interests of the Village for the Village to undertake the Refunding in accordance with the estimate of costs therefor as described, and to issue the Bonds to enable the Village to pay the costs thereof.

Section 4. Authorization. It is hereby found and determined that the Board has been authorized by law to borrow an amount not to exceed $4,750,000 upon the credit of the Village and as evidence of such indebtedness to issue the Bonds to said amount, the proceeds of the Bonds to be used for the Refunding, and that it is necessary to borrow not to exceed $4,750,000 of said authorized the sum and issue the Bonds in evidence thereof for the purpose of paying costs of the Refunding, and that it is necessary and for the best interests of the Village that there be issued an amount not to exceed $4,750,000 of the Bonds so authorized for the Refunding.

Section 5. Bond Details. There be borrowed by for and on behalf of the Village an amount not to exceed $4,750,000 for the purpose aforesaid, and that the Bonds shall be issued to said amount and shall be designated "General Obligation Sewerage Refunding Bonds (Alternate Revenue Source), Series 2015A," or with such other series designation as shall be appropriate. The Bonds shall be dated such date (not prior to August 10, 2015, and not later than February 10, 2016) as set forth in the Bond Notification, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of $5,000 each or authorized integral multiples thereof (but no single Bond shall represent installments of principal maturing on more than one date), and shall be numbered 1 and upward. The Bonds shall become due and payable serially or be subject to mandatory redemption on December 1 of each of the years (not later than 2030), in the amounts (not exceeding $425,000 per year) and bearing interest at the rates (not exceeding 5.00% per annum) as set forth in the Bond Notification. The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable semi-annually commencing

with the first interest payment date as set forth in the Bond Notification, and on June 1 and December 1 of each year thereafter to maturity.

Interest on each Bond shall be paid by check or draft of the bond registrar and paying agent (which shall be the Treasurer of the Village or a bank or trust company with an office located in the United States of America) set forth in the Bond Notification (the *"Bond Registrar"*), payable upon presentation in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Bond Registrar.

Section 6. Redemption. (a) *Optional Redemption.* All or a portion of the Bonds due on and after the date, if any, specified in the Bond Notification shall be subject to redemption prior to maturity at the option of the Village from any available funds, as a whole or in part, and if in part in integral multiples of $5,000 (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on the date specified in the Bond Notification (but not later than December 1, 2025), and on any date thereafter, at the redemption price of par plus accrued interest to the date fixed for redemption.

(b) *Mandatory Redemption.* The Bonds maturing on the date or dates, if any, indicated in the Bond Notification are subject to mandatory redemption, in integral multiples of $5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 1 of the years, if any, and in the principal amounts, if any, as indicated in the Bond Notification.

The principal amounts of Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Bonds credited against future mandatory redemption requirements in such order of the

mandatory redemption dates as the Village may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Bond Registrar may, and if directed by the Board shall, purchase Bonds required to be retired on such mandatory redemption date. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

(c) *General.* The Bonds shall be redeemed only in the principal amount of $5,000 and integral multiples thereof. The Village shall, at least forty-five (45) days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar) notify the Bond Registrar of such redemption date and of the principal amount and maturity or maturities of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar from the Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; *provided* that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any $5,000 Bond or $5,000 portion of a Bond shall be as likely to be called for redemption as any other such $5,000 Bond or $5,000 portion. The Bond Registrar shall make such selection upon the earlier of the irrevocable deposit of funds with an escrow agent sufficient to pay the redemption price of the Bonds to be redeemed or the time of the giving of official notice of redemption.

The Bond Registrar shall promptly notify the Village in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Section 7. Redemption Procedure. Unless waived by any holder of Bonds to be redeemed, notice of the call for any such redemption shall be given by the Bond Registrar on behalf of the Village by mailing the redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner

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

All notices of redemption shall state:

(1) the redemption date,

(2) the redemption price,

(3) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Bond Registrar, and

(6) such other information then required by custom, practice or industry standard.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed at the option of the Village shall have been received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the Village, state that said redemption shall be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the Village shall not redeem such Bonds, and the Bond Registrar shall give notice, in the same manner in which the notice of redemption shall have been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the Village shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed

shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered holder a new Bond or Bonds of the same maturity in the amount of the unpaid principal.

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

Section 8. Execution; Authentication. The Bonds shall be executed on behalf of the Village with the manual or facsimile signature of the President and attested with the manual or facsimile signature of the Village Clerk, as they may determine, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the Village. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Bond Registrar as authenticating agent of the Village and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until 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 it 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 9. Registration of Bonds; Persons Treated as Owners; Global Book-Entry System. (a) *General.* The Village shall cause books for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the principal corporate trust office of the Bond Registrar, which is hereby constituted and appointed the registrar of the Village for this issue. The Village is authorized to prepare, and the Bond Registrar shall keep custody of, multiple Bond blanks executed by the Village for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal 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 his or her attorney duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denominations. The execution by the Village of any fully registered Bond shall constitute full and due authorization of such Bond and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond; *provided, however*, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less previous retirements.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the 15th day of the month next preceding any interest

payment date on the Bonds and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of 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 or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the Village or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

(b) *Global Book-Entry System*. The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds determined as described in Section 5 hereof. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of Cede & Co., or any successor thereto (*"Cede"*), as nominee of The Depository Trust Company, New York, New York, and its successors and assigns (*"DTC"*). All of the outstanding Bonds shall be registered in the Bond Register in the name of Cede, as nominee of DTC, except as hereinafter provided. The President, Village Clerk and Treasurer of the Village and the Bond Registrar are each authorized to execute and deliver, on behalf of the Village, such letters to or agreements with DTC as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the

"Representation Letter"), which Representation Letter may provide for the payment of principal of or interest on the Bonds by wire transfer.

With respect to Bonds registered in the Bond Register in the name of Cede, as nominee of DTC, the Village and the Bond Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a *"DTC Participant"*) or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Village and the Bond Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC 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 (iii) the payment to any DTC 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 the principal of or interest on the Bonds. The Village and the Bond Registrar may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective registered owners of the Bonds, as shown in the Bond Register, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Village's obligations with respect to payment of the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of a

Bond as shown in the Bond Register, shall receive a Bond evidencing the obligation of the Village to make payments of principal and interest with respect to any Bond. Upon delivery by DTC to the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the provisions in Section 5 hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the 15th day of the month next preceding any interest payment date, the name "Cede" in this Ordinance shall refer to such new nominee of DTC.

In the event that (i) the Village determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (ii) the agreement among the Village, the Bond Registrar and DTC evidenced by the Representation Letter shall be terminated for any reason or (iii) the Village determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Village shall notify DTC and DTC Participants of the availability through DTC of certificated Bonds and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede, as nominee of DTC. At that time, the Village may determine that the Bonds shall be registered in the name of and deposited with such other depository operating a universal book-entry system, as may be acceptable to the Village, or such depository's agent or designee, and if the Village does not select such alternate universal 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 of Section 9(a) hereof.

Notwithstanding any other provisions of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, 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 name provided in the Representation Letter.

Section 10. Form of Bonds. The Bonds shall be in substantially the following form; *provided, however*, that if the text of the Bond is to be printed in its entirety on the front side of the Bond, then paragraph [2] and the legend, "See Reverse Side for Additional Provisions", shall be omitted and paragraph [6] and the paragraphs thereafter as may be appropriate shall be inserted immediately after paragraph [1]:

[Form of Bond - Front Side]

REGISTERED
No. _____

REGISTERED
$_____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF KANKAKEE

VILLAGE OF BRADLEY

GENERAL OBLIGATION SEWERAGE REFUNDING BOND
(ALTERNATE REVENUE SOURCE),
SERIES 2015A

See Reverse Side for Additional Provisions

Interest Rate: ____%	Maturity Date: December 1, ___	Dated Date: _____, 2015	CUSIP: 104575 __

Registered Owner:

Principal Amount:

[1] KNOW ALL PERSONS BY THESE PRESENTS that the Village of Bradley, Kankakee County, Illinois, a municipality and political subdivision of the State of Illinois (the *"Village"*), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the Dated Date of this Bond identified above or from the most recent interest payment date to which interest has been paid or duly provided for at the Interest Rate per annum identified above, such interest to be payable on _____ 1, 20__, and semiannually thereafter on June 1 and December 1 of each year until the Principal Amount is paid or duly provided for. The Principal Amount of this Bond are payable in lawful money of the United States of America upon presentation at the principal corporate trust office of _____, _____, _____, as paying agent

and bond registrar (the *"Bond Registrar"*). Payment of interest shall be made to the Registered Owner hereof as appearing on the Bond Register of the Village maintained by the Bond Registrar at the close of business on the 15th day of the month next preceding the interest payment date and shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar.

[2] Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof, and such further provisions shall for all purposes have the same effect as if set forth at this place.

[3] It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have been done and have happened and have been performed in regular and due form of law; that the indebtedness of the Village, including the issue of Bonds of which this is one, does not exceed any limitation imposed by law; that provision has been made for the collection of the Pledged Revenues, the levy and collection of the Pledged Taxes, and the segregation of all Pledged Moneys to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity; and that the Village hereby covenants and agrees that it will properly account for said Pledged Moneys and will comply with all the covenants of and maintain the funds and accounts as provided by the Ordinance. For the prompt payment of this Bond, both principal and interest at maturity, the full faith, credit and resources of the Village are hereby irrevocably pledged.

[4] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[5] IN WITNESS WHEREOF the Village of Bradley, Kankakee County, Illinois, by its President and Board of Trustees, has caused this Bond to be executed with the manual or duly authorized facsimile signature of its President and attested by the manual or duly authorized facsimile signature of its Village Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

SPECIMEN
Village President

Attest:

SPECIMEN
Village Clerk

[SEAL]

Date of Authentication: _____, 20__

CERTIFICATE
OF
AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Ordinance and is one of the General Obligation Sewerage Refunding Bonds (Alternate Revenue Source), Series 2015A, of the Village of Bradley, Kankakee County, Illinois.

_____,
as Bond Registrar

By SPECIMEN
Authorized Officer

Bond Registrar and Paying Agent:
_____,
_____, _____

[Form of Bond - Reverse Side]

VILLAGE OF BRADLEY, KANKAKEE COUNTY, ILLINOIS

GENERAL OBLIGATION SEWERAGE REFUNDING BOND
(ALTERNATE REVENUE SOURCE),
SERIES 2015A

[6] This Bond is one of a series of bonds issued by the Village for the purpose of paying the costs of refunding certain of the Village's outstanding bonds, pursuant to and in all respects in full compliance with the Local Government Debt Reform Act of the State of Illinois and Division 141 of Article 11 of the Illinois Municipal Code, each as supplemented and amended (the *"Applicable Law"*), and pursuant to a bond ordinance passed by the Board on the 10th day of August, 2015 (the *"Ordinance"*), to which reference is hereby expressly made for further definitions and terms and to all the provisions of which the Registered Owner by the acceptance of this Bond assents.

[7] The Bonds are payable from the Revenues on deposit in the Sewerage Revenue Fund of the Village and further to the credit of the Junior Bond and Interest Account of such Fund, after the payment of all Operation and Maintenance Costs of the Sewerage System (as defined in the Ordinance), and the making of any required monthly deposits and credits under the Ordinance to the various prior lien accounts of the Sewerage Revenue Fund, along with the Village's distributive revenue share of receipts from State of Illinois income taxes. The Bonds are payable from ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or amount (the *"Pledged Taxes"*) (the available Revenues and the Pledged Taxes being collectively called the *"Pledged Moneys"*), all in accordance with the provisions of the Applicable Law.

[8] This Bond shall not constitute an indebtedness of the Village within the meaning of any constitutional or statutory provision or limitation, unless the Pledged Taxes shall have been extended pursuant to the general obligation, full faith and credit promise supporting the

Bonds, in which case the amount of the Bonds then outstanding shall be included in the computation of indebtedness of the Village for purposes of all statutory provisions or limitations until such time as an audit of the Village shall show that the Bonds shall have been paid from the Revenues for a complete fiscal year of the Village.

[9] Under the Applicable Law and the Ordinance, the Revenues from the operation of the System shall be deposited into the Sewerage Revenue Fund, which shall be used only and has been heretofore pledged for paying Operation and Maintenance Cost of the System paying the principal of and interest on all bonds of the Village that are payable by their terms from the Revenues of the System, providing an adequate depreciation fund for the System, and in making all payments required to maintain the accounts established under the Ordinance. This Bond is a Junior Bond payable only from the Junior Bond and Interest Account of the Sewerage Revenue Fund. Bonds may be issued in the future to share in the Revenues of the System or the Revenue Sharing Receipts (as defined in the Ordinance) on a parity as to lien with the outstanding Junior Bonds (including this issue) or having a senior lien to the lien of the Bonds.

[10] Under the Applicable Law and the Ordinance, available Revenues shall be deposited to the credit of the Junior Bond and Interest Account, Revenue Sharing Receipts shall be deposited into the Revenue Sharing Receipts Account of the 2015A Alternate Bond Fund and the Pledged Taxes shall be deposited into and segregated in the separate 2015A Alternate Bond Fund, each as created by the Ordinance. Moneys on deposit in said accounts and Fund shall be used and are pledged for paying the principal of and interest on the Bonds and for any further purposes as provided by the terms of the Ordinance.

[11] The Bonds may be subject to optional and mandatory redemption as set forth in the Ordinance. Notice of any such redemption shall be given by the Bond Registrar on behalf of the Village as set forth in the Ordinance.

[12] This Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Ordinance.

[13] The Village and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof, premium, if any, hereon and interest due hereon and for all other purposes; and neither the Village nor the Bond Registrar shall be affected by any notice to the contrary.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto _____

_____

_____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

_____

as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____ _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Section 11. Treatment of Bonds as Debt. The Bonds shall be payable from the Pledged Moneys and do not and shall not constitute an indebtedness of the Village within the meaning of any constitutional or statutory limitation, unless the Pledged Taxes shall be extended pursuant to the general obligation, full faith and credit promise supporting the Bonds, as set forth in Section 16 hereof, in which case the amount of the Bonds then outstanding shall be included in the computation of indebtedness of the Village for purposes of all statutory provisions or

limitations until such time as an audit of the Village shall show that the Bonds have been paid from the Pledged Revenues for a complete fiscal year in accordance with the Debt Reform Act.

Section 12. Sale of Bonds. Two of the Designated Representatives (as hereinafter defined), at least one of which shall be an elected official of the Village, are hereby authorized to proceed not later than the 30th day of January, 2016, without any further authorization or direction from the Board, to sell the Bonds upon the terms as prescribed in this Ordinance. The Bonds hereby authorized shall be executed as in this Ordinance provided as soon after the delivery of the Bond Notification as may be, and thereupon be deposited with the Village Treasurer of the Village, and, after authentication thereof by the Bond Registrar, be by said Treasurer delivered to D.A. Davidson & Co., Des Moines, Iowa, the purchaser thereof (the *"Purchaser"*), upon receipt of the purchase price therefor, the same being not less than 98% of the principal amount of the Bonds plus accrued interest, if any, to date of delivery, it being hereby found and determined that the sale of the Bonds to the Purchaser is in the best interests of the Village and that no person holding any office of the Village, either by election or appointment, is in any manner financially interested directly in his or her own name or indirectly in the name of any other person, association, trust or corporation, in the sale of the Bonds to the Purchaser. *"Designated Representatives"* shall mean the President, Village Clerk, Village Administrator and Finance Director/Treasurer of the Village.

Prior to the sale of the Bonds, any of the Designated Representatives is hereby authorized to approve and execute a commitment for the purchase of a Municipal Bond Insurance Policy (as hereinafter defined), to further secure the Bonds, as long as the present value of the fee to be paid for the Municipal Bond Insurance Policy (using as a discount rate the expected yield on the Bonds treating the fee paid as interest on the Bonds) is less than the present value of the interest reasonably expected to be saved on the Bonds over the term of the Bonds as a result of the Municipal Bond Insurance Policy.

Upon the sale of the Bonds, the Designated Representatives shall prepare a Notification of Sale of the Bonds, which shall include the pertinent details of sale as provided herein (the *"Bond Notification"*). In the Bond Notification, the Designated Representatives shall find and determine that the Bonds have been sold at such price and bear interest at such rates that either the true interest cost (yield) or the net interest rate received upon the sale of the Bonds does not exceed the maximum rate otherwise authorized by applicable law and that the debt service savings to the Village as a result of the issuance of the Bonds and the refunding of the Refunded Bonds is not less than $200,000. The Bond Notification shall be entered into the records of the Village and made available to the Board at the next regular meeting thereof; but such action shall be for information purposes only, and the Board shall have no right or authority at such time to approve or reject such sale as evidenced in the Bond Notification.

Upon the sale of the Bonds, as evidenced by the execution and delivery of the Bond Notification by the Designated Representatives, the President, Village Clerk and Village Treasurer of the Village and any other officers of the Village, as shall be appropriate, shall be and are hereby authorized and directed to approve or execute, or both, such documents of sale of the Bonds as may be necessary, including, without limitation, the contract for the sale of the Bonds between the Village and the Purchaser (the *"Purchase Contract"*).

The use by the Purchaser of any Preliminary Official Statement and any final Official Statement relating to the Bonds (the *"Official Statement"*) is hereby ratified, approved and authorized; the execution and delivery of the Official Statement is hereby authorized; and the officers of the Board are hereby authorized to take any action as may be required on the part of the Village to consummate the transactions contemplated by the Purchase Contract, this Ordinance, said Preliminary Official Statement, the Official Statement and the Bonds.

Section 13. Continuation of Sewerage Fund and Accounts; Flow of Funds. Upon the issuance of any of the Bonds, the System shall continue to be operated on a fiscal year basis. All

of the Revenues shall be set aside as collected and be deposited into that certain separate fund and in an account in a bank designated by the Board, which fund has heretofore been created and designated as the "Sewerage Revenue Fund" of the Village and is expressly continued hereunder, and which fund shall constitute a trust fund for the sole purpose of carrying out the covenants, terms, and conditions of the this Ordinance and any ordinances providing for the issuance of Parity Bonds. There are hereby continued separate accounts to be known as the *"Operation and Maintenance Account,"* the *"Senior Bond and Interest Account,"* the *"Senior Bond Reserve Account,"* the *"Junior Bond and Interest Account,"* the *"Junior Bond Reserve Account,"* the *"Depreciation, Repair and Replacement, and Improvement 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 Village, without any further official action or direction, in the order in which said accounts are hereinafter mentioned, all moneys held in each 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 said account, to establish a balance to an amount not less than the amount necessary to pay Operation and Maintenance Costs for the then current month and up to the time of the next monthly accounting for moneys and crediting to accounts.

Amounts in said account shall be used to pay such Operation and Maintenance Costs.

B. *Senior Bond and Interest Account.* There shall next 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 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 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.

All moneys in said account shall be used only for the purpose of paying interest on and principal of such outstanding Senior Bonds.

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 the such outstanding Senior Bonds 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 said account for said 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 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 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.

In computing the fractional amount to be set aside each month in the Junior 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 Junior 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 Junior Bonds payable from such account until there is sufficient money in said account to pay such principal or interest, or both.

All moneys in said 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 the Bonds when due, along with any fees then due, shall be transferred from this account to the Bond Registrar not less than five days prior to the pertinent 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 such outstanding Junior Bonds of the System 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, Repair and Replacement, and Improvement Account.* There shall be next credited to the Depreciation, Repair and Replacement, and Improvement Account and held, in cash and investments, an amount each month as shall be determined by the Board as sufficient and proper for the purposes of this account as hereinbelow set forth.

Amounts to the credit of said Depreciation, Repair and Replacement, and Improvement Account shall be used as follows: (i) for the payment of the cost of extraordinary maintenance, necessary repairs and replacements, or contingencies, or for improvements, repairs or

replacements to the System required by any agency of the State of Illinois or the United States Government, the payment for which no other funds are available, in order that the System may at all times be able to render efficient service; (ii) as budgeted from time to time, and provided the Board has determined that the amount otherwise on deposit to the credit of this account is sufficient at such time for the purposes set forth in clause (i) immediately preceding, for the payment of the costs of constructing and acquiring improvements and extensions to the System; and (iii) for the payment of principal of or interest on any outstanding bonds payable from the Revenues 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 bond and interest account for such purpose. Whenever an amount is withdrawn from such account for the purpose stated in clause (iii) of the preceding paragraph, the amount so transferred shall be added to the amount to be next and thereafter credited to this account until full reimbursement to the account has been made.

G. *Surplus Account*. All moneys remaining in the Sewerage Fund, after crediting the required amounts to the respective accounts hereinabove provided for, and after making up any deficiency in the accounts described in subsections (A) to (F), inclusive, shall be credited each month to the Surplus Account.

The remainder of all surplus Revenues, at the discretion of the Board, shall be used for one or more of the following purposes without any priority among them:

1. For the purpose of constructing or acquiring repairs, replacements, improvements or extensions to the System; or

2. For making transfers to the Sewerage Fund generally to be applied and treated as Revenues when transferred; or

3. For the purpose of calling and redeeming outstanding Bonds payable from the System which are callable at the time; or

4. For the purpose of purchasing outstanding Bonds payable from the System; or

5. For the purpose of paying principal of and interest on any subordinate bonds or obligations issued for the purpose of acquiring or constructing repairs, replacements, improvements or extensions to the System; or

6. For transfer to the corporate fund of the Village in an amount equal to 7 1/2% of Revenues (or other percentage as determined by the Board) as a deemed return on investment and as a reimbursement for administrative expenses and general overhead; or

7. For any other lawful corporate purpose.

H. *Investments*. Moneys to the credit of the Sewerage Fund may be invested pursuant to any authorization granted to municipal corporations by Illinois statute or court decision.

Section 14. 2015A Alternate Bond Fund. There is hereby created a special fund of the Village, which fund shall be held separate and apart from all other funds and accounts of the Village and shall be known as the "2015A Alternate Bond Fund" (the *"Bond Fund"*). The purpose of the Bond Fund is to provide a fund to receive and disburse the Pledged Taxes for any (or all) of the Bonds. All payments made with respect to the Bonds from the Pledged Revenues shall be made directly from the Junior Bond and Interest Account of the Sewerage Fund. The purpose of the Bond Fund is to provide a fund to receive and disburse the Revenue Sharing Receipts and to receive and disburse the Pledged Taxes for any of the Bonds. There are hereby created two accounts in the Bond Fund, designated as (i) the "Revenue Sharing Receipts Account" and (ii) the "General Account." All Revenue Sharing Receipts as required for the Bonds shall be deposited to the credit of the Revenue Sharing Receipts Account and all Pledged Taxes shall be deposited to the credit of the General Account. Moneys in the Revenue Sharing Receipts Account and/or the General Account shall be transferred, as applicable, either to the Pledged Account to abate Pledged Taxes or to the Junior Bond and Interest Account to pay debt service on the Bonds. The Bond Fund constitutes a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the Village by this Ordinance.

Revenue Sharing Receipts shall be paid to the Treasurer of the Village by the officers who collect or receive the Revenue Sharing Receipts. The Treasurer of the Village shall deposit the Revenue Sharing Receipts as required for the Bonds to the credit of the Revenue Sharing Receipts Account of the Bond Fund prior to the deadline for the annual abatement of the Pledged Taxes.

Pledged Taxes on deposit to the credit of the Bond Fund shall be fully spent to pay the principal of and interest and premium, if any, on the Bonds prior to use of any moneys on deposit in the Revenue Sharing Receipts Account of the Bond Fund or in the Junior Bond and Interest Account of the Sewerage Fund.

Section 15. Use of Bond Proceeds. The proceeds derived from the sale of the Bonds shall be used as follows:

A. Accrued interest, if any, received on the delivery of the Bonds shall be deposited to the credit of the Bond Fund and applied to pay first interest due on the Bonds.

B. Simultaneously with the delivery of the Bonds, the principal proceeds of the Bonds, together with any premium received from the sale and delivery of the Bonds and such additional amounts as may be necessary from the general funds of the Village, are hereby appropriated to pay the costs of issuance of the Bonds and for the purpose of refunding the Refunded Bonds, and that portion thereof not needed to pay such costs of issuance is hereby ordered deposited either (a) with Amalgamated Bank of Chicago, Chicago, Illinois, as prior paying agent for the Prior Bonds (the "*Prior Paying Agent*"), or (b) in escrow pursuant to an Escrow Letter Agreement to be entered into between the Village and Amalgamated Bank of Chicago, Chicago, Illinois (the "*Escrow Agent*"), in substantially the form attached hereto as *Exhibit A* (the "*Escrow Agreement*") and made a part hereof by this reference, or with such changes therein as shall be approved by the officers of the Village executing the Escrow Agreement, such execution to constitute evidence of the approval of such changes, for the purpose of paying the principal of and interest on the Refunded Bonds upon redemption thereof. The Board approves the form, terms and provisions of the Escrow Agreement and directs the President and the Village Clerk to execute, attest, seal and deliver the Escrow Agreement in the name and on behalf of the Village. Amounts in the escrow may be used to purchase Government Securities (as defined in the Escrow Agreement) to provide for the principal and interest payable on the Refunded Bonds upon redemption thereof. The Escrow Agent, Ehlers & Associates, Inc., Chicago, Illinois, the Village's municipal advisor, and the Purchaser are each hereby authorized to act as agent for the Village in the purchase of the Government Securities.

C. At the time of the issuance of the Bonds, the costs of issuance of the Bonds may be paid by the Purchaser on behalf of the Village from the proceeds of the Bonds.

Section 16. Pledged Taxes; Tax Levy. For the purpose of providing necessary funds to pay the principal of and interest on the Bonds, and as provided in Section 15 of the Debt Reform Act, there is hereby levied upon all of the taxable property within the Village, in the years for which any of the Bonds are outstanding, a direct annual tax in amounts sufficient for that purpose, and there be and there hereby is levied upon all of the taxable property in the Village the following direct annual taxes (the *"Pledged Taxes"*):

FOR THE YEAR	A TAX SUFFICIENT TO PRODUCE THE SUM OF:	
2015	$450,000	for principal and interest up to and including December 1, 2016
2016	$450,000	for principal and interest
2017	$450,000	for principal and interest
2018	$450,000	for principal and interest
2019	$450,000	for principal and interest
2020	$450,000	for principal and interest
2021	$450,000	for principal and interest
2022	$450,000	for principal and interest
2023	$450,000	for principal and interest
2024	$450,000	for principal and interest
2025	$450,000	for principal and interest
2026	$450,000	for principal and interest
2027	$450,000	for principal and interest
2028	$450,000	for principal and interest
2029	$450,000	for principal and interest

Interest or principal coming due at any time when there are insufficient funds on hand from the Pledged Moneys to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the Pledged Moneys herein pledged and levied; and when the Pledged Moneys shall have been collected, reimbursement shall be made to said funds in the amount so advanced.

Subject to the provisions of Section 18 hereof, the Village covenants and agrees with the purchasers and the 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 collect the Pledged Revenues or to levy and collect the Pledged Taxes unless and to the extent there then shall be moneys irrevocably on deposit in the Junior Bond and Interest Account of the Sewerage Fund and/or the Revenue Sharing Receipts Account of the Bond Fund. The Village and its officers will comply with all present and future applicable laws in order to assure that the Pledged Revenues will be available and that the Pledged Taxes will be levied, extended and collected as provided herein and deposited in the Bond Fund.

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 Notification, the President, Village Clerk and the Village Treasurer of the Village 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 Clerk in a timely manner to effect such abatement. Any amounts of Revenue Sharing Receipts deposited into the Revenue Sharing Receipts Account of the Bond Fund in excess of the then current requirements therefor may be withdrawn by the Treasurer of the Village at any time and applied to any such other account or fund of the Village as may be authorized by the Board.

Section 17. Filing of Ordinance and Certificate of Reduction of Taxes. After this Ordinance becomes effective, a copy hereof, certified by the Village Clerk of the Village, shall be filed with the County Clerk. The County Clerk shall in and for each of the years required ascertain the rate percent required to produce the aggregate Pledged Taxes hereinbefore provided to be levied in each of said years; and the County Clerk shall extend the same for collection on the tax books in connection with other taxes levied in said years in and by the Village for general corporate purposes of the Village; and the County Clerk, or other appropriate officer or designee, shall remit the Pledged Taxes for deposit to the credit of the Bond Fund, and in said years the Pledged Taxes shall be levied and collected by and for and on behalf of the Village in like manner as taxes for general municipal purposes of the Village for said years are levied and

collected, and in addition to and in excess of all other taxes. The Pledged Taxes are hereby irrevocably pledged to and shall be used only for the purpose of paying principal of and interest on the Bonds.

The President, Village Clerk and Village Treasurer of the Village or his and her designee shall prepare and file with the County Clerk a Certificate of Reduction of Taxes Heretofore Levied for the Payment of Bonds showing the Refunded Bonds and directing the abatement of the taxes heretofore levied to pay the Refunded Bonds.

Section 18. Abatement of Pledged Taxes. Whenever Pledged Revenues or other lawfully available funds have been deposited into the Junior Bond and Interest Account and/or the Revenue Sharing Receipts Account to pay debt service on the Bonds in any year, the Board or the officers of the Village acting with proper authority, shall, prior to the time the Pledged Taxes levied to pay debt service on the Bonds in such year are extended, direct the abatement of such Pledged Taxes by the amount of such deposit or deposits, and proper notification of such abatement shall be filed with the County Clerk in a timely manner to effect such abatement.

Section 19. General Covenants. The Village covenants and agrees with the registered owners of the Bonds that, so long as any Bonds remain outstanding:

A. The Village pledges the Revenues (after payment of all Operation and Maintenance Costs, and the making of any other required monthly deposits and credits to certain prior lien accounts of the Sewerage Fund to the payment of the Bonds, and the Board covenants and agrees to provide for, collect and apply Pledged Revenues to the payment of the Bonds and the provision of not less than an additional .25 times debt service. The determination of the sufficiency of the Revenues pursuant to this subsection (A) shall be supported by reference to the most recent audit of the Village, and the reference to and acceptance of such audit by the Board shall be conclusive evidence that the conditions of Section 15 of the Debt Reform Act have been met. To the extent that the Revenues are not sufficient for such purpose, Revenue Sharing Receipts are likewise hereby pledged to the payment of the Bonds and the Board covenants and agrees to provide for, collect and apply the Revenue Sharing 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. There is no prior lien on or pledge of Revenue Sharing Receipts superior to that of the Bonds.

B. The Village will punctually pay or cause to be paid from the Junior Bond and Interest Account and from the Bond Fund 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 Village will pay and discharge, or cause to be paid and discharged, from the Junior Bond and Interest Account and the Bond Fund any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Moneys, or any part thereof, or upon any funds in the hands of the Bond Registrar, or which might impair the security of the Bonds. Nothing herein contained shall require the Village to make any such payment so long as the Village in good faith shall contest the validity of said claims.

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

E. The Village will preserve and protect the security of the Bonds and the rights of the registered 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 Village, the Bonds shall be incontestable by the Village.

F. The Village 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 registered owners of the Bonds of the rights and benefits provided in this Ordinance.

G. As long as any Bonds are outstanding, the Village will continue to deposit and apply the Pledged Revenues and, if applicable, the Pledged Taxes as provided herein. The Village covenants and agrees with the purchasers of the Bonds and with the registered owners thereof that so long as any 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 the Pledged Taxes and to collect and to segregate the Pledged Moneys. The Village 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 Sewerage Fund and the Bond Fund and to the credit of the respective Accounts thereof, as provided herein.

H. The outstanding Bonds shall be and forever remain until paid the general obligation of the Village, for the payment of which its full faith and credit are pledged, and shall be payable, in addition to from the Revenues, as herein provided, from the levy of the Pledged Taxes as provided in the Debt Reform Act.

I. The Village 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 Village 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 Revenues in the manner provided by this Ordinance, sufficient at all times to pay for the Operation and Maintenance Costs, to provide an adequate depreciation fund, to pay the principal of and interest on all revenue bonds of the Village which by their terms are payable from the Revenues, and to provide for the creation and maintenance and funding of the respective accounts as provided in Section 13 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 Village with respect to such establishment and a continuing appropriation of the amounts received.

K. There shall be charged against all users of the System, including the Village, such rates and amounts for services as shall be adequate to meet the requirements of this Ordinance. Charges for services rendered to the Village shall be made against the Village, and payment for the same shall be made monthly from the corporate funds into the Sewerage Fund as Revenues; *provided, however*, that the Village need not charge itself for System services if in the previous fiscal year, Revenues, not including any payments made by the Village, of the System shall have met the requirements of this Ordinance.

L. Within six months following the close of each fiscal year, the Village will cause the books and accounts of the Sewerage Fund to be audited by independent certified public accountants in accordance with appropriate audit standards. Said audit will be available for inspection by the registered owners of any of the Bonds.

Section 20. Parity Bonds. The Village reserves the right to issue Parity Bonds payable solely from the Senior Bond and Interest Account, provided that the 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 Costs of the System (but not including depreciation), (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 payable, if any, and (e) an additional amount not less than 0.25 times Maximum Annual Debt Service on such of the Bonds as shall remain outstanding Bonds after the issuance of the proposed Parity Bonds. Such sufficiency shall be demonstrated in each year to the final maturity of those Bonds which shall

remain outstanding Bonds after the issuance of the proposed Parity Bonds. The determination of the sufficiency of Revenues shall be supported by reference to the most recent audit of the Sewerage Fund from which the proposed Parity Bonds are to be payable, which audit shall be for a fiscal year ending not earlier than 18 months previous to the time of issuance of the proposed Parity Bonds.

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

(A) The 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 Revenues as they would have been if such increased rates had been in effect during all of said fiscal year. Any such adjusted statement of Revenues shall be evidenced the certificate of an independent consulting engineer, an independent certified public accountant or an independent financial consultant employed for the purpose.

(B) The determination of sufficiency of the 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 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 Revenues, or a report, as the case may be, and the determination of the Board of the sufficiency of Revenues shall be conclusive evidence that the conditions of this Section 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.

The Village may also issue Parity Bonds payable from all or a portion of the Pledged Revenues on a parity with the Bonds; *provided, however*, that no such Parity Bonds shall be issued except in accordance with the provisions of the Debt Reform Act. Such Parity Bonds will share ratably and equally in such Pledged Revenues with the Bonds.

Section 21. 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 Board and the

Village as to future events regarding the Bonds and the use of Bond proceeds. The certifications, covenants and representations contained herein and at the time of the Closing are made on behalf of the Village for the benefit of the owners from time to time of the Bonds. In addition to providing the certifications, covenants and representations contained herein, the Village hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the hereinafter defined Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The Village acknowledges that, in the event of an examination by the Internal Revenue Service (the *"IRS"*) of the exemption from federal income taxation for interest paid on the Bonds, under present rules, the Village may be treated as a "taxpayer" in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the IRS in connection with such an examination. The Board and the Village certify, covenant and represent as follows:

1.1. Definitions. In addition to such other words and terms used and defined in this Ordinance, the following words and terms used in this Section shall have the following meanings unless, in either case, the context or use clearly indicates another or different meaning is intended:

"Affiliated Person" means any Person that (a) at any time during the six months prior to the execution and delivery of the Bonds, (i) has more than five percent of the voting power of the governing body of the Village in the aggregate vested in its directors, officers, owners, and employees or, (ii) has more than five percent of the voting power of its governing body in the aggregate vested in directors, officers, board members or employees of the Village or (b) during the one-year period beginning six months prior to the execution and delivery of the Bonds, (i) the composition of the governing body of which is modified or established to reflect (directly or indirectly) representation of the interests of the Village (or there is an agreement, understanding, or arrangement relating to such a modification or establishment during that one-year period) or (ii) the composition of the governing body of the Village is modified or established to reflect (directly or indirectly) representation of the interests of such Person (or there is an

agreement, understanding, or arrangement relating to such a modification or establishment during that one-year period).

"Bond Counsel" means Chapman and Cutler LLP or any other nationally recognized firm of attorneys experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

"Capital Expenditures" means costs of a type that would be properly chargeable to a capital account under the Code (or would be so chargeable with a proper election) under federal income tax principles if the Village were treated as a corporation subject to federal income taxation, taking into account the definition of Placed-in-Service set forth herein.

"Closing" means the first date on which the Village is receiving the purchase price for the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commingled Fund" means any fund or account containing both Gross Proceeds and an amount in excess of $25,000 that are not Gross Proceeds if the amounts in the fund or account are invested and accounted for, collectively, without regard to the source of funds deposited in the fund or account. An open-ended regulated investment company under Section 851 of the Code is not a Commingled Fund.

"Control" means the possession, directly or indirectly through others, of either of the following discretionary and non-ministerial rights or powers over another entity:

(a) to approve and to remove without cause a controlling portion of the governing body of a Controlled Entity; or

(b) to require the use of funds or assets of a Controlled Entity for any purpose.

"Controlled Entity" means any entity or one of a group of entities that is subject to Control by a Controlling Entity or group of Controlling Entities.

"Controlled Group" means a group of entities directly or indirectly subject to Control by the same entity or group of entities, including the entity that has Control of the other entities.

"Controlling Entity" means any entity or one of a group of entities directly or indirectly having Control of any entities or group of entities.

"Costs of Issuance" means the costs of issuing the Bonds, including underwriters' discount and legal fees, but not including the fees for the Credit Facility described in paragraph 5.8 hereof.

"Credit Facility" means the municipal bond insurance policy issued by the Credit Facility Provider.

"Credit Facility Provider" means the insurance company, if any, insuring the payment of all or a portion of the principal of and interest on the Bonds.

"De minimis Amount of Original Issue Discount or Premium" means with respect to an obligation (a) any original issue discount or premium that does not exceed two percent of the stated redemption price at maturity of the Bonds plus (b) any original issue premium that is attributable exclusively to reasonable underwriter's compensation.

"Escrow Account" means the account established pursuant to the Escrow Agreement or the Prior Bond Fund.

"Escrow Agent" means Amalgamated Bank of Chicago, Chicago, Illinois, acting either as Escrow Agent or Prior Paying Agent (each as defined in Section 15 hereto).

"External Commingled Fund" means a Commingled Fund in which the Village and all members of the same Controlled Group as the Village own, in the aggregate, not more than ten percent of the beneficial interests.

"GIC" means (a) any investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate and (b) any agreement to supply investments on two or more future dates (*e.g.*, a forward supply contract).

"Government Securities" means the obligations held and to be held under the Escrow Agreement.

"Gross Proceeds" means amounts in the Bond Fund and the Escrow Account or the Prior Bond Fund.

"Net Sale Proceeds" means amounts actually or constructively received from the sale of the Bonds reduced by any such amounts that are deposited in a reasonably required reserve or replacement fund for the Bonds.

"Person" means any entity with standing to be sued or to sue, including any natural person, corporation, body politic, governmental unit, agency, authority, partnership, trust, estate, association, company, or group of any of the above.

"Placed-in-Service" means the date on which, based on all facts and circumstances (a) a facility has reached a degree of completion that would permit its operation at substantially its design level and (b) the facility is, in fact, in operation at such level.

"Prior Bond Fund" means the fund or funds established in connection with the issuance of the Prior Bonds to pay the debt service on the Prior Bonds.

"Prior Bond Proceeds" means amounts actually or constructively received from the sale of the Refunded Bonds and all other amounts properly treated as gross proceeds of the Refunded Bonds under the Regulations, including (a) amounts used to pay underwriters' discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before the Refunded Bonds were issued but only if it is to be paid within one year after the Refunded Bonds were issued and (b) amounts derived from the sale of any right that is part of the terms of a Refunded Bond or is otherwise associated with a Refunded Bond (*e.g.*, a redemption right).

"Prior Bonds" means the Village's outstanding issues being refunded by the Bonds, as more particularly described in the preambles hereof.

"Prior Project" means the facilities financed, directly or indirectly with the proceeds of the Prior Bonds.

"Private Business Use" means any use of the Prior Project by any Person other than a state or local government unit, including as a result of (i) ownership, (ii) actual or beneficial use pursuant to a lease or a management, service, incentive payment, research or output contract or (iii) any other similar arrangement, agreement or understanding, whether written or oral, except for use of the Prior Project on the same basis as the general public. Private Business Use includes any formal or informal arrangement with any person other than a state or local governmental unit that conveys special legal entitlements to any portion of the Prior Project that is available for use by the general public or that conveys to any person other than a state or local governmental unit any special economic benefit with respect to any portion of the Prior Project that is not available for use by the general public.

"Qualified Administrative Costs of Investments" means (a) reasonable, direct administrative costs (other than carrying costs) such as separately stated brokerage or selling commissions but not legal and accounting fees, recordkeeping, custody and similar costs; or (b) all reasonable administrative costs, direct or indirect, incurred by a publicly offered regulated investment company or an External Commingled Fund.

"Qualified Tax Exempt Obligations" means (a) any obligation described in Section 103(a) of the Code, the interest on which is excludable from gross income of the owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; (b) an interest in a regulated investment company to the extent that at least ninety-five percent of the income to the holder of the interest is interest which is excludable from gross income under Section 103 of the Code of any owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; and (c) certificates of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 C.F.R. pt. 344.

"Rebate Fund" means the fund, if any, identified and defined in paragraph 4.1 herein.

"Rebate Provisions" means the rebate requirements contained in Section 148(f) of the Code and in the Regulations.

"Refunded Bonds" means those certain Prior Bonds being refunded by the Bonds.

"Regulations" means United States Treasury Regulations dealing with the tax-exempt bond provisions of the Code.

"Reimbursed Expenditures" means expenditures of the Village paid prior to Closing to which Sale Proceeds or investment earnings thereon are or will be allocated.

"Reserve Portion of the Bond Fund" means the portion of the Bond Fund funded in excess of the amount of debt service payable each year.

"Sale Proceeds" means amounts actually or constructively received from the sale of the Bonds, including (a) amounts used to pay underwriters' discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before Closing but only if it is to be paid within one year after Closing and (b) amounts derived from the sale of any right that is part of the terms of a Bond or is otherwise associated with a Bond (*e.g.*, a redemption right).

"Transferred Proceeds" means amounts actually or constructively received from the sale of the Prior Bonds, plus investment earnings thereon, which have not been spent prior to the date principal on the Refunded Bonds is discharged by the Bonds.

"Yield" means that discount rate which when used in computing the present value of all payments of principal and interest paid and to be paid on an obligation (using semiannual compounding on the basis of a 360-day year) produces an amount equal to the obligation's purchase price (or in the case of the Bonds, the issue price as established in paragraph 5.1 hereof), including accrued interest.

"Yield Reduction Payment" means a rebate payment or any other amount paid to the United States in the same manner as rebate amounts are required to be paid or at such other time or in such manner as the IRS may prescribe that will be treated as a reduction in Yield of an investment under the Regulations.

2.1. Purpose of the Bonds. The Bonds are being issued solely and exclusively to currently refund in advance of maturity the Refunded Bonds in a prudent manner consistent with the revenue needs of the Village. A breakdown of the sources and uses of funds is set forth in the preceding Section of this Ordinance. Except to pay the Refunded Bonds and except for any accrued interest on the Bonds used to pay first interest due on the Bonds, no proceeds of the Bonds will be used more than 30 days after the date of issue of the Bonds for the purpose of paying any principal or interest on any issue of bonds, notes, certificates or warrants or on any installment contract or other obligation of the Village or for the purpose of replacing any funds of the Village used for such purpose.

2.2. Bond Fund Investment. The investment earnings on the Bond Fund will be spent to pay interest on the Bonds, or to the extent permitted by law, investment earnings on amounts in the Bond Fund will be commingled with substantial revenues from the governmental operations of the Village, and the earnings are reasonably expected to be spent for governmental purposes within six months of the date earned. Interest earnings on the Bond Fund have not been earmarked or restricted by the Board for a designated purpose.

2.3. Reimbursement. None of the Sale Proceeds or investment earnings thereon will be used for Reimbursed Expenditures.

2.4. Working Capital. All Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to pay principal of, interest on and redemption premium (if any) on the Refunded Bonds, other than the following:

(a) [Reserved];

(b) Costs of Issuance and Qualified Administrative Costs of Investments;

(c) payments of rebate or Yield Reduction Payments made to the United States under the Regulations;

(d) principal of or interest on the Bonds paid from unexpected excess Sale Proceeds and investment earnings thereon;

(e) investment earnings that are commingled with substantial other revenues and are expected to be allocated to expenditures within six months; and

(f) fees for the Credit Facility.

2.5. Consequences of Contrary Expenditure. The Village acknowledges that if Sale Proceeds and investment earnings thereon are spent other than as permitted by paragraph 2.4 hereof, a like amount of then available funds of the Village will be treated as unspent Sale Proceeds.

2.6. Investment of Bond Proceeds. No portion of the Bonds is being issued solely for the purpose of investing a portion of Sale Proceeds or investment earnings thereon at a Yield higher than the Yield on the Bonds.

2.7. No Grants. None of the Sale Proceeds or investment earnings thereon will be used to make grants to any person.

2.8. Hedges. Neither the Village nor any member of the same Controlled Group as the Village has entered into or expects to enter into any hedge (*e.g.*, an interest rate swap, interest rate cap, futures contract, forward contract or an option) with respect to the Bonds or the Prior Bonds. The Village acknowledges that any such hedge could affect, among other things, the calculation of Bond Yield under the Regulations. The IRS could

recalculate Bond Yield if the failure to account for the hedge fails to clearly reflect the economic substance of the transaction.

The Village also acknowledges that if it acquires a hedging contract with an investment element (including *e.g.*, an off-market swap agreement, or any cap agreement for which all or a portion of the premium is paid at, or before the effective date of the cap agreement), then a portion of such hedging contract may be treated as an investment of Gross Proceeds of the Bonds, and be subject to the fair market purchase price rules, rebate and yield restriction. The Village agrees not to use proceeds of the Bonds to pay for any such hedging contract in whole or in part. The Village also agrees that it will not give any assurances to any Bond holder, the Credit Facility Provider, or any other credit or liquidity enhancer with respect to the Bonds that any such hedging contract will be entered into or maintained. The Village recognizes that if a portion of a hedging contract is determined to be an investment of gross proceeds, such portion may not be fairly priced even if the hedging contract as a whole is fairly priced.

2.9. IRS Audits. The IRS has not contacted the Village regarding the Prior Bonds or any other obligations issued by or on behalf of the Village. To the best of the knowledge of the Village, no such obligations of the Village are currently under examination by the IRS.

3.1. Use of Proceeds. (a) The use of the Sale Proceeds and investment earnings thereon and the funds held under this Ordinance at the time of Closing are described in the preceding Section of this Ordinance. No Sale Proceeds and no investment earnings thereon will be used to pre-pay for goods or services to be received over a period of years prior to the date such goods or services are to be received, except for any payment to the Credit Facility Provider. No Sale Proceeds and no investment earnings thereon will be used to pay for or otherwise acquire goods or services from the Village, any member of the same Controlled Group as the Village, or an Affiliated Person.

(b) Only the funds and accounts described in said Section will be funded at Closing. There are no other funds or accounts created under this Ordinance, other than the Rebate Fund if it is created as provided in paragraph 4.2 hereof.

(c) Principal of and interest on the Bonds will be paid from the Bond Fund.

(d) Any Costs of Issuance incurred in connection with the issuance of the Bonds to be paid by the Village will be paid at the time of Closing.

3.2. Purpose of Bond Fund. The Bond Fund (other than the Reserve Portion of the Bond Fund) will be used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Bonds in each bond year. It is expected that the Bond Fund (other than the Reserve Portion of the Bond Fund) will be depleted at least once a year, except for a reasonable carry over amount not to exceed the greater of (a) the earnings on the investment of moneys in the Bond Fund (other than the Reserve Portion of the Bond Fund) for the immediately preceding bond year or (b) 1/12th

of the principal and interest payments on the Bonds for the immediately preceding bond year.

The Village will levy taxes to produce an amount sufficient to pay all principal of and interest on the Bonds in each bond year. To minimize the likelihood of an insufficiency, the amount extended to pay the Bonds may in most years be in excess of the amount required to pay principal and interest within one year of collection. This over-collection (if any) may cause the Bond Fund as a whole to fail to function as a bona fide debt service fund. Nevertheless, except for the Reserve Portion of the Bond Fund, the Bond Fund will be depleted each year as described above. The Reserve Portion of the Bond Fund will constitute a separate account not treated as part of the bona fide debt service fund. The Reserve Portion of the Bond Fund is subject to yield restriction requirements except as it may otherwise be excepted as provided in 5.2 below. It is also subject to rebate requirements.

3.3. The Prior Bonds. (a) As of the earlier of (i) the time of the Closing or (ii) the date three years after the Prior Bonds were issued, all Prior Bond Proceeds, including investment earnings thereon, were completely spent to pay the costs of Capital Expenditures.

(b) As of the date hereof, no Prior Bond Proceeds or money or property of any kind (including cash) is on deposit in any fund or account, regardless of where held or the source thereof, with respect to the Prior Bonds or any credit enhancement or liquidity device relating to the foregoing, or is otherwise restricted to pay the Village's obligations other than amounts on deposit in the Escrow Account.

(c) The Prior Bond Fund was used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Prior Bonds in each bond year. The Prior Bond Fund was depleted at least once a year, except for a reasonable carry over amount not to exceed the greater of (i) the earnings on the investment of moneys in such account for the immediately preceding bond year or (ii) one-twelfth (1/12th) of the principal and interest payments on the Prior Bonds.

(d) At the time the Prior Bonds were issued, the Village reasonably expected to spend at least 85% of the proceeds (including investment earnings) of the Prior Bonds to be used for non-refunding purposes for such purposes within three years of the date the Prior Bonds were issued and such proceeds were so spent. Not more than 50% of the proceeds of the Prior Bonds to be used for non-refunding purposes was invested in investments having a substantially guaranteed Yield for four years or more.

(e) The Refunded Bonds subject to redemption prior to maturity will be called on the first optional redemption date of the Refunded Bonds.

(f) The Village has not been notified that the Prior Bonds are under examination by the IRS, and to the best of the Village's knowledge the Prior Bonds are not under examination by the IRS.

(g) The Village acknowledges that (i) the final rebate payment with respect to the Prior Bonds may be required to be made sooner than if the refunding had not occurred and (ii) the final rebate is due 60 days after the Prior Bonds are paid in full.

3.4. The Escrow Account. (a) The Escrow Account will be funded at the Closing.

(b) The uninvested cash and anticipated receipts from the Government Securities on deposit in the Escrow Account, without regard to any reinvestment thereof, will be sufficient to pay, when due, principal and interest on the Refunded Bonds as such become due and payable and to redeem the outstanding principal amount of any callable Refunded Bonds on the first optional redemption date of such callable Refunded Bonds, at the applicable redemption price thereof.

(c) Any moneys remaining on deposit in the Escrow Account upon the final disbursement of funds sufficient to pay principal and interest of the Refunded Bonds shall be transferred by the Escrow Agent to the Bond Fund to be used to pay interest on the Bonds.

3.5. No Other Gross Proceeds. (a) Except for the Bond Fund and except for investment earnings that have been commingled as described in paragraph 2.2 and any credit enhancement or liquidity device related to the Bonds, after the issuance of the Bonds, neither the Village nor any member of the same Controlled Group as the Village has or will have any property, including cash, securities or any other property held as a passive vehicle for the production of income or for investment purposes, that constitutes:

(i) Sale Proceeds;

(ii) amounts in any fund or account with respect to the Bonds (other than the Rebate Fund);

(iii) Transferred Proceeds;

(iv) amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the Bonds were not used or to be used for that governmental purpose (the mere availability or preliminary earmarking of such amounts for a governmental purpose, however, does not itself establish such a sufficient nexus);

(v) amounts in a debt service fund, redemption fund, reserve fund, replacement fund or any similar fund to the extent reasonably expected to be used directly or indirectly to pay principal of or interest on the Bonds or any amounts for which there is provided, directly or indirectly, a reasonable assurance that the amount will be available to pay principal of or interest on the Bonds or any obligations under any credit enhancement or liquidity device with respect to the Bonds, even if the Village encounters financial difficulties;

(vi) any amounts held pursuant to any agreement (such as an agreement to maintain certain levels of types of assets) made for the benefit of the Bondholders or any credit enhancement provider, including any liquidity device or negative pledge (*e.g.*, any amount pledged to pay principal of or interest on an issue held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of holders of the Bonds or a guarantor of the Bonds); or

(vii) amounts actually or constructively received from the investment and reinvestment of the amounts described in (i) or (ii) above.

(b) No compensating balance, liquidity account, negative pledge of property held for investment purposes required to be maintained at least at a particular level or similar arrangement exists with respect to, in any way, the Bonds or any credit enhancement or liquidity device related to the Bonds.

(c) One hundred twenty percent of the average reasonably expected remaining economic life of the Prior Project is at least 16 years. The weighted average maturity of the Bonds does not exceed 16 years and does not exceed 120 percent of the average reasonably expected economic life of the Prior Project. The maturity schedule of the Bonds (the *"Principal Payment Schedule"*) is based on an analysis of revenues expected to be available to pay debt service on the Bonds. The Principal Payment Schedule is not more rapid (*i.e.*, having a lower average maturity) because a more rapid schedule would place an undue burden on tax rates and cause such rates to be increased beyond prudent levels, and would be inconsistent with the governmental purpose of the Bonds as set forth in paragraph 2.1 hereof.

4.1. Compliance with Rebate Provisions. The Village covenants to take such actions and make, or cause to be made, all calculations, transfers and payments that may be necessary to comply with the Rebate Provisions applicable to the Bonds. The Village will make, or cause to be made, rebate payments with respect to the Bonds in accordance with law.

4.2. Rebate Fund. The Village is hereby authorized to create and establish a special fund to be known as the Rebate Fund (the *"Rebate Fund"*), which, if created, shall be continuously held, invested, expended and accounted for in accordance with this Ordinance. Moneys in the Rebate Fund shall not be considered moneys held for the benefit of the owners of the Bonds. Except as provided in the Regulations, moneys in the Rebate Fund (including earnings and deposits therein) shall be held in trust for payment to the United States as required by the Rebate Provisions and by the Regulations and as contemplated under the provisions of this Ordinance.

4.3. Records. The Village agrees to keep and retain or cause to be kept and retained for the period described in paragraph 7.9 adequate records with respect to the investment of all Gross Proceeds and amounts in the Rebate Fund. Such records shall include: (a) purchase price; (b) purchase date; (c) type of investment; (d) accrued interest paid; (e) interest rate; (f) principal amount; (g) maturity date; (h) interest payment date; (i) date of liquidation; and (j) receipt upon liquidation.

If any investment becomes Gross Proceeds on a date other than the date such investment is purchased, the records required to be kept shall include the fair market value of such investment on the date it becomes Gross Proceeds. If any investment is retained after the date the last Bond is retired, the records required to be kept shall include the fair market value of such investment on the date the last Bond is retired. Amounts or investments will be segregated whenever necessary to maintain these records.

4.4. Fair Market Value; Certificates of Deposit and Investment Agreements. The Village will continuously invest all amounts on deposit in the Rebate Fund, together with the amounts, if any, to be transferred to the Rebate Fund, in any investment permitted under this Ordinance. In making investments of Gross Proceeds or of amounts in the Rebate Fund the Village shall take into account prudent investment standards and the date on which such moneys may be needed. Except as provided in the next sentence, all amounts that constitute Gross Proceeds and all amounts in the Rebate Fund shall be invested at all times to the greatest extent practicable, and no amounts may be held as cash or be invested in zero yield investments other than obligations of the United States purchased directly from the United States. In the event moneys cannot be invested, other than as provided in this sentence due to the denomination, price or availability of investments, the amounts shall be invested in an interest bearing deposit of a bank with a yield not less than that paid to the general public or held uninvested to the minimum extent necessary.

Gross Proceeds and any amounts in the Rebate Fund that are invested in certificates of deposit or in GICs shall be invested only in accordance with the following provisions:

(a) Investments in certificates of deposit of banks or savings and loan associations that have a fixed interest rate, fixed payment schedules and substantial penalties for early withdrawal shall be made only if either (i) the Yield on the certificate of deposit (A) is not less than the Yield on reasonably comparable direct obligations of the United States and (B) is not less than the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public or (ii) the investment is an investment in a GIC and qualifies under paragraph (b) below.

(b) Investments in GICs shall be made only if

(i) the bid specifications are in writing, include all material terms of the bid and are timely forwarded to potential providers (a term is material if it may directly or indirectly affect the yield on the GIC);

(ii) the terms of the bid specifications are commercially reasonable (a term is commercially reasonable if there is a legitimate business purpose for the term other than to reduce the yield on the GIC);

(iii) all bidders for the GIC have equal opportunity to bid so that, for example, no bidder is given the opportunity to review other bids (a last look) before bidding;

(iv) any agent used to conduct the bidding for the GIC does not bid to provide the GIC;

(v) at least three of the providers solicited for bids for the GIC are reasonably competitive providers of investments of the type purchased (*i.e.*, providers that have established industry reputations as competitive providers of the type of investments being purchased);

(vi) at least three of the entities that submit a bid do not have a financial interest in the Bonds;

(vii) at least one of the entities that provided a bid is a reasonably competitive provider that does not have a financial interest in the Bonds;

(viii) the bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Village or any other person (whether or not in connection with the Bonds) and that the bid is not being submitted solely as a courtesy to the Village or any other person for purposes of satisfying the federal income tax requirements relating to the bidding for the GIC;

(ix) the determination of the terms of the GIC takes into account the reasonably expected deposit and drawdown schedule for the amounts to be invested;

(x) the highest-yielding GIC for which a qualifying bid is made (determined net of broker's fees) is in fact purchased; and

(xi) the obligor on the GIC certifies the administrative costs that it is paying or expects to pay to third parties in connection with the GIC.

(c) If a GIC is purchased, the Village will retain the following records with its bond documents until three years after the Bonds are redeemed in their entirety:

(i) a copy of the GIC;

(ii) the receipt or other record of the amount actually paid for the GIC, including a record of any administrative costs paid, and the certification under subparagraph (b)(xi) of this paragraph;

(iii) for each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results; and

(iv) the bid solicitation form and, if the terms of the GIC deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

Moneys to be rebated to the United States shall be invested to mature on or prior to the anticipated rebate payment date. All investments made with Gross Proceeds or amounts in the Rebate Fund shall be bought and sold at fair market value. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction. Except for investments specifically described in this Section and United States Treasury obligations that are purchased directly from the United States Treasury, only investments that are traded on an established securities market, within the meaning of regulations promulgated under Section 1273 of the Code, will be purchased with Gross Proceeds. In general, an "established securities market" includes: (i) property that is listed on a national securities exchange, an interdealer quotation system or certain foreign exchanges; (ii) property that is traded on a Commodities Futures Trading Commission designated board of trade or an interbank market; (iii) property that appears on a quotation medium; and (iv) property for which price quotations are readily available from dealers and brokers. A debt instrument is not treated as traded on an established market solely because it is convertible into property which is so traded.

An investment of Gross Proceeds in an External Commingled Fund shall be made only to the extent that such investment is made without an intent to reduce the amount to be rebated to the United States Government or to create a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the rebate or Yield restriction requirements not been relevant to the Village. An investment of Gross Proceeds shall be made in a Commingled Fund other than an External Commingled Fund only if the investments made by such Commingled Fund satisfy the provisions of this paragraph.

A single investment, or multiple investments awarded to a provider based on a single bid may not be used for funds subject to different rules relating to rebate or yield restriction.

The foregoing provisions of this paragraph satisfy various safe harbors set forth in the Regulations relating to the valuation of certain types of investments. The safe harbor provisions of this paragraph are contained herein for the protection of the Village, who has covenanted not to take any action to adversely affect the tax-exempt status of the interest on the Bonds. The Village will contact Bond Counsel if it does not wish to comply with the provisions of this paragraph and forego the protection provided by the safe harbors provided herein.

4.5. Arbitrage Elections. The Village hereby waives its right to invest Sale Proceeds of the Bonds and investment earnings thereon in the Escrow Account in investments with Yields higher than Bond Yield. The President, Village Clerk and Village Treasurer of the Village are hereby authorized to execute one or more elections regarding certain matters with respect to arbitrage.

4.6. Six Month Exception. If all Gross Proceeds of the Bonds (including earnings thereon) are spent within six months of the date the Bonds are issued, other than amounts deposited in a reasonably required reserve fund or a bona fide debt service fund, no rebate is required except in the case of unexpected gross proceeds arising after the date of Closing. If all proceeds (including earnings thereon) required to be spent are so spent within this six-month period, except for 5% of the Bond proceeds, and the Village spends the 5% (plus earnings thereon), within one year from the Closing, no rebate is required. To qualify for the six-month exception, there must be no other amounts that are treated as Gross Proceeds of the Bonds, other than a reasonably required reserve or replacement fund or a bona fide debt service fund. Even if the Village qualifies for this exception, the Village may have to rebate with respect to any amounts that arise or are pledged to the payment of the Bonds at a later date.

5.1. Issue Price. For purposes of determining the Yield on the Bonds, the purchase price of the Bonds is equal to the first offering price (including accrued interest) at which the Purchaser reasonably expected to sell at least ten percent of the principal amount of each maturity of the Bonds to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). All of the Bonds have been the subject of a bona fide initial offering to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at prices equal to those set forth in the Official Statement. Based upon prevailing market conditions, such prices are not less than the fair market value of each Bond as of the sale date for the Bonds.

5.2. Yield Limits. Except as provided in paragraph (a) or (b), all Gross Proceeds shall be invested at market prices and at a Yield (after taking into account any Yield Reduction Payments) not in excess of the Yield on the Bonds.

The following may be invested without Yield restriction:

(a) amounts on deposit in the Bond Fund (except for capitalized interest and any Reserve Portion of the Bond Fund) that have not been on deposit under the Ordinance for more than 13 months, so long as the Bond Fund (other than the Reserve Portion of the Bond Fund) continues to qualify as a bona fide debt service fund as described in paragraph 3.2 hereof;

(b) (i) An amount not to exceed the lesser of $100,000 or five percent of the Sale Proceeds;

(ii) amounts invested in Qualified Tax Exempt Obligations (to the extent permitted by law and this Ordinance);

(iii) amounts in the Rebate Fund;

(iv) all amounts other than Sale Proceeds for the first 30 days after they become Gross Proceeds; and

(v) all amounts derived from the investment of Sale Proceeds or investment earnings thereon other than those on deposit in the Escrow Account for a period of one year from the date received.

5.3. Yield Limits on Prior Bond Proceeds. Except for an amount not to exceed the lesser of $100,000 or five percent of Prior Bond Proceeds, the Village acknowledges that all Prior Bond Proceeds must be invested at market prices and at a Yield not in excess of the Yield on the Prior Bonds.

5.4. Continuing Nature of Yield Limits. Except as provided in paragraph 7.10 hereof, once moneys are subject to the Yield limits of paragraph 5.2 hereof, such moneys remain Yield restricted until they cease to be Gross Proceeds.

5.5. Federal Guarantees. Except for investments meeting the requirements of paragraph 5.2(a) hereof and except for investments in the Escrow Account, investments of Gross Proceeds shall not be made in (a) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank, as amended (*e.g.*, Refcorp Strips)); or (b) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code). Except as otherwise permitted in the immediately prior sentence and in the Regulations, no portion of the payment of principal or interest on the Bonds or any credit enhancement or liquidity device relating to the foregoing is or will be guaranteed, directly or indirectly (in whole or in part), by the United States (or any agency or instrumentality thereof), including a lease, incentive payment, research or output contract or any similar arrangement, agreement or understanding with the United States or any agency or instrumentality thereof. No portion of the Gross Proceeds has been or will be used to make loans the payment of principal or interest with respect to which is or will be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof). Neither this paragraph nor paragraph 5.6 hereof applies to any guarantee by the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Student Loan Marketing Association or the Bonneville Power Administration pursuant to the Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984.

5.6. Investments After the Expiration of Temporary Periods, Etc. Any amounts, other than amounts in the Escrow Account, that are subject to the yield limitation in Section 5.2 because Section 5.2(a) is not applicable and amounts not subject to yield restriction only because they are described in Section 5.2(b) cannot be invested in (i) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code) or (ii) investments constituting obligations of or guaranteed, directly or indirectly, by the

United States (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended (*e.g.*, Refcorp Strips)).

5.7. Escrow Yield. The Yield on the Government Securities purchased with Sale Proceeds of the Bonds, taking into account any Transferred Proceeds, will be computed by the Purchaser to be not greater than the Yield on the Bonds computed by the Purchaser.

5.8. Treatment of Certain Credit Facility Fees. The fee paid to the Credit Facility Provider with respect to the Credit Facility may be treated as interest in computing Bond Yield.

Neither the Village nor any member of the same Controlled Group as the Village is a Related Person as defined in Section 144(a)(3) of the Code to the Credit Facility Provider. The fee paid to the Credit Facility Provider does not exceed ten percent of the Sale Proceeds. Other than the fee paid to the Credit Facility Provider, neither the Credit Facility Provider nor any person who is a Related Person to the Credit Facility Provider within the meaning of Section 144(a)(3) of the Code will use any Sale Proceeds or investment earnings thereon. The fee paid for the Credit Facility does not exceed a reasonable, arm's length charge for the transfer of credit risk. The fee does not include any payment for any direct or indirect services other than the transfer of credit risk.

6.1. Payment and Use Tests. (a) No more than five percent of the proceeds of the Prior Bonds and investment earnings thereon were used, directly or indirectly, in whole or in part, in any Private Business Use. The Village acknowledges that, for purposes of the preceding sentence, Gross Proceeds used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) or invested in a reserve or replacement fund must be ratably allocated among all the purposes for which Gross Proceeds are being used.

(b) The payment of more than five percent of the principal of or the interest on the Bonds or on the Prior Bonds considered separately will not be, directly or indirectly (i) secured by any interest in (A) property used or to be used in any Private Business Use or (B) payments in respect of such property or (ii) on a present value basis, derived from payments (whether or not to the Village or a member of the same Controlled Group as the Village) in respect of property, or borrowed money, used or to be used in any Private Business Use.

(c) No more than the lesser of $5,000,000 or five percent of the sum of the proceeds of the Prior Bonds and investment earnings thereon were used, and no more than the lesser of $5,000,000 or five percent of the sum of the Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to make or finance loans to any persons. The Village acknowledges that, for purposes of the preceding sentence, Gross Proceeds used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) or invested

in a reserve or replacement fund must be ratably allocated among all the purposes for which Gross Proceeds are being used.

(d) No user of the Prior Project other than a state or local governmental unit will use more than five percent of such facilities, considered separately, on any basis other than the same basis as the general public.

6.2. I.R.S. Form 8038-G. The information contained in the Information Return for Tax-Exempt Governmental Obligations, Form 8038-G, is true and complete. The Village will file Form 8038-G (and all other required information reporting forms) in a timely manner.

6.3. Bank Qualification. (a) The Village hereby designates each of the Bonds as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Code. In support of such designation, the Village hereby certifies that (i) none of the Bonds will be at anytime a "private activity bond" (as defined in Section 141 of the Code), (ii) as of the date hereof in calendar year 2015, other than the Bonds, no tax-exempt obligations of any kind have been issued (x) by or on behalf of the Village, (y) by other issuers any of the proceeds of which have been or will be used to make any loans to the Village or (z) any portion of which has been allocated to the Village for purposes of Section 265(b) of the Code and (iii) not more than $10,000,000 of obligations of any kind (including the Bonds) issued (x) by or on behalf of the Village, (y) by other issuers any of the proceeds of which have been or will be used to make any loans to the Village or (z) any portion of which has been allocated to the Village for purposes of Section 265(b) of the Code during calendar year 2015 will be designated for purposes of Section 265(b)(3) of the Code.

(b) The Village is not subject to Control by any entity, and there are no entities subject to Control by the Village.

(c) On the date hereof, the Village does not reasonably anticipate that for calendar year 2015 it will issue, have another entity issue on behalf of the Village, borrow the proceeds of or have allocated to the Village for purposes of Section 265(b) of the Code more than $10,000,000 Section 265 Tax-Exempt Obligations (including the Bonds). "Section 265 Tax-Exempt Obligations" are obligations the interest on which is excludable from gross income of the owners thereof under Section 103 of the Code, except for private activity bonds other than qualified 501(c)(3) bonds, both as defined in Section 141 of the Code. The Village will not, in calendar year 2015 issue, permit the issuance on behalf of it or by any entity subject to Control by the Village (which may hereafter come into existence), borrow the proceeds of or have allocated to it for purposes of Section 265(b) of the Code Section 265 Tax-Exempt Obligations (including the Bonds) that exceed the aggregate amount of $10,000,000 during calendar year 2015 unless it first obtains an opinion of Bond Counsel to the effect that such issuance, borrowing or allocation will not adversely affect the treatment of the Bonds as "qualified tax-exempt obligations" for the purpose and within the meaning of Section 265(b)(3) of the Code.

(d) The Bonds have not been sold in conjunction with any other obligation.

7.1. Termination; Interest of Village in Rebate Fund. The terms and provisions set forth in this Section shall terminate at the later of (a) 75 days after the Bonds have been fully paid and retired or (b) the date on which all amounts remaining on deposit in the Rebate Fund, if any, shall have been paid to or upon the order of the United States and any other payments required to satisfy the Rebate Provisions of the Code have been made to the United States. Notwithstanding the foregoing, the provisions of paragraphs 4.3, 4.4(c) and 7.9 hereof shall not terminate until the third anniversary of the date the Bonds are fully paid and retired.

7.2. Separate Issue. Since a date that is 15 days prior to the date of sale of the Bonds by the Village to the Purchaser, neither the Village nor any member of the same Controlled Group as the Village has sold or delivered any tax-exempt obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds. Neither the Village nor any member of the same Controlled Group as the Village will sell or deliver within 15 days after the date of sale of the Bonds any tax-exempt obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds.

7.3. No Sale of the Prior Project. (a) Other than as provided in the next sentence, neither the Prior Project nor any portion thereof has been, is expected to be, or will be sold or otherwise disposed of, in whole or in part, prior to the earlier of (i) the last date of the reasonably expected economic life to the Village of the property (determined on the date of issuance of the Bonds) or (ii) the last maturity date of the Bonds. The Village may dispose of personal property in the ordinary course of an established government program prior to the earlier of (i) the last date of the reasonably expected economic life to the Village of the property (determined on the date of issuance of the Bonds) or (ii) the last maturity of the Bonds, provided: (A) the weighted average maturity of the Bonds financing the personal property is not greater than 120 percent of the reasonably expected actual use of that property for governmental purposes; (B) the Village reasonably expects on the issue date that the fair market value of that property on the date of disposition will be not greater than 25 percent of its cost; (C) the property is no longer suitable for its governmental purposes on the date of disposition; and (D) the Village deposits amounts received from the disposition in a commingled fund with substantial tax or other governmental revenues and the Village reasonably expects to spend the amounts on governmental programs within six months from the date of the commingling.

(b) The Village acknowledges that if property financed with the Prior Bonds is sold or otherwise disposed of in a manner contrary to (a) above, such sale or disposition may constitute a "deliberate action" within the meaning of the Regulations that may require remedial actions to prevent the Bonds from becoming private activity bonds. The Village shall promptly contact Bond Counsel if a sale or other disposition of Bond-financed property is considered by the Village.

7.4. Purchase of Bonds by Village. The Village will not purchase any of the Bonds except to cancel such Bonds.

7.5. First Call Date Limitation. The period between the date of Closing and the first call date of the Bonds is not more than 10-1/2 years.

7.6. Registered Form. The Village recognizes that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully registered form in order that interest thereon be exempt from federal income taxation under laws in force at the time the Bonds are delivered. In this connection, the Village agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

7.7. First Amendment. The Village acknowledges and agrees that it will not use, or allow the Prior Project to be used, in a manner which is prohibited by the Establishment of Religion Clause of the First Amendment to the Constitution of the United States of America or by any comparable provisions of the Constitution of the State of Illinois.

7.8. Future Events. The Village acknowledges that any changes in facts or expectations from those set forth herein may result in different Yield restrictions or rebate requirements from those set forth herein. The Village shall promptly contact Bond Counsel if such changes do occur.

7.9. Records Retention. The Village agrees to keep and retain or cause to be kept and retained sufficient records to support the continued exclusion of the interest paid on the Bonds from federal income taxation, to demonstrate compliance with the covenants in this Ordinance and to show that all tax returns related to the Bonds submitted or required to be submitted to the IRS are correct and timely filed. Such records shall include, but are not limited to, basic records relating to the Bond transaction (including this Ordinance and the Bond Counsel opinion); documentation evidencing the expenditure of Bond proceeds; documentation evidencing the use of Bond-financed property by public and private entities (*i.e.*, copies of leases, management contracts and research agreements); documentation evidencing all sources of payment or security for the Bonds; and documentation pertaining to any investment of Bond proceeds (including the information required under paragraphs 4.3 and 4.4 hereof and in particular information related to the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts and documentation of any bidding procedure related thereto and any fees paid for the acquisition or management of investments and any rebate calculations). Such records shall be kept for as long as the Bonds are outstanding, plus three (3) years after the later of the final payment date of the Bonds or the final payment date of any obligations or series of obligations issued to refund directly or indirectly all or any portion of the Bonds.

7.10. Permitted Changes; Opinion of Bond Counsel. The Yield restrictions contained in paragraph 5.2 hereof or any other restriction or covenant contained herein need not be observed or may be changed if such nonobservance or change will not result

in the loss of any exemption for the purpose of federal income taxation to which interest on the Bonds is otherwise entitled and the Village receives an opinion of Bond Counsel to such effect.

7.11. Successors and Assigns. The terms, provisions, covenants and conditions of this Section shall bind and inure to the benefit of the respective successors and assigns of the Board and the Village.

7.12. Expectations. The Board has reviewed the facts, estimates and circumstances in existence on the date of issuance of the Bonds. Such facts, estimates and circumstances, together with the expectations of the Village as to future events, are set forth in summary form in this Section. Such facts and estimates are true and are not incomplete in any material respect. On the basis of the facts and estimates contained herein, the Village has adopted the expectations contained herein. On the basis of such facts, estimates, circumstances and expectations, it is not expected that Sale Proceeds, investment earnings thereon or any other moneys or property will be used in a manner that will cause the Bonds to be arbitrage bonds within the meaning of the Rebate Provisions and the Regulations. Such expectations are reasonable and there are no other facts, estimates and circumstances that would materially change such expectations.

The Village also agrees and covenants with the purchasers and holders of the Bonds from time to time outstanding that, to the extent possible under Illinois law, it will comply with whatever federal tax law is adopted in the future which applies to the Bonds and affects the tax-exempt status of the Bonds.

The Board hereby authorizes the officials of the Village responsible for issuing the Bonds, the same being the President and Village Clerk of the Village, to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest in the Bonds will be exempt from federal income taxation. In connection therewith, the Village and the Board further agree: (a) through their officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the Bonds and to comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by their officers, to employ and

pay fiscal agents, financial advisors, attorneys, and other persons to assist the Village in such compliance.

Section 22. This Ordinance a Contract. The provisions of this Ordinance shall constitute a contract between the Village and the registered owners of the Bonds, in accordance with the terms hereof; and no changes, additions or alterations of any kind shall be made hereto.

Section 23. Continuing Disclosure Undertaking. The President of the Village is hereby authorized, empowered and directed to execute and deliver a Continuing Disclosure Undertaking under Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the *"Continuing Disclosure Undertaking"*). When the Continuing Disclosure Undertaking is executed and delivered on behalf of the Village as herein provided, the Continuing Disclosure Undertaking will be binding on the Village and the officers, employees and agents of the Village, and the officers, employees and agents of the Village are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedies for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order, to cause the Village to comply with its obligations under the Continuing Disclosure Undertaking.

Section 24. Duties of Bond Registrar. If requested by the Bond Registrar, the President and Village Clerk of the Village are authorized to execute the Bond Registrar's standard form of agreement between the Village and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder which may include the following:

(a) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;

(b) to maintain a list of Bondholders as set forth herein and to furnish such list to the Village upon request, but otherwise to keep such list confidential;

(c) to give notice of redemption of Bonds as provided herein;

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

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

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

Section 25. Municipal Bond Insurance. In the event the payment of principal and interest on the Bonds is insured pursuant to a municipal bond insurance policy (the *"Municipal Bond Insurance Policy"*) issued by a bond insurer (the *"Bond Insurer"*), and as long as such Municipal Bond Insurance Policy shall be in full force and effect, the Village and the Bond Registrar agree to comply with such usual and reasonable provisions regarding presentment and payment of the Bonds, subrogation of the rights of the Bondholders to the Bond Insurer upon payment of the Bonds by the Bond Insurer, amendment hereof, or other terms, as approved by the Board on advice of counsel, their approval to constitute full and complete acceptance by the Village of such terms and provisions under authority of this Section.

Section 26. Call of the Refunded Bonds. In accordance with the redemption provisions of the ordinance authorizing the issuance of the Refunded Bonds, the Village does hereby make provision for the payment of and does hereby call (subject only to the delivery of the Bonds) the Refunded Bonds for redemption on December 1, 2015 (or such later date constituting their earliest possible and practicable redemption date as determined by the Designated Representatives in the Bond Notification).

Section 27. Record-Keeping Policy and Post-Issuance Compliance Matters. It is necessary and in the best interest of the Village to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for

the Bonds and other debt obligations of the Village, the interest on which is excludable from "gross income" for federal income tax purposes or which enable the Village or the holder to receive federal tax benefits, including, but not limited to, qualified tax credit bonds and other specified tax credit bonds (including the Bonds, the *"Tax Advantaged Obligations"*). Further, it is necessary and in the best interest of the Village that (i) the Board adopt policies with respect to record-keeping and post issuance compliance with the Village's covenants related to its Tax Advantaged Obligations and (ii) the Compliance Officer (as hereinafter defined) at least annually review the Village's Contracts (as hereinafter defined) to determine whether the Tax Advantaged Obligations comply with the federal tax requirements applicable to each issue of the Tax Advantaged Obligations. The Board and the Village hereby adopt the following Record-Keeping Policy and, in doing so, amend any similar Record-Keeping Policy or Policies heretofore adopted:

(a) *Compliance Officer Is Responsible for Records.* The Finance Director of the Village (the *"Compliance Officer"*) is hereby designated as the keeper of all records of the Village with respect to each issue of the Tax Advantaged Obligations, and such officer shall report to the Board at least annually that he/she has all of the required records in his/her possession, or is taking appropriate action to obtain or recover such records.

(b) *Closing Transcripts.* For each issue of Tax Advantaged Obligations, the Compliance Officer shall receive, and shall keep and maintain, a true, correct and complete counterpart of each and every document and agreement delivered in connection with the issuance of the Tax Advantaged Obligations, including without limitation (i) the proceedings of the Village authorizing the Tax Advantaged Obligations, (ii) any offering document with respect to the offer and sale of the Tax Advantaged Obligations, (iii) any legal opinions with respect to the Tax Advantaged Obligations delivered by any lawyers, and (iv) all written representations of any person delivered in connection with the issuance and initial sale of the Tax Advantaged Obligations.

(c) *Arbitrage Rebate Liability.* The Compliance Officer shall review the agreements of the Village with respect to each issue of Tax Advantaged Obligations and shall prepare a report for the Board stating whether or not the Village has any rebate liability to the United States Treasury, and setting forth any applicable exemptions that each issue of Tax Advantaged Obligations may have from rebate liability. Such report shall be updated annually and delivered to the Board.

(d) *Recommended Records.* The Compliance Officer shall review the records related to each issue of Tax Advantaged Obligations and shall determine what requirements the Village must meet in order to maintain the tax-exemption of interest paid on its Tax Advantaged Obligations, its entitlement to direct payments by the United States Treasury of the applicable percentages of each interest payment due and owing on its Tax Advantaged Obligations, and applicable tax credits or other tax benefits arising from its Tax Advantaged Obligations. The Compliance Officer shall then prepare a list of the contracts, requisitions, invoices, receipts and other information that may be needed in order to establish that the interest paid on the Tax Advantaged Obligations is entitled to be excluded from "gross income" for federal income tax purposes, that the Village is entitled to receive from the United States Treasury direct payments of the applicable percentages of interest payments coming due and owing on its Tax Advantaged Obligations, and the entitlement of holders of any Tax Advantaged Obligations to any tax credits or other tax benefits, respectively. Notwithstanding any other policy of the Village, such retained records shall be kept for as long as the Tax Advantaged Obligations relating to such records (and any obligations issued to refund the Tax Advantaged Obligations) are outstanding, plus three years, and shall at least include:

(i) complete copies of the transcripts delivered when any issue of Tax Advantaged Obligations is initially issued and sold;

(ii) copies of account statements showing the disbursements of all Tax Advantaged Obligation proceeds for their intended purposes, and records showing the assets and other property financed by such disbursements;

(iii) copies of account statements showing all investment activity of any and all accounts in which the proceeds of any issue of Tax Advantaged Obligations has been held or in which funds to be used for the payment of principal of or interest on any Tax Advantaged Obligations has been held, or which has provided security to the holders or credit enhancers of any Tax Advantaged Obligations;

(iv) copies of all bid requests and bid responses used in the acquisition of any special investments used for the proceeds of any issue of Tax Advantaged Obligations, including any swaps, swaptions, or other financial derivatives entered into in order to establish that such instruments were purchased at *fair market value*;

(v) copies of any subscriptions to the United States Treasury for the purchase of State and Local Government Series (SLGS) obligations;

(vi) any calculations of liability for *arbitrage rebate* that is or may become due with respect to any issue of Tax Advantaged Obligations, and any calculations prepared to show that no arbitrage rebate is due, together, if applicable, with account statements or cancelled checks showing the payment of any rebate amounts to the United States Treasury together with any applicable IRS Form 8038-T; and

(vii) copies of all contracts and agreements of the Village, including any leases (the *"Contracts"*), with respect to the use of any property owned by the Village and acquired, constructed or otherwise financed or refinanced with the proceeds of the Tax Advantaged Obligations effective at any time when such Tax Advantaged Obligations are, will or have been outstanding. Copies of contracts covering no more than 50 days of use and contracts related to Village employees need not be retained.

(e) *IRS Examinations or Inquiries.* In the event the IRS commences an examination of any issue of Tax Advantaged Obligations or requests a response to a compliance check, questionnaire or other inquiry, the Compliance Officer shall inform the Board of such event, and is authorized to respond to inquiries of the IRS, and to hire outside, independent professional counsel to assist in the response to the examination or inquiry.

(f) *Annual Review.* The Compliance Officer shall conduct an annual review of the Contracts and other records to determine for each issue of Tax Advantaged Obligations then outstanding whether each such issue complies with the federal tax requirements applicable to such issue, including restrictions on private business use, private payments and private loans. The Compliance Officer is expressly authorized, without further official action of the Board, to hire outside, independent professional counsel to assist in such review. To the extent that any violations or potential violations of federal tax requirements are discovered incidental to such review, the Compliance Officer may make recommendations or take such actions as the Compliance Officer shall reasonably deem necessary to assure the timely correction of such violations or potential violations through remedial actions described in the United States Treasury Regulations, or the Tax Exempt Bonds Voluntary Closing Agreement Program described in Treasury Notice 2008-31 or similar program instituted by the IRS.

(g) *Training.* The Compliance Officer shall undertake to maintain reasonable levels of knowledge concerning the rules related to tax-exempt bonds (and build America bonds and tax credit bonds to the extent the Village has outstanding build America bonds or tax-credit bonds) so that such officer may fulfill the duties described in this Section. The Compliance Officer may consult with counsel, attend conferences and presentations of trade groups, read materials posted on various web sites, including the web site of the Tax Exempt Bond function of the IRS, and use other means to maintain such knowledge. Recognizing that the Compliance Officer may not be fully knowledgeable in this area, the Compliance Officer may consult with outside counsel, consultants and experts to assist him or her in exercising his or her duties hereunder. The Compliance Officer will endeavor to make sure that the Village's staff is aware of the need for continuing compliance. The Compliance Officer will provide copies of this Ordinance and the Tax Exemption Certificate and Agreement or other applicable tax documents for each series of Tax Advantaged Obligations then currently outstanding (the *"Tax Agreements"*) to staff members who may be responsible for taking actions described in such documents. The Compliance Officer should assist in the education of any new Compliance Officer and the transition of the duties under these procedures. The Compliance Officer will review this Ordinance and each of the Tax Agreements periodically to determine if there

are portions that need further explanation and, if so, will attempt to obtain such explanation from counsel or from other experts, consultants or staff.

(h) *Amendment and Waiver*. The procedures described in this Section are only for the benefit of the Village. No other person (including an owner of a Tax Advantaged Obligation) may rely on the procedures included in this Section. The Village may amend this Section and any provision of this Section may be waived, without the consent of the holders of any Tax Advantaged Obligations and as authorized by passage of a ordinance by the Board. Additional procedures may be required for Tax Advantaged Obligations the proceeds of which are used for purposes other than capital governmentally owned projects or refundings of such, including tax increment financing bonds, bonds financing output facilities, bonds financing working capital, or private activity bonds. The Village also recognizes that these procedures may need to be revised in the event the Village enters into any derivative products with respect to its Tax Advantaged Obligations.

Section 28. Severability. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

Section 29. Repealer and Effective Date. All ordinances, resolutions and orders, or parts thereof, in conflict herewith, are to the extent of such conflict hereby repealed and this Ordinance shall be in full force and effect immediately and forthwith upon its passage and approval.

ADOPTED by the President and Board of Trustees on August 10, 2015.

AYES: _____

_____

NAYS: _____

ABSENT: _____

APPROVED on August 10, 2015.

President, Village of Bradley,
Kankakee County, Illinois

Attest:

Village Clerk, Village of Bradley,
Kankakee County, Illinois

[SEAL]

EXHIBIT A

ESCROW LETTER AGREEMENT

_____, 2015

Amalgamated Bank of Chicago
Chicago, Illinois

Re: Village of Bradley, Kankakee County, Illinois
General Obligation Sewerage Refunding Bonds
(Alternate Revenue Source), Series 2015A

Ladies and Gentlemen:

The Village of Bradley, Kankakee County, Illinois (the *"Village"*), by Ordinance adopted by its President and Board of Trustees on the 10th day of August, 2015 (the *"Bond Ordinance"*), has authorized the issue and delivery of $_____ General Obligation Sewerage Refunding Bonds (Alternate Revenue Source), Series 2015A, dated _____, 2015 (the *"Bonds"*). The Village has authorized by the Bond Ordinance that the proceeds of the Bonds be used to refund $_____ General Obligation Sewerage Bonds (Alternate Revenue Source), Series 2006, dated March 15, 2006 (the *"Refunded Bonds"*), of the Village. You are the paying agent and bond registrar for the Refunded Bonds.

The Village hereby deposits with you $_____ from funds on hand and lawfully available for such purpose, and $_____ from the proceeds of the Bonds (together, the *"Funds"*) and you are hereby instructed as follows with respect thereto:

1. Upon deposit, you are directed to hold the Deposit in an irrevocable trust fund account (the *"Trust Account"*) for the Village to the benefit of the holders of the Refunded Bonds.

2. You shall hold the Deposit in the Trust Account in cash for the sole and exclusive benefit of the holders of the Refunded Bonds until redemption of the Refunded Bonds on December 1, 2015 is made.

3. You shall promptly collect the principal, interest or profit from the Funds and promptly apply the same, altogether with the initial cash deposit, as necessary to the payment of the Refunded Bonds as herein provided.

4. The Village has called the Refunded Bonds for redemption and payment prior to maturity on December 1, 2015. You are hereby directed to give timely notice of the call for redemption of the Refunded Bonds. The form and time of the giving of such notice regarding the Refunded Bonds shall be as specified in the ordinance authorizing

the issuance of the Refunded Bonds. The Village agrees to reimburse you for any actual out-of-pocket expenses incurred in the giving of such notice, but the failure of the Village to make such payment shall not in any respect whatsoever relieve you from carrying out any of the duties, terms or provisions of this Agreement.

5. In addition, you are hereby directed to give notice of the call of the Refunded Bonds, on or before the date the notice of such redemption is given to the holders of the Refunded Bonds, to the Municipal Securities Rulemaking Board (the *"MSRB"*) through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. Information with respect to procedures for submitting notice can be found at https://msrb.org.

6. You shall use the Funds on December 1, 2015 to pay the principal of and interest on the Refunded Bonds to effect the redemption of the Refunded Bonds on such date, and such use shall fully release and discharge you from any further duty or obligation thereto under this Agreement.

7. You shall make no payment of fees, due or to become due, of the bond registrar and paying agent on the Bonds or the Refunded Bonds. The Village shall pay the same as they become due.

8. If at any time it shall appear to you that the funds on deposit in the Trust Account will not be sufficient to pay the principal of and interest on the Refunded Bonds, you shall notify the Village not less than five (5) days prior to such payment date and the Village shall make up the anticipated deficit from any funds legally available for such purpose so that no default in the making of any such payment will occur.

9. Upon final disbursement of funds sufficient to pay the Refunded Bonds as hereinabove provided for, you shall transfer any balance remaining in the Trust Account to the Village and thereupon this Agreement shall terminate.

Very truly yours,

VILLAGE OF BRADLEY,
KANKAKEE COUNTY, ILLINOIS

By _____
Treasurer, Village of Bradley,
Kankakee County, Illinois

Accepted this ____ day of _____, 2015.

AMALGAMATED BANK OF CHICAGO,
Chicago, Illinois

By _____
Authorized Signatory

Trustee Gadbois moved and Trustee Redmond seconded the motion that said ordinance as presented and read by title be adopted.

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

Upon the roll being called, the following Trustees voted AYE: R. Redmond, G. Balthazor, L. Gadbois, E. Cyr, M. Carrico & M. Watson

The following Trustees voted NAY: 0

Whereupon the Village President declared the motion carried and said ordinance adopted and directed the Village Clerk to record the same in full in the records of the President and Board of Trustees of the Village of Bradley, Kankakee County, Illinois.

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

Upon motion duly made and seconded, the meeting adjourned.

Michael L. LaBrose

Village Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF KANKAKEE)

CERTIFICATION OF ORDINANCE AND MINUTES

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Bradley, Kankakee County, Illinois (the *"Village"*), and as such officer I am the keeper of the books, records, files, and journal of proceedings of the Village and of the President and Board of Trustees (the *"Board"*) thereof.

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the legally convened meeting of the Board held on the 10th day of August, 2015, insofar as same relates to the adoption of Ordinance No. 0-7-15-6 entitled:

> AN ORDINANCE authorizing and providing for the issuance of not to exceed $4,750,000 General Obligation Sewerage Refunding Bonds (Alternate Revenue Source), Series 2015A, of the Village of Bradley, Kankakee County, Illinois, for the purpose of refunding certain outstanding alternate bonds of said Village, providing for the levy and collection of a direct annual tax sufficient to pay the principal and interest on said bonds, providing for the collection, segregation and distribution of the revenues of the sewerage system operated by said Village, along with State of Illinois income taxes received by said Village, authorizing the sale of said bonds to D.A. Davidson & Co., and directing the execution of an escrow agreement in connection with the issuance of said bonds.

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

I do further certify that the deliberations of the Board on the adoption of said ordinance were taken openly; that the vote on the adoption of said ordinance was taken openly; that said meeting was held at a specified time and place convenient to the public; that notice of said meeting was duly given to all of the news media requesting such notice; that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Board at least 72 hours in advance of the holding of said meeting, that at least one copy of said agenda was continuously available for public review during the entire 72-hour period preceding said meeting, that a true, correct and complete copy of said agenda as so posted is attached hereto as *Exhibit A*, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and the Illinois Municipal Code, as amended, and that the Board has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Board in the adoption of said ordinance.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the Village, this 10th day of August, 2015.

Village Clerk

[SEAL]

[Attach *Exhibit A*]

EXHIBIT A

Village of Bradley Board Meeting Agenda
Bradley Municipal Building
Monday, August 10, 2015 @ 6:30 p.m.

1. Call to Order
2. Pledge of Allegiance
3. Calling the Roll
4. Approve Agenda
5. Presentation of Minutes
   A. Regular Meeting of July 27, 2015
6. Presentation of Communications.....Clerk LaGesse
   A. MFT Report – July 2015
7. New Business Spotlight – Starbucks new location
8. Presentation of Petitions
9. Public Communication
10. Report of Village Officers & Department Heads
    A. Public Works.....Director Bessler
    B. Building Standards.....Director Pallissard
11. Presentation of Bills and Accounts.....Trustee Cyr
12. Report of Special Committee
13. Report of Standing Committees
    A. Ordinance & Technology.....Trustee Redmond

1. O-7-15-6 AN ORDINANCE authorizing and providing for the issuance of not to exceed $4,750,000 General Obligation Sewerage Refunding Bonds (Alternate Revenue Source), Series 2015A, of the Village of Bradley, Kankakee County, Illinois, for the purpose of refunding certain outstanding alternate bonds of said Village, providing for the levy and collection of a direct annual tax sufficient to pay the principal and interest on said bonds, providing for the collection, segregation and distribution of the revenues of the sewerage system operated by said Village, along with State of Illinois income taxes received by said Village, authorizing the sale of said bonds to D.A. Davidson & Co., and directing the execution of an escrow agreement in connection with the issuance of said bonds. (2nd reading)

2. Insurance & Finance.....Trustee Cyr

14. Unfinished Business
    A. Georgetown Drainage Project
    B. Infrastructure Project
15. New Business
    A. Executive Session pursuant to 5 ILCS 120/2 (c) et seq.
16. Adjournment

Posted: Thursday, August 6, 2015

STATE OF ILLINOIS)
) SS
COUNTY OF KANKAKEE)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Kankakee, Illinois (the *"County"*), and as such officer I do hereby certify that on the 17th day of September, 2015 there was filed in my office a duly certified copy of an ordinance, Ordinance No. 0745 entitled:

> AN ORDINANCE authorizing and providing for the issuance of not to exceed $4,750,000 General Obligation Sewerage Refunding Bonds (Alternate Revenue Source), Series 2015A, of the Village of Bradley, Kankakee County, Illinois, for the purpose of refunding certain outstanding alternate bonds of said Village, providing for the levy and collection of a direct annual tax sufficient to pay the principal and interest on said bonds, providing for the collection, segregation and distribution of the revenues of the sewerage system operated by said Village, along with State of Illinois income taxes received by said Village, authorizing the sale of said bonds to D.A. Davidson & Co., and directing the execution of an escrow agreement in connection with the issuance of said bonds.

passed by the President and Board of Trustees of the Village of Bradley, Kankakee County, Illinois, on the 10th day of August, 2015, and approved by the President of said Village, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF I have hereunto affixed my official signature and the seal of the County this 17th day of September 2015.

Bruce Clerk
County Clerk of
The County of Kankakee, Illinois

[SEAL]