
ORDINANCE NO. 2022-MC11

OF THE

CITY OF VILLA GROVE, ILLINOIS

PASSED

NOVEMBER 28, 2022

\$3,000,000
GENERAL OBLIGATION BONDS
(ALTERNATE REVENUE SOURCE)
SERIES 2022

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ORDINANCE NO. _____

**AN ORDINANCE AUTHORIZING AND DIRECTING THE
ISSUANCE, SALE AND DELIVERY OF GENERAL OBLIGATION
BONDS (ALTERNATE REVENUE SOURCE), SERIES 2022, OF
THE CITY OF VILLA GROVE, ILLINOIS AND AUTHORIZING
CERTAIN OTHER DOCUMENTS AND ACTIONS IN
CONNECTION THEREWITH**

WHEREAS, the City of Villa Grove, Illinois (the “City”) is a duly organized and existing municipality of the State of Illinois and is operating under the provisions of the Constitution and laws of the State of Illinois, including the Illinois Municipal Code, as amended (the “Code”); and

WHEREAS, the City Council of the City (the “City Council”) has determined that it is advisable, necessary and in the best interests of the City to acquire, construct, furnish and equip a new community center in the City (the “Project”); and

WHEREAS, the estimated costs of the Project including engineering, legal, financial, bond discount, printing and publication costs, capitalized interest and other expenses are more than \$3,000,000, and there are insufficient funds on hand and lawfully available to pay such costs; and

WHEREAS, it is necessary and for the best interests of the City that the Project be undertaken and, in order to raise the funds required for such purpose, it will be necessary for the City to borrow \$3,000,000 and in evidence thereof to issue alternate bonds in the aggregate principal amount of \$3,000,000, all in accordance with the Local Government Debt Reform Act of the State of Illinois, as amended (the “Act”); and

WHEREAS, the City Council, on August 29, 2022, adopted Ordinance No. 2022-MC06 (the “Authorizing Ordinance”), authorizing the issuance of certain alternate bonds (the “Alternate Bonds”), in an amount not to exceed \$3,000,000 for the Project; and

WHEREAS, on September 8, 2022, the Authorizing Ordinance, together with a notice in the statutory form, was published in the *News-Gazette*, and an affidavit evidencing the publication of the Authorizing Ordinance and said notice have heretofore been presented to the City Council and made a part of the permanent records of the City; and

WHEREAS, more than thirty (30) days have expired from the date of publication of the Authorizing Ordinance and said notice, and no petition with the requisite number of valid signatures thereon was filed with the City Clerk requesting that the question of the issuance of the Alternate Bonds for the Project be submitted to referendum; and

WHEREAS, the Project constitutes lawful corporate purposes within the meaning of the Act; and

WHEREAS, the City Council has been authorized to issue the Alternate Bonds in the amount of not to exceed \$3,000,000 in accordance with the provisions of the Act and the Authorizing Ordinance; none of such bonds have heretofore been issued; and the City Council hereby determines that it is necessary and advisable to authorize the issuance of \$3,000,000 of such authorized amount; and

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

WHEREAS, the City Council hereby determines that the Pledged Revenues will be sufficient to provide or pay in each year to final maturity of the Bonds, an amount not less than 1.25 times debt service of the Alternate Bonds now proposed to be issued; and

WHEREAS, pursuant to and in accordance with the provisions of the Bond Issue Notification Act of the State of Illinois, the Mayor signed an order calling a public hearing (the "Hearing") on November 3, 2022, concerning the intent of the City to sell not to exceed \$3,000,000 principal amount of Alternate Bonds to fund the Project; and

WHEREAS, notice of the Hearing was given by publication at least once not less than seven (7) nor more than thirty (30) days before the date of the Hearing in the *News-Gazette*, a newspaper having general circulation in the City; and

WHEREAS, the Hearing was held on November 3, 2022, and at the Hearing, the City Council explained the reasons for the proposed bond issue and permitted persons desiring to be heard an opportunity to present written or oral testimony within reasonable time limits; and

WHEREAS, the Hearing was finally adjourned on November 3, 2022, and not less than seven (7) days have passed since the final adjournment of the Hearing.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VILLA GROVE, ILLINOIS, AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. In addition to words and terms defined elsewhere herein, the following words and terms as used in this Ordinance shall have the following meanings:

"Act" means the Local Government Debt Reform Act of the State of Illinois, as supplemented and amended.

"Additional Bonds" means any alternate bonds issued in the future in accordance with the provisions of the Act on a parity with and sharing ratably and equally in the Pledged Revenues with the Bonds.

"Approved Investor" means (a) the Purchaser, (b) any related or affiliated party(s) of the Purchaser (as defined under federal securities laws), (c) an "accredited investor" under Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, or (d) a "qualified institutional buyer" under Rule 144A promulgated under the Securities Act of 1933.

"Authorized Denominations" means \$100,000 and integral multiples of \$1,000 in excess thereof.

"Bond Counsel" means Gilmore & Bell, P.C., or other attorneys or firm of attorneys with a nationally recognized standing in the field of municipal bond financing selected by the City.

“Bond Payment Date” means any date on which principal of or interest on any Bond is payable.

“Bond Register” means the books for the registration, transfer and exchange of Bonds kept at the office of the Paying Agent.

“Bonds” means the General Obligation Bonds (Alternate Revenue Source), Series 2022, authorized and issued by the City pursuant to this Ordinance.

“Business Day” means a day other than a Saturday, Sunday or holiday on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its banking operations.

“City” means the City of Villa Grove, Illinois, and any successors or assigns.

“Code” means the Internal Revenue Code of 1986, as amended.

“Construction Fund” means the fund by that name created by **Section 401** hereof.

“Debt Service Fund” means the fund by that name created by **Section 401** hereof.

“Defaulted Interest” means interest on any Bond which is payable but not paid on any Interest Payment Date.

“Defeasance Obligations” means any of the following obligations, if and to the extent the same are at the time legal for investment of the City’s funds:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations serving as security for the obligations (plus any cash in an escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations serving as security for the obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) the obligations are rated in the same rating category or higher as United States Government Obligations by Moody's Investors Service, Inc. or S&P Global Ratings.

"Federal Tax Certificate" means the Federal Tax Certificate, in substantially the form attached hereto as **Exhibit C**.

"Interest Payment Date" means the Stated Maturity of an installment of interest on any Bond.

"Maturity" when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein and herein provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

"Ordinance" means this Ordinance authorizing the issuance of the Bonds, as amended from time to time.

"Outstanding" means, when used with reference to Bonds, as of any particular date of determination, all Bonds theretofore authenticated and delivered hereunder, except the following:

(a) Bonds theretofore cancelled by the Paying Agent or delivered to the Paying Agent for cancellation;

(b) Bonds deemed to be paid in accordance with the provisions of **Section 701** hereof; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered hereunder.

"Paying Agent" means the Treasurer of the City.

"Person" means any natural person, corporation, limited liability company, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

"Pledged Moneys" means Pledged Revenues and Pledged Taxes.

"Pledged Revenues" means Revenue Sharing Receipts and Sales Taxes.

"Pledged Revenues Account" means the Pledged Revenues Account established in the Debt Service Fund pursuant to **Section 401** hereof.

"Pledged Taxes" means the ad valorem property taxes levied upon all of the taxable property in the City without limitation as to rate or amount and pledged by the City as security for the Bonds.

"Pledged Taxes Account" means the Pledged Taxes Account established in the Debt Service Fund pursuant to **Section 401** hereof.

“Project” means the acquisition, construction, furnishing and equipping of a new community center in the City.

“Purchaser” means Villa Grove State Bank, the original purchaser of the Bonds.

“Record Date” for the interest payable on any Interest Payment Date means the 15th day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

“Redemption Date” when used with respect to any Bond to be redeemed means the date fixed for the redemption of such Bond pursuant to the terms of this Ordinance.

“Redemption Price” when used with respect to any Bond to be redeemed means the price at which such Bond is to be redeemed pursuant to the terms of this Ordinance, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date, which price is to be stated as a percentage of the principal amount of those Bonds to be redeemed.

“Registered Owner” when used with respect to any Bond means the Person in whose name such Bond is registered on the Bond Register.

“Revenue Sharing Receipts” means all collections distributed to the City from those taxes imposed by the State of Illinois pursuant to the Income Tax Act, as supplemented and amended, or substitute taxes therefor as provided for by the State of Illinois in the future.

“Sales Taxes” means all collections distributed to the City from those taxes imposed by the State of Illinois pursuant to the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers’ Occupation Tax Act, each as supplemented and amended from time to time, or substitute taxes therefor as provided by the State of Illinois in the future.

“Special Record Date” means the date prior to the payment date of Defaulted Interest fixed by the Paying Agent pursuant to **Section 204** hereof.

“Stated Maturity” when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond and this Ordinance as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

“United States Government Obligations” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payments on obligations issued or guaranteed by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the City.

ARTICLE II

AUTHORIZATION OF BONDS

Section 201. Authorization of Bonds. There shall be issued and hereby are authorized and directed to be issued the General Obligation Bonds (Alternate Revenue Source), Series 2022 of the City (the "Bonds"), in the original principal amount of \$3,000,000, which are being issued for the purpose of paying the costs of (a) the Project, and (b) issuing the Bonds.

Section 202. Description of Bonds.

(a) The Bonds shall consist of fully-registered bonds, numbered from 1 upward in order of issuance, in Authorized Denominations. The Bonds, as originally issued or issued upon transfer, exchange or substitution, shall be substantially in the form set forth in **Exhibit A** attached hereto, and shall be subject to registration, transfer and exchange as provided in **Section 205** hereof.

(b) All of the Bonds shall be dated the date of original issue and delivery, shall become due in the amounts on the Stated Maturities, subject to redemption and payment prior to their Stated Maturities as provided in **Article III** hereof, and shall bear interest at rates per annum, as follows:

TERM BONDS

<u>Stated Maturity (December 1)</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>
2027	\$491,000	4.75%
****	*****	*****
2032	\$629,000	5.00%
****	*****	*****
2042	\$1,880,000	5.25%

(c) The Bonds shall bear interest at the above specified rates (computed on a 365/360 (actual) basis) from the date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually on June 1 and December 1 in each year, beginning on June 1, 2023.

Section 203. Designation of Paying Agent.

(a) The Treasurer of the City is hereby designated as the City's paying agent for the payment of principal of and interest on the Bonds and bond registrar with respect to the registration, transfer and exchange of Bonds.

(b) The City will at all times maintain a Paying Agent for the performance of the duties hereunder. The City reserves the right to appoint a successor Paying Agent by (1) filing with the Paying Agent then performing such function a certified copy of the proceedings giving notice of the termination of such Paying Agent and appointing a successor, and (2) causing notice of the appointment of the successor Paying Agent to be given by first class mail to each Registered Owner. The Paying Agent may resign upon giving written notice by first class mail to the City and the Registered Owners not less than 60 days prior to the date such resignation is to take effect. No resignation or removal of the Paying Agent shall become effective until a successor has been appointed and has accepted the duties of Paying Agent.

Section 204. Method and Place of Payment of Bonds.

(a) The principal or Redemption Price of and interest on the Bonds shall be payable in any coin or currency of the United States of America that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

(b) The principal of the Bonds or Redemption Price of each Bond shall be paid at Maturity by check, electronic transfer or draft to the Person in whose name such Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Bond at the payment office designated by the Paying Agent.

(c) The interest payable on each Bond on any Interest Payment Date shall be paid to the Registered Owner of such Bond as shown on the Bond Register at the close of business on the Record Date for such payment (1) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or such other address furnished to the Paying Agent in writing by such Registered Owner or (2) by electronic transfer to a Registered Owner upon written notice given to the Paying Agent not less than 15 days prior to the Record Date for such interest and signed by the Registered Owner, containing the electronic transfer instructions including the bank (which shall be in the continental United States), ABA routing number and account number to which such Registered Owner wishes to have such transfer directed and an acknowledgment that an electronic transfer fee may be applicable. Any notice given by a Registered Owner relating to an electronic transfer shall remain effective until revoked.

(d) Notwithstanding the foregoing provisions of this Section, any Defaulted Interest with respect to any Bond shall cease to be payable to the Registered Owner of such Bond on the relevant Record Date and shall be payable to the Registered Owner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified in this paragraph. The City shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent unless the City and the Paying Agent agree to a shorter time period) and shall deposit with the Paying Agent at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment, unless the City and the Paying Agent agree to a shorter time period. The Paying Agent shall promptly notify the City of such Special Record Date and, in the name and at the expense of the City, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Registered Owner of a Bond entitled to such notice at the address of such Registered Owner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

(e) The Paying Agent shall keep a record of payment of principal and Redemption Price of and interest on all Bonds, and shall, at the written request of the City, forward a copy or summary of such records to the City.

(f) In any case where a Bond Payment Date is not a Business Day, then payment of the principal of and interest on the Bonds need not be made on such Bond Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Bond Payment Date, and no interest shall accrue for the period after such Bond Payment Date.

Section 205. Registration, Transfer and Exchange of Bonds.

(a) The City covenants that, as long as any of the Bonds remain Outstanding, it will cause the Bond Register to be kept at the principal payment office of the Paying Agent or such other office designated by the Paying Agent. Each Bond when issued shall be registered in the name of the owner thereof on the Bond Register.

(b) **The Bonds and beneficial interests therein may only be purchased by or transferred to Approved Investors.** Subject to the limitations of the preceding sentence, Bonds may be transferred and exchanged only on the Bond Register as provided in this Section. Upon surrender of any Bond at the principal payment office of the Paying Agent or such other office designated by the Paying Agent, the Paying Agent shall transfer or exchange such Bond for a new Bond or Bonds in any Authorized Denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or by the Registered Owner's duly authorized agent.

(c) In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance. The City shall pay the fees and expenses of the Paying Agent for the registration, transfer and exchange of Bonds provided for by this Ordinance and the cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Paying Agent, are the responsibility of the Registered Owners of the Bonds. If any Registered Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Code, such amount may be deducted by the Paying Agent from amounts otherwise payable to such Registered Owner hereunder or under the Bonds.

(d) The City and the Paying Agent shall not be required to (1) register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent pursuant to **Section 303** hereof and during the period of 15 days next preceding the date of mailing of such notice of redemption, or (2) register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the City of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to **Section 204** hereof.

(e) The City and the Paying Agent may deem and treat the Person in whose name any Bond is registered on the Bond Register as the absolute owner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of and interest on said Bond and for all other purposes. All payments so made to any such Registered Owner or upon the Registered Owner's order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor the Paying Agent shall be affected by any notice to the contrary.

(f) At reasonable times and under reasonable regulations established by the Paying Agent, the Bond Register may be inspected and copied by the Registered Owners of 10% or more in principal amount of the Bonds then Outstanding or any designated representative of such Registered Owners. The authority of any designated representative of such Registered Owners must be evidenced to the satisfaction of the Paying Agent.

Section 206. Execution, Registration, Authentication and Delivery of Bonds.

(a) Each of the Bonds, including any Bonds issued in exchange or as substitutions for the Bonds initially delivered, shall be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk and shall have the official seal of the City affixed or imprinted thereon. In case any officer whose signature appears on any Bond ceases to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, as if such person had remained in office until delivery. Any Bond may be signed by such persons who at the actual time of the execution of such Bond are the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

(b) The Mayor and City Clerk are hereby authorized and directed to prepare and execute the Bonds in the manner herein specified and, when duly executed and registered, to deliver the Bonds to the Paying Agent for authentication.

(c) The Bonds shall have endorsed thereon a certificate of authentication substantially in the form set forth in **Exhibit A** attached hereto, which shall be manually executed by an authorized signatory of the Paying Agent, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Bonds that may be issued hereunder at any one time. No Bond shall be entitled to any security or benefit under this Ordinance or be valid or obligatory for any purpose unless and until such certificate of authentication has been duly executed by the Paying Agent. Such executed certificate of authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Ordinance. Upon authentication, the Paying Agent shall deliver the Bonds to or upon the order of the Purchaser, upon payment to the City of the purchase price of the Bonds.

Section 207. Mutilated, Destroyed, Lost and Stolen Bonds.

(a) If (1) any mutilated Bond is surrendered to the Paying Agent or the Paying Agent receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (2) there is delivered to the Paying Agent such security or indemnity as may be required by the Paying Agent to save each of the City and the Paying Agent harmless, then, in the absence of notice to the Paying Agent that such Bond has been acquired by a bona fide purchaser, the City shall execute and, the Paying Agent shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of the same Stated Maturity and of like tenor and principal amount.

(b) If any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the City may, in its discretion, direct the Paying Agent to pay such Bond instead of delivering a new Bond.

(c) Upon the issuance of any new Bond under this Section, the City or the Paying Agent may require the payment by the Registered Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

(d) Every new Bond issued pursuant to this Section shall constitute a replacement of the City's prior obligation, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds.

Section 208. Cancellation and Destruction of Bonds Upon Payment. All Bonds that have been paid or redeemed or that otherwise have been surrendered to the Paying Agent, either at or before Maturity, shall be cancelled by the Paying Agent immediately upon the payment, redemption and surrender

thereof to the Paying Agent and subsequently destroyed in accordance with the customary practices of the Paying Agent. The Paying Agent shall execute a certificate in duplicate describing the Bonds so cancelled and shall file an executed counterpart of such certificate with the City.

Section 209. Sale of Bonds. The Bonds shall be sold to the Purchaser at a purchase price of \$3,000,000.

ARTICLE III

REDEMPTION OF BONDS

Section 301. Redemption of Bonds.

(a) *Optional Redemption.* At the option of the City, the Bonds maturing on December 1, 2033 and thereafter may be called for redemption and payment prior to their Stated Maturities, as a whole or in part, on December 1, 2032 and any date thereafter in such amount as shall be determined by the City, at the Redemption Price of 100% of the principal amount thereof, plus accrued interest thereon to the Redemption Date.

(b) *Mandatory Redemption.* The Bonds shall be subject to mandatory redemption and payment prior to Stated Maturity pursuant to the mandatory redemption requirements of this Section at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date. Moneys on deposit in the Debt Service Fund shall be sufficient to redeem, and the City shall redeem Bonds on the dates and in the principal amounts as follows:

Bonds maturing on December 1, 2027

<u>December 1 of the Year:</u>	<u>Principal Amount</u>
2023	\$ 89,000
2024	93,000
2025	98,000
2026	103,000
2027*	108,000

*Final Maturity

Bonds maturing on December 1, 2032

<u>December 1 of the Year:</u>	<u>Principal Amount</u>
2028	\$113,000
2029	119,000
2030	126,000
2031	132,000
2032*	139,000

*Final Maturity

Bonds maturing on December 1, 2042

<u>December 1 of the Year:</u>	<u>Principal Amount</u>
2033	\$146,000
2034	154,000
2035	163,000
2036	172,000
2037	181,000
2038	191,000
2039	201,000
2040	212,000
2041	224,000
2042*	236,000

*Final Maturity

At its option, to be exercised on or before the 45th day next preceding any mandatory Redemption Date, the City may: (1) deliver to the Paying Agent for cancellation Bonds subject to mandatory redemption on said mandatory Redemption Date, in any aggregate principal amount desired, (2) furnish the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any Bonds subject to mandatory redemption on said mandatory Redemption Date from any Registered Owner thereof whereupon the Paying Agent shall expend such funds for such purpose to such extent as may be practical, or (3) receive a credit with respect to the mandatory redemption obligation of the City under this Section for any Bonds subject to mandatory redemption on said mandatory Redemption Date which, prior to such date, have been redeemed (other than through the operation of the mandatory redemption requirements of this subsection (b)) and cancelled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under this subsection (b). Each Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the City to redeem Bonds of the same Stated Maturity on such mandatory Redemption Date, and any excess of such amount shall be credited on future mandatory redemption obligations for Bonds of the same Stated Maturity in chronological order, and the principal amount of Bonds of the same Stated Maturity to be redeemed by operation of the requirements of this Section shall be accordingly reduced. If the City intends to exercise any option granted by the provisions of clauses (1), (2) or (3) above, the City will, on or before the 45th day next preceding each mandatory Redemption Date, furnish the Paying Agent a written certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with respect to such mandatory redemption payment.

Section 302. Selection of Bonds to Be Redeemed.

(a) The Paying Agent shall call Bonds for redemption and payment and shall give notice of such redemption as herein provided upon receipt by the Paying Agent at least 15 days prior to the Redemption Date of the City's written instructions specifying the principal amount, Redemption Date and Redemption Prices of the Bonds to be called for redemption. The Paying Agent may in its discretion waive such notice period so long as the notice requirements set forth in **Section 303** are met. The foregoing provisions of this paragraph shall not apply to the mandatory redemption of Bonds, and such Bonds shall be called by the Paying Agent for redemption pursuant to such mandatory redemption requirements without the necessity of any action by the City and whether or not the Paying Agent shall hold in the Debt Service Fund moneys available and sufficient to effect the required redemption.

(b) Bonds shall be redeemed only in Authorized Denominations. When less than all of the Outstanding Bonds are to be redeemed, such Bonds shall be redeemed in such order of their Stated Maturities as shall be determined by the City, and Bonds of less than a full Stated Maturity and bearing interest at the same interest rate shall be selected by the Paying Agent in \$100,000 units of principal amount by lot or in such other equitable manner as the Paying Agent may determine.

(c) In the case of a partial redemption of Bonds, when Bonds of denominations greater than \$100,000 are then Outstanding, then for all purposes in connection with such redemption each \$100,000 of face value shall be treated as though it were a separate Bond of the denomination of \$100,000. If it is determined that one or more, but not all, of the \$100,000 units of face value represented by any Bond are selected for redemption, then upon notice of intention to redeem such \$100,000 unit or units, the Registered Owner of such Bond or the Registered Owner's duly authorized agent shall present and surrender such Bond to the Paying Agent (i) for payment of the Redemption Price and interest to the Redemption Date of such \$100,000 unit or units of face value called for redemption, and (ii) for exchange, without charge to the Registered Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Registered Owner of any such Bond fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the Redemption Date to the extent of the \$100,000 unit or units of face value called for redemption (and to that extent only).

Section 303. Notice and Effect of Call for Redemption.

(a) Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption shall be given by the Paying Agent on the City's behalf by mailing a copy of an official redemption notice by first class mail at least 10 days but not more than 30 days prior to the Redemption Date to each Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register.

(b) All official notices of redemption shall be dated and shall contain the following information:

(1) the Redemption Date;

(2) the Redemption Price;

(3) if less than all Outstanding Bonds are to be redeemed, the identification number, Stated Maturity and, in the case of the partial redemption of any Bonds, the respective principal amounts of the Bonds to be redeemed;

(4) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and

(5) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal payment office of the Paying Agent or such other office designated by the Paying Agent.

(c) With respect to optional redemptions, such notice may be conditioned upon moneys being on deposit with the Paying Agent on or prior to the Redemption Date in an amount sufficient to pay the Redemption Price on the Redemption Date. If such notice is conditional and either the Paying Agent

receives written notice from the City that moneys sufficient to pay the Redemption Price will not be on deposit on the Redemption Date, or such moneys are not received on the Redemption Date, then such notice shall be of no force and effect, the Paying Agent shall not redeem such Bonds and the Paying Agent shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not or will not be so received and that such Bonds will not be redeemed.

(d) Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the City defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Paying Agent. 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, the Paying Agent shall prepare for the Registered Owner a new Bond or Bonds of the same Stated Maturity in the amount of the unpaid principal as provided herein. All Bonds that have been surrendered for redemption shall be cancelled and destroyed by the Paying Agent as provided herein and shall not be reissued.

(e) The failure of any Registered Owner to receive the foregoing notice or any defect therein shall not invalidate the effectiveness of the call for redemption.

(f) If the Paying Agent is a bank or trust company, then the Paying Agent is also directed to comply with any mandatory standards then in effect for processing redemptions of municipal securities established by the Securities and Exchange Commission. Failure to comply with such standards shall not affect or invalidate the redemption of any Bond.

ARTICLE IV

ESTABLISHMENT OF FUNDS; DEPOSIT AND APPLICATION OF BOND PROCEEDS

Section 401. Establishment of Funds. There have been or shall be established in the City's treasury and shall be held and administered by the Treasurer of the City the following separate funds and accounts:

- (a) Debt Service Fund, which shall consist of a Pledged Revenues Account and a Pledged Taxes Account.
- (b) Construction Fund.

Section 402. Deposit of Bond Proceeds. Costs of issuance of the Bonds may be paid by the Purchaser on behalf of the City from the proceeds of the Bonds. All remaining proceeds of the Bonds shall be deposited in the Construction Fund and applied in accordance with **Section 403** hereof.

Section 403. Application of Moneys in the Construction Fund.

(a) Moneys in the Construction Fund shall be used by the City solely for the purpose of (1) paying the costs of the Project in accordance with the plans and specifications to be approved by the City Council and filed in the office of the City Clerk, including any alterations in or amendments to said

plans and specifications deemed advisable by the City's architects and engineers and approved by the City Council, and (2) paying the costs and expenses of issuing the Bonds.

(b) The Treasurer of the City shall make withdrawals from the Construction Fund upon satisfaction that such payment is being made for a purpose within the scope of this Ordinance and that the amount of such payment represents only the contract price of the property, equipment, labor, materials or service being paid for or, if such payment is not being made pursuant to an express contract, that such payment is not in excess of the reasonable value thereof.

Section 404. Application of Moneys in the Debt Service Fund.

(a) All Pledged Moneys designated to pay the principal of and interest on the Outstanding Bonds shall be set aside and deposited by the Treasurer of the City into the Debt Service Fund in accordance with the terms hereof, which is a restricted fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the City by this Ordinance. The Outstanding Bonds are secured by a pledge of all of the moneys on deposit in the Debt Service Fund, and such pledge is irrevocable until the obligations of the City are discharged under this Ordinance.

(b) The Treasurer of the City shall transfer and deposit the Pledged Moneys into the Debt Service Fund in accordance with the terms of this Ordinance. The moneys on deposit in the Debt Service Fund shall be used by the City solely and only for the purpose of carrying out the terms and conditions of this Ordinance and shall be deposited as hereinafter provided.

(1) *Pledged Revenues Account.* The Treasurer of the City shall transfer and deposit all Pledged Revenues to be applied to the payment of the Bonds into the Pledged Revenues Account.

(2) *Pledged Taxes Account.* The Treasurer of the City shall deposit the Pledged Taxes into the Pledged Taxes Account.

(c) In the event that there shall be moneys to the credit of both the Pledged Revenues Account and the Pledged Taxes Account in the Debt Service Fund on any Interest Payment Date for the Outstanding Bonds, the Pledged Taxes Account shall be fully depleted before moneys to the credit of the Pledged Revenues Account shall be used to pay principal of or interest on the Outstanding Bonds.

Section 405. Deposits and Investment of Money.

(a) Money in each of the funds or accounts created by and referred to in this Ordinance shall be deposited in a bank or banks or other legally permitted financial institutions located in the State of Illinois that are members of the Federal Deposit Insurance Corporation. All such deposits shall be continuously and adequately secured by the financial institutions holding such deposits as provided by the laws of the State of Illinois.

(b) Money held in any fund or account referred to in this Ordinance may be invested by the Treasurer of the City at the direction of the City Council, in accordance with this Ordinance, in legally permitted investments; provided, however, that no such investment may be made for a period extending longer than the date when the money invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any fund or account shall accrue to and become a part of such fund or account.

ARTICLE V

SECURITY FOR AND PAYMENT OF BONDS

Section 501. Security for the Bonds. The Bonds shall be general obligations of the City payable as to both principal and interest from ad valorem taxes which shall be levied without limitation as to rate or amount upon all the taxable tangible property within the City’s territorial limits. The full faith, credit and resources of the City are hereby irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same become due.

Section 502. Levy and Collection of Pledged Taxes.

(a) For the purpose of providing for the payment of the principal or Redemption Price of and interest on the Bonds due on December 1, 2024 and thereafter, there is hereby levied upon all of the taxable tangible property within the City a direct annual tax sufficient to produce the amounts necessary for the payment of such principal or Redemption Price of and interest as the same becomes due and payable in each year, as follows:

<u>For the Levy Year</u>	<u>A Tax Sufficient to Produce the Sum of:</u>
2023	\$242,085
2024	242,486
2025	242,646
2026	242,927
2027	242,102
2028	242,222
2029	243,012
2030	242,766
2031	242,604
2032	242,196
2033	242,212
2034	242,983
2035	242,861
2036	242,467
2037	242,567
2038	242,233
2039	242,144
2040	242,541
2041	242,299

(b) The taxes referred to above shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the City’s other ad valorem taxes are levied and collected. The proceeds derived from said taxes shall be deposited in the Pledged Taxes Account of the Debt Service Fund, shall be kept separate and apart from all other funds of the City and shall be used solely for the payment of the principal or Redemption Price of and interest on the Bonds as and when the same become due.

(c) If at any time said taxes are not collected in time to pay the principal or Redemption Price of and interest on the Bonds when due, the Treasurer of the City is hereby authorized and directed to pay

said principal or Redemption Price of and interest on the Bonds out of the City's general funds and to reimburse said general funds for money so expended when said taxes are collected.

(d) The City covenants and agrees with the Registered Owners of the Bonds that so long as any of the Bonds remain outstanding, the City will take no action or fail to take any action which in any way would adversely affect the ability of the City to levy and collect the foregoing tax levy and the City and its officers will comply with all present and future applicable laws in order to assure that the foregoing taxes will be levied, extended and collected as provided herein and deposited in the Pledged Taxes Account of the Debt Service Fund.

(e) Notwithstanding anything to the contrary herein, whenever the Pledged Revenues or other lawfully available funds are available to pay any principal of or interest on the Bonds when due, so as to enable the abatement of the Pledged Taxes levied for the same, the City Council or the officers of the City acting with proper authority shall direct the deposit of such Pledged Revenues and such other lawfully available funds into the Pledged Revenues Account of the Debt Service Fund. The City Council shall direct the abatement of the Pledged Taxes by the amount of such deposit, and proper notification of such abatement shall be filed with the County Clerk of Douglas County, Illinois in a timely manner to effect the abatement of such deposit. If for any reason there is abatement of such levy of taxes and the failure thereafter to pay the principal of and interest on the Bonds, the additional amount, together with accrued interest, shall be added to the tax levy in the year of, or the next year following, such failure.

Section 503. Filing of Ordinance. Upon the passage of this Ordinance, the City Clerk is hereby directed to file a certified copy of this Ordinance with the County Clerk of Douglas County, Illinois, and it shall be the duty of said County Clerk for each of the years required to ascertain the rate necessary to produce the tax herein levied, and extend the same for collection on the tax books against all of the taxable property within the City in connection with other taxes levied in each of said years for general corporate purposes, in order to raise the respective amounts aforesaid and in each of said years such annual tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for general corporate purposes of the City, and when collected, the taxes hereby levied shall be placed in the Pledged Taxes Account of the Debt Service Fund.

Section 504. Treatment of Bonds as Debt. The Bonds shall be payable from the Pledged Moneys as provided herein and shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation, unless the Pledged Taxes shall have been extended pursuant to the general obligation full faith and credit promise supporting the Bonds, as provided in **Section 505** hereof, in which case the amount of the Outstanding Bonds shall be included in the computation of indebtedness of the City for purposes of all statutory provisions or limitations until such time as an audit of the City shall show that the Bonds have been paid from the Pledged Revenues for a complete fiscal year, in accordance with the Act.

Section 505. General Covenants. The City covenants and agrees with the Registered Owners of the Bonds that, so long as any Bonds remain Outstanding:

A. The City hereby pledges the Pledged Revenues to the payment of the Bonds, and the City Council covenants and agrees to provide for, collect and apply the Pledged Revenues to the payment of the Bonds and the provision of not less than an additional 0.25 times debt service, all in accordance with Section 15 of the Act.

B. The City will punctually pay or cause to be paid from the sources herein provided the principal of and the 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 City will pay and discharge, or cause to be paid and discharged, from the Debt Service Fund any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Revenues or Pledged Taxes, or any part thereof, or upon any funds in the hands of the Paying Agent, or which might impair the security of the Bonds. Nothing herein contained shall require the City to make any such payment so long as the City in good faith shall contest the validity of said claims.

D. The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the Pledged Revenues, the Pledged Taxes, the Debt Service Fund and associated subaccounts. Such books of record and accounts will at all times during business hours be subject to the inspection of the Registered Owners of not less than 10% of the principal amount of the outstanding Bonds or their representatives authorized in writing.

E. The City 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 City, the Bonds shall be incontestable by the City.

F. The City 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 under this Ordinance, the City will continue to deposit the Pledged Revenues (or other lawfully available funds) into the Pledged Revenues Account and, if necessary, the Pledged Taxes into the Pledged Taxes Account. The City covenants and agrees with the purchasers of the Bonds and with the Registered Owners thereof that so long as any Bonds remain outstanding, the City will take no action or fail to take any action which in any way would adversely affect the ability of the City to collect the Pledged Revenues. The City and its officers will comply with all present and future applicable laws in order to assure that the Pledged Revenues and Pledged Taxes may be collected as provided herein and deposited into the Pledged Revenues Account and Pledged Taxes Account, respectively, as provided herein.

H. Once issued, the Bonds shall be and forever remain until paid or defeased the general obligation of the City, for the payment of which its full faith and credit are pledged, and shall be payable, in addition to the Pledged Revenues, from the levy of the Pledged Taxes as provided in the Act.

ARTICLE VI

REMEDIES

Section 601. Remedies. The provisions of this Ordinance, including the covenants and agreements herein contained, shall constitute a contract between the City and the Registered Owners of the

Bonds, and the Registered Owner or Owners of not less than 10% in principal amount of the Bonds at the time Outstanding shall have the right for the equal benefit and protection of all Registered Owners of Bonds similarly situated:

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Registered Owner or Owners against the City and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of this Ordinance or by the constitution and laws of the State of Illinois;

(b) by suit, action or other proceedings in equity or at law to require the City, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Registered Owners of the Bonds.

Section 602. Limitation on Rights of Registered Owners. The covenants and agreements of the City contained herein and in the Bonds shall be for the equal benefit, protection and security of the legal owners of any or all of the Bonds. All of the Bonds shall be of equal rank and without preference or priority of one Bond over any other Bond in the application of the funds herein pledged to the payment of the principal of and the interest on the Bonds, or otherwise, except as to rate of interest, or date of Maturity or right of prior redemption as provided in this Ordinance. No one or more Registered Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Registered Owners of such Outstanding Bonds.

Section 603. Remedies Cumulative. No remedy conferred herein upon the Registered Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the Registered Owner of any Bond shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies consequent thereon. No delay or omission of any Registered Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Registered Owners of the Bonds by this Ordinance may be enforced and exercised from time to time and as often as may be deemed expedient. If any suit, action or proceedings taken by any Registered Owner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or has been determined adversely to such Registered Owner, then, and in every such case, the City and the Registered Owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Registered Owners shall continue as if no such suit, action or other proceedings had been brought or taken.

ARTICLE VII

DEFEASANCE

Section 701. Defeasance.

(a) When any or all of the Bonds or scheduled interest payments thereon have been paid and discharged, then the requirements contained in this Ordinance and the pledge of the Pledged Moneys and

all other rights granted hereby shall terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of this Ordinance if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State of Illinois and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, money and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of and redemption premium, if any, on said Bonds and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments; provided, however, that if any such Bonds are to be redeemed prior to their Stated Maturity, (1) the City has elected to redeem such Bonds, and (2) notice of such redemption has been given.

(b) Any money and Defeasance Obligations that at any time shall be deposited with the Paying Agent or other commercial bank or trust company by or on behalf of the City, for the purpose of paying and discharging any of the Bonds, or the interest payments thereon, shall be and are hereby assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Registered Owners of the Bonds, and such money shall be and is hereby irrevocably appropriated to the payment and discharge thereof. All money and Defeasance Obligations deposited with the Paying Agent or other bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of this Ordinance.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section 801. Tax Covenants.

(a) The City hereby covenants and agrees to comply with all provisions and requirements of the Federal Tax Certificate, which is hereby approved, with such changes therein as shall be approved by the Mayor and the Bond Compliance Officer (as defined therein), which officers are hereby authorized to execute the Federal Tax Certificate for and on behalf of the City, such officer's signature thereon being conclusive evidence of his or her approval thereof.

(b) The City hereby approves and adopts a Tax Compliance Procedure, a form of which is attached hereto as **Exhibit B**, to be applicable to all outstanding and future tax-exempt financings. The City covenants and agrees that it will comply with and carry out all of the provisions of the Tax Compliance Procedure.

Section 802. Annual Audit and Reporting Obligations.

(a) Annually, promptly after the end of the fiscal year, the City will cause an audit to be made of its funds and accounts for the preceding fiscal year by an independent public accountant or firm of independent public accountants.

(b) Within 30 days after the completion of each such audit, a copy thereof shall be filed in the office of the City Clerk. Such audits shall at all times during the usual business hours be open to the examination and inspection by any taxpayer, any Registered Owner of any of the Bonds, or by anyone acting for or on behalf of such taxpayer or Registered Owner.

(c) As soon as possible after the completion of the annual audit, the City Council shall review such audit, and if the audit discloses that proper provision has not been made for all of the requirements of this Ordinance, the City shall promptly cure such deficiency.

(d) The City agrees to provide to the Purchaser not later than 270 days after the end of each fiscal year, audited financial statements for the most recent fiscal.

Section 803. Amendments.

(a) The rights and duties of the City and the Registered Owners, and the terms and provisions of the Bonds or of this Ordinance, may be amended or modified at any time in any respect by Ordinance of the City with the written consent of the Registered Owners of not less than a majority in principal amount of the Bonds then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Registered Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the City Clerk. No such modification or alteration may:

(1) extend the maturity of any payment of principal or interest due upon any Bond or alter any optional Redemption Date;

(2) effect a reduction in the amount which the City is required to pay as principal of or interest on any Bond;

(3) permit preference or priority of any Bond over any other Bond; or

(4) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of this Ordinance.

(b) Any provision of the Bonds or of this Ordinance may, however, be amended or modified by Ordinance duly adopted by the City Council at any time in any legal respect with the written consent of the Registered Owners of all of the Bonds at the time Outstanding.

(c) Without notice to or the consent of any Registered Owners, the City may amend or supplement this Ordinance for the purpose of curing any formal defect, omission, inconsistency or ambiguity therein or in connection with any other change therein which is not materially adverse to the interests of the Registered Owners.

(d) Every amendment or modification of the provisions of the Bonds or of this Ordinance, to which the written consent of the Registered Owners is given, as above provided, shall be expressed in an ordinance adopted by the City Council amending or supplementing the provisions of this Ordinance and shall be deemed to be a part of this Ordinance. A certified copy of every such amendatory or supplemental ordinance if any, and a certified copy of this Ordinance shall always be kept on file in the office of the City Clerk and shall be made available for inspection by the Registered Owner of any Bond or a prospective purchaser or owner of any Bond authorized by this Ordinance, and upon payment of the reasonable cost of preparing the same, a certified copy of any such amendatory or supplemental ordinance or of this Ordinance will be sent by the City Clerk to any such Registered Owner or prospective Registered Owner.

(e) Any and all modifications made in the manner hereinabove provided shall not become effective until there has been filed with the City Clerk a copy of the ordinance of the City hereinabove provided for, duly certified, as well as proof of any required consent to such modification by the Registered Owners of the Bonds then Outstanding. It shall not be necessary to note on any of the Outstanding Bonds any reference to such amendment or modification.

(f) The City shall furnish to the Paying Agent a copy of any amendment to the Bonds or this Ordinance which affects the duties or obligations of the Paying Agent under this Ordinance.

Section 804. Notices, Consents and Other Instruments by Registered Owners.

(a) Any notice, consent, request, direction, approval or other instrument to be signed and executed by the Registered Owners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Registered Owners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds (other than the assignment of the ownership of a Bond as provided for in the form of Bond set forth in **Exhibit A**) if made in the following manner, shall be sufficient for any of the purposes of this Ordinance, and shall be conclusive in favor of the City and the Paying Agent with regard to any action taken, suffered or omitted under any such instrument, namely:

(1) The fact and date of the execution by any person of any such instrument may be proved by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before such officer the execution thereof, or by affidavit of any witness to such execution.

(2) The fact of ownership of Bonds, the amount or amounts, numbers and other identification of Bonds, and the date of holding the same shall be proved by the Bond Register.

(b) In determining whether the Registered Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Ordinance, Bonds owned by the City shall be disregarded and deemed not to be Outstanding under this Ordinance, except that, in determining whether the Registered Owners shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Registered Owners know to be so owned shall be so disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Registered Owners the pledgee's right so to act with respect to such Bonds and that the pledgee is not the City.

Section 805. Incorporation of Preambles. The City Council hereby finds that all of the recitals contained in the preambles to this Ordinance are full, true and correct and does incorporate them into this Ordinance by this reference.

Section 806. Additional Bonds. The City reserves the right to issue Additional Bonds without limit from time to time payable from the Pledged Revenues, and any such Additional Bonds shall share ratably and equally in the Pledged Revenues with the Outstanding Bonds; provided that no Additional Bonds shall be issued except in accordance with the provisions of the Act.

Section 807. Further Authority. The officers of the City, including the Mayor, Treasurer and City Clerk, are hereby authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Ordinance and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instruments and other documents herein approved, authorized and confirmed which they may approve, and the execution or taking of such action shall be conclusive evidence of such necessity or advisability.

Section 808. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the

Paying Agent and the Registered Owners of the Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation thereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Paying Agent and the Registered Owners of the Bonds.

Section 809. No Rating, CUSIP Number or Securities Depository. The Bonds have not and are not expected to be, rated by a nationally recognized organization which regularly rates such obligations, assigned a CUSIP number or registered with or made eligible for registration with any securities depository, including but not limited to the Depository Trust Company, New York, New York.

Section 810. Severability. If any section or other part of this Ordinance, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Ordinance.

Section 811. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State of Illinois.

Section 812. Effective Date. This Ordinance shall take effect and be in full force immediately from and after passage by the City Council.

ADOPTED by the City Council of the City of Villa Grove, Illinois on the 28th day of November, 2022.

Aye: 4

Nay: 0

Absent: 2

APPROVED by me, as Mayor of the City of Villa Grove, Illinois, the 28th day of November, 2022.



Mayor

PASSED by the City Council of the City of Villa Grove, Illinois, the 28th day of November, 2022.

Attest: 

City Clerk



**EXHIBIT A
TO ORDINANCE**

(FORM OF BONDS)

***THIS BOND OR ANY PORTION HEREOF MAY BE TRANSFERRED, ASSIGNED OR
NEGOTIATED ONLY AS PROVIDED IN THE HEREIN DESCRIBED ORDINANCE.***

**UNITED STATES OF AMERICA
STATE OF ILLINOIS**

**Registered
No. _____**

**Registered
\$ _____**

**CITY OF VILLA GROVE, ILLINOIS
GENERAL OBLIGATION BOND
(ALTERNATE REVENUE SOURCE)
SERIES 2022**

<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP Number</u>
December 1, 20____	_____, 2022	N/A

REGISTERED OWNER: VILLA GROVE STATE BANK, ILLINOIS

PRINCIPAL AMOUNT: _____ DOLLARS

THE CITY OF VILLA GROVE, ILLINOIS, a duly organized and existing municipality of the State of Illinois (the "City"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner shown above, or registered assigns, the principal amount shown above unless called for redemption prior to said maturity date, and to pay interest thereon at the interest rate per annum shown above (computed on a 365/360 (actual) basis) from the dated date shown above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually on June 1 and December 1 in each year, beginning on June 1, 2023, until said principal amount has been paid

Principal of the Bonds is payable by check, electronic transfer or draft in lawful money of the United States of America upon presentation and surrender of this Bond at the office of the Treasurer of the City (the "Paying Agent"). The interest payable on this Bond on any Interest Payment Date shall be paid to the Person in whose name this Bond is registered on the registration books maintained by the Paying Agent (the "Bond Register") at the close of business on the Record Date for such payment, which shall be the 15th day (whether or not a Business Day) of the calendar month next preceding such payment date, by (a) check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or such other address furnished to the Paying Agent in writing by such Registered Owner or (b) electronic transfer to such Registered Owner upon written notice given to the Paying Agent not less than 15 days prior to the Record Date for such interest and signed by such Owner, containing the electronic transfer instructions including the name and address of the bank (which shall be in the continental United States), ABA routing number and account number to which such Registered Owner wishes to have such

transfer directed and an acknowledgement that an electronic transfer fee may be applicable. Any notice given by a Registered Owner relating to an electronic transfer shall remain effective until revoked. The principal or Redemption Price of and interest on the Bonds shall be payable in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

This Bond is issued by the City for the purpose of providing funds to acquire, construct, furnish and equip a new community center in the City under the authority of and in full compliance with the constitution and laws of the State of Illinois, including the Illinois Municipal Code, as supplemented and amended (the "Code"), the Local Government Debt Reform Act, as supplemented and amended (the "Act"), and an ordinance duly passed (the "Ordinance") and proceedings duly and legally had by the governing body of the City. *Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Ordinance.*

At the option of the City, the Bonds maturing on December 1, 2033 and thereafter may be called for redemption and payment prior to their Stated Maturities, as a whole or in part, on December 1, 2032 and any date thereafter in such amount as shall be determined by the City, at the Redemption Price of 100% of the principal amount thereof, plus accrued interest thereon to the Redemption Date

The Bonds are subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of the Ordinance at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date.

Notice of redemption, unless waived, is to be given by the Paying Agent by mailing an official redemption notice by first class mail at least 10 days but not more than 30 days prior to the Redemption Date to each Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register maintained by the Paying Agent. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds 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 City defaults in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest.

This Bond does not constitute an indebtedness of the City 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 City for purposes of all statutory provisions or limitations until such time as an audit of the City shall show that the Bonds have been paid from the Pledged Revenues for a complete fiscal year.

The Bonds are payable ratably and equally from (a) all collections distributed to the City from those taxes imposed by the State of Illinois pursuant to the Income Tax Act, as supplemented and amended, or substitute taxes therefor as provided for by the State of Illinois in the future (such distributive share referred to herein as the "Revenue Sharing Receipts"), and (b) all collections distributed to the City from those taxes imposed by the State of Illinois pursuant to the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act, each as supplemented and amended from time to time, or substitute taxes therefor as provided by the State of Illinois in the future (collectively, the "Sales Taxes" and, together with the Revenue Sharing Receipts, the "Pledged Revenues"). The City will also levy ad valorem property taxes upon all taxable property in the City without limitation as to rate or amount to pay the principal of and interest on the Bonds. For the prompt payment of this Bond, both principal and interest at maturity, the full faith, credit and resources of the City are hereby irrevocably pledged.

The Bonds are issuable in the form of fully-registered Bonds.

This Bond may be transferred or exchanged, as provided in the Ordinance, only on the Bond Register kept for that purpose at the principal payment office of the Paying Agent, or such other office designated by the Paying Agent, upon surrender of this Bond together with a written instrument of transfer or authorization for exchange satisfactory to the Paying Agent duly executed by the Registered Owner or the Registered Owner's duly authorized agent, and thereupon a new Bond or Bonds in any Authorized Denomination of the same maturity and in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Ordinance and upon payment of the charges therein prescribed. THE OWNER HEREOF EXPRESSLY AGREES, BY SUCH OWNER'S ACCEPTANCE HEREOF, THAT THE RIGHT TO TRANSFER, ASSIGN OR NEGOTIATE THIS BOND SHALL BE LIMITED TO TRANSFER, ASSIGNMENT OR NEGOTIATION TO APPROVED INVESTORS, AS THAT TERM IS DEFINED IN THE ORDINANCE. The City and the Paying Agent may deem and treat the Person in whose name this Bond is registered on the Bond Register as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof and interest due hereon and for all other purposes.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Ordinance until the Certificate of Authentication hereon has been executed by the Paying Agent.

IT IS HEREBY DECLARED AND CERTIFIED that all acts, conditions and things required to be done and to exist precedent to the issuance of the Bonds have been done and performed and do exist in due and regular form and manner as required by the constitution and laws of the State of Illinois and that a direct annual tax upon all taxable tangible property situated in the City has been levied for the purpose of paying the principal of and interest on the Bonds when due.

IN WITNESS WHEREOF, THE CITY OF VILLA GROVE, ILLINOIS, has caused this Bond to be executed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk and its official seal to be affixed or imprinted hereon.

CERTIFICATE OF AUTHENTICATION

CITY OF VILLA GROVE, ILLINOIS

This Bond is one of the Bonds of the issue described in the within-mentioned Ordinance.

By: _____
Mayor

Registration Date: _____

CITY TREASURER
Paying Agent

(Seal)

ATTEST:

By _____
Authorized Officer

City Clerk

ASSIGNMENT

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

Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ agent to transfer the within Bond on the books kept by the Paying Agent for the registration thereof, with full power of substitution in the premises.

Dated: _____

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.

Medallion Signature Guarantee:

**EXHIBIT B
TO ORDINANCE**

TAX COMPLIANCE PROCEDURE

[On file in the office of the City Clerk]

**EXHIBIT C
TO ORDINANCE
FEDERAL TAX CERTIFICATE**

[On file in the office of the City Clerk]