
Ordinance No. 17-18-16

An Ordinance authorizing and providing for an Installment Purchase Agreement for the purpose of financing the costs of certain capital related projects for the Village of Johnsburg, McHenry County, Illinois, and authorizing and providing for the issue of not to exceed \$1,100,000 General Obligation Debt Certificates, Series 2017, of said Village evidencing the rights to payment under such Agreement, prescribing the details of the Agreement and Certificates, and providing security for and means of payment under the Agreement of the Certificates.

AN ORDINANCE PASSED BY THE
PRESIDENT AND BOARD OF TRUSTEES
OF THE VILLAGE OF JOHNSBURG

AT A REGULAR MEETING ON OCTOBER 12, 2017

PUBLISHED IN PAMPHLET FORM BY AUTHORITY OF THE
PRESIDENT AND BOARD OF TRUSTEES
OF THE VILLAGE OF JOHNSBURG

President

Edwin P. Hettermann

Board of Trustees

Tom Curry
Kyle Frost
Josh Hagen
Mary Lou Hutchinson
Greg Klemstein
Kevin McEvoy

Village Administrator

Claudett E. Peters

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* * * * *

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* * *

WHEREAS, the Village of Johnsburg, McHenry County, Illinois (the "*Village*"), is a municipal corporation and body politic of the State of Illinois operating under and pursuant to the Illinois Municipal Code, as amended (the "*Municipal Code*"), the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Debt Reform Act*") and together with the Municipal Code (the "*Installment Purchase Provisions*"), in each case, as supplemented and amended (collectively, "*Applicable Law*"), and

WHEREAS, the Village President and the Board of Trustees of the Village (the "*Corporate Authorities*") have determined that it is advisable, necessary and in the best interests of the Village to (i) finance the costs of acquiring land currently operated under the name of Chapel Hill Golf Course (the "*Project*"), and (ii) pay the costs of issuance of the Certificates (as such term is hereinafter defined), all for the benefit of the inhabitants of the Village; and

WHEREAS, the estimated cost of the Project to be financed by the Village, including engineering, legal, financial, bond discount, printing and publication costs, capitalized interest, and other expenses (collectively, the "*Project Costs*"), will not exceed \$1,100,000; and

WHEREAS, sufficient funds of the Village are not available to pay the costs of the Project, and it will, therefore, be necessary to borrow money in the amount of not to exceed \$1,100,000 for the purpose of paying such costs; and

WHEREAS, pursuant to the Applicable Law, the Village has the power to purchase real or personal property through agreements that provide that the consideration for the purchase may be paid through installments made at stated intervals for a period of no more than 20 years, to sell, convey and reacquire either real or personal property upon any terms and conditions and in any manner as the Corporate Authorities shall determine, if the Village will lease, acquire by purchase agreement, or otherwise reacquire the property as authorized by applicable law and to issue certificates evidencing indebtedness incurred under such agreements; and

WHEREAS, the Corporate Authorities find that it is desirable and in the best interests of the Village to avail of the provisions of the Installment Purchase Provisions to authorize an Installment Purchase Agreement (the "*Agreement*"); name as counter-party to the Agreement the Village Treasurer (the "*Village Treasurer*"), as nominee-seller; authorize the Village President and Village Clerk to execute and attest, respectively, the Agreement on behalf of the Village and to file same with said Clerk in his or her capacity as keeper of the records and files of the Village; and issue certificates evidencing the indebtedness incurred under the Agreement in the amount of not to exceed \$1,100,000:

NOW, THEREFORE, BE IT AND IT IS HEREBY ORDAINED BY THE CORPORATE AUTHORITIES OF THE VILLAGE OF JOHNSBURG, MCHENRY COUNTY, ILLINOIS, AS FOLLOWS:

Section 1. Incorporation of Preambles. The Corporate Authorities hereby find that all of the recitals contained in the preambles to this Ordinance are full, true and correct and do incorporate them into this Ordinance by this reference.

Section 2. Authorization and Bond Counsel. It is necessary and advisable for the residents of the Village to pay the costs of the Project and to borrow money and, in evidence thereof and for the purpose of financing same, enter into the Agreement and, further, to provide for the issuance and delivery of certificates evidencing the indebtedness incurred under the Agreement. The Village retains Ice Miller LLP as Bond Counsel.

Section 3. Agreement is a General Obligation; Annual Appropriation; Contract to Issue Certificates. The Village hereby represents, warrants, and agrees that the obligation to make the payments due under the Agreement shall be a general obligation of the Village payable from any funds of the Village lawfully available and annually appropriated for such purpose. The Village represents and warrants that the total amount due under the Agreement, together with all other indebtedness of the Village, is within all statutory and constitutional debt limitations. The Village agrees to appropriate funds of the Village annually and in a timely manner so as to provide for the making of all payments when due under the terms of the Agreement. The funds from the sale of said Certificates be and they are hereby appropriated and set aside for the purpose hereinbefore set out.

Section 4. Execution and Filing of the Agreement. From and after the effective date of this Ordinance, the Village President and Village Clerk be and they are hereby authorized and directed to execute and attest, respectively, the Agreement, in substantially the form set forth in Section 6 of this Ordinance, and to do all things necessary and essential to effectuate the provisions of the Agreement, including the execution of any documents and certificates incidental thereto or

necessary to carry out the provisions thereof. Further, as nominee-seller, the Village Treasurer is hereby authorized and directed to execute the Agreement. Upon full execution, the original of the Agreement shall be filed with the Village Clerk and retained in the Village records and shall constitute authority for the issuance of the Certificates hereinafter authorized.

Section 5. Form of the Agreement. The Agreement shall be in substantially the form as follows:

Installment Purchase Agreement for purchase of real or personal property, or both, in and for the Village of Johnsborg, McHenry County, Illinois.

* * *

THIS INSTALLMENT PURCHASE AGREEMENT (this "*Agreement*") dated as of _____, 2017, by and between the Village Treasurer (as hereinafter defined), as Nominee-Seller (the "*Seller*"), and the Village of Johnsborg, McHenry County, Illinois, a Village of the State of Illinois (the "*Village*");

WITNESSETH

A. The Village President and the Board of Trustees of the Village (the "*Corporate Authorities*") have determined to (i) finance the costs of acquiring land currently operated under the name of Chapel Hill Golf Course (the "*Project*"), and (ii) pay the costs of issuance of the Certificates (as such term is hereinafter defined), all for the benefit of the inhabitants of the Village.

B. Pursuant to the provisions of the Illinois Municipal Code (the "*Municipal Code*"), the Local Government Debt Reform Act of the State of Illinois (the "*Debt Reform Act*") and together with the Municipal Code (the "*Installment Purchase Provisions*"), in each case, as supplemented and amended (collectively, "*Applicable Law*"), the Village has the power to purchase real or personal property through agreements that provide that the consideration for the purchase may be paid through installments made at stated intervals for a period of no more than

20 years, to sell, convey and reacquire either real or personal property upon any terms and conditions and in any manner as the Corporate Authorities shall determine, if the Village will lease, acquire by purchase agreement, or otherwise reacquire the property as authorized by applicable law and to issue certificates evidencing indebtedness incurred under such agreements.

C. On the 12th day of October, 2017, the Corporate Authorities, pursuant to Applicable Law and the need to provide for the Project, adopted an ordinance (the "*Ordinance*") authorizing the borrowing of money for the Project, the execution and delivery of this Agreement to finance same, and the issuance of certificates evidencing the indebtedness so incurred.

D. The Ordinance is

- (1) incorporated herein by reference; and
- (2) made a part hereof as if set out at this place in full;

and each of the terms as defined in the Ordinance is also incorporated by reference for use in this Agreement.

E. The Seller, as nominee as expressly permitted by the Installment Purchase Provisions, has agreed to make, construct, and acquire the Project on the terms as hereinafter provided.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained and other valuable consideration, it is mutually agreed between the Seller and the Village as follows:

1. MAKE AND ACQUIRE PROJECT

The Seller agrees to make, construct, and acquire the Project upon real estate owned or to be owned by or upon which valid easements, if any and if necessary, have been obtained in favor of the Village.

2. CONVEYANCE

The Village conveys to the Seller any portion of the Project heretofore acquired by the Village and to be paid from proceeds of the Certificates (as defined in the Ordinance). The Seller agrees to convey each part of the Project to the Village and to perform all necessary work and convey all necessary equipment; and the Village agrees to purchase the Project from the Seller and pay for the Project the purchase price of not to exceed \$1,100,000, plus the amount of investment earnings which are earned on the amount deposited with the Village Treasurer from the sale of the Certificates and in no event shall the total aggregate principal purchase price to be paid pursuant to this Agreement exceed the sum of \$1,100,000, plus the amount of investment earnings which are earned on the amount deposited with the Village Treasurer from the sale of the Certificates.

3. PAYMENTS

The payment of the entire purchase price in an amount not to exceed \$1,100,000 shall:

- (a) be payable in installments due on the dates and in the amounts;
- (b) bear interest at the rates percent per annum which interest shall also be payable on the dates and in the amounts;
- (c) be payable at the place or places of payment, in the medium of payment, and upon such other terms, including prepayment (redemption);

all as provided for payment of the Certificates in the Ordinance.

4. ASSIGNMENT

Rights to payment of the Seller as provided in this Agreement are assigned as a matter of law under the Installment Purchase Provisions to the owners of the Certificates. This Agreement and any right, title, or interest herein, shall not be further assignable. The Certificates, evidencing the indebtedness incurred hereby, are assignable (registrable) as provided in the Ordinance.

5. TAX COVENANTS

The covenants relating to the tax-exempt status of the Certificates, as set forth in the Ordinance, insofar as may be applicable, apply to the work to be performed and the payments made under this Agreement.

6. TITLE

(a) *Vesting of Title.* Title in and to any part of the Project, upon delivery or as made, during all stages of the making or acquisition thereof, shall and does vest immediately in the Village.

(b) *Damage, Destruction, and Condemnation.* If, during the term of this Agreement, (i) all or any part of the Project shall be destroyed, in whole or in part, or damaged by fire or other casualty or event; or (ii) title to, or the temporary or permanent use of, all or any part of the Project shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm, or corporation acting under governmental authority; or (iii) a material defect in construction of all or any part of the Project shall become apparent; or (iv) title to or the use of all or any part of the Project shall be lost by reason of a defect in title; then the Village shall continue to make payments as promised herein and in the Certificates and to take such action as it shall deem necessary or appropriate to repair and replace the Project.

7. LAWFUL CORPORATE OBLIGATION

The Village hereby represents, warrants, and agrees that the obligation to make the payments due hereunder shall be a lawful direct general obligation of the Village payable from the general funds of the Village and such other sources of payment as are otherwise lawfully available. The Village represents and warrants that the total amount due the Seller hereunder, together with all other indebtedness of the Village, is within all statutory and constitutional debt limitations. The

Village agrees to appropriate funds of the Village annually and in a timely manner so as to provide for the making of all payments when due under the terms of this and to apply the proceeds thereof to the payment of principal and interest on the Agreement.

8. GENERAL COVENANT AND RECITAL

It is hereby certified and recited by the Seller and the Village, respectively, that as to each, respectively, for itself, all conditions, acts, and things required by law to exist or to be done precedent to and in the execution of this Agreement did exist, have happened, been done and performed in regular and due form and time as required by law.

9. NO SEPARATE TAX

The Seller and the Village recognize that there is no statutory authority for the levy of a separate tax in addition to other taxes of the Village or the levy of a special tax unlimited as to rate or amount to pay any of the amounts due hereunder.

10. DEFAULT

In the event of a default in payment hereunder by the Village, the Seller or any Certificate holder may pursue any available remedy by suit at law or equity to enforce the payment of all amounts due or to become due under this Agreement, including, without limitation, an action for specific performance.

IN WITNESS WHEREOF, the Seller has caused this Installment Purchase Agreement to be executed, and his or her signature to be attested by the Village Clerk, and the Village has caused this Installment Purchase Agreement to be executed by the Village President, and also attested by the Village Clerk and the seal of the Village to be hereunto affixed, all as of the day and year first above written.

SELLER: Signature: _____
as Nominee-Seller and the Village Treasurer

Attest:

By: _____
Its: Village Clerk

**VILLAGE OF JOHNSBURG, MCHENRY
COUNTY, ILLINOIS**

By: _____
Its: Village President

[SEAL]

Attest:

By: _____
Its: Village Clerk

STATE OF ILLINOIS)
) SS
MCHENRY COUNTY)

CERTIFICATE OF INSTALLMENT PURCHASE AGREEMENT FILING

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk (the “*Village Clerk*”) of the Village of Johnsburg, McHenry County, Illinois (the “*Village*”), and as such officer I do hereby certify that on the ____ day of _____, 2017, there was filed in my office a properly certified copy of that certain document, executed by the Village President, attested by me in my capacity as Village Clerk, and further executed, as Nominee-Seller, by the Village Treasurer, also attested by me, dated as of _____, 2017, and entitled “Installment Purchase Agreement for purchase of real or personal property, or both, in and for the Village of Johnsburg, McHenry County, Illinois”; and supporting the issuance of certain General Obligation Debt Certificates, Series 2017, of the Village; that attached hereto is a true and complete copy of said Agreement as so filed; and that the same has been deposited in the official files and records of my office.

In Witness Whereof, I hereunto affix my official signature, this ____ day of _____, 2017.

By: _____
Its: Village Clerk

Section 6. Certificate Details. For the purpose of providing for the Project, there shall be issued and sold certificates of the Village in the principal amount of not to exceed \$1,100,000, or so much as shall be advanced and outstanding, which shall be designated "General Obligation Debt Certificates, Series 2017" (the "*Certificates*"). The Certificates shall be dated the date set forth in the hereinafter defined Notification of Sale, and shall also bear the date of authentication, shall be in fully registered form, shall be numbered 1 and upward, and the Certificates shall become due and payable (subject to redemption prior to maturity) as set forth in the Notification of Sale of the Certificates (the "*Notification of Sale*").

The Certificates shall bear interest at rates not to exceed 3.55% per annum, 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 Certificates is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable as set forth in the Notification of Sale. Interest on each Certificate shall be paid by check or draft of the Village to American Community Bank & Trust, McHenry, Illinois, as certificate registrar and paying agent (the "*Certificate Registrar*"), as specified in the Notification of Sale, payable upon presentation in lawful money of the United States of America, to the person in whose name such Certificate is registered at the close of business 15 days prior to the interest payment date. The principal of the Certificates shall be payable in lawful money of the United States of America at the principal corporate trust office of the Certificate Registrar.

The Certificates shall be signed by the manual or facsimile signatures of the Village President and Village Clerk, and shall be countersigned by the manual or facsimile signature of the Village Treasurer, and the seal of the Village shall be affixed thereto or printed thereon, and in case any officer whose signature shall appear on any Certificate shall cease to be such officer

before the delivery of such Certificate, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Certificates shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Certificate Registrar as authenticating agent of the Village and showing the date of authentication. No Certificate 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 Certificate Registrar by manual signature, and such certificate of authentication upon any such Certificate shall be conclusive evidence that such Certificate has been authenticated and delivered under this Ordinance.

Section 7. Registration of Certificates; Persons Treated as Owners. The Village shall cause books (the "*Certificate Register*") for the registration and for the transfer of the Certificates as provided in this Ordinance to be kept at the principal corporate trust office of the Certificate Registrar, which is hereby constituted and appointed the registrar of the Village. The Village is authorized to prepare, and the Certificate Registrar shall keep custody of, multiple Certificate blanks executed by the Village for use in the transfer and exchange of Certificates.

Upon surrender for transfer of any Certificate at the principal corporate trust office of the Certificate Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Certificate Registrar and duly executed by, the registered owner or his attorney duly authorized in writing, the Village shall execute and the Certificate Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Certificate or Certificates of the same maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Certificate or Certificates may be exchanged at said office of the Certificate Registrar for a like aggregate principal amount of Certificate or

Certificates of the same maturity of other authorized denominations. The execution by the Village of any fully registered Certificate shall constitute full and due authorization of such Certificate and the Certificate Registrar shall thereby be authorized to authenticate, date and deliver such Certificate, *provided, however*, the principal amount of outstanding Certificates of each maturity authenticated by the Certificate Registrar shall not exceed the authorized principal amount of Certificates for such maturity less previous retirements.

The Certificate Registrar shall not be required to transfer or exchange any Certificate during the period beginning at the close of business 15 days prior to any interest payment date on such Certificate and ending at the opening of business on such interest payment date, nor to transfer or exchange any Certificate after notice calling such Certificate for redemption has been mailed, nor during a period of fifteen (15) days of mailing of a notice of redemption of any Certificates.

The person in whose name any Certificate 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 Certificate shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Certificate to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Certificates, but the Village or the Certificate 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 Certificates except in the case of the issuance of a Certificate or Certificates for the unredeemed portion of a Certificate surrendered for redemption.

Section 8. Redemption. The Certificates are subject to optional redemption on any date without prepayment penalty.

Section 9. Form of Certificate. The Certificates shall be in substantially the following form:

REGISTERED
NO. R- _____

\$ _____

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF MCHENRY
VILLAGE OF JOHNSBURG
GENERAL OBLIGATION DEBT CERTIFICATE SERIES 2017**

Interest Rate
_____ %

Maturity Date
_____ 1, 20__

Dated Date
_____, 2017

Registered Owner: AMERICAN COMMUNITY BANK & TRUST

Principal Amount:

[1] KNOW ALL PERSONS BY THESE PRESENTS, that the Village of Johnsburg, McHenry County, Illinois (the "*Village*"), hereby acknowledges itself to owe and for value received promises to pay from the source and as hereinafter provided 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 the principal amount of \$ _____ or so much as shall be advanced and outstanding from the date of this Certificate or from the most recent interest payment date to which interest has been paid at the Interest Rate on a monthly basis set forth above commencing _____, 20__, until said Principal Amount is paid. The purchase price for the Certificate shall be paid in full by the Purchaser on the Dated Date set forth above. Principal of this Certificate is payable in lawful money of the United States of America upon presentation and surrender hereof at the office maintained for such purpose by American Community Bank & Trust, McHenry, Illinois, as certificate registrar and paying agent (the "*Certificate Registrar*"). Payment of the installments of interest shall be made to the Registered Owner hereof as shown on the registration books of the Village maintained by the Certificate Registrar at the close of business

15 days prior to each payment date and shall be paid by check or draft of the Certificate 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 Certificate Registrar.

[2] Reference is hereby made to the further provisions of this Certificate 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] This Certificate shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Certificate Registrar.

[4] This Certificate is issued by the Village to (i) finance the costs of acquiring land currently operated under the name of Chapel Hill Golf Course (the "*Project*"), and (ii) pay the costs of issuance of the Certificates, all for the benefit of the inhabitants of the Village, in full compliance with the provisions of the Illinois Municipal Code (the "*Municipal Code*"), and the Local Government Debt Reform Act of the State of Illinois (the "*Debt Reform Act*"), and all laws amendatory thereof and supplementary thereto, and is authorized by the Village President and Board of Trustees of the Village by an ordinance duly and properly adopted for that purpose, in all respects as provided by law. The Certificates issued by the Village in connection with the Project have been issued in evidence of the indebtedness incurred pursuant to a certain Installment Purchase Agreement (the "*Agreement*"), dated as of _____, 2017, entered into by and between the Village and the Village Treasurer thereof, as Seller-Nominee, to which reference is hereby expressly made for further definitions and terms and to all the provisions of which the holder by the acceptance of this certificate assents.

[5] This Certificate is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal corporate trust office of the Certificate Registrar in McHenry, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the authorizing ordinance, and upon surrender and cancellation of this Certificate. Upon such transfer a new Certificate or Certificates of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[6] The Certificates are issued in fully registered form. This Certificate is subject to optional redemption on any date without prepayment penalty. This Certificate may be exchanged at the principal corporate trust office of the Certificate Registrar for a like aggregate principal amount of Certificates of the same maturity of other authorized denominations, upon the terms set forth in the authorizing ordinance. The Certificate Registrar shall not be required to transfer or exchange any Certificate during the period beginning at the close of business 15 days prior to any interest payment date on such Certificate and ending at the opening of business on such interest payment date, nor to transfer or exchange any Certificate after notice calling such Certificate for redemption has been mailed, nor during a period of fifteen (15) days of mailing of a notice of redemption of any Certificates.

[7] The Village and the Certificate 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 and interest due hereon and for all other purposes and neither the Village nor the Certificate Registrar shall be affected by any notice to the contrary.

[8] The Village has designated this Certificate as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986.

IN WITNESS WHEREOF the Village of Johnsburg, McHenry County, Illinois, by its Board of Trustees, has caused this Certificate to be executed by the manual or duly authorized facsimile signatures of its Village President and the Village Clerk and countersigned by the manual or duly authorized facsimile signature of its Village Treasurer 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.

VILLAGE OF JOHNSBURG, MCHENRY COUNTY, ILLINOIS

[SEAL]

By: _____
Its: Village President

By: _____
Its: Village Clerk

Countersigned:

By: _____
Its: Village Treasurer

Date of Authentication: _____, 2017

CERTIFICATE
OF
AUTHENTICATION

Certificate Registrar and Paying Agent:
AMERICAN COMMUNITY BANK & TRUST,
MCHENRY, ILLINOIS

This Certificate is one of the Certificates described in the within mentioned ordinance and is one of the General Obligation Debt Certificates, Series 2017, of the Village of Johnsburg, McHenry County, Illinois

By: _____
Its: Authorized Officer

(Assignment)

For Value Received, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Certificate and does hereby irrevocably constitute and appoint _____

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

Dated: _____

Signature guaranteed: _____

Section 10. Sale of Certificates. The Village Treasurer is hereby authorized and directed to deliver the Certificates to American Community Bank & Trust, McHenry, Illinois, or such other purchaser thereof as identified in the Notification of Sale (the "*Purchaser*"). Authority is hereby delegated to the Village President or the Village Administrator to (i) sell all, but not less than all, of the Certificates to the Purchaser at a purchase price of at least 100% of the Certificates, plus accrued interest on the Certificates from their dated date to the date of delivery and (ii) determine all of the terms and details of the Certificates not determined in this Ordinance including whether to purchase insurance. The sale of the Certificates shall be evidenced by a Notification of Sale which shall be signed by the Village President or Village Administrator. A manually executed counterpart of the Notification of Sale shall be filed with the Village Clerk and the Certificate Registrar. The Village President or the Village Administrator is authorized and directed to execute a certificate purchase agreement (the "*Purchase Contract*") in connection with the sale of the Certificates, in the name of and on behalf of the Village. The Purchase Contract shall be substantially in the form of purchase agreements commonly used in transactions similar to that described in the Ordinance, with such changes as necessary to reflect the terms and

provisions of the Certificates, this Ordinance and such other changes as the Village President or Village Administrator shall determine are necessary or desirable in connection with the sale of the Certificates. No person holding any office of the Village, either by election or appointment, is in any manner financially interested directly in his own name or indirectly in the name of any other person, association, trust or corporation, in the Purchase Contract.

Section 11. Use of Certificate Proceeds. There is hereby created and established a special fund of the Village known as the "Debt Certificate Fund of 2017" (the "Certificate Fund") to be held by the Treasurer, which is a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the Village by this Ordinance. The Certificate Fund shall be the fund for the payment of the principal of and interest on the Certificates at maturity or on interest payment dates or redemption. Pledged revenues, if any, shall be deposited into the Certificate Fund, as received, and shall be used solely and only for the payment of principal and interest on the Certificates when due (including any redemption). Funds lawfully available for the purpose of paying the principal of and interest on the Certificates shall be deposited into the Certificate Fund and used solely and only for such purpose. The Certificates are secured by a pledge of all moneys on deposit in the Certificate Fund, and such pledge is irrevocable until the Certificates have been paid in full or until the obligations of the Village are discharged under this Ordinance. Accrued interest, if any, received at the time of delivery of the Certificates shall be deposited in the Certificate Fund.

The principal proceeds of the Certificates and any premium received on the delivery of the Certificates are hereby appropriated to pay the costs of issuance of the Certificates and for the purpose of paying the cost of the Project, and that portion thereof not needed to pay such costs of issuance is hereby ordered deposited into the "Capital Improvement Account of the Village" (the

"Project Fund"), hereby created. It is hereby found and determined and hereby declared and set forth that the Corporate Authorities (i) have not entered into an agreement of any kind with any entity, party or person (including, but not limited to, the Purchaser) to not expend the proceeds of the Certificates deposited into the Project Fund for any period of time, and (ii) is not required by any contract, decree, instrument, order, regulation or ruling, to not expend the proceeds of the Certificates deposited into the Project Fund for any period of time. Proceeds of the Certificates shall be deposited in the Project Fund, and the Project Fund shall be used for the purpose of paying for the costs of the Project and costs of issuance. Interest received from deposits in the Project Fund shall, at the discretion of the Village, either be transferred for the payment of the principal of and interest on the Certificates on the interest payment date next after such interest is received or be retained in the Project Fund. In the event that any moneys remain in the Project Fund upon completion of the Project, the Village shall deposit the remaining moneys in the Project Fund in the Certificate Fund and shall cause such moneys to be used to pay the interest on the Certificates on the earliest possible date.

In addition to the funds established hereunder, the Village President is authorized and directed to establish, and the Village Treasurer is further authorized to hold, any and all funds and/or accounts they deem necessary or convenient to the accomplishment of the purposes set forth in this Ordinance.

Moneys in the Project Fund shall be used to pay costs of the Project in accordance with the following procedures:

1. Contracts (*"Work Contracts"*) have been or shall be awarded, from time to time, by the Corporate Authorities for the work on the Project; and the Corporate Authorities represent and

covenant that each Work Contract has been or will be let in strict accordance with the applicable laws of the State of Illinois, and the rules and procedures of the Village for same.

2. Pursuant to this Ordinance or any subsequent ordinance or ordinances to be duly adopted, the Corporate Authorities shall identify all or a designated portion of each Work Contract to the Agreement. This Ordinance, any such further ordinance and said Work Contracts shall be filed of record with the Village Clerk and the Village Treasurer. The adoption and filing of any such ordinance or ordinances and the Work Contracts with such officers shall constitute authority for the Village Treasurer to make disbursements from the Project Fund to pay amounts due under such Work Contracts from time to time, upon such further ordinances, resolutions, orders, vouchers, warrants, or other proceedings as are required under the applicable laws of the State of Illinois, and the rules and procedures of the Village for same. No action need be taken by or with respect to the contractors under the Work Contracts as, pursuant to the Installment Purchase Provisions, the Village Treasurer acts as Nominee-Seller of the Project for all purposes, enabling the issuance of the Certificates.

Alternatively to the creation of the funds described above, the appropriate officers may allocate the funds to be deposited into the Certificate Fund or proceeds of the Certificates to one or more related funds of the Village already in existence and in accordance with good accounting practice; *provided, however*, that this shall not relieve such officers of the duty to account and invest such funds and the proceeds of the Certificates, as herein provided, as if the funds described above had in fact been created.

Section 12. List of Certificateholders. The Certificate Registrar shall maintain a list of the names and addresses of the holders of all Certificates and upon any transfer shall add the name

and address of the new Certificate holder and eliminate the name and address of the transferor Certificate holder.

Section 13. Duties of Certificate Registrar. If requested by the Certificate Registrar, the Village President and Village Clerk are authorized to execute the Certificate Registrar's standard form of agreement between the Village and the Certificate Registrar with respect to the obligations and duties of the Certificate Registrar hereunder which may include the following:

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

(b) to maintain a list of Certificateholders 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 Certificates as provided herein;

(d) to cancel and/or destroy Certificates 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 Certificates cancelled and/or destroyed; and

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

Section 14. Bank Qualification. The Village hereby designates the Certificates as "qualified tax exempt obligations" for the purposes and within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). In support of such designation, the Village hereby certifies that (i) the Certificates will not be at any time "private activity bonds" as defined in Section 141 of the Code, other than "qualified 501(c)(3) bonds" as defined in Section 145 of the Code; (ii) as of the date hereof in calendar year 2017, the Village has not issued any tax

exempt obligations of any kind other than the Certificates and \$1,053,243.40 General Obligation Bonds (Alternate Revenue Source), Series 2017, dated September 7, 2017 (the "2017 Bonds"), nor have any tax exempt obligations of any kind been issued on behalf of the Village; and (iii) not more than Ten Million Dollars (\$10,000,000) of obligations of any kind, including the Certificates and the 2017 Bonds, issued by or on behalf of the Village during calendar year 2017 will be designated for purposes of Section 265(b)(3) of the Code.

Section 15. Determination of Taxability. In the event the Bonds are determined to be taxable for any reason and/or the Bonds are not designated as "qualified tax-exempt obligations" (the "Determination of Taxability"), then the interest on the Bonds will increase from the effective date of such determination to the taxable equivalent rate per annum, not to exceed 4.50% per annum (the "Taxable Rate"). The Village agrees to pay to the Purchaser from any lawfully available funds any amounts owed as interest on the Bonds to the extent such amounts are not on deposit in the Certificate Fund created under this Ordinance.

Section 16. Severability. If any section, paragraph, clause or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 17. Repeal. All ordinances, resolutions or parts thereof in conflict herewith be and the same are hereby repealed, and this Ordinance shall be in full force and effect forthwith upon its adoption.

Adopted: October 12, 2017.

AYES: Trustee Hutchinson, Klemstein, Curry and Hagen

NAYS: None

ABSENT: Trustee Frost and McEvoy

APPROVED this 12th day of October, 2017.

By: Edna J. Netteland
Its: Village President

Attest:

By: [Signature]
Its: Village Clerk

Trustee Hutchinson moved and Trustee Klemstein seconded the motion that said ordinance as presented be adopted.

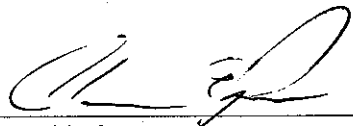
After a full discussion thereof, the Village President directed that the roll be called for a vote upon the motion to adopt said ordinance as read.

Upon the roll being called, the following Trustees voted AYE: Hutchinson, Klemstein, Curry and Hagen and No Trustees voted NAY

Whereupon the Village President declared the motion carried and said ordinance adopted, approved and signed the same in open meeting and directed the Secretary to record the same in full in the records of the Board of Trustees of the Village of Johnsburg, McHenry County, Illinois, which was done.

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

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

By: 
Its: Village Clerk

STATE OF ILLINOIS)
) SS
MCHENRY COUNTY)

CERTIFICATION OF MINUTES AND ORDINANCE

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Johnsburg, McHenry County, Illinois (the "*Village Clerk*"), and as such official I am the keeper of the records and files of the Corporate Authorities.

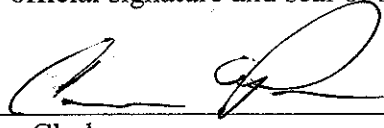
I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the Corporate Authorities held on the 12th day of October, 2017, insofar as same relates to the adoption of an ordinance entitled:

An ORDINANCE authorizing and providing for an Installment Purchase Agreement for the purpose of financing the costs of certain capital related projects for the Village of Johnsburg, McHenry County, Illinois, and authorizing and providing for the issue of not to exceed \$1,100,000 General Obligation Debt Certificates, Series 2017, of said Village evidencing the rights to payment under such Agreement, prescribing the details of the Agreement and Certificates, and providing security for and means of payment under the Agreement of the Certificates.

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 Corporate Authorities on the adoption of said ordinance were conducted openly, that the vote on the adoption of said ordinance was taken openly, that said meeting was called and 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 Corporate Authorities at least 48 hours in advance of the holding of said meeting, 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 with the provisions of the Illinois Municipal Code, as amended, and that the Corporate Authorities has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Corporate Authorities.

IN WITNESS WHEREOF, I hereunto affix my official signature and seal of said Village, this 12th day of October, 2017.

By: 
Its: Village Clerk

[SEAL]

STATE OF ILLINOIS)
) SS
MCHENRY COUNTY)

FILING CERTIFICATE

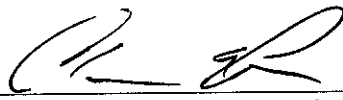
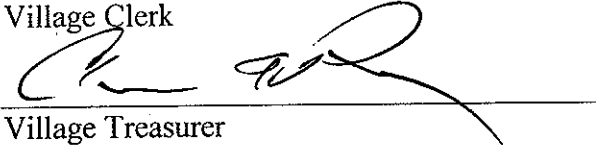
We, the undersigned, do hereby certify that we are, respectively, the duly qualified and acting Village Clerk and Village Treasurer of the Village of Johnsburg, McHenry County, Illinois (the "Village"), respectively, and as such officers we do hereby certify that on the 12th day of October, 2017, there was filed with each of us, respectively, and placed on deposit in our respective records, a properly certified copy of an ordinance adopted by the Corporate Authorities on the 12th day of October, 2017, and entitled:

An ORDINANCE authorizing and providing for an Installment Purchase Agreement for the purpose of financing the costs of certain capital related projects for the Village of Johnsburg, McHenry County, Illinois, and authorizing and providing for the issue of not to exceed \$1,100,000 General Obligation Debt Certificates, Series 2017, of said Village evidencing the rights to payment under such Agreement, prescribing the details of the Agreement and Certificates, and providing security for and means of payment under the Agreement of the Certificates.

together with any Work Contracts identified by the adoption of said ordinance and attached thereto as *Exhibit 1*, and that the same have all been deposited in, and all as appears from, the official files and records of our respective offices.

IN WITNESS WHEREOF, we hereunto affix our official signatures and the seal of the Village, this 12th day of October, 2017.

[SEAL]

By: 
Its: Village Clerk
By: 
Its: Village Treasurer