

ORDINANCE NO.16-17-10

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$750,000 VILLAGE OF JOHNSBURG SPECIAL SERVICE AREA NUMBER 32, SPECIALTAX BONDS, SERIES 2016 AND PROVIDING FOR THE LEVY OF A DIRECT ANNUAL TAX ON TAXABLE PROPERTY IN SUCH SPECIAL SERVICE AREA FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON SUCH BONDS

BE IT ORDAINED by the President and Board of Trustees of the Village of Johnsburg, McHenry County, Illinois, as follows:

Section 1. Findings and Declarations. It is found and declared by the President and Board of Trustees of the Village of Johnsburg, McHenry County, Illinois (the "Village") as follows:

(i) The Village has previously established the Special Service Area Number 32 described more fully in Exhibit A to this Ordinance (the "Special Service Area") pursuant to Ordinance No. 10-15-33 adopted on May 3, 2016 (the "Establishing Ordinance"), the provisions of the Special Service Area Tax Law, 35 ILCS 200/27-5 *et seq.*, as amended (the "Special Service Area Act") and the provisions of Section 7 of Article VII of the 1970 Constitution of the State of Illinois, and has otherwise complied with all other conditions precedent required by the Special Service Area Act.

(ii) It is necessary and in the best interests of the Village to provide at this time special services benefiting the Special Service Area consisting of the construction and installation of public improvements including, but not limited to, reservation of capacity for the Area at a wastewater treatment facility, as well as collection system infrastructure to include but not be limited to lift stations, force and gravity mains, manholes, grinder pumps and related engineering, surveying, construction observation, soil testing and appurtenant work, mass grading and demolition, site clearing and tree removal, final restoration and paving and the equipment and materials necessary for same, and other associated costs including those of consultants (the "Special Services"). The Village presently estimates the total cost of these Special Services together with costs of borrowing money for that purpose and providing for necessary debt service reserves and capitalized interest, if any (collectively, the "costs of the Special Services"), to be not more than \$750,000.

(iii) The Village does not have sufficient funds on hand or available from other sources with which to pay the costs of the Special Services.

(iv) It is in the best interests of the Village to issue not more than \$750,000 principal amount of its Special Service Area Number 32, Special Tax Bonds, Series 2016

(the "Bonds") as provided in this Ordinance, to pay or provide funds for a portion of the costs of the Special Services.

(v) The borrowing of the sum of not more than \$750,000 and the issuance of \$750,000 of Bonds of the Village in that amount are for purposes constituting special services in the Special Service Area under the Special Service Area Act.

(vi) After due publication of a notice as required by the Special Service Area Act, a public hearing to consider the establishment of the Special Service Area, the issuance of the Bonds for the purpose of paying the costs of the Special Services, the manner in which the Bonds are proposed to be retired and the proposed tax levy, was held on December 22, 2015, at 7:00 p.m. No objection petition meeting the statutory requirements of the Special Service Area Act has been filed with respect to the establishment of the Special Service Area or the issuance of the Bonds within the period of time allowed pursuant to the Special Service Area Act.

Section 2. Issuance of Bonds. The Village shall borrow the sum of not to exceed \$750,000 by issuing the Bonds as provided in this Ordinance. The Bonds shall be designated "Village of Johnsburg, McHenry County, Illinois, Special Service Area Number 32, Special Tax Bonds, Series 2016," and shall be issued for the purpose of providing the funds needed for the costs of the Special Services as set forth on Exhibit B attached hereto. The Bonds shall be issued pursuant to Section 7 of Article VII of the 1970 Constitution of the State of Illinois and the Special Service Area Act. The final details of the Bonds including exact principal amounts, interest rates, maturity schedule and tax levies shall be as set forth in the bond order executed by the Village President (the "Bond Order") in a form substantially similar to Exhibit C attached hereto with the blanks completed with the relevant information following the sale of the Bonds.

Section 3. Approval of Documents. (a) Distribution of a Preliminary Official Statement and a final Official Statement (collectively, the "Official Statement") prepared by Bernardi Securities, Inc., on behalf of the Village, is hereby approved, and the Village President and the Deputy Clerk are authorized and directed to execute the Official Statement on behalf of the Village in a form consistent with this Ordinance. The Village President and the Deputy

Clerk are hereby authorized to designate the Official Statement as "final" for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

(b) The Continuing Disclosure Undertaking (the "Undertaking") in substantially the form which has been presented to this or another meeting is hereby approved by the Village Board, and the Village President and the Deputy Clerk are hereby authorized and directed to complete, execute and attest the same on behalf of the Village. Notwithstanding any other provisions of this Ordinance, failure of the Village to comply with the Undertaking shall not be considered an event of default under the Bonds or this Ordinance.

Such documents are approved as to form and substance, and the Village President and the Deputy Clerk of the Village are authorized and directed to execute and deliver and/or authorize the use of such documents on behalf of the Village in the forms submitted with such additions, deletions and completions of the same as the Village President and the Deputy Clerk deem appropriate; and when each such document is executed, attested, sealed and delivered on behalf of the Village, as provided herein, each such document will be binding on the Village; from and after the execution and delivery of each such document, the officers, employees and agents of the Village are hereby authorized, empowered and directed to do all such acts and things and to execute all such additional documents as may be necessary to carry out and comply with the provisions of each such document as executed; and each such document shall constitute, and hereby is made a part of this Ordinance, and a copy of each such document shall be placed in the official records of the Village, and shall be available for public inspection at the office of the Deputy Clerk.

Section 4. Bond Terms. (a) The Bonds shall be issued in the denomination of Five Thousand Dollars (\$5,000) each or integral multiples thereof, numbered consecutively from 1

upward, and dated on June 1, 2016 or as provided in the Bond Order. Such Bonds shall become due and payable on December 1 of each of the years through December 1, 2036, in the amounts and bearing interest per annum not to exceed 6% as set forth in the Bond Order. The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day year consisting of twelve 30-day months) being payable on June 1 and December 1 of each year, commencing on December 1, 2016.

(b) Interest on the Bonds shall be paid by check or draft by the Paying Agent (as defined herein) payable in lawful money of the United States of America, mailed to the person in whose name such Bond is registered at the close of business on the 15th day preceding each interest payment date (the "Record Date"). The principal of the Bonds shall be payable in lawful money of the United States of America at the principal office of the Paying Agent upon presentation and surrender of individual Bonds at the date of maturity.

Section 5. Registrar and Paying Agent. The Registrar and Paying Agent for the Bonds (the "Registrar" or "Paying Agent") shall be designated pursuant to the Bond Order. The Registrar is hereby charged with the responsibility of authenticating the Bonds. The Village President or the Comptroller is hereby authorized to enter into such agreement or understandings with the Registrar as will enable the Registrar to perform the services required of a registrar and paying agent. The Paying Agent is further authorized to pay such fees as the Registrar may charge for the services it provides as Registrar and Paying Agent.

The principal of the Bonds shall be payable at the principal office of the Paying Agent. All payments of interest on the Bonds shall be paid by check, mailed one business day prior to the interest payment date to the registered owners thereof as the names appear as of the Record

Date and at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by such registered owner. If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time). All payments on the Bonds shall be made in any coin or currency of the United States of America, which on the date of such payment, shall be legal tender for the payment of public and private debts.

Each Bond shall be transferable or exchangeable only upon the books of the Village kept for that purpose at the principal office of the Registrar by the registered owner in person, or by its attorney duly authorized in writing, upon surrender of such Bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner, or its attorney duly authorized in writing, and thereupon a new fully registered Bond or Bonds in an authorized aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or the registered owner, as the case may be, in exchange therefor. The Registrar shall not be required to transfer or exchange any Bond during the period beginning on the Record Date and ending on such interest payment date. The costs of such transfer or exchange shall be borne by the Village except for any tax or governmental charge required to be paid with respect to the transfer or exchange, which taxes or governmental charges are payable by the person requesting such transfer or exchange. The Village, Registrar and Paying Agent for the Bonds may treat and consider the person in whose

name such Bonds are registered as the absolute owner thereof for all purposes including for the purpose of receiving payment of, or on account of, the principal thereof and interest due thereon.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent upon giving 30 days' notice in writing to the Village and by first class mail to each registered owner of the Bonds then outstanding, and such resignation will take effect at the end of such 30 day period or upon the earlier appointment of a successor registrar and paying agent by the Village. Any such notice to the Village may be served personally or sent by registered mail. The Registrar and Paying Agent may be removed at any time as Registrar and Paying Agent by the Village, in which event the Village may appoint a successor registrar and paying agent. The Village shall notify each registered owner of the Bonds then outstanding by first class mail of the removal of the Registrar and Paying Agent. Notices to the registered owners of the Bonds shall be deemed to be given when mailed by first class mail to the addresses of such registered owners as they appear on the registration books kept by the Registrar.

Upon the appointment of any successor registrar and paying agent by the Village, the Village President or the Comptroller are authorized and directed to enter into such agreements and understandings with such successor registrar and paying agent as will enable the institution to perform the services required of a registrar and paying agent for the Bonds. The Village President and Comptroller are further authorized to pay such fees as the successor registrar and paying agent may charge for the services it provides as registrar and paying agent.

Any predecessor registrar and paying agent shall deliver all of the Bonds and any cash or investments in its possession with respect thereto, together with the registration books, to the successor registrar and paying agent.

The Village has determined that it will be beneficial to the Village to have the Bonds held by a central depository system pursuant to an agreement between the Village and The Depository Trust Company, New York, New York ("Depository Trust Company") and have transfers of the Bonds effected by book-entry on the books of the central depository system ("Book Entry System"). The Bonds shall be initially issued in the form of a separate single authenticated fully registered Bond for the aggregate principal amount of each separate maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the register kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company.

With respect to the Bonds registered in the register kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company, the Village and the Paying Agent shall have no responsibility or obligation to any other holders or owners (including any beneficial owner ("Beneficial Owner")) of the Bonds with respect to (i) the accuracy of the records of the Depository Trust Company, CEDE & CO., or any Beneficial Owner with respect to ownership questions, (ii) the delivery to any bondholder (including any Beneficial Owner) or any other person, other than the Depository Trust Company, of any notice with respect to the Bonds including any notice of redemption, or (iii) the payment to any bondholder (including any Beneficial Owner) or any other person, other than the Depository Trust Company, of any amount with respect to the principal of, or premium, if any, or interest on the Bonds except as otherwise provided herein.

No person other than the Depository Trust Company shall receive an authenticated Bond evidencing an obligation of the Village to make payments of the principal of and premium, if any, and interest on the Bonds pursuant to this Ordinance. The Village and the Registrar and Paying Agent may treat as and deem the Depository Trust Company or CEDE & CO. to be the

absolute bondholder of each of the Bonds for the purpose of (i) payment of the principal of and premium, if any, and interest on such Bonds; (ii) giving notices of redemption and other notices permitted to be given to bondholders with respect to such Bonds; (iii) registering transfers with respect to such Bonds; (iv) obtaining any consent or other action required or permitted to be taken of or by bondholders; (v) voting; and (vi) for all other purposes whatsoever. The Paying Agent shall pay all principal of and premium, if any, and interest on the Bonds only to or upon the order of the Depository Trust Company, and all such payments shall be valid and effective fully to satisfy and discharge the Village's and the Paying Agent's obligations with respect to principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Upon delivery by the Depository Trust Company to the Village of written notice to the effect that the Depository Trust Company has determined to substitute a new nominee in place of CEDE & CO., and subject to the provisions herein with respect to consents, the words "CEDE & CO." in this Ordinance shall refer to such new nominee of the Depository Trust Company. Notwithstanding any other provision hereof to the contrary, so long as any Bond is registered in the name of CEDE & CO., as nominee of the Depository Trust Company, all payments with respect to the principal of and premium, if any, and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively, to the Depository Trust Company as provided in a representation letter from the Village to the Depository Trust Company and, upon the request of any Beneficial Owner, copies of such notices shall be given by the Paying Agent to such Beneficial Owner which has provided its name and address to the Paying Agent.

Upon receipt by the Village of written notice from the Depository Trust Company to the effect that the Depository Trust Company is unable or unwilling to discharge its responsibilities and no substitute depository willing to undertake the functions of the Depository Trust Company

hereunder can be found which is willing and able to undertake such functions upon reasonable and customary terms, then the Bonds shall no longer be restricted to being registered in the register of the Village kept by the Registrar in the name of CEDE & CO., as nominee of the Depository Trust Company, but may be registered in whatever name or names the bondholders transferring or exchanging the Bonds shall designate, in accordance with the provisions of this Ordinance.

If the Village determines that it is in the best interest of the bondholders that they be able to obtain certificates for the fully registered Bonds, the Village may notify the Depository Trust Company and the Registrar, whereupon the Depository Trust Company will notify the Beneficial Owners of the availability through the Depository Trust Company of certificates for the Bonds. In such event, the Registrar shall prepare, authenticate, transfer and exchange certificates for the Bonds as requested by the Depository Trust Company and any Beneficial Owners in appropriate amounts, and whenever the Depository Trust Company requests the Village and the Registrar to do so, the Registrar and the Village will cooperate with the Depository Trust Company by taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the fully registered Bonds of any Beneficial Owner's Depository Trust Company account or (ii) to arrange for another securities depository to maintain custody of certificates for and evidencing the Bonds.

If the Bonds shall no longer be restricted to being registered in the name of the Depository Trust Company, the Registrar shall cause said Bonds to be printed in blank in such number as the Registrar shall determine to be necessary or customary; provided, however, that the Registrar shall not be required to have such Bonds printed until it shall have received from the Village indemnification for all costs and expenses associated with such printing.

In connection with any notice or other communication to be provided to bondholders by the Village or the Registrar with respect to any consent or other action to be taken by bondholders, the Village or the Registrar, as the case may be, shall establish a record date for such consent or other action and give the Depository Trust Company notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

So long as said Bonds are registered in the name of the Depository Trust Company or CEDE & CO. or any substitute nominee, the Village and the Registrar and Paying Agent shall be entitled to request and to rely upon a certificate or other written representation from the Beneficial Owners of the Bonds or from the Depository Trust Company on behalf of such Beneficial Owners stating the amount of their respective beneficial ownership interests in the Bonds and setting forth the consent, advice, direction, demand or vote of the Beneficial Owners as of a record date selected by the Registrar or the Village, as the case may be, to the same extent as if such consent, advice, direction, demand or vote were made by the bondholders for purposes of this Ordinance and the Village and the Registrar and Paying Agent shall for such purposes treat the Beneficial Owners as the bondholders. Along with any such certificate or representation, the Registrar may request the Depository Trust Company to deliver, or cause to be delivered, to the Registrar a list of all Beneficial Owners of the Bonds, together with the dollar amount of each Beneficial Owner's interest in the Bonds and the current addresses of such Beneficial Owners.

Section 6. Redemption. The Bonds shall be subject to redemption as set forth in the Bond Order. Notice of redemption shall be given by or on behalf of the Village once not less than 30 days not more than 60 days prior to the date of redemption by mail to the registered holders thereof as provided pursuant to the Bond Order.

Section 7. Execution; Authentication. The Bonds shall be executed on behalf of the Village by the manual or facsimile signature of its Village President and be attested by the manual or facsimile signature of its Deputy Clerk, as they may determine, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the Village. In case any such officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Bonds shall have thereon a certificate of authentication, substantially in the form hereinafter set forth, duly executed by the Registrar as authenticating agent of the Village and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 8. Form of Bonds. The form and tenor of the Bonds shall be substantially as follows, all blanks to be filled in properly prior to delivery:

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF MCHENRY

VILLAGE OF JOHNSBURG
SPECIAL SERVICE AREA NO. 32,
SPECIAL TAX BOND, SERIES 2016

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Date</u>	<u>Authentication Date</u>	<u>CUSIP</u>
	December 1, _____	_____, 2016	____, 2016	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM:

The Village of Johnsburg, McHenry County, Illinois (the "Village"), for value received, hereby promises to pay to the Registered Owner named above or registered assigns, the Principal Sum set forth above on the Maturity Date set forth above, and to pay interest hereon (computed on the basis of a 360 day year consisting of twelve 30-day months) at the Interest Rate per annum stated above from the interest payment date to which interest has been paid next preceding the Authentication Date of this bond unless this bond is authenticated after the fifteenth day of the month preceding an interest payment date and on or before such interest payment date in which case it shall bear interest from such interest payment date or unless this bond is authenticated on or before _____, 2016, in which case it shall bear interest from the Original Date, until the principal is paid, which interest is payable semiannually on June 1 and December 1 in each year, beginning on December 1, 2016.

The principal of this bond is payable at the principal office of _____. (the "Registrar" or "Paying Agent"), in Chicago, Illinois. All payments of principal or interest on this bond shall be paid by check, mailed one business day prior to the payment date to the registered owner hereof as of the fifteenth day preceding a payment date at the address as it appears on the registration books kept by the Registrar or at such other address as is provided to the Paying Agent in writing by the registered owner. If payment of principal or interest is made to a depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall wire transfer payments so such payments are received at the depository by 2:30 p.m. (New York City time). All payments on the bond shall be made in any coin or currency of the United States of America, which on the dates of such payment, shall be legal tender for the payment of public and private debts.

The Bonds shall be initially issued in a Book Entry System (as defined in the hereinafter defined Ordinance). The provisions of this bond and of the Ordinance are subject in all respects to the provisions of the Blanket Issuer Letter of Representations between the Village and The Depository Trust Company, or any substitute agreement, effecting such Book Entry System.

This Bond and each bond of the series of which it forms a part (together, the "Bonds"), are issued pursuant to the Special Service Area Tax Act, 35 ILCS 200/27 et seq., as supplemented and amended (the "Act") for the purpose of providing funds to pay the cost of reservation of capacity for the Village's Special Service Area No. 32 (the "Special Service Area") at a wastewater treatment facility, as well as collection system infrastructure to include but not be limited to lift stations, force and gravity mains, manholes, grinder pumps and related engineering, surveying, construction observation, soil testing and appurtenant work, mass grading and demolition, site clearing and tree removal, final restoration and paving and the equipment and materials necessary for same, and other associated costs including those of consultants the Area and the costs of issuance of the Bonds (the "Project"). The principal of and interest on the Bonds are payable solely from the collection of taxes levied against all of the property in the Special Service Area of the Village.

This Bond is one of a series of bonds in the aggregate principal amount of \$750,000 being issued by the Village for the purpose of paying certain costs of the Project, and of paying expenses incidental thereto, pursuant to and in all respects in compliance with the applicable provisions of the Act and the Ordinance, which has been duly approved by the Village President of the Village, and published, in all respects as by law required (the "Ordinance").

[The Bonds maturing on or after _____, are subject to redemption prior to maturity on any date on or after _____, at a price of par plus accrued interest to the date of redemption.]

This Bond is transferable or exchangeable only upon the books of the Village kept for that purpose at the principal office of the Registrar by the registered owner hereof in person, or by its attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Registrar duly executed by the registered owner, or its attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in an authorized aggregate principal amount and of the same maturity, shall be executed and delivered in the name of the transferee or transferees or to the registered owner, as the case may be, in exchange therefor. The Village, the Registrar, the Paying Agent and any other registrar or paying agent for this bond may treat and consider the person in whose name this bond is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

THE OWNER OF THIS BOND, BY THE ACCEPTANCE HEREOF, HEREBY AGREES TO ALL THE TERMS AND PROVISIONS CONTAINED IN THE ORDINANCE.

The Village has designated the bonds as qualified tax-exempt obligations to qualify the bonds for the \$10,000,000 exception from the provisions of Section 265(b) of the Internal Revenue Code of 1986 relating to the disallowance of 100% of the deduction for interest expense allocable to tax-exempt obligations.

The bonds maturing in any one year are issuable only in fully registered form in the denomination of \$5,000 or any integral multiple thereof.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the execution, issuance and delivery of this bond have been done and

performed in regular and due form as provided by law; that the indebtedness of the Village, including the issue of the Bond of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of a direct annual tax sufficient to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity.

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

IN WITNESS WHEREOF, the Village of Johnsburg, McHenry County, Illinois, has caused this bond to be executed by the manual or facsimile signature of its Village President and attested by the manual or facsimile signature of its Deputy Clerk, and has caused its corporate seal to be affixed to this bond (or a facsimile of its seal to be printed on this bond), all as the Original Date identified above.

VILLAGE OF JOHNSBURG,
MCHENRY COUNTY, ILLINOIS

By _____
Village President

[SEAL]

Attest:

Deputy Clerk

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Ordinance.

_____,
as Registrar

By _____
Authorized Representative

(End of Form of Bond)

Section 9. Sale of the Bonds. The Bonds hereby authorized shall be sold and executed as in this Ordinance provided as soon after the passage hereof as may be, and thereupon be deposited with the Comptroller of the Village, and be by said Comptroller delivered to Bernardi Securities, Inc., as purchaser thereof, upon receipt of the purchase price therefor or to a purchaser as a private placement all as identified in the Bond Order, and the execution by the Village President of a contract for the sale of the Bonds is approved provided that no person holding an office of the Village either by election or appointment, is in any manner interested, either directly or indirectly, in his own name or in the name of any other person, association, trust or corporation, in said contract for the purchase of the Bonds.

The Village President, Deputy Clerk, Village Comptroller, Village Administrator and such other officers of the Village as may be necessary are hereby authorized to execute such other documents, as may be necessary to effect the issuance and delivery of the Bonds and execution thereof by such officers is hereby deemed conclusive evidence of approval thereof with such changes as may be effected.

Section 10. Tax Levy. For the purpose of providing funds to pay the principal of and interest on the Bonds, there be and there is hereby levied upon all the taxable property in Special Service Area No. 32 within the Village a direct annual tax for each of the years while the Bonds or any of them are outstanding, in amounts sufficient for that purpose, and that there be and there is hereby levied upon all of the taxable property in Special Service Area No. 32 within the Village, the direct annual tax as set forth in the Bond Order.

The Village covenants and agrees with the purchasers and the holders of the Bonds that so long as any of the Bonds remain outstanding, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to levy and collect the

foregoing tax levy and the Village and its officers will comply with all present and future applicable laws in order to assure that the foregoing taxes will be levied, extended and collected as provided herein and deposited in the fund established to pay the principal of and interest on the Bonds.

Section 11. Filing of Ordinance. Forthwith upon this Ordinance becoming effective, the Clerk of the Village is hereby directed to file a certified copy of this Ordinance, which certificate shall recite that this Ordinance has been passed by the Village Board of said Village and published, with the County Clerk of McHenry County (the "County Clerk"), and it shall be the duty of said County Clerk annually and in and for the years 2016 through 2035 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 Special Service Area No. 32 in addition to other taxes levied in each of said years, respectively, in and by said Village, 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 Village, and when collected, the taxes hereby levied shall be used only for the purpose of paying the principal of and interest on the Bonds. The Clerk of the Village is hereby directed to file a certified copy of the Bond Order after it is executed to supplement the filing of the Bond Ordinance.

Section 12. Bond Fund. There is hereby established a special fund of the Village known as the "SSA No. 32 Bond and Interest Fund of 2016" (the "SSA No. 32 Bond Fund") to be held by the Comptroller. The SSA No. 32 Bond Fund shall be maintained separate and apart from all other accounts of the Village. The appropriate taxes shall be set aside as collected and be deposited into the SSA No. 32 Bond Fund, 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 Bonds are secured by a pledge of all of the moneys on deposit in the SSA No. 32 Bond Fund, and such pledge is irrevocable until the Bonds have been paid in full or until the obligations of the Village are discharged under this Ordinance.

Section 13. Use of Bond Proceeds.

The proceeds of the Bonds shall be deposited in a special fund of the Village hereby created and established to be known as the "SSA No. 32 Project Fund, Series 2016" (the "SSA No. 32 Project Fund") and to be held by the Comptroller. The disbursements from the SSA No. 32 Project Fund shall be made for the costs of the Project and the costs of issuance of the Bonds. To the extent practical, proceeds of the Bonds will be expended for costs of the Project identified on Exhibit B. Interest received from deposits in the SSA No. 32 Project Fund shall, at the discretion of the President and Village Board, either be transferred for the payment of the principal of and interest on the Bonds on the interest payment date next after such interest is received or be retained in the SSA No. 32 Project Fund. In the event that any moneys remain in the SSA No. 32 Project Fund upon completion of the Project, the Village shall deposit the remaining moneys in the SSA No. 32 Bond Fund and shall cause such moneys to be used to pay the principal of and interest on the Bonds on the earliest possible date. Such bond proceeds which are deposited in the SSA No. 32 Bond Fund after completion shall, after 30 days of the date of deposit, be invested at a yield not exceeding the yield on the Bonds in the event that the investment of such moneys shall cause the SSA No. 32 Bond Fund not to be a bona fide debt service fund pursuant to Treas. Reg. Section 1.148(1)(b).

Section 14. Defeasance of the Bonds. If, when the Bonds or a portion thereof shall have become due and payable in accordance with their terms, and the whole amount of the

principal and the interest and the premium, if any, so due and payable upon all of the Bonds or a portion thereof then outstanding shall be paid; or (i) sufficient moneys or (ii) direct obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury), the principal of and the interest on which when due will provide sufficient moneys for such purpose, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case the Bonds or any designated portion thereof issued hereunder shall no longer be deemed outstanding or entitled to any pledge of the taxes made herein. In the event of an advance refunding, the Village shall cause to be delivered a verification report.

Section 15. Amendments with Consent of Bondholders. Subject to the terms and provisions contained in this section, and not otherwise, the owners of not less than one hundred percent (100%) in aggregate principal amount of the Bonds issued pursuant to this Ordinance and then outstanding shall have the right from time to time, anything contained in this Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the Village of such ordinance or ordinances supplemental hereto or amendatory hereof, as shall be deemed necessary or desirable by the Village for the purpose of modifying, altering, amending, adding to or rescinding in any particular manner any of the terms or provisions contained in this Ordinance, or in any supplemental ordinance; provided, however, that nothing herein contained shall permit or be construed as permitting:

- (a) An extension of the maturity of the principal of or interest on any Bond issued pursuant to this Ordinance; or
- (b) A reduction in the principal amount of any Bond or the rate of interest thereon; or
- (c) A preference or priority of any Bond or Bonds issued pursuant to this Ordinance over any other Bond or Bonds issued pursuant to the provisions of this Ordinance; or

(d) A reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance.

If the owners of not less than one hundred percent (100%) in aggregate principal amount of the Bonds outstanding at the time of adoption of such supplemental ordinance shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Secretary, no owner of any Bond issued pursuant to this Ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Village from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the Village and all owners of Bonds then outstanding, shall thereafter be determined, exercised and enforced in accordance with this Ordinance, subject in all respects to such modifications and amendments. Any rating agency rating the Bonds must receive notice of each amendment and a copy thereof at least 15 days in advance of its execution or adoption.

Section 16. Tax Covenants. In order to preserve the exclusion of interest on the Bonds from gross income for federal tax purposes under Section 103 of the Internal Revenue Code of 1986 as existing on the date of issuance of the Bonds (the "Code") and as an inducement to purchasers of the Bonds, the President and Village Board represent, covenant and agree that:

(a) The portion of the Project financed by the Bonds will be available for use by members of the general public. Use by a member of the general public means use by natural persons not engaged in a trade or business. No person or entity, other than the Village or another

state or local governmental unit, will use more than 10% of the proceeds of the Bonds or property financed by the Bond proceeds other than as a member of the general public. No person or entity other than the Village or another state or local governmental unit will own property financed by Bond proceeds or will have actual or beneficial use of such property pursuant to a lease, a management or incentive payment contract, an arrangement such as a take-or-pay or output contract or any other type of arrangement that conveys other special legal entitlements and differentiates that person's or entity's use of such property from the use by the general public, unless such uses in the aggregate relate to no more than 10% of the proceeds of the Bonds. If the Village enters into a management contract for the Project, the terms of the contract will comply with IRS Revenue Procedure 97-13, as it may be amended, supplemented or superseded from time to time, so that the contract will not give rise to private business use under the Code and the Regulations, unless such use in aggregate relates to no more than 10% of the proceeds of the Bonds.

(b) No more than 10% of the payment of the principal of or interest on the Bonds will be (under the terms of the Bonds, this Ordinance or any underlying arrangement), directly or indirectly, (i) secured by any interest in property used or to be used for a private business use or payments in respect of such property or (ii) derived from payments (whether or not to the Village) in respect of such property or borrowed money used or to be used for a private business use.

(c) No more than 5% of the Bond proceeds will be loaned to any entity or person other than a state or local governmental unit. No more than 5% of the Bond proceeds will be transferred, directly or indirectly, or deemed transferred to a nongovernmental person in any manner that would in substance constitute a loan of the Bond proceeds.

(d) The Village reasonably expects, as of the date hereof, that it will comply with the covenants described in paragraph (a), (b) and (c) above during the entire term of the Bonds.

(e) No more than 5% of the proceeds of the Bonds will be attributable to private business use as described in (a) and private security or payments described in (b) attributable to unrelated or disproportionate private business use. For this purpose, the private business use test is applied by taking into account only use that is not related to any government use of proceeds of the issue (Unrelated Use) and use that is related but disproportionate to any governmental use of those proceeds (Disproportionate Use).

(f) The Village will not take any action nor fail to take any action with respect to the Bonds that would result in the loss of the exclusion from gross income for federal tax purposes of interest on the Bonds pursuant to Section 103 of the Code, nor will the Village act in any other manner which would adversely affect such exclusion, and it will not make any investment or do any other act or thing during the period that the Bonds are outstanding which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(g) It shall be not an event of default under this Ordinance if the interest on any Bonds is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code which is not currently in effect and in existence on the date of issuance of the Bonds.

(h) The Village represents that:

(i) The Bonds are not private activity bonds as defined in Section 141 of the Code;

(ii) The Village hereby designates the Bonds as qualified tax-exempt obligations for purposes of Section 265(b) of the Code; and

(iii) The reasonably anticipated amount of qualified tax-exempt obligations (including 501(c)(3) obligations and tax-exempt leases but excluding other private

activity bonds) which will be issued by the Village and all entities subordinate to the Village during 2016 does not exceed \$10,000,000.

(iv) The Village has not designated more than \$10,000,000 of qualified tax-exempt obligations during 2016.

Therefore, the Bonds qualify for the exception in the Code from the disallowance of 100% of the deduction by financial institutions of interest expense allocable to tax-exempt obligations.

(i) These covenants are based solely on current law in effect and in existence of the date of delivery of the Bonds.

The Village hereby authorizes the officials of the Village responsible for issuing the Bonds, the same being the Village President, the Deputy Clerk, Village Administrator and the Comptroller of the Village, to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest on the Bonds will be excludable from gross income for federal income tax purposes. In connection therewith, the Village further agrees: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the Bonds and to comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds as required pursuant to Section 148 of the Code and the regulations promulgated thereunder; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by their officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the Village in such compliance.

Section 17. Noncompliance with Tax Covenants. Notwithstanding any other provisions of this Ordinance, the covenants and authorizations contained in this Ordinance (the "Tax Sections") which are designed to preserve the exclusion of interest on the Bonds from gross

income under federal law (the "Tax Exemption") need not be complied with if the Village receives an opinion of nationally recognized bond counsel that any Tax Section is unnecessary to preserve the Tax Exemption.

Section 18. Registered Form. The Village recognizes that Section 149 of the Code requires the Bonds to be issued and to remain in fully registered form in order that interest thereon is exempt from federal income taxation under laws in force at the time the Bonds are delivered. In this connection, the Village agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

Section 19. Severability. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

Section 20. Publication. The Clerk is hereby authorized and directed to publish this Ordinance in pamphlet form and to file copies thereof for public inspection in his/her office.

Section 21. Conflicting Ordinances. All ordinances, resolutions and parts of ordinances and resolutions, in conflict herewith are hereby repealed.

Section 22. Headings. The headings or titles of the several sections shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Ordinance.

Section 23. Effective Date. This Ordinance shall be in full force and effect from and after its adoption and approval and publication in the manner provided by law.

PASSED this 21st day of June, 2016.

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED this 21st day of June, 2016.

SIGNED: _____
Edwin P. Hettermann, Village President

ATTEST: _____
Debra Swetz, Deputy Clerk

Published in pamphlet form on June 21, 2016

EXHIBIT A

LEGAL DESCRIPTION OF SPECIAL SERVICE AREA NO. 32

TO COME

EXHIBIT B

THE PROJECT

The purpose of the establishment of the Area is to provide special municipal services (the "Services") to the Area, namely, the reservation of capacity for the Area at a wastewater treatment facility, as well as collection system infrastructure to include but not be limited to lift stations, force and gravity mains, manholes, grinder pumps and related engineering, surveying, construction observation, soil testing and appurtenant work, mass grading and demolition, site clearing and tree removal, final restoration and paving and the equipment and materials necessary for same, and other associated costs including those of consultants, all of the Services to be beneficial to the Area and all of the Services to be for the property now owned or to be acquired by the Village, or property in which the Village will obtain an interest sufficient for the provision of the Services.

EXHIBIT C

FORM OF BOND ORDER

The undersigned, _____, Village President (the "Village President") of the Village of Johnsbury, McHenry County, Illinois (the "Village"), on behalf of the Village, hereby orders, pursuant to Section 2 of the Ordinance No. 16-17-10 adopted by the President and Village Board of the Village on June 21, 2016 (the "Bond Ordinance"), _____ (the "Bond Registrar") to authenticate and deliver the Village's \$750,000 aggregate principal amount, Series 2016, dated June __, 2016 (the "Bonds"), and the Bonds shall become due and payable on December 1 of the years and bear interest per annum as set forth below:

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

The levy for taxes on the Bonds as provided for in Section 10 of the Bond Ordinance shall be in the amount and in the year of receipt as follows:

For the Year

A Tax Sufficient to Produce the Sum of:

Pursuant to Section 9 of the Bond Ordinance, the Village President hereby directs the Bonds be sold to Bernardi Securities, Inc. for the purchase price of \$_____.

Pursuant to Section 13 of the Bond Ordinance, the Village President hereby directs the following deposits of proceeds of the Bonds:

\$_____ for interest on the Bonds through December 1, 2016 shall be deposited in the SSA No. 32 Bond Fund (as such term is defined in the Bond Ordinance).

\$_____ shall be deposited into the SSA No. 32 Project Fund (as such term is defined in the Bond Ordinance).

Dated: June 21, 2016

VILLAGE OF JOHNSBURG,
MCHENRY COUNTY, ILLINOIS

By: _____
_____, Village President

STATE OF ILLINOIS)
)
COUNTY OF MCHENRY)

**CERTIFICATION OF ORDINANCE, MINUTES
AND PUBLICATION IN PAMPHLET FORM**

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

I do further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Board held on the 21st day of June, 2016, insofar as same relates to the adoption of an Ordinance numbered entitled:

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$750,000 VILLAGE OF JOHNSBURG SPECIAL SERVICE AREA NUMBER 32, SPECIAL TAX BONDS, SERIES 2016 AND PROVIDING FOR THE LEVY OF A DIRECT ANNUAL TAX ON TAXABLE PROPERTY IN SUCH SPECIAL SERVICE AREA FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON SUCH BONDS

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

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

I do further certify that the Ordinance was published by authority of the Board in pamphlet form on the _____ day of June, 2016, and the Ordinance as so published was on said date readily available for public inspection and distribution, in sufficient number to meet the needs of the general public, at my office as Deputy Clerk located in the Village.

IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the Village, this _____ day of _____, 2016.

Deputy Clerk

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF MCHENRY)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of McHenry County, Illinois, and as such official I do further certify that on the ____ day of _____, 2016, there was filed in my office a duly certified copy of an Ordinance entitled:

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$750,000 VILLAGE OF JOHNSBURG SPECIAL SERVICE AREA NUMBER 32, SPECIAL TAX BONDS, SERIES 2016 AND PROVIDING FOR THE LEVY OF A DIRECT ANNUAL TAX ON TAXABLE PROPERTY IN SUCH SPECIAL SERVICE AREA FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON SUCH BONDS

duly adopted by the Village Board of the Village of Johnsburg, McHenry County, Illinois, on the 21st day of June, 2016, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County, this ____ day of _____, 2016.

County Clerk of McHenry County, Illinois

(SEAL)