

EXTRACT OF MINUTES of a regular public meeting of the President and Board of Trustees of the Village of Antioch, Lake County, Illinois, held at the Village Hall, 874 Main Street, in said Village, at 7:30 p.m., on the 17th day of June, 2013.

The President called the meeting to order and directed the Village Clerk to call the roll.

Upon the roll being called, Lawrence M. Hanson, the President and the following Trustees answered physically present at said location: Pierce, Sakas, Poulos, Dominiak, Crosby and Johnson.

The following Trustees were allowed by a majority of the Trustees in accordance with and to the extent allowed by rules adopted by the President and Board of Trustees to attend the meeting by video or audio conference: None.

No Trustee was not permitted to attend the meeting by video or audio conference.

The following Trustees were absent and did not participate in the meeting in any manner or to any extent whatsoever: None.

The President announced that the President and Board of Trustees would next consider the adoption of an ordinance entitled:

AN ORDINANCE authorizing and providing for the issue of not to exceed \$1,100,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013, of the Village of Antioch, Lake County, Illinois, for the purpose of refunding certain outstanding alternate bonds, prescribing the details of said bonds and providing for the imposition of taxes to pay the same, and for the collection, segregation and application of certain tax receipts to pay said bonds.

Thereupon, the Village Administrator presented and the Village Attorney explained the said ordinance, which was before the President and Board of Trustees in words and figures as follows:

ORDINANCE NUMBER 13-06-13

AN ORDINANCE authorizing and providing for the issue of not to exceed \$1,100,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013, of the Village of Antioch, Lake County, Illinois, for the purpose of refunding certain outstanding alternate bonds, prescribing the details of said bonds and providing for the imposition of taxes to pay the same, and for the collection, segregation and application of certain tax receipts to pay said bonds.

Adopted by the President and
Board of Trustees of said Village
on the 17th day of June, 2013

Published in Pamphlet Form by
Authority of said Corporate
Authorities on the 19 day of
June, 2013

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LIST OF EXHIBITS:

- A — FORM OF BOND ORDER
- B — FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Table of Contents is for convenience only and is not a part of the ordinance.

ORDINANCE NUMBER 13-06-13

AN ORDINANCE authorizing and providing for the issue of not to exceed \$1,100,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013, of the Village of Antioch, Lake County, Illinois, for the purpose of refunding certain outstanding alternate bonds, prescribing the details of said bonds and providing for the imposition of taxes to pay the same, and for the collection, segregation and application of certain tax receipts to pay said bonds.

WHEREAS the Village of Antioch, Lake County, Illinois (the "*Village*"), is a duly organized and existing municipality and political subdivision created under the provisions of the laws of the State of Illinois, and is now operating under the provisions of the Illinois Municipal Code, as supplemented and amended (the "*Municipal Code*"); and

WHEREAS the Village by its President and Board of Trustees (the "*Corporate Authorities*") has heretofore issued its \$2,000,000 original aggregate principal amount General Obligation Bonds (Alternate Revenue Source), Series 2002A, dated October 1, 2002 (the "*Prior Bonds*"), which are subject to redemption prior to maturity at the option of the Village on or after December 1, 2012, at the redemption price of par plus accrued interest to the date fixed for redemption; and

WHEREAS the Corporate Authorities has heretofore determined and does hereby determine that it is advisable, necessary and in the best interests of the Village and its residents to undertake the refunding of all or a portion of the Prior Bonds (said Prior Bonds to be refunded being referred to herein as the "*Refunded Bonds*") in order to achieve certain debt service savings; and

WHEREAS the estimated cost of the refunding of the Refunded Bonds (the "*Refunding*"), including legal, financial, printing and publication costs and other expenses, shall not exceed \$1,100,000, and there are insufficient funds on hand and lawfully available to pay such costs; and

WHEREAS the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Reform Act*"), provides that alternate bonds can be issued to refund alternate bonds without meeting any of the provisions and requirements of Section 15 of the Reform Act provided that the term of the refunding alternate bonds is not longer than the term of the refunded bonds and that the debt service payable in any year on the refunding alternate bonds does not exceed the debt service payable in such year on the refunded bonds (the "*Refunding Conditions*"); and

WHEREAS the Corporate Authorities have heretofore, and it is hereby expressly, determined that the Refunding Conditions can be met and accordingly, alternate bonds, being hereinafter defined as the "*Bonds*" can be issued to pay the costs of the Refunding; and

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

WHEREAS the Bonds will be issued on a parity with any Prior Bonds not being refunded by the Bonds; and

WHEREAS the bond ordinance authorizing the Prior Bonds permits the issuance of additional alternate bonds on a parity with the Prior Bonds provided that the requirements of the Reform Act for the issuance of alternate bonds payable from the Pledged Revenues shall have been met; and

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

WHEREAS the Bonds shall be issued under Section 15 of the Local Government Debt Reform Act; and

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

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

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

“Act” or “Reform Act” means the Local Government Debt Reform Act of the State of Illinois, as amended.

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

“Bond” or “Bonds” means one or more, as applicable, of the General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013, authorized to be issued by this Ordinance.

“Bond Fund” means the Series 2013 Alternate Bond Fund established hereunder and further described by Section 13 of this Ordinance.

“Bond Order” means a Bond Order as authorized to be executed by Designated Officers of the Village as provided in (Section 11 of) this Ordinance, substantially in the form (with

related certificates) as attached hereto as *Exhibit A*, and by which the final terms of the Bonds will be established.

"Bond Register" means the books of the Village kept by the Bond Registrar to evidence the registration and transfer of the Bonds.

"Bond Registrar" means Amalgamated Bank of Chicago, having trust offices located in the City of Chicago, Illinois, or its successors, in its capacity as bond registrar and paying agent under this Ordinance, or a substituted bond registrar and paying agent as hereinafter provided.

"Book Entry Form" means the form of the Bonds as fully registered and available in physical form only to the Depository.

"Bond Moneys" shall have the meaning set forth in Section 15.

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

"Corporate Authorities" means the President and Board of Trustees of the Village.

"County Clerk" means the County Clerk of The County of Lake, Illinois.

"Depository" means The Depository Trust Company, a New York limited trust company, its successors, or a successor depository qualified to clear securities under applicable state and federal laws.

"Designated Officers" means any two of the following: the President, Village Clerk, Treasurer, Director of Finance and Village Administrator.

"Fiscal Year" means that twelve-calendar month period beginning on the first day of May of any calendar year and ending on the last day of April of such calendar year.

"Interest Payment Date" means a Stated Maturity of interest on the Bonds.

"Ordinance" means this ordinance as originally adopted and as the same may from time to time be amended or supplemented in accordance with terms hereof.

"Outstanding" when used with reference to the Bonds and Additional Bonds means such of those bonds which are outstanding and unpaid; *provided, however*, such term shall not include any of the Bonds or Additional Bonds (a) which have matured and for which moneys are on deposit with proper paying agents or are otherwise sufficiently available to pay all principal thereof and interest thereon or (b) the provision for payment of which has been made by the Village by the deposit in an irrevocable trust or escrow of funds or direct, full faith and credit obligations of the United States of America, the principal of and interest on which will be sufficient to pay at maturity or as called for redemption all the principal of and interest on such Bonds or Additional Bonds.

"Pledged Moneys" means the Pledged Revenues and the Pledged Taxes, as all of such terms are defined herein.

"Pledged Revenues" means all collections distributed to the Village from those motor fuel taxes imposed pursuant to Division 11 of Article 8 of the Municipal Code, as supplemented and amended from time to time, or substitute taxes therefor as provided in the future.

"Pledged Taxes" means the ad valorem taxes levied against all of the taxable property in the Village without limitation as to rate or amount, pledged hereunder by the Village as security for the Bonds.

"Purchaser" means the purchaser of the Bonds, the same being Robert W. Baird & Co., Incorporated, Naperville, Illinois.

"Record Date" means the 15th day of the next preceding month for any regularly scheduled interest payment date and the 15th day next preceding any interest payment date occasioned by a redemption of Bonds on other than a regularly scheduled interest payment date.

"Refunded Bonds" means the previously issued and outstanding bonds of the Village described and defined as such in the preambles to this Ordinance.

"Refunding" means the refunding of the Refunded Bonds as described and defined in the preambles to this Ordinance.

"Stated Maturity" when used with respect to any Bond or any interest thereon means the date specified in such Bond as the fixed date on which the principal of such Bond or such interest is due and payable, whether by maturity, mandatory redemption, or otherwise.

"Tax-exempt" means, with respect to the Bonds, the status of interest paid and received thereon as excludable from gross income of the owners thereof for federal income tax purposes and as not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but as taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

"Term Bonds" means Bonds subject to mandatory redemption by operation of the Bond Fund and designated as term bonds herein.

"Treasurer" means the Village Treasurer.

"Village" means the Village of Antioch, Lake County, Illinois.

Section 2. Incorporation of Preambles. The Corporate Authorities hereby find that all of the recitals contained in the preambles to this Ordinance are true, correct and complete and do incorporate them into this Ordinance by this reference.

Section 3. Determination To Issue Bonds. It is necessary and in the best interests of the Village to undertake the Refunding and to pay all necessary costs thereof, to pay all related costs and expenses incidental thereto, and to borrow money and issue the Bonds for such purposes. It is hereby found and determined that such borrowing of money is for a proper public purpose or purposes and it in the public interest, and is authorized pursuant to the Act; and these findings and determinations shall be deemed conclusive.

Section 4. Bond Details. For the purpose of providing for the payment of the costs of the Refunding and to pay all related costs and expenses incidental thereto, there shall be issued and sold the Bonds in the principal amount of not to exceed \$1,100,000. The Bonds shall be Tax-exempt Bonds and shall be designated "*General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013*" or such other name or names properly descriptive of Bonds as may be provided in the Bond Order. The Bonds shall be in fully registered form and also in Book Entry Form. The Bonds shall be dated as of a date not earlier than June 17, 2013, and not later than December 17, 2013 (the "*Dated Date*"), as shall be set forth in the Bond Order; each Bond shall also bear its respective date of authentication; and the Bonds shall be numbered consecutively in such reasonable manner as the Bond Registrar shall determine. The Bonds shall become due or subject to mandatory redemption (without option of prior redemption) on December 1 of the years and in the amounts as shall be set forth in the Bond Order; *provided, however,* that the final maturity date of the Bonds shall be no later than December 1, 2019. The Bonds shall bear interest at the rates per annum as shall be set forth in the Bond Order, *provided, however,* that such rates shall not exceed five percent (5.0%) per annum. The Bonds shall be in denominations of \$5,000 or integral multiples thereof (but no single such bond shall represent principal maturing on more than one date). Each Bond shall bear interest from the later of its Dated Date or from the most recent interest payment date to which interest has been paid or duly provided for, semiannually on June 1 and December 1 of each year, commencing not earlier than December 1, 2013, as shall be set forth in the Bond Order, and at the respective rates percent per annum provided, until the principal thereof shall be paid or duly provided for.

So long as the Bonds are held in Book Entry Form, interest on each Bond shall be paid to the Depository by check or draft or electronic funds transfer, in lawful money of the United States of America, as may be agreed by the Treasurer, the Bond Registrar, and the Depository; in

the event the Bonds should ever become available in physical form to registered owners other than the Depository, interest on each Bond shall be paid by check or draft of the Bond Registrar, payable upon presentation thereof in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the applicable Record Date, and mailed to the address of such registered owner as it appears on the Bond Register or at such other address as may be furnished in writing to the Bond Registrar. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The principal of or redemption price due on the Bonds shall be payable in lawful money of the United States of America upon presentation thereof at the office of the Bond Registrar maintained for such purpose, or at successor Bond Registrar or locality.

Section 5. Book-Entry Provisions. The Bonds shall be initially issued in Book Entry Form with a separate single fully registered Bond for each of the maturities. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of "Cede & Co.", or any successor thereto, as nominee of the Depository. All of the outstanding Bonds from time to time shall be registered in the Bond Register in the name of Cede & Co., as nominee of the Depository. The Treasurer, as representative of the Village, and the Paying Agent and Bond Registrar are authorized to execute and deliver on behalf of the Village, and as such agent for the Village, such letters to or agreements with the Depository as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the "*Representation Letter*"). Without limiting the generality of the authority given with respect to entering into such Representation Letter, it may contain provisions relating to (a) payment procedures, (b) transfers of the Bonds or of beneficial interests therein, (c) redemption notices and procedures unique to the Depository, (d) additional notices or

communications, and (e) amendment from time to time to conform with changing customs and practices with respect to securities industry transfer and payment practices.

With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of the Depository, none of the Village, the Treasurer, the Paying Agent or the Bond Registrar shall have any responsibility or obligation to any broker-dealer, bank or other financial institution for which the Depository holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "*Depository Participant*") or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds. Without limiting the meaning of the immediately preceding sentence, the Village, the Treasurer, the Paying Agent and the Bond Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, Cede & Co., or any Depository Participant with respect to any ownership interest in the Bonds, (b) the delivery to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (c) the payment to any Depository Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to principal of or interest on the Bonds. No person other than a registered owner of a Bond as shown in the Bond Register shall receive a Bond certificate with respect to any Bond. Upon delivery by the Depository to the Bond Registrar of written notice to the effect that the Depository has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the applicable record date, the name "*Cede & Co.*" in this Ordinance shall refer to such new nominee of the Depository.

In the event that (a) the Village determines that the Depository is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the agreement among the Village, the Paying Agent and Bond Registrar and the Depository evidenced by the Representation Letter shall be terminated for any reason or (c) the Village determines that it is in the best interests of the Village or of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Village shall notify the Depository and the Depository shall notify the Depository Participants of the availability of Bond certificates, and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co., as nominee of the Depository. The Village may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a book-entry system, as may be acceptable to the Village, or such depository's agent or designee, but if the Village does not select such alternate book-entry system, then the Bonds shall be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

Section 6. Execution; Authentication. The Bonds shall be executed on behalf of the Village by the manual or duly authorized facsimile signature of its President and attested by the manual or duly authorized facsimile signature of its Village Clerk, as they may determine, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the Village. In case any 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 Bond Registrar as authenticating agent of the Village and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any

security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance.

Section 7. Mandatory Redemption. If so provided in the Bond Order, any of the Bonds may be issued as Term Bonds and be subject to mandatory redemption, by operation of the Bond Fund, on December 1 of the years and in the amounts as shall be set forth in the Bond Order, at a redemption price of par (without premium) plus accrued interest to the date fixed for redemption.

If the Village purchases Term Bonds of any maturity and cancels the same from Bond Moneys as hereinafter described, then an amount equal to the principal amount of Term Bonds so redeemed or purchased shall be deducted from the mandatory redemption requirement as provided for Term Bonds of such maturity, first, in the current year of such requirement, until the requirement for the current year has been fully met, and then in any order of payment on the Term Bonds and as due at maturity or subject to mandatory redemption in any year as the Village shall at such time determine.

If the Village purchases Term Bonds of any maturity and cancels the same from moneys other than Bond Moneys, then an amount equal to the principal amount of Term Bonds so redeemed or purchased shall be deducted from the amount of such Term Bonds and as due at maturity or subject to mandatory redemption requirement in any year as the Village shall at such time determine.

Section 8. Redemption Procedure. The Bonds subject to redemption shall be identified, notice given, and paid and redeemed pursuant to the procedures as follows:

(1) *Redemption Notice.* The Bond Registrar shall proceed to redeem the Term Bonds without any further order or direction from the Village whatsoever.

(2) *Selection of Bonds within a Maturity.* For purposes of any redemption of less than all of the Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar for the Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; *provided*, that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$5,000 Bond or \$5,000 portion of a Bond shall be as likely to be called for redemption as any other such \$5,000 Bond or \$5,000 portion. The Bond Registrar shall make such selection upon or prior to the time of the giving of official notice of redemption.

(3) *Official Notice of Redemption.* The Bond Registrar shall promptly notify the Village in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed. Unless waived by the registered owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the Village by mailing the redemption notice by first class U.S. mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar. All official notices of redemption shall include the name of the Bonds and at least the information as follows:

(a) the redemption date;

(b) the redemption price;

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

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

(e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the office designated for that purpose of the Bond Registrar.

(4) *Bonds Shall Become Due.* Official notice of redemption having been given as described, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. The procedure for the payment of interest due as part of the redemption price shall be as herein provided for payment of interest otherwise due.

(5) *Insufficiency in Notice Not Affecting Other Bonds; Failure to Receive Notice; Waiver.* Neither the failure to mail such redemption notice, nor any defect in any notice so mailed, to any particular registered owner of a Bond, shall affect the sufficiency

of such notice with respect to other registered owners. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by registered owners shall be filed with the Bond Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. *In lieu of the foregoing official notice, so long as the Bonds are held in book entry form, notice may be given as provided in the Representation Letter, and the giving of such notice shall constitute a waiver by the Depository and the book entry owner, as registered owner, of the foregoing notice. After giving proper notification of redemption to the Bond Registrar, as applicable, the Village shall not be liable for any failure to give or defect in notice.*

(6) *New Bond in Amount Not Redeemed.* Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of like tenor, of authorized denominations, of the same maturity, and bearing the same rate of interest in the amount of the unpaid principal.

(7) *Effect of Nonpayment upon Redemption.* If any Bond or portion of Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall become due and payable on demand, as aforesaid, but, until paid or duly provided for, shall continue to bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption.

(8) *Bonds to Be Cancelled; Payment to Identify Bonds.* All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be

reissued. Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(9) *Additional Notice.* The Village agrees to provide such additional notice of redemption as it may deem advisable at such time as it determines to redeem Bonds, taking into account any requirements or guidance of the Securities and Exchange Commission, the Municipal Securities Rulemaking Board, the Government Accounting Standards Board, or any other federal or state agency having jurisdiction or authority in such matters; *provided, however,* that such additional notice shall be (1) advisory in nature, (2) solely in the discretion of the Village (unless a separate agreement shall be made), (3) not be a condition precedent of a valid redemption or a part of the Bond contract, and (4) any failure or defect in such notice shall not delay or invalidate the redemption of Bonds for which proper official notice shall have been given.

(10) *Bond Registrar to Advise Village.* As part of its duties hereunder, the Bond Registrar shall prepare and forward to the Village a statement as to notices given with respect to each redemption together with copies of the notices as mailed.

Section 9. Registration and Exchange or Transfer of Bonds; Persons Treated as Owners. The Village shall cause the Bond Register to be kept at the principal office maintained for the purpose by the Bond Registrar, which is hereby constituted and appointed the registrar of the Village for the Bonds. The Village is authorized to prepare, and the Bond Registrar or such other agent as the Village may designate shall keep custody of, multiple Bond blanks executed by the Village for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in this Ordinance. Upon surrender for transfer or exchange of any Bond at the principal office maintained for the purpose by the Bond Registrar, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Bond Registrar and duly executed by the registered owner or an attorney for such owner duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees or, in the case of an exchange, the registered owner, a new fully registered Bond or Bonds of like tenor, of the same maturity, bearing the same interest rate, of authorized denominations, for a like aggregate principal amount.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the Record Date for an interest payment to the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days preceding mailing of a notice of redemption of any Bonds.

The execution by the Village of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond; *provided, however*, that the principal amount of Bonds of each maturity authenticated by the Bond Registrar shall not at any one time exceed the authorized principal amount of Bonds for such maturity less the amount of such Bonds which have been paid.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his or her legal

representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

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

Section 10. Form of Bond. The Bonds shall be in substantially the form hereinafter set forth; *provided, however,* that if the text of the Bonds is to be printed in its entirety on the front side of the Bonds, then the second paragraph on the front side and the legend "See Reverse Side for Additional Provisions" shall be omitted and the text of paragraphs set forth for the reverse side shall be inserted immediately after the first paragraph.

[Form of Bond - Front Side]

REGISTERED
No. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF LAKE

VILLAGE OF ANTIOCH

**GENERAL OBLIGATION REFUNDING BOND
(ALTERNATE REVENUE SOURCE)
SERIES 2013**

See Reverse Side for
Additional Provisions

Interest Maturity Dated
Rate: ____% Date: December 1, ____ Date: _____, 20____ CUSIP: _____

Registered Owner: CEDE & Co.

Principal Amount: _____ Dollars

KNOW ALL PERSONS BY THESE PRESENTS that the Village of Antioch, Lake County, Illinois, a municipality and political subdivision of the State of Illinois (the "*Village*"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the later of the Dated Date of this Bond identified above or from the most recent interest payment date to which interest has been paid or duly provided for at the Interest Rate per annum identified above, such interest to be payable on June 1 and December 1 of each year, commencing _____ 1, 20____ until said Principal Amount is paid or duly provided for. The principal of this Bond is payable in lawful money of the United States of America upon presentation hereof at the office maintained for the purpose by Amalgamated Bank of Chicago, having trust offices in Chicago, Illinois, as

paying agent (the "*Bond Registrar*" or "*Paying Agent*"). Payment of interest shall be made to the Registered Owner hereof as shown on the registration books of the Village maintained by the Bond Registrar at the close of business on the applicable Record Date. Interest shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books, or at such other address furnished in writing by such Registered Owner to the Bond Registrar, or as otherwise agreed by the Village and the Bond Registrar for so long as this Bond is held by The Depository Trust Company, New York, New York, the Depository, or nominee, in Book Entry Form as provided for same.

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

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

FOR THE PROMPT PAYMENT OF THIS BOND, BOTH PRINCIPAL AND INTEREST AT MATURITY, THE FULL FAITH, CREDIT AND RESOURCES OF THE VILLAGE ARE HEREBY IRREVOCABLY PLEDGED.

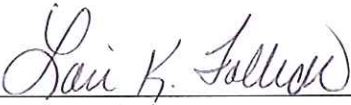
This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

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

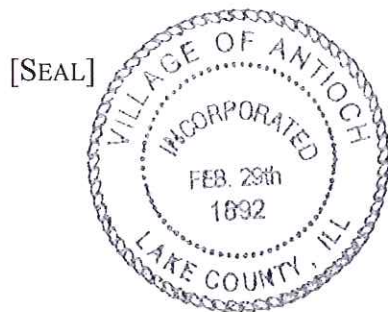


President
Village of Antioch
Lake County, Illinois

ATTEST:



Village Clerk
Village of Antioch
Lake County, Illinois



Date of Authentication: _____, 20__

CERTIFICATE
OF
AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Ordinance and is one of the General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013 of the Village of Antioch, Lake County, Illinois.

Bond Registrar and Paying Agent:
Amalgamated Bank of Chicago
Chicago, Illinois

AMALGAMATED BANK OF CHICAGO,
as Bond Registrar

By _____
Authorized Officer

[Form of Bond - Reverse Side]

This bond and the bonds of the series of which it forms a part ("*Bond*" and "*Bonds*" respectively) are of an authorized issue of _____ Dollars (\$_____) Bonds of like dated date and tenor except as to maturity, rate of interest and privilege of redemption and are issued pursuant to the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Act*"), and the Illinois Municipal Code, as amended (the "*Municipal Code*"). The Bonds are issued pursuant to the Act for the purpose of refunding certain alternate bonds previously issued by the Village (the "*Prior Bonds*") and payable from collections distributed to the Village from those taxes imposed by the State of Illinois pursuant to the Motor Fuel Tax Law of the State of Illinois, as supplemented and amended from time to time, or substitute taxes therefor as may be provided by the State of Illinois in the future, together with such other funds of the Village as may be necessary and on hand from time to time and lawfully available for such purpose (the "*Pledged Revenues*") of the Village, and the Pledged Taxes (as hereinafter defined) of the Village.

The Bonds are issued pursuant to a bond ordinance passed by the President and Board of Trustees of the Village on the 17th day of June, 2013 (the "*Ordinance*"), to which reference is hereby expressly made for further definitions and terms and to all the provisions of which the Registered Owner by the acceptance of this Bond assents. This Bond does not and will not constitute an indebtedness of the Village within the meaning of any constitutional or statutory provision or limitation, unless the Pledged Taxes shall be extended pursuant to the general obligation, full faith and credit promise supporting the Bonds, in which case the amount of the Bonds then Outstanding shall be included in the computation of indebtedness of the Village for purposes of all statutory provisions or limitations until such time as an audit of the Village shall show that the Bonds shall have been paid from the Pledged Revenues for a complete Fiscal Year.

The Village reserves the right to issue Additional Bonds without limit from time to time payable from the Pledged Revenues, and any such Additional Bonds shall share ratably and equally in the Pledged Revenues with the Bonds; *provided, however*, that no Additional Bonds shall be issued except in accordance with the provisions of the Act. [The Bonds are on a parity with and share ratably and equally with respect to the Pledged Revenues with the outstanding Prior Bonds.]

[Term Bond provisions, as needed]

This Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Ordinance. Upon surrender for transfer or exchange of this Bond at the principal corporate trust office of the Bond Registrar in the City of Chicago, Illinois, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Bond Registrar and duly executed by the Registered Owner or an attorney for such owner duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees or, in the case of an exchange, the Registered Owner, a new fully

registered Bond or Bonds of like tenor, of the same maturity, bearing the same interest rate, of authorized denominations, for a like aggregate principal amount.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the Record Date for an interest payment to the opening of business on such interest payment date[, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days preceding mailing of a notice of redemption of any Bonds].

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

[ADD INSURANCE LEGEND HERE, AS NEEDED]

ASSIGNMENT

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

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

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

Dated: _____

Signature Guaranteed: _____

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

Section 11. Sale of Bonds. A. The Designated Officers are hereby authorized to proceed, without any further official authorization or direction whatsoever from the Corporate Authorities, to sell and deliver the Bonds as herein provided, pursuant to the Bond Order. The Designated Officers shall be and are hereby authorized and directed to sell the Bonds to the Purchaser at not less than the 98% of the par value of the Bonds (net of any original issue discount, if any); *provided, however,* that the following conditions shall also be met:

(1) The aggregate compensation to the Purchaser, not including other costs or expenses incurred and approved by the Village and paid directly upon delivery of the Bonds, shall not exceed 2.0% of the public offering price of the Bonds.

(2) The net present value savings derived from any Refunding (as shown in a written certificate or report delivered by the Purchaser), shall not be less than 2.50% of the face amount of the Refunded Bonds in fact so refunded.

Nothing in this Section shall require the Designated Officers to sell the Bonds if in their judgment the conditions in the bond markets shall have markedly deteriorated from the time of adoption hereof, but the Designated Officers shall have the authority to sell the Bonds in any event so long as the limitations set forth in this Ordinance shall have been met. Incidental to any sale of the Bonds, the Designated Officers shall find and determine that no person holding any office of the Village either by election or appointment, is in any manner financially interested, either directly, in his or her own name, or indirectly, in the name of any other person, association, trust or corporation, in the agreement with the Purchaser for the purchase of the Bonds.

B. Upon the sale of the Bonds, the Designated Officers and any other officers of the Village as shall be appropriate shall be and are hereby authorized and directed to approve or execute, or both, such documents of sale of the Bonds as may be necessary, including, without

limitation, the Bond Order, Preliminary Official Statement, Official Statement, Bond Purchase Agreement, and closing documents; such certifications, tax returns, and documentation as may be required by Bond Counsel to render their opinion as to the Tax-exempt status of the interest on the Bonds, and documentation as may be advised by Bond Counsel as appropriate to establish and maintain the Tax-exempt status of the interest on the Bonds. The Preliminary Official Statement relating to the Bonds is hereby in all respects authorized and approved; and the proposed use by the Purchaser of an Official Statement (in substantially the form of the Preliminary Official Statement but with appropriate variations to reflect the final terms of the Bonds) is also hereby authorized and approved. The Bond Purchase Agreement for the sale of the Bonds to the Purchaser is hereby in all respects authorized and approved. The Designated Officers are hereby authorized to execute the Bond Purchase Agreement, their execution to constitute full and complete approval of all necessary or appropriate completions and revisions as shall appear therein. Upon the sale of the Bonds, the Designated Officers so acting shall prepare a Bond Order for same, to be substantially in the form of *Exhibit A* attached hereto, which shall include the pertinent details of sale as provided herein, and which shall enumerate the levy of taxes to pay the Bonds, and such shall in due course be entered into the records of the Village and made available to the Corporate Authorities. *The authority to sell the Bonds pursuant to any Bond Order as herein provided shall expire on December 17, 2013.*

Section 12. Treatment of Bonds As Debt. The Bonds shall be payable from the Pledged Moneys and do not and shall not constitute an indebtedness of the Village within the meaning of any constitutional or statutory limitation, unless the Pledged Taxes shall be extended pursuant to the general obligation, full faith and credit promise supporting the Bonds, as set forth in Section 16 hereof, in which case the amount of the Bonds then Outstanding shall be included in the computation of indebtedness of the Village for purposes of all statutory provisions or

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

Section 13. 2013 Alternate Bond Fund. There is hereby created a special fund of the Village, which fund shall be held separate and apart from all other funds and accounts of the Village and shall be known as the "2013 Alternate Bond Fund" (the "*Bond Fund*"). The purpose of the Bond Fund is to provide a fund to receive and disburse the Pledged Revenues for the Bonds and to receive and disburse Pledged Taxes for any (or all) of the Bonds. There are hereby created two accounts within the Bond Fund, designated the Pledged Revenues Account and the General Account. All Pledged Revenues as required for the Bonds shall be deposited to the credit of the Pledged Revenues Account, and all Pledged Taxes shall be deposited to the credit of the General Account. The Bond Fund and its respective accounts constitute a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the Village by this Ordinance.

The Pledged Revenues are to be paid to the Treasurer by the officers who collect or receive the Pledged Revenues. The Treasurer shall deposit the Pledged Revenues to the Pledged Revenues Account of the Bond Fund (at the times and in the amounts required by this Ordinance).

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

Pledged Taxes on deposit to the credit of the General Account of the Bond Fund shall be fully spent to pay the principal of and interest on the Bonds prior to use of any moneys on deposit in the Pledged Revenues Account of the Bond Fund.

Section 14. Use of Bond Proceeds. The proceeds derived from the sale of the Bonds shall be used as follows:

A. Accrued interest received by the Village upon the sale of the Bonds shall be remitted by the Treasurer for deposit into the Pledged Revenues Account of the Bond Fund, and be used to pay first interest coming due on the Bonds.

B. The Village shall then allocate from the Bond proceeds the sum necessary for expenses incurred in the issuance of the Bonds which shall be either paid directly upon the delivery of the Bonds or held by the Treasurer and disbursed for such issuance expenses from time to time in accordance with usual Village procedures for the disbursement of funds, which disbursements are hereby expressly authorized. Moneys not disbursed for such purposes within six months shall be transferred by the Village for deposit into the Pledged Revenues Account of the Bond Fund, as previously described.

C. The sum necessary, together with such money in the debt service funds for the Refunded Bonds as may be advisable for the purpose, is hereby appropriated to provide for the Refunding, and the payment of such other expenses as may be designated, including the payment of such expenses as may be designated, and are hereby ordered to be deposited with either (1) the paying agent for the Refunded Bonds or (2) in escrow pursuant to an escrow agreement, in such form as to be approved by the Designated Officers by evidence of their execution thereof, with Amalgamated Bank of Chicago, Chicago, Illinois, as escrow agent, for the purpose of paying the principal of and interest on the Refunded Bonds.

Section 15. Pledged Taxes; Tax Levy. For the purpose of providing funds required to pay the interest on the Bonds promptly when and as the same falls due, and to pay and discharge the principal thereof at maturity, and as provided in Section 15 of the Reform Act, there is

hereby levied upon all of the taxable property within the Village, in the years for which any of the Bonds are outstanding, a direct annual tax sufficient for that purpose; and there is hereby levied on all of the taxable property in the Village, in addition to all other taxes, the following direct annual taxes (the Pledged Taxes as hereinabove defined), such levy shall be fully set forth in one or more Bond Orders.

The Pledged Taxes and other moneys on deposit (collectively, the "*Bond Moneys*") in the Bond Fund and allocable to the Bonds shall be applied to pay principal of and interest on the Bonds. Interest or principal coming due at any time when there are insufficient funds on hand from the Pledged Taxes to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the Pledged Taxes herein levied; and when the Pledged Taxes shall have been collected, reimbursement shall be made to said funds in the amount so advanced. The Village covenants and agrees with the purchasers and registered owners of the Bonds that so long as any of the Bonds remain outstanding, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to levy and collect the foregoing tax levy. The Village and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes may be levied, extended and collected as provided herein and deposited into the Bond Fund.

Section 16. Filing with County Clerk. Forthwith upon the passage of this Ordinance, the Village Clerk of the Village is hereby directed to file a certified copy of this Ordinance with the County Clerk, and it shall be the duty of the County Clerk to annually in and for each of the years provided, 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 Village in connection with other taxes levied in each of said years for general municipal purposes, in order to raise the respective amounts aforesaid and in each of said years such annual tax shall be computed,

extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for general municipal purposes of the Village.

Section 17. Pledged Revenues; General Covenants. The Village covenants and agrees with the holders of the Bonds that, so long as any Bonds remain Outstanding:

A. The Pledged Revenues are heretofore pledged to the payment of the Prior Bonds; and the Corporate Authorities covenant and agree to provide for, collect and apply the Pledged Revenues to the payment of all of such bonds as are from time to time Outstanding Bonds and the provision of not less than an additional 0.25 times debt service thereon, all in accordance with Section 15 of the Act.

B. The Village will punctually pay or cause to be paid from the Pledged Revenues Account of the Bond Fund the principal of and interest on to become due in respect to the Bonds in strict conformity with the terms of the Bonds and this Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof.

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

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

record and accounts shall at all times during business hours be subject to the inspection of the holders of not less than ten per cent (10%) of the principal amount of the Outstanding Bonds or their representatives authorized in writing.

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

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

G. As long as any Bonds are Outstanding, the Village will continue to deposit the Pledged Revenues and, if necessary, the Pledged Taxes to the appropriate accounts of the Bond Fund. The Village covenants and agrees with the purchasers of the Bonds and with the registered owners thereof that so long as any Bonds remain Outstanding, the Village will take no action or fail to take any action which in any way would adversely affect the ability of the Village to collect the Pledged Revenues. The Village and its officers will comply with all present and future applicable laws in order to assure that the Pledged Revenues and the Pledged Taxes may be collected as provided herein and deposited into the Bond Fund.

H. Once issued, the Bonds shall be and forever remain until paid or defeased the general obligation of the Village, for the payment of which its full faith and credit are

pledged, and shall be payable, in addition to the Pledged Revenues, from the levy of the Pledged Taxes as provided in the Act.

Section 18. Abatement of Pledged Taxes. Whenever the Pledged Revenues have been irrevocably deposited in the Bond Fund in an amount sufficient to pay debt service on the Outstanding Bonds, the Corporate Authorities or the officers of the Village acting with proper authority, shall duly direct the abatement of the Pledged Taxes for the year with respect to which such Pledged Taxes have been levied to the extent of such deposit, and appropriate certification of such abatement shall be timely filed with the County Clerk in connection with such abatement. If for any reason there is abatement of such levy of Pledged Taxes and the failure thereafter to pay debt service on the Bonds in respect of such abatement, the additional amount, together with additional interest accruing, shall be added to the tax levy for the Pledged Taxes in the year of, or the next year following, such failure.

Section 19. Additional Bonds. The Village reserves the right to issue Additional Bonds without limit from time to time payable from Pledged Revenues, and any such Additional Bonds shall share ratably and equally in the Pledged Revenues with the Bonds, as applicable; *provided, however,* that no Additional Bonds shall be issued except in accordance with the provisions of the Act.

Any such Additional Bonds which may be issued in compliance herewith shall be payable as to principal on December 1 and as to interest on June 1 and/or December 1 in each year in which principal and interest come due.

Section 20. Defeasance. Bonds which are no longer Outstanding Bonds as defined in this Ordinance shall cease to have any lien on or right to receive or be paid from the Pledged Revenues or the Pledged Taxes, and shall no longer have the benefits of any covenant for the

registered owners of Outstanding Bonds as set forth herein as such relates to lien and security for the Bonds in the Pledged Revenues or the Pledged Taxes.

Section 21. Taxes Previously Levied. The taxes previously levied to pay principal of and interest on the Refunded Bonds, to the extent such principal and interest is provided for shall be abated. The filing of a certificate of abatement with the County Clerk shall constitute authority and direction for the County Clerk to make such abatement.

Section 22. This Ordinance a Contract. The provisions of this Ordinance shall constitute a contract between the Village and the registered owners of the Bonds, and no changes, additions or alterations of any kind shall be made hereto, except as herein provided.

Section 23. Call of the Refunded Bonds. In accordance with the redemption provisions of the ordinance authorizing the issuance of the Refunded Bonds, the Village by the Corporate Authorities does hereby make provision for the payment of and does hereby call (subject only to the delivery of the Bonds) the Refunded Bonds for redemption and payment prior to maturity on such date as set forth in the Bond Order, at the redemption price equal to 100% of the principal amount of the Refunded Bonds being redeemed, plus accrued interest to the date of redemption.

The Village hereby directs the bond registrar for the Refunded Bonds to give a timely notice of the call of the Refunded Bonds being redeemed. If for any reason the bond registrar for the Refunded Bonds does not give such notice, the Village will provide for and give a timely notice of the call of the Refunded Bonds. The time, manner and form of giving notice of the call for redemption of the Refunded Bonds shall be as set forth in the ordinance providing for the issue thereof.

Section 24. Non-Arbitrage and Tax-Exemption. One purpose of this Section is to set forth various facts regarding the Bonds and to establish the expectations of the Board and the Village as to future events regarding the Bonds and the use of Bond proceeds. The certifications,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Costs of Issuance" means the costs of issuing the Bonds, including underwriters' discount and legal fees, but not including the fees for the Credit Facility described in paragraph 5.7 hereof.

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

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

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

"Escrow Account" means the Prior Bond Fund.

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

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

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

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

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

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

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

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

derived from the sale of any right that is part of the terms of a Refunded Bond or is otherwise associated with a Refunded Bond (e.g., a redemption right).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.2. Bond Fund Investment. The investment earnings on the Bond Fund will be spent to pay interest on the Bonds, or to the extent permitted by law, investment earnings on amounts in the Bond Fund will be commingled with substantial revenues from the governmental operations of the Village, and the earnings are reasonably expected to be spent for governmental purposes within six months of the date earned. Interest earnings

on the Bond Fund have not been earmarked or restricted by the Corporate Authorities for a designated purpose.

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

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

- (a) payments of interest on the Bonds for the period commencing at Closing and ending on the date one year after the date on which the Prior Project is Placed-in-Service;

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

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

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

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

- (f) fees for the Credit Facility.

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

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

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

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

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

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

2.10. *Abusive Transactions.* Neither the Village nor any member of the same Controlled Group as the Village will receive a rebate or credit resulting from any payments having been made in connection with the issuance of the Bonds or the advance refunding of the Refunded Bonds.

3.1. *Use of Proceeds.* (a) The use of the Sale Proceeds and investment earnings thereon and the funds held under this Ordinance at the time of Closing are described in Section 14 of this Ordinance. No Sale Proceeds will be used to pre-pay for goods or services to be received over a period of years prior to the date such goods or services are to be received, except for any payment to the Credit Facility Provider. No Sale Proceeds or any investment earnings thereon will be used to pay for or otherwise acquire goods or services from the Village, any member of the same Controlled Group as the Village, or an Affiliated Person.

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

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

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

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

greater of (a) the earnings on the investment of moneys in the Bond Fund (other than the Reserve Portion of the Bond Fund) for the immediately preceding bond year or (b) 1/12th of the principal and interest payments on the Bonds for the immediately preceding bond year.

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

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

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

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

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

(e) The Refunded Bonds subject to redemption prior to maturity will be called within 30 days of Closing.

(f) The Village has not been notified that the Prior Bonds or any obligation refunded by the Prior Bonds is under examination by the IRS, and to the best of the Village's knowledge neither the Prior Bonds nor any obligation refunded by the Prior Bonds is under examination by the IRS.

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

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

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

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

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

(i) Sale Proceeds;

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

(iii) Transferred Proceeds;

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

(v) amounts in a debt service fund, redemption fund, reserve fund, replacement fund or any similar fund to the extent reasonably expected to be used

directly or indirectly to pay principal of or interest on the Bonds or any amounts for which there is provided, directly or indirectly, a reasonable assurance that the amount will be available to pay principal of or interest on the Bonds or any obligations under any credit enhancement or liquidity device with respect to the Bonds, even if the Village encounters financial difficulties;

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

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

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

(c) The term of the Bonds is not longer than is reasonably necessary for the governmental purposes of the Bonds. The average reasonably expected remaining economic life of the Prior Project is at least 7 years. The weighted average maturity of the Bonds does not exceed 7 years and does not exceed 120 percent of the average reasonably expected economic life of the Prior Project. The maturity schedule of the Bonds (the "*Principal Payment Schedule*") is based on an analysis of revenues expected to be available to pay debt service on the Bonds. The Principal Payment Schedule is not more rapid (i.e., having a lower average maturity) because a more rapid schedule would place an undue burden on tax rates and cause such rates to be increased beyond prudent levels, and would be inconsistent with the governmental purpose of the Bonds as set forth in paragraph 2.1 hereof.

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

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

to the United States as required by the Rebate Provisions and by the Regulations and as contemplated under the provisions of this Ordinance.

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

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

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

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

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

(b) Investments in GICs shall be made only if

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

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

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

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

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

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

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

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

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

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

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

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

(i) a copy of the GIC;

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

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

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

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

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

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

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

4.5. Arbitrage Elections. The President, Village Clerk and Village Treasurer of the Board are hereby authorized to execute one or more elections regarding certain matters with respect to arbitrage.

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

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

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

The following may be invested without Yield restriction:

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

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

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

(iii) amounts in the Rebate Fund;

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

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

(vi) all amounts used to pay principal and interest on the Refunded Bonds within 90 days of Closing.

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

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

5.5. Federal Guarantees. Except for investments meeting the requirements of paragraph 5.2(a) hereof and except for investments in the Escrow Account, investments of Gross Proceeds shall not be made in (a) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank, as amended (e.g., Refcorp Strips)); or (b) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code). Except as otherwise permitted in the immediately prior sentence and in the Regulations, no portion of the payment of principal or interest on the Bonds or any credit enhancement or liquidity device relating to the foregoing is or will be guaranteed, directly or indirectly (in whole or in part), by the United States (or any agency or instrumentality thereof),

including a lease, incentive payment, research or output contract or any similar arrangement, agreement or understanding with the United States or any agency or instrumentality thereof. No portion of the Gross Proceeds has been or will be used to make loans the payment of principal or interest with respect to which is or will be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof). Neither this paragraph nor paragraph 5.6 hereof applies to any guarantee by the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Student Loan Marketing Association or the Bonneville Power Administration pursuant to the Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984.

5.6. Investments After the Expiration of Temporary Periods, Etc. Any amounts, other than amounts in the Escrow Account, that are subject to the yield limitation in Section 5.2 because Section 5.2(a) is not applicable and amounts not subject to yield restriction only because they are described in Section 5.2(b) cannot be invested in (i) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code or (ii) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended (*e.g.*, Refcorp Strips).

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

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

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

(b) The payment of more than five percent of the principal of or the interest on the Bonds or on each issue of the Prior Bonds considered separately will not be, directly

or indirectly (i) secured by any interest in (A) property used or to be used in any Private Business Use or (B) payments in respect of such property or (ii) on a present value basis, derived from payments (whether or not to the Village or a member of the same Controlled Group as the Village) in respect of property, or borrowed money, used or to be used in any Private Business Use.

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

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

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

timely manner.

6.3. *Bank Qualification.* (a) The Village hereby designates each of the Bonds as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Code. In support of such designation, the Village hereby certifies that (i) none of the Bonds will be at anytime a "private activity bond" (as defined in Section 141 of the Code), (ii) as of the date hereof in calendar year 2013, other than the Bonds, no tax-exempt obligations of any kind have been issued (x) by or on behalf of the Village, (y) by other issuers any of the proceeds of which have been or will be used to make any loans to the Village or (z) any portion of which has been allocated to the Village for purposes of Section 265(b) of the Code and (iii) not more than \$10,000,000 of obligations of any kind (including the Bonds) issued (x) by or on behalf of the Village, (y) by other issuers any of the proceeds of which have been or will be used to make any loans to the Village or (z) any portion of which has been allocated to the Village for purposes of Section 265(b) of the Code during calendar year 2013 will be designated for purposes of Section 265(b)(3) of the Code.

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

(c) On the date hereof, the Village does not reasonably anticipate that for calendar year 2013 it will issue, have another entity issue on behalf of the Village, borrow the proceeds of or have allocated to the Village for purposes of Section 265(b) of the Code more than \$10,000,000 Section 265 Tax-Exempt Obligations (including the Bonds). "Section 265 Tax-Exempt Obligations" are obligations the interest on which is excludable from gross income of the owners thereof under Section 103 of the Code, except for private activity bonds other than qualified 501(c)(3) bonds, both as defined in Section 141 of the Code. The Village will not, in calendar year 2013 issue, permit the issuance on behalf of it or by any entity subject to Control by the Village (which may hereafter come into existence), borrow the proceeds of or have allocated to it for purposes of Section 265(b) of the Code Section 265 Tax-Exempt Obligations (including the Bonds) that exceed the aggregate amount of \$10,000,000 during calendar year 2013 unless it first obtains an opinion of Bond Counsel to the effect that such issuance, borrowing or allocation will not adversely affect the treatment of the Bonds as "qualified tax-exempt obligations" for the purpose and within the meaning of Section 265(b)(3) of the Code.

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

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

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

7.3. *No Sale of the Prior Project.* (a) Other than as provided in the next sentence, neither the Prior Project nor any portion thereof has been, is expected to be, or will be sold or otherwise disposed of, in whole or in part, prior to the earlier of (i) the last date of the reasonably expected economic life to the Village of the property (determined on the date of issuance of the Bonds) or (ii) the last maturity date of the Bonds. The Village may dispose of personal property in the ordinary course of an established government program prior to the earlier of (i) the last date of the reasonably expected economic life to the Village of the property (determined on the date of issuance of the Bonds) or (ii) the last maturity of the Bonds, provided: (A) the weighted average

maturity of the Bonds financing the personal property is not greater than 120 percent of the reasonably expected actual use of that property for governmental purposes; (B) the Village reasonably expects on the issue date that the fair market value of that property on the date of disposition will be not greater than 25 percent of its cost; (C) the property is no longer suitable for its governmental purposes on the date of disposition; and (D) the Village deposits amounts received from the disposition in a commingled fund with substantial tax or other governmental revenues and the Village reasonably expects to spend the amounts on governmental programs within six months from the date of the commingling.

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

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

7.5. *Final Maturity.* The period between the date of Closing and the final maturity of the Bonds is not more than 10-1/2 years.

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

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

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

7.9. *Records Retention.* The Village agrees to keep and retain or cause to be kept and retained sufficient records to support the continued exclusion of the interest paid on the Bonds from federal income taxation, to demonstrate compliance with the covenants in this Ordinance and to show that all tax returns related to the Bonds submitted or required to be submitted to the Internal Revenue Service are correct and timely filed. Such records shall include, but are not limited to, basic records relating to

the Bond transaction (including this Ordinance and the Bond Counsel opinion); documentation evidencing the expenditure of Bond proceeds; documentation evidencing the use of Bond-financed property by public and private entities (*i.e.*, copies of leases, management contracts and research agreements); documentation evidencing all sources of payment or security for the Bonds; and documentation pertaining to any investment of Bond proceeds (including the information required under paragraphs 4.3 and 4.4 hereof and in particular information related to the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts and documentation of any bidding procedure related thereto and any fees paid for the acquisition or management of investments and any rebate calculations). Such records shall be kept for as long as the Bonds are outstanding, plus three (3) years after the later of the final payment date of the Bonds or the final payment date of any obligations or series of obligations issued to refund directly or indirectly all or any portion of the Bonds.

7.10. Permitted Changes; Opinion of Bond Counsel. The Yield restrictions contained in paragraph 5.2 hereof or any other restriction or covenant contained herein need not be observed or may be changed if such nonobservance or change will not result in the loss of any exemption for the purpose of federal income taxation to which interest on the Bonds is otherwise entitled and the Village receives an opinion of Bond Counsel to such effect. Unless the Village otherwise directs, such opinion shall be in such form and contain such disclosures and disclaimers as may be required so that such opinion will not be treated as a covered opinion or a state or local bond opinion for purposes of Treasury Department regulations governing practice before the Internal Revenue Service (Circular 230) 31 C.F.R. pt. 10.

7.11. Excess Proceeds. Gross Proceeds of the Bonds and investment earnings thereon and all unspent Prior Bond Proceeds as of the date of Closing and investment earnings thereon do not exceed by more than one percent of the Sale Proceeds of the Bonds the amount that will be used for:

- (i) payment of principal of or interest or call premium on the Refunded Bonds;
- (ii) payment of pre-issuance accrued interest on the Bonds and interest on the Bonds that accrues for a period up to the completion date of any capital project for which the prior issue was issued, plus one year;
- (iii) payment of cost of issuance of the Bonds;
- (iv) payment of administrative costs allocable to repaying the Refunded Bonds, carrying and repaying the Bonds or investments of the Bonds;
- (v) Prior Bond Proceeds that will be used or maintained for the governmental purpose of the Refunded Bonds;

- (vi) interest on purpose investments; and
- (vii) costs of the Credit Facility allocable to the Bonds.

7.12. *Successors and Assigns.* The terms, provisions, covenants and conditions of this Section shall bind and inure to the benefit of the respective successors and assigns of the Corporate Authorities and the Village.

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

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

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

supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by their officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the Village in such compliance.

Section 25. Continuing Disclosure Undertaking. Any Designated Officer is hereby authorized to execute and deliver the Continuing Disclosure Undertaking, in substantially the same form as now before the Village with this Ordinance in *Exhibit B*. When such Continuing Disclosure Undertaking is executed and delivered on behalf of the Village, it will be binding on the Village and the officers, agents, and employees of the Village, and the same are hereby authorized and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such Continuing Disclosure Undertaking as executed and delivered. Notwithstanding any provisions hereof, the sole remedies for failure to comply with such Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order, to cause the Village to comply with its obligations thereunder.

Section 26. Municipal Bond Insurance. In the event the payment of principal of and interest on the Bonds is insured pursuant to a municipal bond insurance policy (a "*Municipal Bond Insurance Policy*") issued by a bond insurer (a "*Bond Insurer*"), and as long as such Municipal Bond Insurance Policy shall be in full force and effect, the Village and the Bond Registrar agree to comply with such usual and reasonable provisions regarding presentment and payment of the Bonds, subrogation of the rights of the Bondholders to the Bond Insurer when holding Bonds, amendment hereof, or other terms, as approved by the President of the Board on advice of counsel, his or her approval to constitute full and complete acceptance by the Village of such terms and provisions under authority of this Section.

Section 27. Record-Keeping Policy and Post-Issuance Compliance Matters. It is necessary and in the best interest of the Village to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the Bonds and other debt obligations of the Village, the interest on which is excludable from "gross income" for federal income tax purposes or which enable the Village or the holder to receive federal tax benefits, including, but not limited to, qualified tax credit bonds and other specified tax credit bonds (including the Bonds, the "*Tax Advantaged Obligations*"). Further, it is necessary and in the best interest of the Village that (i) the Corporate Authorities adopt policies with respect to record-keeping and post issuance compliance with the Village's covenants related to its Tax Advantaged Obligations and (ii) the Compliance Officer (as hereinafter defined) at least annually review the Village's Contracts (as hereinafter defined) to determine whether the Tax Advantaged Obligations comply with the federal tax requirements applicable to each issue of the Tax Advantaged Obligations. The Corporate Authorities and the Village hereby adopt the following Record-Keeping Policy and, in doing so, amend any similar Record-Keeping Policy or Policies heretofore adopted:

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

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

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

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

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

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

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

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

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

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

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

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

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

(g) *Training.* The Compliance Officer shall undertake to maintain reasonable levels of knowledge concerning the rules related to tax-exempt bonds (and build America bonds and tax credit bonds to the extent the Village has outstanding build America bonds or tax-credit bonds) so that such officer may fulfill the duties described in this Section. The Compliance Officer may consult with counsel, attend conferences and presentations of trade groups, read materials posted on various web sites, including the web site of the Tax Exempt Bond function of the IRS, and use other means to maintain such knowledge.

Recognizing that the Compliance Officer may not be fully knowledgeable in this area, the Compliance Officer may consult with outside counsel, consultants and experts to assist him or her in exercising his or her duties hereunder. The Compliance Officer will endeavor to make sure that the Village's staff is aware of the need for continuing compliance. The Compliance Officer will provide copies of this Ordinance and the Tax Exemption Certificate and Agreement or other applicable tax documents for each series of Tax Advantaged Obligations then currently outstanding (the "*Tax Agreements*") to staff members who may be responsible for taking actions described in such documents. The Compliance Officer should assist in the education of any new Compliance Officer and the transition of the duties under these procedures. The Compliance Officer will review this Ordinance and each of the Tax Agreements periodically to determine if there are portions that need further explanation and, if so, will attempt to obtain such explanation from counsel or from other experts, consultants or staff.

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

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


Section 29. Repealer. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed.

Section 30. Publication of Ordinance. A full, true, and complete copy of this Ordinance shall be published within ten days after passage in pamphlet form by authority of the Corporate Authorities.

Section 31. Superseder. All ordinances, resolutions, and orders, or parts thereof, in conflict herewith, are to the extent of such conflict hereby superseded; and this Ordinance shall be in full force and effect immediately upon its passage and approval.

PASSED this 17th day of June, 2013.

APPROVED: this 17th day of June, 2013.


Village President

AYES: 6: Pierce, Sakas, Poulos, Dominiak, Crosby and Johnson.


NAYS: 0.

ABSENT: 0.

RECORDED in the Village Records this 17th day of June, 2013.

Published in pamphlet form by authority of the Board of Trustees on June 19, 2013.

ATTEST:


Village Clerk

[SEAL]



Trustee Sakas moved and Trustee Dominiak seconded the motion that said ordinance as presented and read by the Village's attorney be adopted.

The Village President then gave a public recital of the nature and purpose of the ordinance, which included a reading of the title of the ordinance and statements (1) that the ordinance provided for the issuance of general obligation alternate bonds for the purpose of paying the costs of refunding the Outstanding General Obligation Bonds (Alternate Revenue Source), Series 2002A, dated October 1, 2002, of the Village, (2) that the bonds are issuable pursuant to authority of the Illinois Municipal Code, the Local Government Debt Reform Act and certain previous proceedings of the President and Board of Trustees, (3) that the ordinance provides for the levy of taxes to pay the bonds, although the intent of the Village is that the Bonds will be paid by pledged motor fuel receipts, and (4) that the ordinance provides many details for the bonds, including tax-exempt status covenants, provision for terms and form of the bonds, and appropriations.

Thereupon the Village President directed that the roll be called for a vote upon the motion to adopt such ordinance.

Upon the roll being called, President Hanson and the following Trustees voted:

AYE: 6: Pierce, Sakas, Poulos, Dominiak, Crosby and Johnson.

NAY: 0.

ABSENT: 0.

Whereupon the Village President declared the motion carried and the ordinance adopted, and did direct the Village Clerk to record the same in full in the records of the Board, which was thereupon done.

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

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



Village Clerk

CERTIFICATE OF PUBLICATION IN PAMPHLET FORM

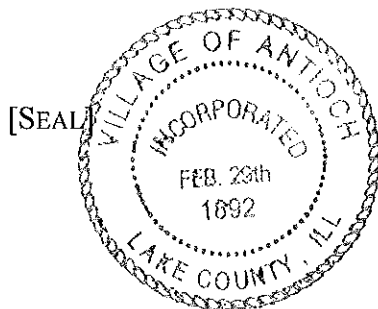
I, the undersigned, do hereby certify that I am the duly qualified and Village Clerk of the Village of Antioch, Lake County, Illinois (the "*Village*"), and as such official I am the keeper of the official journal of proceedings, books, records, minutes, and files of the Village and of the President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

I do further certify that on the 19 day of June, 2013, there was published in pamphlet form, by authority of the Board, a true, correct and complete copy of Ordinance Number 13-06-13 of the Village entitled:

AN ORDINANCE authorizing and providing for the issue of not to exceed \$1,100,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013, of the Village of Antioch, Lake County, Illinois, for the purpose of refunding certain outstanding alternate bonds, prescribing the details of said bonds and providing for the imposition of taxes to pay the same, and for the collection, segregation and application of certain tax receipts to pay said bonds.

and that said 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 Village Clerk in Antioch, Illinois.

IN WITNESS WHEREOF I have affixed hereto my official signature and the seal of the Village this 19 day of June, 2013.




Village Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

VIDEO/AUDIO ATTENDANCE CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Antioch, Lake County, Illinois (the "*Village*"), and as such official I do further certify as follows:

1. That at the meeting of the President and Board of Trustees of the Village (the "*Board*") on the 17th day of June, 2013 (the "*Meeting*"), Board member(s) _____ attended the Meeting by video or audio conference.

2. That said Board member(s) was/were prevented from physically attending the Meeting because of the reason(s) as follows:

MEMBER

REASON¹

3. That said Board member(s) notified me before the Meeting that he/she/they wished to attend the Meeting by video or audio conference.

4. That attached hereto as *Exhibit 1* is a true, correct and complete copy of the rules adopted by the Board for allowing a Board member to attend a Board meeting by video or audio conference.

5. That the Meeting was duly called, noticed and held in strict compliance with all of the provisions of the Open Meetings Act of the State of Illinois, as amended, the Illinois

¹ Section 7 of the Open Meetings Act of the State of Illinois, as amended, provides the following three reasons a person may be prevented from physically attending a meeting: (i) personal illness or disability; (ii) employment purposes or the business of the public body; or (iii) a family or other emergency.

Municipal Code, as amended, and the ordinances, resolutions, rules, regulations and proceedings of the Board.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the Village,
this ____ day of June, 2013.

Village Clerk

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

CERTIFICATION OF ORDINANCE AND MINUTES

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

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the legally convened meeting of the Corporate Authorities held on the 17th day of June, 2013, insofar as same relates to the adoption of an ordinance numbered 13-06-13 and entitled:

AN ORDINANCE authorizing and providing for the issue of not to exceed \$1,100,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013, of the Village of Antioch, Lake County, Illinois, for the purpose of refunding certain outstanding alternate bonds, prescribing the details of said bonds and providing for the imposition of taxes to pay the same, and for the collection, segregation and application of certain tax receipts to pay said bonds.

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

I do further certify that the deliberations of the Corporate Authorities on the adoption of said ordinance were taken openly; that the vote on the adoption of said ordinance was taken openly; that said meeting was held at a specified time and place convenient to the public; that notice of said meeting was duly given to all of the news media requesting such notice 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 72 hours in advance of the holding of said meeting, that at least one copy of said agenda was continuously available for public review during the entire 72-hour period preceding said meeting, that a true, correct and complete copy of said agenda as so posted being attached to this Certificate as *Exhibit A*, that said meeting was called and held in strict accordance with the provisions of the Open Meetings Act of the State of Illinois, as amended; and that the Corporate Authorities have complied with all of the applicable provisions of said Act and their procedural rules in the adoption of said ordinance.

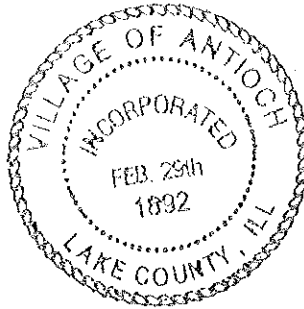
IN WITNESS WHEREOF, I have hereunto affixed my official signature and the seal of the Village this 17th day of June, 2013.

Shirley K. Sullivan

Village Clerk

[SEAL]

[Village Clerk to Attach Agenda]



AGENDA

Village of Antioch, Lake County, Illinois

Municipal Building: 874 Main Street, Antioch, IL 60002

VILLAGE BOARD OF TRUSTEES; PUBLIC HEARING – 7:00 PM

**PUBLIC HEARING REGARDING THE ADOPTION OF THE
FY 13-14 APPROPRIATION ORDINANCE**

June 17, 2013

- I. Call to Order
- II. Pledge of Allegiance
- III. Roll Call
- IV. Public Hearing on the Annual Appropriation Ordinance for fiscal year 2013-2014.
- V. Adjournment

AGENDA

Village of Antioch, Lake County, Illinois

Municipal Building: 874 Main Street, Antioch, IL 60002

VILLAGE BOARD OF TRUSTEES; REGULAR MEETING – 7:30 PM OR IMMEDIATELY FOLLOWING PUBLIC HEARING

June 17, 2013

- I. Call to Order
- II. Pledge of Allegiance
- III. Roll Call
- IV. Mayoral Report

Citizens Wishing to address the Board (The public is invited to make an issue-oriented comment on any matter of public concern not otherwise on the agenda)

- V. **Consent Agenda** *(Items under the Consent Agenda are considered routine and/or non-controversial and will be approved by one motion. If any one board member wishes to have a separate vote on any item, it will be pulled from the Consent Agenda and voted on separately)*
 1. Approval of the May 23, 2013 special meeting and June 3, 2013 regular meeting minutes.
 2. Approval of a Resolution authorizing a Special Event Liquor License to the Antioch Chamber of Commerce for the Antioch Taste of Summer; *Resolution No. 13-43*
 3. Approval of a Resolution authorizing a Raffle License for the Antioch Moose Lodge; *Resolution No. 13-44*
 4. Approval of a Resolution authorizing a Raffle License for Underdog Rescue; *Resolution No. 13-45*
 5. Approval of an Ordinance Ascertaining the Prevailing Rate of Wages for Laborers, Workmen and Mechanics Employed in Public Works of this Public Body. *Ordinance No. 13-06-10*
- VI. **Regular Business**
 6. Consideration of payment of accounts payable as prepared by staff.
 7. Consideration of a Resolution Approving the Village of Antioch Safety & Loss Prevention Manual – *Resolution No. 13-46*
 8. Consideration of an Ordinance Approving the transfer of the liquor license for Grande Jakes to Grande Letty's – *Ordinance No. 13-06-11*
 9. Consideration of a Resolution Authorizing the Village Administrator to Execute an Agreement with Paramedic Billing Services Inc – *Resolution No. 13-47*
 10. Consideration of an Ordinance Amending Section 1-5A-3J of the Antioch Municipal Code Increasing the Authority of the Village Administrator to Expend Funds in Certain Circumstances – *Ordinance No. 13-06-12*

11. Consideration of An Ordinance authorizing and providing for the issue of not to exceed \$1,100,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013, of the Village of Antioch, Lake County, Illinois, for the purpose of refunding certain outstanding alternate bonds, prescribing the details of said bonds and providing for the imposition of taxes to pay the same, and for the collection, segregation and application of certain tax receipts to pay said bonds.– *Ordinance No. 13-06-13*
12. Consideration of the Annual Appropriation Ordinance for FY 2013-2014 – *Ordinance No. 13-06-14*
13. Consideration of a Resolution Authorizing the Execution of a Lease-Purchase Agreement with PNC Equipment Finance, LLC, and Separate Lease Schedule for the purchase of a 2013 Chevrolet Tahoe – *Resolution No. 13-48*
14. Consideration of a Resolution authorizing the Village Administrator to execute an agreement with Dynacoil, Inc. for the installation of aluminum covers – *Resolution No. 13-49*

VII. Administrator's Report

VIII. Village Clerk's Report

IX. Trustee Reports

X. Executive Session – Personnel, Pending/Probable Litigation, Sale or Lease of Village Property, Executive Session Minutes

XI. Action on Executive Session Items

XII. Adjournment

ALL ORDINANCES SCHEDULED ON THIS AGENDA FOR FIRST OR SECOND READING MAY BE PASSED AT THIS MEETING IF THE VILLAGE BOARD OF TRUSTEES, BY MOTION DULY MADE AND SECONDED, BY MAJORITY VOTE OF THE TRUSTEES IN ATTENDANCE, VOTES TO WAIVE ALL READINGS THEREOF AND THEN MOVES TO PASS SUCH ORDINANCES ACCORDING TO RULE 11 OF SECTION 1-4-6 OF THE VILLAGE CODE AND ACCORDING TO LAW.

No vote may be taken on any item, which has not been listed on the Agenda for the meeting. Any matter not specifically listed on this Agenda, or brought up under "Other Business" may be discussed by Board members at this meeting, but a vote on the matter shall be postponed until the next Board meeting.

**STATE OF ILLINOIS
COUNTY OF LAKE**

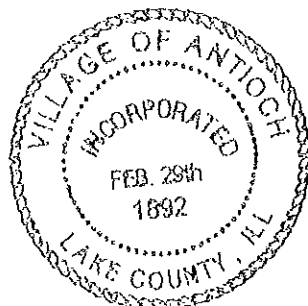
CERTIFICATE

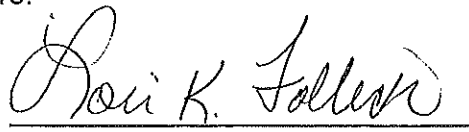
I, Lori K. Folbrick certify that I am the duly appointed Village Clerk of the Village of Antioch, Lake County, Illinois.

I certify that the attached document is the Village of Antioch Board of Trustees Meeting Agenda for the June 17, 2013 Public Hearing and Regular Village Board meeting.

I further certify that this agenda has been prepared by me and to the best of my knowledge and belief is identical to the agenda posted on the Village of Antioch web site at www.antioch.il.gov.

DATED at Antioch, Illinois this 15th day of June, 2013.




Lori K. Folbrick, Village Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF LAKE)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Lake, Illinois (the "*County*"), and as such officer I do hereby certify that on the ____ day of _____, 2013 there was filed in my office a duly certified copy of an ordinance, numbered _____, and entitled:

AN ORDINANCE authorizing and providing for the issue of not to exceed \$1,100,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2013, of the Village of Antioch, Lake County, Illinois, for the purpose of refunding certain outstanding alternate bonds, prescribing the details of said bonds and providing for the imposition of taxes to pay the same, and for the collection, segregation and application of certain tax receipts to pay said bonds.

(the "*Ordinance*") passed by the Corporate Authorities of the Village of Antioch, Lake County, Illinois, on the 17th day of June, 2013, and approved by the President of said Village, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF I have hereunto affixed my official signature and the seal of the County this ____ day of _____, 2013.

County Clerk of The
County of Lake, Illinois

[SEAL]