



AGENDA ITEM # 14B

AGENDA ITEM EXECUTIVE SUMMARY

Village Board Meeting

August 13, 2018

Item Title: Refunding Series 2010A GO Bonds Parameters Ordinance

Contact: Tom Dahl, Finance Director

VILLAGE BOARD ACTION

Pass an Ordinance authorizing and providing for the issue of not to exceed \$2,600,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2018 of the Village of Roselle, DuPage and Cook Counties, Illinois.

Executive Summary:

The General Obligation Alternate Revenue Source Bonds, Series 2010A (Build America Bonds) were issued to finance various street improvements, including Foster Avenue. The Village was approached by Robert W. Baird with an offer to advance refund these bonds. Interest rates are currently favorable for the Village and the advance refunding could result in a savings of 3.1%, an average of \$6,630 per year, over the remaining life of the bonds. The advance refunding will eliminate the Build America Bond tax credit and will not extend the repayment time of the bonds. The intent of the Village is to price the bonds on September 3, 2018 and close the sale on September 24, 2018.

Implications:

Is this item budgeted? The bond payments in FY 2018 will be unaffected by the bond refunding, however future budgets will see a reduction in bond interest costs.

Any other implications to be considered? N/A

Attachments:

An Ordinance authorizing and providing for the issuance of not to exceed \$2,600,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2018.

ORDINANCE NUMBER _____

AN ORDINANCE authorizing and providing for the issue of not to exceed \$2,600,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2018 of the Village of Roselle, DuPage and Cook Counties, Illinois.

Passed and Approved by the
President and Board of Trustees of
said Village on the 13th day of
August, 2018.

ORDINANCE NUMBER _____

AN ORDINANCE authorizing and providing for the issue of not to exceed \$2,600,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2018 of the Village of Roselle, DuPage and Cook Counties, Illinois.

* * *

WHEREAS, the Village of Roselle, DuPage and Cook Counties, Illinois (the “*Village*”), is a duly organized and existing municipality and unit of local government of the State of Illinois, and is operating under and pursuant to the provisions of the Illinois Municipal Code, and all laws amendatory thereof and supplementary thereto (the “*Municipal Code*”); and

WHEREAS, the Village has previously issued its Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010A (Build America Bonds – Direct Payment to Issuer) (the “*Prior Bonds*”) to pay the costs of (A)(i) the Foster Avenue improvement project, including street improvements, water main replacements and related infrastructure work and (ii) miscellaneous street improvements throughout the Village, and (B) the issuance of the Prior Bonds; and

WHEREAS, the Prior Bonds are, by their terms, subject to redemption prior to maturity; and

WHEREAS, the President and Board of Trustees of the Village (the “*Corporate Authorities*”) have determined that it is advisable, necessary and in the best interests of the Village to issue alternate bonds in the aggregate principal amount not to exceed \$2,600,000, to pay the costs of (i) refunding all or a portion of the Prior Bonds (the “*Refunded Bonds*”), as provided in the Bond Notification, as hereinafter defined, (the “*Refunding*”) and (ii) issuing the Bonds; and

WHEREAS, the estimated cost of the Refunding, including legal, financial, bond discount, if any, printing and publication costs, and other expenses (collectively, the “*Costs*”), is not more than \$2,600,000, and there are insufficient funds on hand and lawfully available to pay such Costs; and

WHEREAS, an amount not to exceed \$2,600,000 of alternate bonds needs to be issued at this time pursuant to the Local Government Debt Reform Act of the State of Illinois, as amended, 30 ILCS 350/1 to 350/18 (the “*Reform Act*”); and

WHEREAS, it is necessary and for the best interests of the Village that the Refunding be completed, and in order to raise funds required for such purpose it will be necessary for the Village to borrow an aggregate principal amount of not to exceed \$2,600,000 and in evidence thereof to issue alternate bonds, being general obligation bonds payable from all collections distributed to the Village from municipal utility taxes on electricity and gas 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 (the “*Pledged Revenues*”), in an aggregate principal amount of not to exceed \$2,600,000, all in accordance with the Reform Act; and

WHEREAS, if the aforementioned revenue sources are insufficient to pay the alternate bonds, ad valorem property taxes upon all taxable property in the Village without limitation as to rate or amount (the “*Pledged Taxes*”) are authorized to be extended to pay the principal of and interest on the alternate bonds; and

WHEREAS, the term of the Bonds shall not be longer than the term of the Prior Bonds and the debt service payable in any year on the Bonds shall not exceed the aggregate debt service payable in such year on the Prior Bonds; and

WHEREAS, the Refunding constitutes a lawful corporate purpose within the meaning of the Reform Act; and

WHEREAS, the Bonds to be issued will be payable from the Pledged Revenues and the Pledged Taxes; and

WHEREAS, the Corporate Authorities have heretofore issued the following described bonds which are also payable from the electricity portion of the Utility Taxes (herein defined): those certain Prior Bonds, if any, not being refunded by the Bonds (the “*Unrefunded Prior Bonds*”), \$930,000 original issue General Obligation Refunding Bonds (Alternate Revenue Source), Series 2012A (the “*Series 2012A Bonds*”), and \$2,720,000 original issue General Obligation Refunding Bonds (Alternate Revenue Source), Series 2010B (the “*Series 2010B Bonds*,” and together with the Series 2012A Bonds and any Unrefunded Prior Bonds, the “*Prior Alternate Bonds*”); and

WHEREAS, the proceedings of the Corporate Authorities authorizing the Prior Alternate Bonds permit the issuance of additional bonds payable from and secured by a lien on the electricity portion of the Utility Taxes, on a parity with the Prior Alternate Bonds; and

WHEREAS, the Corporate Authorities hereby determine that the Pledged Revenues will provide in each year to final maturity of the proposed Bonds an amount not less than 1.25 times debt service of the Prior Alternate Bonds and the proposed Bonds, said bonds being the only series of alternate bonds payable from all or a portion of the Pledged Revenues; and

WHEREAS, such determination of the sufficiency of the Pledged Revenues is supported by the most recent audit of the Village for the fiscal year ending December 31, 2017 (the “*Audit*”), which Audit has been presented to and accepted by the Corporate Authorities, is now on file with the Village Clerk, and is for a fiscal year ending not earlier than 18 months previous to the time of the proposed issuance of the Bonds; 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 ... payments

of principal and interest on bonds issued under Section 15 of the Local Government Debt Reform Act”; and

WHEREAS, the County Clerks of DuPage and Cook Counties, Illinois (the “*County Clerks*”), are therefore authorized to extend and collect said direct annual *ad valorem* tax so levied for the payment of the Bonds for the Refunding without limitation as to rate or amount:

NOW THEREFORE Be It Ordained by the President and Board of Trustees of the Village of Roselle, DuPage and Cook Counties, Illinois, as follows:

Section 1. Definitions. The words and terms used in this Ordinance shall have the meanings set forth and defined for them herein unless the context or use clearly indicates another or different meaning is intended, including the words and terms as follows:

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

“*Alternate Bonds*” means the Bonds, the Prior Alternate Bonds, and any Additional Bonds.

“*Bond*” or “*Bonds*” means one or more, as applicable, of the not to exceed \$2,600,000 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2018, authorized to be issued by this Ordinance.

“*Bond Fund*” means the 2018 Alternate Bond Fund created and maintained hereunder and further described in Section 12 of this Ordinance.

“*Bond Notification*” means the Bond Notification as authorized to be executed by the Designated Representatives of the Village in Section 10 of this Ordinance 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 a bank or trust company with a corporate trust office located in the State of Illinois set forth in the Bond Notification or a successor designated as bond registrar hereunder.

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

“*Corporate Authorities*” means the President and Board of Trustees of the Village.

“*Fiscal Year*” means that twelve-calendar month period beginning on the first day of the calendar year and ending on the last day of the calendar year.

“*Municipal Code*” means the Illinois Municipal Code, as supplemented and amended.

“*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, the Prior Alternate 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, the Prior Alternate Bonds or Additional Bonds (i) 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 (ii) 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, the Prior Alternate Bonds or Additional Bonds.

“*Paying Agent*” means a bank or trust company with a corporate trust office located in the State of Illinois set forth in the Bond Notification or a successor designated as paying agent hereunder.

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

“*Pledged Revenues*” means the Utility Taxes.

“*Pledged Taxes*” means the ad valorem property taxes upon all taxable property in the Village without limitation as to rate or amount, pledged hereunder by the Village as security for the Bonds.

“*President*” means the President of the Village.

“*Prior Alternate Bonds*” means, collectively, the Unrefunded Prior Bonds, the Village's General Obligation Refunding Bonds (Alternate Revenue Source), Series 2012A, dated May 23, 2012, and General Obligation Refunding Bonds (Alternate Revenue Source), Series 2010B, dated May 12, 2010.

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

“*Refunding*” means such refunding as described and defined as such in the preambles to this Ordinance.

“*Tax-exempt*” means, with respect to the Bonds, the status of interest paid and received thereon as excludable from the gross income of the owners thereof under the Code for federal income tax purposes.

“*Treasurer*” means the Treasurer of the Village.

“*Utility Taxes*” means all collections distributed to the Village from municipal utility taxes on electricity and gas 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.

“*Village*” means the Village of Roselle, DuPage and Cook Counties, Illinois.

“*Village Clerk*” means the Village Clerk of the Village.

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

Section 3. Determination to Issue Bonds. It is necessary and in the best interests of the Village for the Village to undertake the Refunding and to issue the Bonds to enable the Village to pay the costs thereof.

Section 4. Bond Details. There be borrowed on the credit of and for and on behalf of the Village the amount of not to exceed \$2,600,000 for the purpose aforesaid; and that the Bonds shall be issued in one or more series and shall be designated “General Obligation Refunding Bonds (Alternate Revenue Source), Series 2018”, or such other series designation as appropriate and as set forth in the Bond Notification. The Bonds, if issued, shall be issued in an amount not to exceed \$2,600,000, shall be dated such date as set forth in the Bond Notification, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of \$5,000 each or authorized integral multiples thereof (but no single Bond shall represent installments of principal maturing on more than one date), and shall be numbered 1 and upward. The Bonds shall become due and payable serially or be subject to mandatory redemption (subject to prior redemption as hereinafter described) on December 15 of each of the years (not later than 2029), in the amounts (not exceeding \$275,000 per year) and bearing interest at the rates per annum (not

exceeding 5.50% per annum) as set forth in the Bond Notification. The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable semi-annually commencing with the first interest payment date as set forth in the Bond Notification, and on June 15 and December 15 of each year thereafter to maturity.

Interest on each Bond shall be paid by check or draft of the Paying Agent, payable upon presentation in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the 1st day of the month of the interest payment date. The principal of and premium, if any, on the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Paying Agent.

Section 5. Redemption. (a) Optional Redemption. If so provided in the Bond Notification, the Bonds may be subject to redemption prior to maturity at the option of the Village, from any available funds, in whole or in part, in integral multiples of \$5,000, in any order of their maturity as determined by the Village (less than all of the Bonds of a single maturity to be selected by the Bond Registrar and within any maturity by lot), on the date of redemption provided in the Bond Notification, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

(b) Mandatory Redemption. The Bonds maturing on the date or dates, if any, indicated in the Bond Notification are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date for the Bonds, on December 15 of the years, if any, and in the principal amounts, if any, as indicated in the Bond Notification.

The principal amounts of Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemption of such Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the Village may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Bond Registrar may, and if directed by the Corporate Authorities shall, purchase Bonds required to be retired on such mandatory redemption date. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

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

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

Section 6. Redemption Procedure. Unless waived by any holder of Bonds to be redeemed, notice of the call for any such redemption shall be given by the Bond Registrar on behalf

of the Village by mailing the redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All notices of redemption shall state:

- (1) the redemption date,
- (2) the redemption price,
- (3) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,
- (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Bond Registrar, and
- (6) such other information then required by custom, practice or industry standard.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed at the option of the Village shall have been received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the Village, state that said redemption shall be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the

Village shall not redeem such Bonds, and the Bond Registrar shall give notice, in the same manner in which the notice of redemption shall have been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the Village shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

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

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

Section 7. Execution; Authentication. The Bonds shall be executed on behalf of the Village with the manual or facsimile signature of the President and attested with the manual or facsimile signature of the Village Clerk, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the Village. In case any officer whose signature shall appear

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

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

Section 8. Registration of Bonds; Persons Treated as Owners; Global Book-Entry System. (a) *General.* The Village shall cause books (the “*Bond Register*”) for the registration and for the transfer of the Bonds as provided in this Ordinance to be kept at the principal corporate trust office of the Bond Registrar, which is hereby constituted and appointed the registrar of the Village. The Village is authorized to prepare, and the Bond Registrar shall keep custody of, multiple Bond blanks executed by the Village for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by, the registered owner or his attorney duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date

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

The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 1st day of the month of the interest payment date on such Bond and ending at the opening of business on such interest payment date nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

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

case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

(b) *Global Book-Entry System.* The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds as provided in Section 4 hereof, and the ownership of each such Bond shall be registered in the Bond Register in the name of Cede & Co., or any successor thereto (“*Cede*”), as nominee of The Depository Trust Company, New York, New York, and its successors and assigns (“*DTC*”). All of the outstanding Bonds shall be registered in the Bond Register in the name of Cede, as nominee of DTC, except as hereinafter provided. The President, the Treasurer and Village Clerk are hereby authorized to execute and deliver on behalf of the Village such letters to or agreements with DTC and the Bond Registrar as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the “*Representation Letter*”).

With respect to the Bonds registered in the Bond Register in the name of Cede, as nominee of DTC, the Village and the Bond Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a “*DTC Participant*”) or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Village and the Bond Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a

registered owner of a Bond as shown in the Bond Register, of any amount with respect to principal of or interest on the Bonds. The Village and the Bond Registrar may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective registered owners of the Bonds, as shown in the Bond Register, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Village's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of a Bond as shown in the Bond Register, shall receive a Bond certificate evidencing the obligation of the Village to make payments of principal and interest with respect to any Bond. Upon delivery by DTC to the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, the name "*Cede*" in this Ordinance shall refer to such new nominee of DTC.

In the event that (i) the Village determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (ii) the agreement among the Village, the Bond Registrar and DTC evidenced by the Representation Letter shall be terminated for any reason or (iii) the Village determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Village shall notify DTC and DTC Participants of the availability through DTC of Bond certificates and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede, as nominee of DTC. At

the time, the Village may determine that the Bonds shall be registered in the name of and deposited with such other depository operating a global book-entry system, as may be acceptable to the Village, or such depository's agent or designee, and if the Village does not select such alternate global book-entry system, then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 8(a) hereof.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

Section 9. Form of Bonds. The Bonds shall be in substantially the form hereinafter set forth:

REGISTERED
No. _____

REGISTERED
\$ _____

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTIES OF DUPAGE AND COOK
VILLAGE OF ROSELLE
GENERAL OBLIGATION REFUNDING BOND
(ALTERNATE REVENUE SOURCE)
SERIES 2018**

See Reverse Side for
Additional Provisions

Interest Maturity Dated
Rate: _____% Date: December 15, 20__ Date: _____, 2018 CUSIP: _____

Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that the Village of Roselle, DuPage and Cook Counties, 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 15 and December 15 of each year, commencing _____, 20__, until the Principal Amount is paid or duly provided for, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be and become applicable hereto. The Principal Amount of this Bond is payable in lawful money of the United States of America upon presentation and surrender hereof at the principal corporate trust office of _____, _____, _____, as bond registrar and

paying agent (the “*Bond Registrar*”). Payment of the installments of interest shall be made to the Registered Owner hereof as shown on the registration books of the Village maintained by the Bond Registrar at the close of business on the 1st day of the month of each interest payment date and shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar, or as otherwise agreed by the Village and Cede & Co., as nominee, or successor, for so long as this Bond is held by The Depository Trust Company, New York, New York, the depository, or nominee, in book-entry only form as provided for same.

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.

THE VILLAGE HAS DESIGNATED THIS BOND AS A “QUALIFIED TAX-EXEMPT OBLIGATION” PURSUANT TO SECTION 265(B)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

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 Roselle, DuPage and Cook Counties, Illinois, by its President and Board of Trustees, has caused this Bond to be executed with the manual or duly authorized facsimile signature of its President and attested by the manual or duly authorized facsimile signature of its Village Clerk and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

President
Village of Roselle
DuPage and Cook Counties, Illinois

ATTEST:

Village Clerk
Village of Roselle
DuPage and Cook Counties, Illinois

[SEAL]

Date of Authentication: _____, 2018

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar and Paying Agent:

_____,
_____, _____

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 2018, of the Village of Roselle, DuPage and Cook Counties, Illinois.

_____,
As Bond Registrar

By _____
Authorized Officer

**VILLAGE OF ROSELLE
DUPAGE AND COOK COUNTIES, ILLINOIS
GENERAL OBLIGATION REFUNDING BOND
(ALTERNATE REVENUE SOURCE)
SERIES 2018**

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 (\$ _____) General Obligation Refunding Bonds (Alternate Revenue Source), Series 2018, of like dated date and tenor except as to maturity, rate of interest, and privilege of redemption and are issued pursuant to applicable provisions of the Illinois Municipal Code, as amended (the “*Municipal Code*”), and the Local Government Debt Reform Act of the State of Illinois, as amended (the “*Reform Act*”). The Bonds are issued for the purpose of paying the costs of refunding all or a portion (the “*Refunding*”) of the Village’s Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010A (Build America Bonds – Direct Payment to Issuer) (the “*Prior Bonds*”).

The Bonds are payable from (i) all collections distributed to the Village from municipal utility taxes on electricity and gas pursuant to Division 11 of Article 8 of the Municipal Code, as supplemented and amended from time to time, or substitute taxes therefore as provided in the future (the “*Pledged Revenues*”) and (ii) 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 (the “*Pledged Taxes*,” and together with the Pledged Revenues, the “*Pledged Moneys*”).

The Bonds are issued pursuant to a bond ordinance passed by the President and Board of Trustees of the Village (the “*Corporate Authorities*”) on the 13th day of August, 2018 (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 Reform Act. The Bonds are on a parity with and share ratably and equally with those certain Prior Bonds, if any, not being refunded by the Bonds (the “*Unrefunded Prior Bonds*”), the Village's General Obligation Refunding Bonds (Alternate Revenue Source), Series 2012A, and General Obligation Refunding Bonds (Alternate Revenue Source), Series 2010B, with respect to the electricity portion of the Pledged Revenues.

The Bonds are subject to optional redemption as set forth in the Ordinance. Notice of any such redemption shall be given by the Bond Registrar on behalf of the Village as set forth in the Ordinance.

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.

The Village, the Paying Agent and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account

of principal hereof, premium, if any, hereon and interest due hereon and for all other purposes; and none of the Village, the Paying Agent and the Bond Registrar shall be affected by any notice to the contrary.

ASSIGNMENT

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

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

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

Dated: _____

Signature Guaranteed: _____

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

Section 10. Sale of the Bonds. The President, the Village Manager, and the Finance Director of the Village (the “*Designated Representatives*”) are hereby authorized to proceed not later than the 13th day of August, 2019, without any further authorization or direction from the Corporate Authorities, to sell and deliver the Bonds upon the terms as prescribed in this Ordinance. The Bonds hereby authorized shall be executed as in this Ordinance provided as soon after the delivery of a bond notification (the “*Bond Notification*”) as may be, and thereupon be deposited with the Treasurer, and, after authentication thereof by the Bond Registrar, be by said Treasurer delivered to Robert W. Baird & Co. Incorporated, Naperville, Illinois, the purchaser thereof (the “*Purchaser*”), upon receipt of the purchase price therefore, the same being not less than 98% of the principal amount of the Bonds plus accrued interest to date of delivery.

Prior to the sale of the Bonds, the President is hereby authorized to approve and execute a commitment for the purchase of a Municipal Bond Insurance Policy (as hereinafter defined), to

further secure the Bonds, as long as the present value of the fee to be paid for the Municipal Bond Insurance Policy (using as a discount rate the expected yield on the Bonds treating the fee paid as interest on the Bonds) is less than the present value of the interest reasonably expected to be saved on the Bonds over the term of the Bonds as a result of the Municipal Bond Insurance Policy.

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

Upon the sale of the Bonds, as evidenced by the execution and delivery of the Bond Notification by the Designated Representatives, the President, Village Clerk and the Treasurer and any other officers of the Village, as shall be appropriate, shall be and are hereby authorized and directed to approve or execute, or both, such documents of sale of the Bonds as may be necessary, including, without limitation, the contract for the sale of the Bonds between the Village and the Purchaser (the "*Purchase Contract*"). Prior to the execution and delivery of the Purchase Contract, the Designated Representatives shall find and determine that no person holding any office of the Village, either by election or appointment, is in any manner financially interested directly in his own name or indirectly in the name of any other person, association, trust or corporation, in the Purchase Contract.

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

Section 11. Treatment of Bonds as Debt. The Bonds shall be payable from the Pledged Moneys and do not and shall not constitute an indebtedness of the Village within the meaning of any constitutional or statutory limitation, unless the Pledged Taxes shall be extended pursuant to the general obligation, full faith and credit promise supporting the Bonds, as set forth in Section 14 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 Reform Act.

Section 12. Series 2018 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 “*2018 Alternate Bond Fund*” (the “*Bond Fund*”). The purpose of the Bond Fund is to provide a fund to receive and disburse the Pledged Moneys for any of the Bonds. All payments with respect to the Bonds shall be made directly from the Bond Fund. There are hereby created two accounts of the Bond Fund, designated the Pledged Revenues Account and the Pledged Taxes Account. All Pledged Revenues to be applied to the payment of 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 Pledged Taxes 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.

Any Pledged Taxes received by the Village shall promptly be deposited into the Pledged Taxes Account of the Bond Fund. Pledged Taxes on deposit to the credit of the Pledged Taxes Account shall be fully spent to pay the principal of and interest on the Bonds for which such taxes were levied and collected prior to use of any moneys on deposit in the Pledged Revenues Account of the Bond Fund.

There shall be credited to the Pledged Revenues Account of the Bond Fund and held, in cash and investments, on or before the first day of each month by the financial officer of the Village, without any further official action or direction, the Pledged Revenues. Each monthly deposit shall be a fractional amount of the interest becoming due on the next succeeding interest payment date on all Bonds and also a fractional amount of the principal becoming due on the next succeeding maturity date of all of the Bonds until there shall have been accumulated and held, in cash and investments, in the Pledged Revenues Account on or before the month preceding such maturity date of interest or maturity date of principal, an amount sufficient to pay such principal or interest, or both.

In computing the fractional amount to be set aside each month in the Pledged Revenues Account, the fraction shall be so computed that a sufficient amount will be set aside in said Account and will be available for the prompt payment of such principal of and interest on all Bonds and shall be not less than one-sixth of the interest becoming due on the succeeding interest payment date and not less than one-twelfth of the principal becoming due on the next succeeding principal payment date on all Bonds outstanding until there is sufficient money in said Account to pay such principal or interest, or both.

Credits to the Pledged Revenues Account need not be made at such time as there shall be a sufficient sum, held in cash and investments, in said Account to meet principal and interest requirements in said Account on the next two (2) succeeding debt service payment dates on the Bonds outstanding.

Section 13. Use of Bond Proceeds. Accrued interest, if any, received on the delivery of the Bonds is hereby appropriated for the purpose of paying first interest due on the Bonds and is hereby ordered deposited into the Bond Fund.

Simultaneously with the delivery of the Bonds, all of the principal proceeds of the Bonds and any premium received from the sale of the Bonds, together with such additional amounts as may be necessary from the general funds of the Village as provided pursuant to the Bond Notification, shall be used for payment of expenses of issuing the Bonds and for the purpose of the Refunding as hereinafter set forth. Bond proceeds not needed to pay the expenses of issuing the Bonds are hereby ordered deposited in escrow pursuant to an escrow letter agreement (the "*Escrow Agreement*") to be entered into between the Village and the escrow agent to be named in the Bond Notification (the "*Escrow Agent*"), in substantially the form attached hereto as Exhibit B and made a part hereof by this reference, or with such changes therein as shall be approved by the officers of the Village executing the Escrow Agreement, such execution to constitute evidence of the approval of such changes, for the purpose of paying the principal of and interest on the Refunded Bonds when due or upon redemption thereof. The Board approves the form, terms and provisions of the Escrow Agreement and directs the President and Treasurer of the Village to execute, attest, seal and deliver the Escrow Agreement in the name and on behalf of the Village. Amounts in the escrow may be used to purchase U.S. Treasury Securities which may include State and Local Government Series (the "*Government Securities*") to provide for the payment of the

principal of and interest on the Refunded Bonds when due. The Escrow Agent is hereby authorized to act as agent for the Village in the purchase of the Government Securities, if any.

In accordance with the redemption provisions of the ordinance authorizing the issuance of the Prior Bonds, the Village by the Board does hereby make provision for the payment of and does hereby call (subject only to the delivery of the Bonds) the Refunded Bonds, as provided in the Bond Notification.

The Village and the Board hereby covenant that all of the proceeds of the Bonds shall be used in strict compliance with this Ordinance and with all of the requirements of the Reform Act.

Section 14. Pledged Taxes; Tax Levy. For the purpose of providing necessary funds to pay the principal of and interest on the Bonds 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 (not to exceed levy year 2028, collected in 2029) for which any of the Bonds are Outstanding, a direct annual tax in amounts sufficient for that purpose, and there be and there hereby is levied upon all of the taxable property in the Village the following direct annual taxes (not in excess of \$275,000 per year) (the “*Pledged Taxes*”).

Principal or interest maturing at any time when there are insufficient funds on hand from the Pledged Moneys to pay the same shall be paid promptly when due from current funds on hand in advance of the collection of the Pledged Moneys herein pledged and levied; and when the Pledged Moneys shall have been collected, reimbursement shall be made to said funds in the amount so advanced. 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 15. Filing with County Clerks. After this Ordinance becomes effective, a copy hereof, certified by the Village Clerk, shall be filed with the County Clerks. The County Clerks shall in and for each of the years required ascertain the rate percent required to produce the aggregate Pledged Taxes hereinbefore provided to be levied in each of said years; and the County Clerks shall extend the same for collection on the tax books in connection with other taxes levied in said years in and by the Village for general corporate purposes of the Village; and the County Clerks, or other appropriate officers or designees, shall remit the Pledged Taxes for deposit to the credit of the Bond Fund, and in said years the Pledged Taxes shall be levied and collected by and for and on behalf of the Village in like manner as taxes for general municipal purposes of the Village for said years are levied and collected, and in addition to and in excess of all other taxes. The Pledged Taxes are hereby irrevocably pledged to and shall be used only for the purpose of paying principal of and interest on the Bonds.

Section 16. Abatement of Pledged Taxes. As provided in the Reform Act, whenever the Pledged Revenues shall have been determined by the Treasurer to provide in any calendar year an amount not less than 1.00 times debt service of all Outstanding Bonds in the next succeeding bond year (June 15 and December 15 of the following year), the Treasurer shall, prior to the time the Pledged Taxes levied in such calendar year are extended, direct the abatement of the Pledged Taxes, and proper notification of such abatement shall be filed with the County Clerks in a timely manner to effect such abatement.

The Village covenants and agrees that it will not direct the County Clerks to abate any other taxes levied for general corporate purposes in a calendar year until sufficient Pledged

Revenues have been deposited in the Bond Fund and the abatement of the Pledged Taxes for such calendar year has been filed with the County Clerks.

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

A. The Pledged Revenues are hereby pledged to the payment of the Alternate 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 Reform Act.

B. The Village will punctually pay or cause to be paid from the Bond Fund the principal of, interest on and premium, if any, to become due in respect to the Alternate Bonds in strict conformity with the terms of the Alternate 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 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 Paying Agent, or which might impair the security of the Alternate 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 Refunding, to the

Pledged Revenues and to 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 percent (10%) of the principal amount of the Outstanding Alternate Bonds or their representatives authorized in writing.

E. The Village will preserve and protect the security of the Alternate Bonds and the rights of the registered owners of the Alternate 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 Alternate Bonds by the Village, the Alternate 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 Alternate Bonds of the rights and benefits provided in this Ordinance.

G. As long as any Alternate 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 Alternate Bonds and with the registered owners thereof that so long as any Alternate 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 Alternate 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 Reform Act.

Section 18. Additional Bonds. 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 and the Prior Alternate Bonds; *provided, however,* that no Additional Bonds shall be issued except in accordance with the provisions of the Reform Act.

Section 19. Defeasance. Bonds which are no longer Outstanding 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 20. Tax Covenants. The Village represents that:

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

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

(1) The reasonably anticipated amount of qualified tax-exempt obligations (including 501(c)(3) obligations and tax-exempt leases but excluding other private activity bonds) which will be issued by the Village and all entities subordinate to the Village during 2018 does not exceed \$10,000,000.

(2) The Village has not designated more than \$10,000,000 of qualified tax-exempt obligations during 2018.

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

The Village agrees to comply with all provisions of the Code which, if not complied with by the Village, would cause interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. In furtherance of the foregoing provisions, but without limiting their generality, the Village agrees: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to comply with all representations, covenants and assurances contained in certificates or agreements as may be prepared by Bond Counsel; (c) to consult with Bond Counsel and to comply with such advice as may be given; (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 its officers, to employ and pay fiscal agents, financial advisors, attorneys and other persons to assist the Village in such compliance.

The Village also certifies and further covenants with the Purchaser and registered owners of the Bonds from time to time outstanding that moneys on deposit in any fund or account in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other source, will not be used in a manner which will cause the Bonds to be “arbitrage bonds” within the meaning Section 148 of the Code and any lawful regulations promulgated hereunder, as the same presently exist or may from time to time hereafter be amended, supplemented or revised.

The Village further covenants that it will not take any action, or 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 Bond to be a private activity bond within the meaning of the Code or would otherwise cause 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 of the exemption from federal income taxation of interest on the Bonds, under present rules, the Village may be treated as a “taxpayer” in the examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination.

Section 21. Qualified Tax-Exempt Obligations. The Village recognizes the provisions of Section 265(b)(3) of the Code which provide that a “qualified tax-exempt obligation” as therein defined may be treated by certain financial institutions as if it were acquired on August 7, 1986, for certain purposes. The Village hereby designates the Bonds for purposes of Section 265(b)(3) of the Code as “qualified tax-exempt obligations” as provided therein.

Section 22. Registered Form. The Village recognizes that Section 149 of the Code requires the Bonds to be issued and to remain in fully registered form in order for the interest on the Bonds to be excludable from the gross income of the recipients thereof for federal income tax purposes. In this connection, the Village agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

Section 23. This Ordinance a Contract. The provisions of this Ordinance shall constitute a contract between the Village and the registered owners of the Bonds, in accordance with the terms hereof; and no changes, additions or alterations of any kind shall be made hereto.

Section 24. Continuing Disclosure Undertaking. The President or Treasurer of the Village is hereby authorized, empowered and directed to execute and deliver the Continuing Disclosure Undertaking (the “*Continuing Disclosure Undertaking*”) in substantially the same form as now before the Corporate Authorities, or with such changes therein as the individual executing the Continuing Disclosure Undertaking on behalf of the Village shall approve, the official's

execution thereof to constitute conclusive evidence of the approval of such changes. When the Continuing Disclosure Undertaking is executed and delivered on behalf of the Village as herein provided, the Continuing Disclosure Undertaking will be binding on the Village and the officers, employees and agents of the Village, and the officers, employees and agents of the Village are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ordinance, the sole remedies for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order, to cause the Village to comply with its obligations under the Continuing Disclosure Undertaking.

Section 25. Duties of Bond Registrar. If requested by the Bond Registrar, the President and Clerk of the Village are authorized to execute the Bond Registrar's standard form of agreement between the Village and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder which may include the following:

- (a) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;
- (b) to maintain a list of Bondholders as set forth herein and to furnish such list to the Village upon request, but otherwise to keep such list confidential;
- (c) to give notice of redemption of Bonds as provided herein;
- (d) to cancel and/or destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;
- (e) to furnish the Village at least annually a certificate with respect to Bonds cancelled and/or destroyed; and

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

Section 26. Municipal Bond Insurance. In the event the payment of principal and interest on the Bonds is insured pursuant to a municipal bond insurance policy (the “*Municipal Bond Insurance Policy*”) issued by a bond insurer (the “*Bond Insurer*”), and as long as such Municipal Bond Insurance Policy shall be in full force and effect, the Village and the Bond Registrar agree to comply with such usual and reasonable provisions regarding presentment and payment of the Bonds, subrogation of the rights of the Bondholders to the Bond Insurer when holding Bonds, amendment hereof, or other terms, as approved by the President 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. 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 28. 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 29. Effective Date. This Ordinance shall be in effect immediately upon its passage by the Corporate Authorities, signing and approval by the President.

PASSED AND APPROVED by the President and Board of Trustees on August 13, 2018.

AYES: _____

NAYS: _____

ABSENT: _____

PASSED AND APPROVED on August 13, 2018.

President, Village of Roselle,
DuPage and Cook Counties, Illinois

RECORDED in the Village Records on August 13, 2018.

ATTEST:

Village Clerk, Village of Roselle,
DuPage and Cook Counties, Illinois