
ORDINANCE NUMBER 2015-51

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUE OF NOT TO EXCEED \$8,000,000 SALES TAX REVENUE BONDS, IEPA SERIES, IN ONE OR MORE SERIES, OF THE VILLAGE OF NILES, COOK COUNTY, ILLINOIS, FOR THE PURPOSE OF CONSTRUCTING IMPROVEMENTS TO THE EXISTING WATERWORKS AND SEWERAGE SYSTEM OF SAID VILLAGE, PRESCRIBING ALL THE DETAILS OF SAID BONDS, AND PROVIDING FOR THE COLLECTION, SEGREGATION AND DISTRIBUTION OF CERTAIN SALES TAXES OF SAID VILLAGE.

AS ADOPTED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE ON THE 28TH DAY OF JULY, 2015

AND

AS PUBLISHED IN PAMPHLET FORM BY AUTHORITY THEREOF ON THE 28TH DAY OF JULY, 2015.

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and is not a part of the ordinance.)

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PREAMBLES

WHEREAS

A. The Village of Niles, Cook County, Illinois (the "*Village*"), has a population in excess of 25,000, and pursuant to the provisions of the 1970 Constitution of the State of Illinois and particularly Article VII, Section 6(a) thereof, is a home rule unit and as such may exercise any power or perform any function pertaining to its government and affairs, including, but not limited to, the power to tax and to incur debt ("*Home Rule Powers*").

B. The President and Board of Trustees of the Village (the "*Board*") have heretofore determined and do hereby determine that it is advisable, necessary, and in the best interests of the Village and its residents, in order to promote the public health, welfare, safety, and convenience, to undertake improvements to the waterworks and sewerage system of the Village including, but not limited to, the Cleveland Corridor Sewer Improvements Project, including, in connection with said works, acquisition of all land or rights in land, mechanical, electrical and other services necessary, useful or advisable thereto and, incidental to said works (the "*Project*"), all in accordance with plans and specifications for the Project as presented to the Board and in effect and on file in the records of the Village Clerk, at an estimated cost of \$8,000,000 plus estimated investment earnings (if any) to be available from the investment of such sum.

C. The expenses and contingencies related to the Project include legal, financial, accounting, and engineering services related to the accomplishment of said project and the

issuance of bonds therefor; bond discount; bond reserve account funding; capitalized bond interest; bond registrar, paying agent, and other related banking fees; printing and publication costs; and other miscellaneous costs.

D. The Village is authorized to issue revenue bonds pursuant to the Illinois Municipal Code (the "*Code*"), the provisions of Local Government Debt Reform Act of the State of Illinois, as amended (the "*Reform Act*") and pursuant to its Home Rule Powers.

E. On January 24, 2012, the Board adopted Ordinance No. 2012-04 (the "*Sales Tax Ordinance*"), which Sales Tax Ordinance increased both the Village's Home Rule Municipal Service Occupation Tax and the Village's Home Rule Municipal Retailers' Occupation Tax by 0.25% (the 0.25% increase on these two taxes being the "*Sales Taxes*") for a period of twenty (20) years from the adoption date of the Sales Tax Ordinance.

F. Pursuant to the Sales Tax Ordinance, the Sales Taxes are to be held by the Village in a separate account and are to be used for the purpose of funding the cost of any improvements related to the "Niles Storm Water Relief Program" including any debt service payments related thereto.

G. The Board has previously found and does hereby again find that the Project should be undertaken, and in order to raise the funds required for such purpose, it has been necessary for the Village to authorize the borrowing of not to exceed \$8,000,000, issuable as revenue bonds payable from the Sales Taxes, which authorization has been in accordance with the Code, the Home Rule Powers of the Village, the Reform Act, and all laws amendatory thereof and supplementary thereto (collectively, the "*Enabling Law*"), and is described as follows in these preambles.

H. The Environmental Protection Agency of the State of Illinois (the “IEPA”) either has offered or may be expected to offer to make a loan or loans to the Village, to be evidenced by the issuance of all or a portion of the Bonds as remain authorized, through the “Water Pollution Control Loan Program” of the State of Illinois, for the purpose of paying certain eligible costs of the Project; and it is necessary and advisable to authorize the acceptance of said loan or loans and execution of appropriate loan documents, from time to time, as may be applicable, and the issuance of Bonds in evidence of such loans.

NOW THEREFORE Be It Ordained by the President and Board of Trustees of the Village of Niles, Cook County, Illinois, in the exercise of its home rule powers, as follows:

Section 1. Definitions. Words and terms used in this Ordinance shall have the meanings given them, unless the context or use clearly indicates another or different meaning is intended. Words and terms defined in the singular may be used in the plural and vice-versa. Reference to any gender shall be deemed to include the other and also inanimate persons such as corporations, where applicable.

A. The following words and terms are as defined in the preambles hereto.

Board
Code
Enabling Law
Home Rule Powers
IEPA
Project
Reform Act
Sales Tax Ordinance
Sales Taxes

Village

B. The following words and terms are defined as set forth.

“Additional IEPA Bonds” means any bonds issued in the future in accordance with the provisions of the Enabling Law and this Ordinance on a parity with and sharing ratably and equally in the Sales Taxes with the Bonds.

“Additional Revenue Bonds” means any bonds or any other obligation to be issued in the future in accordance with the provisions of the Enabling Law and having a lien priority with respect to Sales Taxes on a parity with or superior to the Bonds.

“Bond and Interest Account” means, as applicable and described, any of the Bond and Interest Accounts provided for in this Ordinance.

“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 the Village Treasurer, in his or her capacity as bond registrar and paying agent hereunder, or successor designated hereunder.

“Bonds” means the not to exceed \$8,000,000 Sales Tax Revenue Bonds, IEPA Series, authorized to be issued by this Ordinance.

“Bond Year” for a series of bonds means a twelve-month period beginning the day after principal of Outstanding Bonds of a series are annually to become due (such day of the year being the *initial date*) and ending on the day preceding the next initial date; *e.g.*, for Bonds with principal due on May 1 of various years, the Bond Year would be May 2 of a given year through May 1 of the next year.

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

“Designated Official” means at least two of the President, Village Clerk, Village Manager, the Chairman of the Finance Committee and the Director of Finance, provided at least one of the parties is an elected officer of the Village.

“Fiscal Year” means the twelve-month period as the Village may adopt from time to time as its fiscal year.

“Future Prior Lien Bond Ordinance” means any ordinance authorizing bonds or other obligations, to be adopted in the future, which bonds have a lien priority with respect to Sales Taxes superior to the Bonds, and including, specifically, Additional Revenue Bonds.

“Outstanding” (i) when used with reference to Bonds, means such bonds which are outstanding and unpaid; *provided, however*, such term shall not include Bonds (A) which have matured and for which moneys are on deposit with proper paying agents, or are otherwise properly available, sufficient 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; and (ii) with respect to Additional Revenue Bonds, means Outstanding as shall be defined with respect to such bonds in the relevant Future Prior Lien Bond Ordinance.

“Record Date” means the 15th day of the month preceding any regular or other interest payment date occurring on the first day of any month and 15 days preceding any interest payment date on other than the first day of a month.

“Tax-exempt” means the status of interest paid and received on an obligation 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.

C. Definitions also appear in the preambles hereto or in specific sections, as appear below. The table of contents preceding and headings in this Ordinance are for the convenience of the reader and are not a part of this Ordinance.

Section 2. Incorporation of Preambles, Authority. The Board hereby finds that the recitals contained in the preambles to this Ordinance are full, true and correct and do incorporate them into this Ordinance by this reference. The authority to issue the Bonds is the Enabling Law.

Section 3. Provide Project; Issue Bonds. It is necessary and in the best interests of the Village to provide for the Project for the public health, safety and welfare, in accordance with the plans therefor, as described. For the purpose of providing a part of the costs of the Project, the Bonds are herein provided for.

Section 4. Bond Details. For the purpose of paying a part of the costs of providing for the Project, there shall be issued and sold the Bonds in the principal amount of not to exceed \$8,000,000. The Bonds shall be issuable in one or more series of revenue bonds payable from the Sales Taxes. The amount of any such series of Bonds shall be sufficient to provide for a single loan from the IEPA for the Project pursuant to a loan agreement as offered by the IEPA (a “*Loan Agreement*”) for such portion of the Project, and which series shall not exceed the balance of the Bonds herein authorized. The details of the Bonds shall be as follows: The Bonds shall be issued as a single Bond for each series payable to the IEPA or registered assigns as provided therein. The maximum principal face amount (the “*Face Amount*”) of each Bond shall be shown on the face of the Bond as noted above, but only so much of the Face Amount as is shown as advanced by the IEPA and received for value (the “*Outstanding Principal Amount*” as subject to

reduction as hereinbelow provided), as evidenced by the Bond, shall be payable. Such advances shall be in integral multiples of \$100. Each Bond shall be designated "Sales Tax Revenue Bond, First [Second, Third, Etc.] IEPA Series". Each Bond shall be dated as of its date of authentication. The Outstanding Principal Amount of any Bond from time to time outstanding shall bear interest at the rate of not to exceed 3.00% per annum. The Outstanding Principal Amount of each Bond shall become due and payable pursuant to a schedule of repayment (the "*Repayment Schedule*") determined as set forth in the pertinent Loan Agreement; *provided, however,* that the Repayment Schedule, in order to be enforceable, shall comply with each of the following terms:

- (1) The Repayment Schedule shall be set forth in or as part of the Bond;
- (2) The Repayment Schedule shall provide for substantially level semiannual installments of principal and interest (collectively) within a range of \$50; and
- (3) The Repayment Schedule shall provide for complete repayment of each Bond in not less than 26 years from its Dated Date as provided in the Loan Agreement approved for such Bond (such complete repayment is expected to be approximately 20 (twenty) years from the date of operation of the portion of the Project for which each series is issued).

The Outstanding Principal Amount at any time shall be made up of (a) advances less the sum of (b)(i) installment payments and (ii) redemptions and prepayments. Each Bond shall bear interest on the Outstanding Principal Amount from time to time at the rate aforesaid, in each case from the time advanced until paid or duly provided for, such interest computed on the basis of a 365-day or 366-day year, as applicable, and being payable on the dates provided in the Repayment Schedule. The interest on and all installments of principal of each Bond shall be payable in lawful money of the United States of America upon presentation at the office of the

Bond Registrar; *provided, however*, that so long as any agency of the State of Illinois or of the U.S. Government or a financial institution is the registered owner as shown by the Bond Register, then such payments shall be made by check or draft of the Bond Registrar to the registered owner, which check or draft shall be payable in lawful money of the United States of America, and mailed not less than four business days prior to the date when due to the address of the Registered Owner as set forth in the Bond Register, or at such other address as is furnished in writing to the Bond Registrar; and, *provided, further*, that the final installment of principal and interest, when due, shall only be payable upon presentation of a Bond. Each Bond and the installments thereon are subject to redemption and prepayment prior to maturity, at the option of the Village, in whole or in part, and if in part in integral multiples of \$1,000, and applicable to installments in the inverse order of maturity or as otherwise agreed by the Village and the holder of the Bond at such time, from any available funds, on any date, at the redemption price of par plus accrued interest to the date fixed for redemption. Unless waived by the Bond Registrar, the Village shall notify the Bond Registrar of the redemption and prepayment of the Bond not less than 45 days prior to the date of redemption. Unless waived by the registered owner of the Bond to be redeemed, official notice of any such redemption and prepayment shall be given by the Bond Registrar on behalf of the Village by mailing the redemption notice by registered or certified mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Bond 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 at least the information as follows:

- (1) the redemption date and the amount of the Bond to be redeemed;
- (2) the redemption price;

(3) a statement that on the redemption date the redemption price will become due and payable upon such Bond or portion so redeemed and that interest thereon shall cease to accrue from and after said date; and

(4) the place where such Bond is to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Bond Registrar;

Prior to any redemption date, the Village shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of the Bond or portion so redeemed. Official notice of redemption having been given as aforesaid, the Bond or portion so 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 Bond or portion so redeemed shall cease to bear interest. Upon surrender of the Bond for redemption and prepayment in accordance with said notice, such Bond or portion so redeemed shall be paid by the Bond Registrar at the redemption price. A notation of any partial prepayment shall be made upon a schedule attached to the Bond.

Section 5. Amendment. The rights and obligations of the Village and of the owners of Outstanding Bonds may from time to time be modified or amended by a supplemental ordinance adopted by the Board with the written consent of the registered owners of not less than 2/3 of the principal amount of all Outstanding Bonds affected (excluding any of said bonds owned by or under the control of the Village); *provided, however,* that no such modification or amendment shall extend or change the maturity of or date of redemption prior to maturity, or reduce the interest rate or premium on, or permit the creation of a preference or priority of any Outstanding Bond or Outstanding Bonds over any other Outstanding Bond or Outstanding Bonds, or otherwise alter or impair the obligation of the Village to pay the principal of and interest and

premium on any of the Outstanding Bonds at the time, place, rate, and in the currency provided therein, or alter or impair the obligations of the Village with respect to registration, transfer, exchange or notice of redemption of Bonds, without the express consent of the registered owners of all the Outstanding Bonds affected; nor shall any such modification or amendment reduce the percentage of the registered owners of Outstanding Bonds of each lien priority affected required for the written consent to such modification or amendment without the consent of the registered owners of all of the Outstanding Bonds affected. Ownership of Bonds for purposes of consent by the registered owners of the Bonds thereof shall be conclusively proved by the Bond Register. In obtaining or receiving the consents of registered owners, the Village may establish reasonable rules of procedure including, without limitation, rules relating to (i) a record date to fix the registered owners who are entitled to vote, (ii) solicitation of proxies and (iii) a meeting of the registered owners for the taking of actions. The registered owners of Bonds may vote their Bond interest in fractional shares. In the event that Bonds are registered in the name or names of nominees or depositories, consent of such owners by proxy in accordance with the applicable customs of the securities industry or rules of the Securities and Exchange Commission, Municipal Securities Rulemaking Board or other association or agency having jurisdiction shall be sufficient.

Section 6. 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, as they may determine, 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 7. Registration and Transfer of Bonds; Persons Treated as Owners. The Village shall cause books (the Bond Register) for the registration and for the transfer of all Bonds as provided in this Ordinance to be kept at the principal office of the Bond Registrar, who is hereby constituted and appointed the registrar of the Village for the each of the series of the Bonds, respectively. Any Bond may be transferred as a whole but not in part (but not exchanged), but only in the manner, subject to the limitations, and upon payment of the charges as set forth in this Ordinance. Upon surrender of such Bond at the principal office of the Bond Registrar, accompanied by a written instrument or instruments of transfer 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 Bond Registrar shall register the Bond in the name of the new registered owner on the registration grid provided therein, and shall also enter the name and address of the new registered owner in the Bond Register. The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the 15th day of the calendar month preceding an interest payment date on such Bond to the opening of business on such interest payment date or during the period of 15 days preceding the giving of

notice of redemption of Bonds of the same series or to transfer or exchange any Bond all or a portion of which has been called for redemption. 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. 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 the owner's 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.

Section 8. Form of Bond. The Bonds shall be in substantially the form hereinafter set forth.

THIS BOND IS TRANSFERABLE ONLY AS A WHOLE.

REGISTERED
BOND NUMBER:
ONE

AUTHORIZED MAXIMUM
FACE AMOUNT:
\$ _____

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
THE COUNTY OF COOK
VILLAGE OF NILES
SALES TAX REVENUE BOND
FIRST IEPA SERIES**

KNOW ALL PERSONS BY THESE PRESENTS that the Village of Niles, Cook County, Illinois, a municipality, home rule unit, 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, solely from the Sales Taxes of the Village as hereinafter set forth and defined and not otherwise, the Outstanding Principal Amount of this Bond. The “*Outstanding Principal Amount*” is that amount, not to exceed the Face Amount of this Bond as set forth above, shown as advanced from time to time and received by the Village for value, as is noted on this Bond in the form of Advances for Value hereon. The Outstanding Principal Amount is subject to reduction for redemption and prepayment thereof as hereinafter provided. And the Village promises to pay from such account and fund, and not otherwise, interest on the Outstanding Principal Amount at the rate of ____% per annum. The Outstanding Principal Amount of this Bond shall become due and payable pursuant to the schedule of repayment (the “*Repayment Schedule*”) set forth herein and determined in accordance with the Loan Agreement hereinafter defined.

This Bond shall bear interest on the Outstanding Principal Amount from time to time at the rate aforesaid, in each case from the time advanced until paid or duly provided for, such interest computed on the basis of a 365-day or 366-day year, as applicable, and being payable on the dates provided in the Repayment Schedule. The interest on and all installments of principal

of this Bond shall be payable in lawful money of the United States of America upon presentation at the office of the Village Treasurer, Village Hall, Niles, Illinois, as bond registrar and paying agent; *provided, however,* that so long as any agency of the State of Illinois or of the U.S. Government or a financial institution is the Registered Owner as shown by the Bond Register, then such payments shall be made by check or draft of the Bond Registrar to the Registered Owner, which check or draft shall be payable in lawful money of the United States of America, and mailed not less than four business days prior to the date when due to the address of the Registered Owner as set forth in the Bond Register, or at such other address as is furnished in writing to the Bond Registrar; but, *provided, further,* that the final installment of principal and interest, when due, shall only be payable upon presentation of this Bond.

This Bond and the installments hereon are subject to redemption and prepayment prior to maturity, at the option of the Village, in whole or in part, and if in part in integral multiples of \$1,000, and applicable to installments in the inverse order of maturity or as otherwise agreed by the Village and the holder of the Bond at such time, from any available funds, on any date, at the redemption price of par plus accrued interest to the date fixed for redemption.

Unless waived by the registered owner of the Bond to be redeemed, official notice of any such redemption and prepayment shall be given by the Bond Registrar on behalf of the Village by mailing the redemption notice by registered or certified mail not less than 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Bond 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 at least the information as follows:

- (1) the redemption date and the amount of the Bond to be redeemed;
- (2) the redemption price;

(3) a statement that on the redemption date the redemption price will become due and payable upon such Bond or portion so redeemed and that interest thereon shall cease to accrue from and after said date; and

(4) the place where such Bond is to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Bond Registrar.

Prior to any redemption date, the Village shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of this Bond or portion so redeemed.

Official notice of redemption having been given as aforesaid, this Bond or portion so 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) this Bond or portion so redeemed shall cease to bear interest.

Upon surrender of this Bond for redemption and prepayment in accordance with said notice, this Bond or portion so redeemed shall be paid by the Bond Registrar at the redemption price. A notation of any partial prepayment shall be made upon a schedule attached to this Bond.

This Bond may be transferred as a whole but not in part (but not exchanged), but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the hereinafter defined Ordinance. Upon surrender hereof at the office of the Bond Registrar, accompanied by a written instrument or instruments of transfer 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 Bond Registrar shall register this Bond in the name of the new Registered Owner on the registration grid provided herein, and shall also enter the name and address of the new registered owner in the Bond Register.

The Bond Registrar shall not be required to transfer this Bond during the period from the close of business on the 15th day of the calendar month preceding an interest payment date on this Bond to the opening of business on such interest payment date or during the period of 15 days preceding the giving of notice of redemption of this Bond or to transfer any Bond all or a portion of which has been called for redemption.

The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner hereof for all purposes, and payment of the principal of or interest hereon shall be made only to or upon the order of the Registered Owner hereof or the owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon this Bond to the extent of the sum or sums so paid.

This Bond is payable solely from the 0.25% increase in both the Village's Home Rule Municipal Service Occupation Tax and the Village's Home Rule Municipal Retailers' Occupation Tax pursuant to Ordinance No. 2012-04 of the Village (the "*Sales Taxes*"), as further defined in the Ordinance (as hereinafter defined). The Village is authorized to issued this Bond pursuant to Illinois Municipal Code, as supplemented and amended the provisions of Local Government Debt Reform Act of the State of Illinois, as supplemented and amended (the "*Reform Act*") and pursuant to its powers as a home rule unit in the State of Illinois (collectively, the "*Enabling Law*"), for the purpose of paying a part of the costs of a certain Project relating to construction of improvements to the waterworks and sewerage system of the Village. This Bond is issued pursuant to Ordinance Number 2015-51 passed by the Board on the 28th day of July, 2015 (the "*Ordinance*"), and pursuant to a Loan Agreement (the "*Loan Agreement*"), as authorized by the Ordinance, by and between the Village and the Environmental Protection Agency of the State of Illinois, as initial purchaser for value and Registered Owner hereof. Reference is hereby expressly made to the Ordinance and Loan Agreement 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 CONSTITUTE AN INDEBTEDNESS OF THE VILLAGE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

Under Enabling Law and the Ordinance, the Sales Taxes shall be deposited into a separate fund, which shall be used only and is hereby pledged for paying the principal of and interest on all bonds of the Village that are payable by their terms from the Sales Taxes.

This Bond is subject to and subordinate as to the lien on the Sales Taxes of (a) any Additional Revenue Bonds (as defined in the Ordinance) issued in the future from time to time, the provision for payment of each series of which may be made from the fund in which the Sales Taxes are deposited. In addition, bonds may be issued in the future to share in the Sales Taxes on a parity as to lien with this Bond.

The rights and obligations of the Village and of the Registered Owners hereof may from time to time be modified or amended by a supplemental ordinance adopted by the Board with the written consent of the Registered Owners of not less than 2/3 of the principal amount of all Outstanding Bonds affected (excluding any of said bonds owned by or under the control of the Village); *provided, however*, that no such modification or amendment shall extend or change the maturity of or date of redemption prior to maturity, or reduce the interest rate or premium on, or permit the creation of a preference or priority of any Outstanding Bond or Outstanding Bonds over any other Outstanding Bond or Outstanding Bonds, or otherwise alter or impair the obligation of the Village to pay the principal of or interest or redemption premium on any of the Outstanding Bonds at the time, place, rate and in the currency provided therein or alter or impair the obligations of the Village with respect to registration, transfer, exchange or notice of redemption of Bonds, without the express consent of the registered owners of all the Outstanding Bonds affected; nor shall any such modification or amendment reduce the percentage of the

registered owners of Outstanding Bonds of each lien priority affected required for the written consent to such modification or amendment without the consent of the registered owners of all of the Outstanding Bonds.

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 and that provision has been made for the collection of the Sales Taxes and the deposit of the Sales Taxes into the separate fund so designated, to pay the principal of and interest on all bonds of the Village which by their terms are payable from the Sales Taxes and to comply with all the covenants of the Ordinance.

THE INTEREST ON THIS BOND IS NOT TAX-EXEMPT UNDER THE PROVISIONS OF SECTION 103(c) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND THE REGISTERED OWNER HEREOF BY ACCEPTANCE OF THIS BOND ACKNOWLEDGES SUCH STATUS AND AGREES WITH THE VILLAGE NOT TO ASSERT ANY CLAIM TO THE CONTRARY.

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.

The tables and forms following the signatures on this Bond and entitled Advances for Value, Repayment Schedule, Prepayment Notation, and Registered Owner Notation are an integral part of this Bond as if in each case fully set forth at this place and are incorporated herein by this reference.

IN WITNESS WHEREOF the Village of Niles, Cook County, Illinois, by its President and Board of Trustees, has caused this Bond to be executed with the duly authorized manual or facsimile signature of its President and attested by the duly authorized manual or 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 date of authentication identified below.

President, Village of Niles
Cook County, Illinois

ATTEST:

Village Clerk
Village of Niles
Cook County, Illinois

[SEAL]

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 Sales Tax Revenue Bonds, First IEPA Series, of the Village of Niles, Cook County, Illinois.

VILLAGE TREASURER,
as Bond Registrar

Bond Registrar and Paying Agent:

Village Treasurer
Village Hall
Niles, Illinois

By _____
Signature

ADVANCES FOR VALUE

This Bond is valid to the amount set forth below, the aggregate of said amounts being its Outstanding Principal Amount (subject to reduction for installment payments and redemption and prepayment, as provided herein).

AMOUNT ADVANCED (\$)	DATE ADVANCED	SIGNATURE OF VILLAGE TREASURER
_____	_____	_____
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REPAYMENT SCHEDULE

PREPAYMENT NOTATION

This installments of principal on this Bond have been prepaid at the times and in the amounts set forth below, and the Repayment Schedule accordingly modified.

AMOUNT PREPAID (\$)	DATE PREPAID	SIGNATURE OF VILLAGE TREASURER
_____	_____	_____
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REGISTERED OWNER NOTATION

This Bond shall be registered on the Bond Register of the Village kept for the purpose by the Village Treasurer as Bond Registrar. The principal and interest on this Bond shall be payable only to or upon the order of the Registered Owner or such owner's legal representative.

No registration hereof shall be valid unless signed by the Bond Registrar.

DATE OF REGISTRATION	NAME OF REGISTERED OWNER	SIGNATURE OF BOND REGISTRAR
_____	State of Illinois Illinois Environmental Protection Agency	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
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_____	_____	_____

Section 9. Bonds Limited Obligations. The Bonds shall be payable solely from the Sales Taxes, and shall not constitute an indebtedness of the Village within the meaning of any constitutional or statutory limitation.

Section 10. Bond Fund. There is hereby created a special fund of the Village, which shall be held separate and apart from all other funds and accounts of the Village and shall be known as the “*Bond Fund*” (the “*Bond Fund*”). The purpose of the Bond Fund is to receive all moneys from the Sales Taxes appropriated for the payment of the Bonds. The Sales Taxes are to be transferred from the account maintained by the Village for the retention of all Sales Taxes as collected to the Bond Fund, in a timely manner to make all payments on the Bonds. The Bond Fund constitutes a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the Village by this Ordinance.

Sales Taxes on deposit in the Bond Fund shall be applied to the payment of interest and principal when due at maturity. 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 collect the Sales Taxes. The Village and its officers will comply with all present and future applicable laws in order to assure that the Sales Taxes, to the extent necessary, may be collected as provided herein and deposited into the Bond Fund

Section 11. General Covenants. The Village covenants and agrees with the holders and registered owners of the Outstanding Bonds that the Village will proceed with due diligence to construct the Project, will continue to collect the Sales Taxes, and will punctually perform all duties with respect thereto required by the Constitution and laws of the State of Illinois and the United States of America.

Section 12. Additional Bonds. The Village reserves the right to issue without limit additional bonds (“*Additional Bonds*”) from time to time payable from the Sales Taxes (including, but not limited to, Additional IEPA Bonds and Additional Revenue Bonds), or any portion thereof, and any such Additional Bonds shall either share ratably and equally in the Sales Taxes with the Bonds or shall be issued on a senior lien basis to the Bonds (as set forth in any Future Prior Lien Bond Ordinance); *provided, however*, that no Additional Bonds shall be issued except upon compliance with the provisions of the Enabling Law. Further, no Additional Revenue Bonds shall be issued unless the ordinance authorizing the Additional Revenue Bonds includes the debt service on the Bonds in the calculation of debt service coverage (for purposes of any coverage tests) to the same extent as the debt service on the Additional Revenue Bonds, notwithstanding that such Additional Revenue Bonds may have a right to payment from the Sales Taxes on a basis which is senior in priority to the right to payment from the Sales Taxes related to the Bonds

Section 13. Sale of Bonds. The Treasurer of the Village is hereby authorized to take all necessary action to have the Bonds prepared and executed and to deliver all necessary documents to complete the borrowing in accordance with the terms of the Loan Agreements. **Each Loan Agreement shall be executed on behalf of the Village by the President or other Designated Official, and thereupon, all of the provisions of this Ordinance shall become applicable.** Each Bond shall be issued, delivered and dated at the time or times and in the aggregate amount or amounts as the first disbursement of funds for the Project is made by the IEPA under one or more Loan Agreements; *provided, however*, that the Treasurer is authorized to release to the IEPA, in trust, signed undated Bonds at the time the Village requests such first payment, such Bonds to have an initial Advance for Value in the amount of such request, and authorize the IEPA to date such bonds and Advance for Value upon the delivery of funds in such amount. For

each subsequent Advance for Value, the Treasurer is authorized to release to the IEPA, in trust, the Bonds with the Advance for Value Tables signed and completed in the amount of the proposed advance, but undated, and to authorize the IEPA to date such Advance for Value upon the delivery of funds in such amount. Alternatively, as requested by the IEPA, the Treasurer is authorized to hold the Bonds, in trust, for the IEPA and enter the Advances for Value thereon in accordance with disbursements as actually made. The Treasurer shall act as Bond Registrar and keep a Bond Register showing at all times the name of the registered owner of the Bonds. To the extent permitted by law, and so long as the IEPA is the registered owner of any of the Bonds, the Village and this Ordinance shall be subject to the applicable Loan Agreements. It is hereby found and declared 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 contract so confirmed in this Ordinance to the IEPA for the purchase and sale of the Bonds.

Section 14. IEPA Tax-exemption Covenants. The IEPA has provided as a condition of the offering of the Loan Agreements and purchase of the Bonds that the Village make certain covenants substantially as set forth in the form of Certificate included as *Exhibit A* to this Ordinance, and the officers of the Village, including any of the Designated Officers, are hereby authorized to execute such certificate and deliver same to the IEPA. The Village acknowledges that tax-exempt bonds or other obligations (the “*IEPA Program Bonds*”) have been or will be issued by or for the benefit of the IEPA to provide funds for certain projects, including the Project as defined herein, and that the IEPA may pledge the obligations of the Village under the Bonds to such IEPA Program Bonds.

Section 15. Use of Proceeds. The proceeds derived from the sale and delivery and advances made from time to time from the IEPA shall be used solely and only to pay eligible

costs of the Project as provided in a Loan Agreement or to reimburse the Village for such costs as previously advanced, all in accordance with the terms of each Loan Agreement.

Section 16. Provisions a Contract. The provisions of this Ordinance shall constitute a contract between the Village and the holders and registered owners of the Outstanding Bonds; and no changes, additions, or alterations of any kind shall be made hereto, except as herein provided, so long as there are any Outstanding Bonds.

Section 17. 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 Sales Taxes and shall no longer have the benefits of any covenant for the holders or registered owners of Outstanding Bonds as set forth herein.

Section 18. 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 19. Superseder. All ordinances, resolutions or orders, or parts thereof, in conflict with the provisions of this Ordinance are to the extent of such conflict hereby superseded.

Section 20. Publication and Effective Date. This Ordinance shall be published in pamphlet form and shall be effective immediately upon publication.

PASSED by the President and Board of Trustees on July 28, 2015.

APPROVED BY THE PRESIDENT: July 28, 2015.

President

AYES: 6 Alpogianis, Jekot, LoVerde, Matyas, McCreery, Strzelecki

NAYS: 0

ABSENT: 0

PUBLISHED in pamphlet form by authority of the President and Board of Trustees on July 28, 2015.

RECORDED in the Village Records on July 28, 2015.

ATTEST:

Village Clerk

[SEAL]

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATION OF AGENDA, ORDINANCE AND MINUTES

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Niles, Cook 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 “*Board*”) thereof.

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the legally convened meeting (the “*Meeting*”) of the Board held on the 28th day of July, 2015 insofar as same relates to the adoption of an ordinance numbered 2015-51 and entitled:

AN ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUE OF NOT TO EXCEED \$8,000,000 SALES TAX REVENUE BONDS, IEPA SERIES, IN ONE OR MORE SERIES, OF THE VILLAGE OF NILES, COOK COUNTY, ILLINOIS, FOR THE PURPOSE OF CONSTRUCTING IMPROVEMENTS TO THE EXISTING WATERWORKS AND SEWERAGE SYSTEM OF SAID VILLAGE, PRESCRIBING ALL THE DETAILS OF SAID BONDS, AND PROVIDING FOR THE COLLECTION, SEGREGATION AND DISTRIBUTION OF CERTAIN SALES TAXES OF SAID VILLAGE.

(the “*Ordinance*”) a true, correct and complete copy of which Ordinance as adopted at the Meeting appears in the foregoing transcript of the minutes of the Meeting.

I do further certify that the deliberations of the Board on the adoption of the Ordinance were taken openly; that the vote on the adoption of the Ordinance was taken openly; that the Meeting was held at a specified time and place convenient to the public; that notice of the Meeting was duly given to all of the news media requesting notice of the Meeting; that an agenda (the “*Agenda*”) for the Meeting was posted at the location where the Meeting was held and at the principal office of the Board at least 48 hours in advance of the holding of the Meeting and, further, not later than 5:00 p.m. on Friday, July 24, 2015; that the Agenda remained so

continuously posted until the adjournment of the Meeting; that the Agenda contained a separate specific item concerning the proposed adoption of the Ordinance; that a true and complete copy of the Agenda is attached hereto; that the 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 Board has complied with all of the applicable provisions of said Act and its own procedural rules in the adoption of the Ordinance.

IN WITNESS WHEREOF I have hereunto affixed my official signature and the seal of the Village this 28th day of July, 2015.

Village Clerk

[SEAL]

[Attachments: Ordinance, Minutes, Agenda]