

VILLAGE OF SAUK VILLAGE
COOK AND WILL COUNTIES, ILLINOIS

ORDINANCE NO. 07-36

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF (1) NOT TO EXCEED \$5,500,000 GENERAL OBLIGATION CAPITAL APPRECIATION BONDS (ALTERNATE REVENUE SOURCE), SERIES 2007A, (2) NOT TO EXCEED \$1,450,000 GENERAL OBLIGATION BONDS (ALTERNATE REVENUE SOURCE), SERIES 2007B, AND (3) NOT TO EXCEED \$850,000 GENERAL OBLIGATION BONDS (ALTERNATE REVENUE SOURCE), SERIES 2007C OF THE VILLAGE OF SAUK VILLAGE, COOK AND WILL COUNTIES, ILLINOIS, FOR THE PURPOSE OF FUNDING CERTAIN CAPITAL COSTS OF THE VILLAGE

ADOPTED BY THE
MAYOR AND BOARD OF TRUSTEES
OF THE
VILLAGE OF SAUK VILLAGE

THIS 15TH DAY OF MAY, 2007

Published in pamphlet form by authority of
the Mayor and Board of Trustees of the
Village of Sauk Village, Cook and Will
Counties, Illinois this 15th day of May, 2007

TABLE OF CONTENTS

ARTICLE I	RECITALS	1
ARTICLE II	INCORPORATION OF PREAMBLES	7
ARTICLE III	AUTHORIZATION	7
Section 3.1	Authorization of the Bonds.....	7
Section 3.2	Bond Details	8
Section 3.3.	Registration of Bonds; Persons Treated as Owners.....	9
ARTICLE IV	GLOBAL FORM; SECURITIES DEPOSITORY	10
ARTICLE V.	REDEMPTION.....	12
Section 5.1	General.....	12
Section 5.2	Redemption Procedure.....	13
ARTICLE VI	FORM OF BONDS	18
Section 6.1	Form of Series 2007A Bonds	19
Section 6.2	Form of Series 2007B Bonds.....	23
Section 6.3	Form of Series 2007C Bonds.....	29
ARTICLE VII	SALE OF BONDS.....	35
ARTICLE VIII	PLEDGE OF ALTERNATE REVENUE SOURCE.....	35
Section 8.1	2007A Bonds	35
Section 8.2	2007B Bonds	35
Section 8.3	2007C Bonds	37
ARTICLE IX	TAX LEVY	38
Section 9.1	General.....	38
Section 9.2	Abatement of Pledged Taxes with Respect to the Bonds	39
ARTICLE X	SECURITY FOR THE BONDS; ESTABLISHMENT OF FUNDS	40
Section 10.1	Security	40

Section 10.2	Impact Fees and Other Related Revenues Fund	41
Section 10.3	Emergency Telephone Services Fees Fund	42
Section 10.4	Fire Equipment Taxes Fund.....	44
Section 10.5	Utility Taxes Fund	46
Section 10.6	Bond Funds – Accounts.....	47
Section 10.7	Project Funds	52
Section 10.8	Creation of Funds	54
Section 10.9	Investments	54
ARTICLE XI	TAX REPRESENTATION	55
Section 11.1	General Tax Covenants.....	55
Section 11.2	Qualified Tax-Exempt Obligations.....	56
ARTICLE XII	BOND REGISTRAR.....	56
Section 12.1	Registered Form.....	56
Section 12.2	List of Registered Owners	57
Section 12.3	Duties of Bond Registrar	57
ARTICLE XIII	AMENDED AND SUPPLEMENTAL BOND ORDINANCES	57
Section 13.1	Supplemental Bond Ordinances Effective Upon Filing	57
Section 13.2	Restrictions on Amendments and Supplements	58
Section 13.3	Adoption and Filing of Supplemental Bond Ordinances.....	60
Section 13.4	Authorization to Trustee	60
Section 13.5	Mailing.....	61
Section 13.6	Contracts or Indentures.....	61
ARTICLE XIV	REMEDIES ON DEFAULT	61
Section 14.1	Powers of Trustee	61
Section 14.2	Events of Default	61

Section 14.3	Enforcement by Trustee.....	62
Section 14.4	Representation of Bondholders by Trustee.....	62
Section 14.5	Limitation on Powers of Trustee	63
Section 14.6	Action by Trustee	63
Section 14.7	Accounting and Examination of Records after Default.....	64
Section 14.8	Priority of Payments After Default.....	65
Section 14.9	Remedies Not Exclusive.....	66
Section 14.10	Effect of Waiver and Other Circumstances	66
Section 14.11	Notice of Default	66
ARTICLE XV	THE TRUSTEE.....	67
Section 15.1	Appointment	67
Section 15.2	Responsibilities of Trustee	67
Section 15.3	Funds Held in Trust	68
Section 15.4	Evidence on Which Trustee May Act.....	68
Section 15.5	Compensation and Expenses	69
Section 15.6	Resignation	69
Section 15.7	Removal.....	69
Section 15.8	Appointment of Successor.....	69
Section 15.9	Transfer of Rights and Property to Successor	70
Section 15.10	Merger or Consolidation.....	71
Section 15.11	Adoption of Authentication	71
Section 15.12	Certain Permitted Acts.....	71
ARTICLE XVI	BOND INSURER.....	72
ARTICLE XVII	MISCELLANEOUS	72
Section 17.1	Continuing Disclosure Undertaking	72

Section 17.2	Supplemental Documents	73
Section 17.3	Severability	73
Section 17.4	Repealer and Effective Date	73

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF (1) NOT TO EXCEED \$5,500,000 GENERAL OBLIGATION CAPITAL APPRECIATION BONDS (ALTERNATE REVENUE SOURCE), SERIES 2007A, (2) NOT TO EXCEED \$1,450,000 GENERAL OBLIGATION BONDS (ALTERNATE REVENUE SOURCE), SERIES 2007B, AND (3) NOT TO EXCEED \$850,000 GENERAL OBLIGATION BONDS (ALTERNATE REVENUE SOURCE), SERIES 2007C OF THE VILLAGE OF SAUK VILLAGE, COOK AND WILL COUNTIES, ILLINOIS, FOR THE PURPOSE OF FUNDING CERTAIN CAPITAL COSTS OF THE VILLAGE

ARTICLE I

RECITALS

WHEREAS, the Village of Sauk Village (the "Village") has heretofore been duly organized as a municipality and is now operating under the provisions of the laws of the State of Illinois, and is now operating under the provisions of the Illinois Municipal Code, and all laws amendatory thereof and supplementary thereto (the "Municipal Code"); and

WHEREAS, the Board of Trustees (the "Board") has determined that it is advisable, necessary and in the best interest of the Village, in order to promote and protect the public health, welfare, safety and convenience of the residents of the Village, to construct a municipal building and related site, infrastructure, and landscaping improvements and to pay administrative and capital expenditure costs, and to obtain other services necessary, useful or advisable and incidental; and to pay bond discount, interest, reserve, legal, other financing and related administrative fees in relation to such municipal building and related costs (the "Community Center Project"); to rehabilitate the Village's dispatch center and acquire related capital equipment and to obtain other services necessary, useful or advisable

and incidental; and to pay bond discount, interest, reserve, legal, other financing and related administrative fees, as well as capitalized interest in relation to such dispatch center and related costs (the "Dispatch Center Project"); to finance, refinance or reimburse the Village for capital equipment for the Fire Department and to obtain other services necessary, useful or advisable and incidental; and to pay bond discount, interest, reserve, legal, other financing and related administrative fees, as well as capitalized interest in relation to such capital equipment and related costs (the "Fire Equipment Project") (collectively, the "Projects"); and

WHEREAS, the total estimated cost of the Projects is not to exceed an aggregate amount to be funded from proceeds produced pursuant to this Bond Ordinance of \$7,800,000 (with a not to exceed amount of \$5,500,000 of that total associated with the Community Center Project; and a not to exceed amount of \$1,450,000 of that total associated with the Dispatch Center Project; and a not to exceed amount of \$850,000 of that total associated with the Fire Equipment Project), and there are insufficient funds on hand and lawfully available to pay such costs; and

WHEREAS, it is necessary and for the best interests of the Village that the Projects be provided for and in order to raise the funds required for such purposes it will be necessary for the Village to borrow money and in evidence thereof to issue alternate bonds in three (3) series, being general obligation bonds payable from certain revenue sources as described herein, in an amount not to exceed \$5,500,000, for the General Obligation Capital Appreciation Bonds (Alternate Revenue Source) Series 2007A (the "Series 2007A Bonds"), \$1,450,000 for the General Obligation Bonds (Alternate Revenue Source), Series 2007B (the "Series 2007B Bonds"), and \$850,000 for the General Obligation Bonds (Alternate Revenue Source), Series 2007C (the "Series 2007C Bonds"), and together with the Series 2007A Bonds and the Series 2007B Bonds, the "Bonds," all in accordance with the Local Government Debt Reform Act of the State of Illinois, as amended (the "Act"); and

WHEREAS, on August 3, 2004, the Village approved Ordinance No. 04-45 imposing an impact fee of \$0.35 per square foot on non-residential development and authorizing the Village to certify and impose additional impact fees based upon the gross square footage of nonresidential development, type of density or intensity of use, benefit to the Village, trip generation and other appropriate methodology which insures that the impact fees are roughly proportional to the impacts of new development on Village services and public facilities and the construction of required public facilities (the "Impact Fees); and

WHEREAS, the Village expects to receive revenues in connection with the continued development by DP Industrial, LLC ("DP") of approximately (450) acres of property located within the Village's TIF Number 3 as well as other commercial and/or industrial development that may occur in the Village; and

WHEREAS, the Village and DP anticipate that the Village will be entitled to other related revenues through the conversion of certain reductions of reimbursements of TIF expenses to DP by the Village associated with certain TIF Number 3 incremental tax revenues generated through the remaining life of TIF Number 3 that DP would otherwise be entitled to in connection with its development agreement with the Village. Such reductions of reimbursements are to be achieved, at the option of the Village, through its efforts to issue bonds in the future to pre-pay DP for the reimbursement of certain qualified expenses (the "Other Related Revenues" and together with the Impact Fees, the "Impact Fees and Other Related Revenues"); and

WHEREAS, the Impact Fees and Other Related Revenues qualify as a revenue source under the Act; and

WHEREAS, the Village imposes and collects certain taxes upon public utilities pursuant to Section 8-11-2 of the Illinois Municipal Code, as supplemented and amended, or substitute taxes

therefore as provided by the State of Illinois (the "Utility Taxes") that qualify as revenue sources under the Act; and

WHEREAS, the Village imposes and collects surcharges on billed subscribers of network connection provided by telecommunications carriers pursuant to the Emergency Telephone Systems Act, 50 ILCS 750/0.01, *et seq.*, (the "Emergency Telephone Services Fees"), which qualify as revenue sources under the Act; and

WHEREAS, the Village imposes and collects certain ad valorem property taxes for fire protection and ambulance services in the Village (the "Fire Protection Taxes") which qualify as revenue sources under the Act; and

WHEREAS, the Village can pledge the Impact Fees and Other Related Revenues with respect to the Community Center Project, the Utility Taxes and the Emergency Telephone Services Fees with respect to the Dispatch Center Project, and the Utility Taxes and the Fire Protection Taxes with respect to the Fire Equipment Project, respectively, as revenue sources under the Act; and

WHEREAS, for the purpose of providing funds to pay the cost of the Community Center Projects and in accordance with the provisions of the Act, the Board, on February 13, 2007, passed Bond Ordinance No. 07-15 (the "Series 2007A Authorizing Bond Ordinance"), authorizing the issuance of bonds as provided by the Act in an amount not to exceed \$7,500,000; and

WHEREAS, for the purpose of providing funds to pay the cost of the Dispatch Center Project and Fire Equipment Project and in accordance with the provisions of the Act, the Board, on February 13, 2007, passed Bond Ordinance No. 07-16 authorizing the issuance of bonds as provided by the Act in an amount not to exceed \$2,300,000 (the "Series 2007B and 2007C Authorizing Bond Ordinance" and, together with the Series 2007A Authorizing Bond Ordinance, the "Authorizing Bond Ordinances"); and

WHEREAS, on February 17, 2007, the Authorizing Bond Ordinances, together with notices in the statutory form, were published in *The Daily Southtown*, being a newspaper published in and of general circulation in the Village, and an affidavit evidencing the publication of the Authorizing Bond Ordinances and said notices have heretofore been presented to the Board and made a part of the permanent records of the Board; and

WHEREAS, more than thirty (30) days have expired since the date of publication of the Authorizing Bond Ordinances and said notices, and no petition with the requisite number of valid signatures thereon has been filed with the Village Clerk of the Board requesting that the question of the issuance of the alternate bonds be submitted to referendum; and

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

WHEREAS, the Board is now authorized to issue alternate bonds in the amount of not to exceed \$5,500,000 to pay the cost of the Community Center Project, \$1,450,000 to pay the cost of the Dispatch Center Project, and \$850,000 to pay the cost of the Fire Equipment Project; and

WHEREAS, pursuant to and in accordance with the provisions of the Bond Issue Notification Act of the State of Illinois, as amended 30 ILCS 352/1, *et seq.*, on March 20, 2007, the President issued an Executive Order calling two public hearings (the "Hearings") for the 10th day of April, 2007, the first concerning the intent of the Board to sell the Series 2007A Bonds and the second concerning the intent of the Board to sell the Series 2007B and Series 2007C Bonds; and

WHEREAS, notices of said Hearings were given by (i) publication at least once not less than seven (7) nor more than twenty-one (21) days before the Hearings by publication in *The Daily Southtown*, the same being a newspaper of general circulation in the Village, and were not placed in the

legal notice or classified advertisement sections of said newspaper, and (ii) by posting at least forty-eight (48) hours before the Hearings a copy of said notice at the principal office of the Board; and

WHEREAS, the Hearings were held on April 10, 2007, and at the Hearings the Board explained the reasons for the proposed bond issue and permitted persons desiring to be heard an opportunity to present written or oral testimony within reasonable time limits; and

WHEREAS, the Hearings were finally adjourned on April 10, 2007; and

WHEREAS, the Series 2007A Bonds, Series 2007B, and Series 200C Bonds will be payable from the Series 2007A Pledged Revenues, the Series 2007B Pledged Revenues, and the Series 2007C Pledged Revenues, respectively, and the Series 2007A Pledged Taxes, the Series 2007B Pledged Taxes, and the Series 2007C Pledged Taxes, respectively, as hereinafter defined; and

WHEREAS, the Board will determine in the Bond Determination that the Series 2007A Pledged Revenues, the Series 2007B Pledged Revenues, and the Series 2007C Pledged Revenues will provide in each year, an amount not less than 1.25 times debt service of the Series 2007A Bonds, the Series 2007B Bonds and the Series 2007C Bonds, respectively, proposed to be issued; and

WHEREAS, such calculation with respect to the Series 2007A Bonds will be supported by the report for the Series 2007A Bonds provided by Kane, McKenna Capital, Inc. (the "Report"), and such calculation with respect to the Series 2007B Bonds and Series 2007C Bonds is supported by the most recent audit of the Village and will be supplemented and supported by reports provided by Kane, McKenna, Capital, Inc. for the Series 2007B Bonds and the Series 2007C Bonds (the "Series 2007B Report" and the Series 2007C Report, respectively), as provided in the Bond Determination (as defined herein).

NOW, THEREFORE, Be It Ordained by the Mayor and Board of Trustees of the Village of Sauk Village, Cook and Will Counties, Illinois, as follows:

On The Individual Poll And Voice Vote Of The Board Of Trustees:

AYE VOTES: TRUSTEES BURGESS, HANKS, SCHULTZ, SLAWNIKOWSKI, WILLIAMS

NAY VOTES: NONE

ABSTAIN: TRUSTEE ANDERSON

ABSENT: NONE

SO PASSED, ADOPTED, APPROVED AND ENACTED IN AND AT THE VILLAGE OF SAUK VILLAGE, COUNTIES OF COOK AND WILL, STATE OF ILLINOIS, THIS 15TH DAY OF MAY, 2007 A.D.

APPROVED:


Roger Peckham, Village Mayor

ATTEST:


Elizabeth Selvey, Village Clerk

[SEAL]

Recorded in the Municipal Records: May 15, 2007

Published in pamphlet form: May 15, 2007